REDINGTON

crossing the bridge into Turkey

ANNUAL REPORT 2010 - 2011

living the brand vision

We are proud of our ability to add exceptional value to the Brands we support by innovating relevant strategies that not only add value but provide business solutions to the vendors and channel partners alike to enable them to conduct their business seamlessly and with minimal hitches.

Here is a snapshot of our success.
We are proud we are an end to end supply chain solutions provider.
We are proud we are the Brand behind Brands.
And we are especially proud we are 'Redington'.

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corporate information

board of directors

chairman	Prof. J Ramachandran
managing director	R Srinivasan
deputy managing director	Raj Shankar
whole-time director	M Raghunandan
directors	R Jayachandran Tu, Shu-Chyuan Huang Chi Cheng Steven A Pinto William Adamopoulos N Srinivasan
company secretary	M Muthukumarasamy
statutory auditors	M/s. Deloitte Haskins & Sells Chartered Accountants
internal auditors	M/s. Pricewaterhouse Coopers Chartered Accountants

bankers – india	ANZ Banking Group Limited Bank of Nova Scotia Barclays Bank PLC BNP Paribas Citibank N.A DBS Bank Limited Deutsche Bank AG HDFC Bank Limited Hongkong and Shanghai Banking Corporation Limited ICICI Bank Limited IDBI Bank Limited IndusInd Bank Limited ING Vysya Bank Limited Kotak Mahindra Bank Limited Standard Chartered Bank State Bank of India The Royal Bank of Scotland
bankers – overseas	Axis Bank, Dubai Bank of Baroda, Dubai Barclays Bank, Dubai BNP Paribas, Dubai BNP Paribas, Singapore Dubai Islamic Bank, Dubai Emirates Bank, Dubai First Gulf Bank, Dubai Hongkong and Shanghai Banking Corporation Limited, Dubai Hongkong and Shanghai Banking Corporation Limited, Singapore ICICI Bank, Bahrain Mashreq bank, Dubai National Bank of Fujairah, Dubai Standard Chartered Bank, Dubai Standard Chartered Bank, Singapore State Bank of India, Bahrain May Bank, Singapore UCO Bank, Singapore
registered office	SPL Guindy House 95 Mount Road, Guindy Chennai - 600 032, Tamil Nadu, India. Tel : +91 44 4224 3352, 4224 3353 Fax : +91 44 2235 2790
website	www.redingtonindia.com

message from the managing director

"On a consolidated basis, the company posted significant growth."

Revenue: 27%

EBITDA: 29%

PAT: 23%

Dear Shareholders,

May 10, 2011. The Millennium Broadway Hotel, New York was crowded with more than 100 enthusiastic 'buy' and 'sell' side analysts who were attending the Global Technology Distribution Council (GTDC) Investor Conference. Raj Shankar, Deputy Managing Director of your company and I participated in this conference. One of the presentations, 'Why Invest in an IT Distributor' captured in a nutshell the fundamentals of this business, namely strong performance and fiscal management, adaptability to market changes and the ability to capitalize on new opportunities. We told each other how true this is of Redington which more than any other Distributor, epitomizes these fundamentals.

Financial year 2011 was another year of good performance by your company. On a consolidated basis, the company posted significant growth - Revenue 27%, EBITDA 29% and PAT 23% over the previous year. To reward the shareholders, the Board of Directors has recommended a dividend of ₹ 1.10 per equity share of ₹ 2/- each (i.e. 55%) for the financial year ended March 31, 2011. Since the financial performance is discussed and reviewed at various places in this report, I wish to share with you some important aspects with regard to the year under review.

A significant event during the year was the purchase of 49.40% shares in ARENA BILGISAYAR SANAYI VE TICARET ANONIM SIRKETI, (Arena). It is your company's strategy to expand its geographical foot print in the Middle East and Africa. In these geographies, in emerging markets, we have established greenfield companies; in mature markets our strategy is to buy into existing companies whose ways of doing business is similar to ours. Arena in Turkey is in many ways like REDINGTON in the way they conduct their business, in their evolution and in the values they embrace. We see a good fit in Arena as also a great opportunity for growth not only in Turkey but in neighbouring countries as well.

The simultaneous launch of the iPad 2 from Apple in India by your company along with markets in Singapore and Hong Kong and similarly the launch of XBOX Kinect from Microsoft, as also the PlayBook from RIM, make us believe that we are a preferred partner for Brand owners for their global launches. Your company's strategy of focusing on the consumer segment of Technology Products has yielded very good results.

The year gone by saw a significant growth in the Smart Phone category in the mobile phone market. Your company's offering of Blackberry did extremely well and was a major contributor to the increasing share of the "Non- IT business". The increasing affluence in non-urban markets together with a range of models from Blackberry at different price levels positioned Blackberry as a smart phone of choice amongst the family and not merely as an office productivity device. In the coming years, we intend to add devices on the Android platform and have signed up with Huawei. Your company has also entered into an agreement with DELL for distributing smart phones in certain regional markets.

At the beginning of the fiscal year 2011 one of our major vendors, HP in India, restructured their 'go to market' strategy for their Personal Systems Group (PSG) products and inducted a large number of Telecom partners. With their new strategy, the market addressable by your company decreased. While we were apprehensive, we went along with the HP strategy but focused on the other brands in our portfolio. I am happy to share with you that despite a reduction in our business with HP in the PSG group we more than made up the shortfall and grew our total portfolio of other brands in this category.

Last year we informed you that we expected the Distribution Centre in Kolkata to have been completed by March 2011. Unfortunately this did not happen. We faced difficulties in mutating the land we had purchased and also in getting the conversion of the land for building a Distribution Centre. The process took longer than anticipated. I am now happy to share with you that the majority of the mutation and conversion approvals are in hand and work has commenced in Kolkata.

The Automated Distribution Centre in Dubai is fully operational and has helped in consolidating the many warehouses we had in the Jebel Ali Free Trade Zone. The new Distribution centre has also brought in operational efficiencies.

Over 45% of your company's revenue is from the Middle East, Turkey and Africa. With the "Spring Offensive" in Egypt, Tunisia, Libya and Bahrain, some of these countries slowed down in their demand and markets remained closed for many days. In the countries where we have presence our first priority was the safety of our employees. I must share with you the heroic work done by our employees in manning our Service Centre in Tripoli in the midst of gunfire, till we airlifted them and their families to Dubai. Your company has managed its affairs in the countries where there were protests and tensions very prudently. In our estimate we have not been exposed to any significant risk in our Receivables or Inventory on the ground. Inspite of all these events the business has had robust growth in the Middle East, Turkey and Africa.

It was another good year for Easyaccess Financial Services Limited (EAFSL). The model of providing extended trade finance to partners in the IT eco-system was well received by the market. EAFSL has increased its customer base by 50% and its disbursal by 47%. The company's after-tax profit grew by 48%. By having a robust risk management system in place, the company did not have any bad debts or overdue payments at the end of the fiscal year. EAFSL has proved to be a good enabler to the parent business.

In the last 18 years of operations in India we never felt any regulatory obstacles in the course of our business and we let our partners the world over know that India is not a difficult place to do business in. Alas in the last year, we felt a significant deterioration in the implementation of regulatory policies by the authorities that led to a number of litigatious situations for your company and a consequent rise in our contingent liabilities.

As we enter fiscal year 2012, our continued emphasis on adding new categories like Tablets, Smart Phones on different platforms, entering the content segment in the gaming business in India and the Middle East, focusing on the value business in the Middle East and Africa, will drive revenue and profit growth. In India, increasing Broadband connections will accelerate the sale of devices both in the urban and rural markets. The PC market in India predicted at 10-11 million units in the coming fiscal year is at a level where China was 7 years ago. Your company is well poised to capture these opportunities.

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 Promoter shareholders and other shareholders for their abiding trust in Redington and look forward to their continued support in the coming years.

With warm regards,

R Srinivasan
Managing Director
Chennai

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crossing the bridge into Turkey

It was a giant step for us. A footprint in Turkey. And it made us mighty proud. Proud about the company, the people, and the corporate culture - all so similar to what is essentially 'Redington' .

Our company signed a deal through our overseas subsidiary, Redington International Holdings, to invest US$ 42.5 million for a 49.40% stake in Arena, the second largest IT distributor in Turkey for US$ 42.5 million. The company is listed on the Istanbul Stock Exchange and generated sales of US$451 million in the last fiscal.

The move is in keeping with our company's strategy to explore opportunities in new markets and its aspiration of being a leading supply chain solutions provider in the emerging markets. Arena has over 300 staff working out of its two main branches in the cities of Izmir and Ankara and an office in Northern Ankara. It represents more than 400 vendors and sells through an impressive network of 7500 channel partners. It has the distinction of being viewed as one of the strongest distribution players in South East Europe. This investment will enhance our overseas business.

Creating the foothold in Turkey was no accident. It is rather a deliberate decision, the perusal of a long term internal vision (METACIS) for the Middle East, Turkey, Africa, and the 'STAN' countries. Our expansion strategy in the Middle East was organic by design and we took our time to replicate the existing Redington business model. Similarly in Africa we have a deep presence in the East and West and are actively pursuing plans to penetrate into the North. Unlike the approach we adopted in these regions, we clearly knew right from the start that our inroad into Turkey would be inorganic. A very mature market in its own right, Turkey has a suite of established players in the IT supply chain business and we knew that our strategy to establish the Redington presence in the country should be through an investment.

So how did we decide on Arena? We had two important considerations in choosing the company. First, we knew that we wanted a company that was founded on a value system similar to our own with an evolution that resembled ours. And we wanted a company that was professionally run with established processes, especially one that had earned the respect of vendors. We found what we were looking for in Arena. Their history closely resembled our own. Five shareholders had come together to establish the company and all of them remained with Arena till our investment in the company fructified. In fact the founder CEO and the CFO continue to remain with the company adding the value of their knowledge and experience to its everyday operations. Arena has been listed now for about ten years. It has an enviable reach in the market and sports a bouquet of brands. The company enjoys a glowing reputation amongst vendors and customers in setting itself apart from the pack.

As an investment Arena comes on top – accretive and additive and will tell a positive story on our consolidated balance sheet.

Jacky's

Carrefour

Jumbo Electronics

Virgin

Sharaf DG

who is the Redington customer?

Our company stands apart from the pack by providing differentiating service solutions up and down the supply chain, in some way or another touching every one in the chain from the vendor to the end consumer. So when we say the ‘Redington Customer’ – Who exactly is it? Is it the person we sell to or the one we give service to? Is it the vendor on the achievement of whose business objectives our company measures its own performance? Is it the channel partner with whom our company works assiduously to deepen geographic reach and product spread? Is it the supplier? The retailer, small and big, who markets to the end consumer? Is it the corporate, the enterprise or the government? Is it the end user himself? The one who’s passion for trends and technology circles back and impacts the vendor’s bottom line? On the face of it, it seems it could be all of them for they are important touch points on our company’s supply chain. But the real Redington customer? The channel partner and yes, the vendor himself.

Whether partner or vendor, our company believes strongly in nurturing the relationship and working closely together to meet brand aspirations – our own, the vendor’s and the channel partner’s. We are deliberate both in our approach and in making a commitment and rather than disappoint our customers with under performance, would prefer to under promise and over deliver.

The support our company offers a vendor in terms of its ‘Go to Market’ strategy is exceptional. Our company’s sales force is structured to meet the different business objectives and requirements of the brands we distribute. They are trained on the products of the brand they are assigned to and their performance measures and targets are aligned to the vendor’s business goals. They are relentlessly taught to be professional, live their promises to the customer, and exceed expectations through visible results. Our company encourages staff at all levels to make informed decisions within an established framework and to take relevant action to meet business goals.

It is noteworthy that we enjoy a transparent relationship with our channel partners. We ensure there is no hierarchy created within the channel and that every partner receives the same Redington treatment regardless of size. The terms and policies are one and the same for the small and big, and business decisions are based purely on the partner’s capability and credit worthiness.

We pride ourselves on being the brand behind brands and we go the extra mile for our customers to create visibility and reach for them.

Pentagon systems and services pvt. ltd.

Nesco

VDA Infosolutions

embee

Progression

CMS

TCS

Valuepoint

Lauren

CE computer exchange

Life computers

providing services - end to end

Committed to differentiating ourself from our peers in providing value to our stakeholders along the entire value chain, we took the step as early as 1994, to set up a comprehensive network of service centers across India, followed by others in the countries were we have a footprint. Through these we made a critical difference to our vendor partners as well as to the end user on the street. Redington Service, an independent business unit within our company, first started in Chennai and today provides consistently good quality of service across innumerable cities to our partners and customers alike through more than 100 owned service centers and partner service centers in multiple locations. Supported by specially trained and skilled manpower, tools and test equipment, robust systems, ISO compliant processes, and secured warehousing backed by logistics support, the service centers provide enviable reach and accessibility across the country.

Our service mantra is to exceed and not to just meet customer expectations. The basket of services we offer both in the IT and non IT sectors spans networking, computing, storage solutions and includes technical help desks, repair and refurbishing services, warehousing support, facility management services, and logistics services - in one way or another therefore touching the entire chain from the vendor to the user. Our service centers play a critical role in ensuring leading brands like Hewlett Packard, IBM, Samsung, Motorola and others can live up to their commitment of providing world class service to their customers across the Indian sub-continent. This is ample testimony to our company's capabilities and quality of service support. Not surprising then that we have been recognized as Authorized Support Partner by these brands for over a decade now.

Redington Service is ISO 9001-2008 certified in India and is committed to delivering exceptional value to our customers through continuous improvement of its systems and processes. We have a diverse and wide presence in several countries with deep IT and Telecom penetration. The Service Partner Network created by our company through a well defined evaluation process for identifying and appointing service partners touches 95% of the customer base. This ensures uniformity in resources, infrastructure, and standard operating procedures. The Partners are not involved in product sales and are bound by a relationship agreement, vendor specific service level agreements, and code of conduct. To ensure best in class service quality, training is conducted on a regular basis by our company or by our vendors, as applicable. Structured audits to ensure compliance with contractual norms and service deliverables are also conducted on a systematic basis.

We are one of the earliest service providers for mobile phones and smart phones. Mobile phone support services is a separate vertical within Redington Service as the support dynamics in this area differ from that of IT services. Today we offer services in more than 250 locations through our own as well as partner owned service centres.

Exclusive Smart Phone service centers with good ambience and amenities have been set up at prime locations in all major cities. We extend call centre support for product queries, technical support, warranty validation and support guidance for select brands.

We offer solution designing, product training, and on-site demos by vendor trained engineers. We offer remote support through voice and email to answer queries on technology, product and services. The partners can profit through the reach our service centers enable and can sell in extended territories. We also have the infrastructure, systems and processes to reach parts to them on a 24/7 basis.

Since our engagement begins at the requirement stage we are able to guarantee trouble free implementation and requirement fulfillment.

While the forward logistics is critical for customer satisfaction, reverse logistics is critical from a cost and inventory perspective for vendor and service provider. With our robust infrastructure we are able to meet agreed service levels even in a country like India which poses real challenges in terms of geographical spread, the number of locations, and regional and local state entry barriers where non availability of dependable national logistics service providers compounds the problem. In all our markets we have developed a network of connecting warehouses, and national and regional logistics service providers to support our requirements.

Environmental protection being an important aspect of Corporate Social Responsibility, we are trying to minimize eWaste by repairing and recycling parts whenever possible. As a first step we have setup a central repair facility in Chennai equipped with the latest test and repair tools and have trained qualified manpower to repair and recycle a wide range of parts and sub assemblies.

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the Redington lure

The Redington advantage from a vendor perspective is our company's distribution capability – inventory management, efficiency and reach, and the value it adds to the brand's business objectives at every stage of the supply chain. Consider for instance, procurement. Our company can gauge the pulse of the market and add value to a vendor by predicting geographic and product wise demand which helps him tremendously with his forecast.

Add to this the benefit of warehousing, contracts with logistics companies to ensure the products reach their destination, reverse logistics capability, and you have the Redington lure. Our premier inventory management, projection skills, logistics, and door step delivery means that any product that can be boxed and an SKU added, can be handled by our company.

And every brand we do business with rests confidently with this knowledge. A Redington sales manager is a vendor's own brand ambassador and will do what it takes to achieve targets attached to a product. This is a huge differentiator for Redington. Rather than being responsible for an account, sales managers in our company manage products and deepen sales. It is therefore not unusual for a channel partner to have more than 3 or 4 of our sales managers attached to him. Each is trained to sell on the strength of his own product without de-selling another brand product or influencing the partner's decision. The process is very transparent and brand confidentiality is sacrosanct ensuring there is no information flow about competing brands.

Confidentiality, transparency and trustworthiness are the cornerstones on which the Redington vendor relationship is founded. Each brand feels secure as it is sure that its objectives will be met.

Our company is after-sales neutral and provides top notch service to all brands – ones it distributes and even those it does not. Services are end to end – from call center to actual servicing of the product through owned and partner service centers and we offer post warranty, reverse logistics, and annual maintenance contracts. To ensure our smart phone customers get good service, we also have exclusive Blackberry service centers. In India we are the only distributor that sells unlocked Blackberry phones in the country.

India is an exciting and fierce market and brands are eager to tie up with distributors who can fill all their needs whether in marketing, advertising or in distribution. Redington steps in as the vendor's perfect choice.

catering to life style

Providing the perfect distribution landscape for its vendors in terms of reach and network, and indulging the younger generations' appetite for new technology, our company has some desirable brands on its product list - The just launched iPad 2, the PlayBook, The XBOX Kinect, and tablets like the Dell Streak and Acer Iconia – all iconic in their own right. With a near simultaneous release in global markets and in India, the Brands reposed tremendous faith in our capabilities to put the product in the hands of the end customer.

the Easyaccess story

Given that we are the second largest distributor of IT products in India with a network of over 20,000 channel partners and a product range of 75+ brands, and given the nature of our business – an integrated supply chain solutions provider – we committed ourself in 2008 to enabling our partners' growth by meeting their financial needs and facilitating extended credit for manufacturers, distributors, resellers and solution providers in the IT, ITES and Telecom space. We set up the wholly owned subsidiary, Easyaccess Financial Services, a Non-Banking Financial Company and India's first Company to cater to the IT industry's financial needs. Easyaccess enables our channel partners to meet their financing requirements with a variety of customized products and solutions like

- Extended finance to Trade
- Enterprise Finance
- A/R Management
- Project finance to System Integrators

Easyaccess is an independent company but plays a significant role in the eco-system in which our company operates. It leverages our supply chain knowledge, experience and customer insight to grow its business and in the last fiscal increased its customer base by nearly 50% and its disbursal by 47%. The company's profit after tax rose by an impressive 48%.

Channel partners typically use a 30 to 60 day credit from the vendor after which they tend to approach banks for financial assistance. Typically those seeking help have challenging credit ratings and traditional banks because of their rating norms are unable to extend them a credit facility. They then turn to the unorganized sector for want of an option, and manage to raise the funds. But this comes at a price as the steep interest rates they have to face eventually strangle them.

This is where Easyaccess steps in and provides them a solution by offering much needed credit to the resellers. The company has an operating cycle of 90 to 120 days. It provides money directly to the channel partners for them to not only carry on, but to even grow their business while at the same time ensuring better margins for our company.

As an end to end supply chain solutions provider, our company is always striving to add value up and down the value chain. Offering credit is perhaps the most important support a distributor can offer its partners and our company stands out as the only one to do so in the IT distribution business.

the Redington risk management strategy

Redington has in place a robust risk management process at all levels of its operation. There are several inherent risks associated with the supply chain business such as competition, inventory obsolescence, credit concentration, vendor relationship, narrow margins and geo political changes. Broadly our company categorizes risks as Strategic Risks, Business Risks, Finance Risks and Legal and Compliance Risks.

Given that we have over 25000 channel partners and that much of our sales closes with a 15 to 90 day credit period, risk on receivables is intrinsic in our business. But our credit policies and assessment procedures are stringent and we have a dedicated credit team that continuously monitors and evaluates dealer accounts. It is impressive that bad debts including provisions are less than 0.07% of sales for more than 10 years running. Our partners value our credit offering as it enhances their capacity to take on bigger business which would otherwise elude them. This combined with the strong relationship we have built with them mitigates our receivables risk.

Obsolescence, particularly because of rapid technological advancement, and price erosion are threats we face in managing our inventory of over 8000 SKUs efficiently. The fact that we cannot hold stock beyond a certain number of days in a warehouse and also cannot move it at will across locations because of local regulatory requirements, make inventory planning and forecasting for each warehouse very critical. Sales trends, local consumer demand, ageing of stock against laid out norms for the different product categories and sudden pricing drops for existing products are factors we have to closely watch.

We conscientiously cultivate a trustworthy relationship with our vendors and innovate better ways of adding value through the services we offer them. We do not miss an opportunity to increase our product offerings and welcome new vendor partnerships to mitigate vendor concentration risk. In the course of the last eighteen years, our company has developed a robust risk management framework for identifying, assessing, reviewing and mitigating business and operational risks.

Multi-functional team
To identify, capture, measure, monitor, manage and control various risks which confront our business

State-of-the-art ERP
Built in processes for Receivables Management, Warehousing Management, Inventory Control and quick decision making

Audit Process
In-depth review of all critical and vulnerable areas; periodic review by Internal and Statutory auditors

Management
Review of the Internal controls, systems and processes by the Audit committee and the Board of Directors

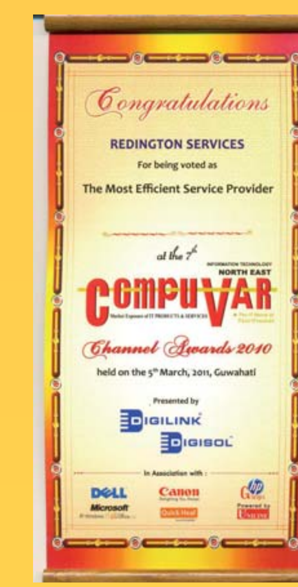
in recognition


Channel your Success
Best Overall Performance
This certificate is presented to:
Redington (Nigeria)
Western & Central Africa Sales Unit
for their excellent work and leading performance
in Sales and Distribution for 2H 2009
Chris Braam
Winner


Samsung Distribution Award – 2010


ITP Channel Awards 2011
Channel Executive of the Year


Best HP PSG Distributor
of the year 2010



showcasing a few of the many awards received…

five years at a glance

standalone financials

(₹ in crores)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07	CAGR
Total Revenue	8,329.06	6,459.88	6,071.64	5,780.27	4,717.53	15%
EBIDTA	249.92	201.60	173.87	148.25	101.76	25%
PBT	193.40	153.16	124.25	103.57	65.63	31%
Net Profit	128.44	99.46	80.69	67.11	42.42	32%
Networth	764.06	675.98	614.39	569.56	535.02	
Capital Employed	1,279.09	1,051.50	904.29	821.82	852.09	
EBIDTA / Revenue	3.00%	3.12%	2.86%	2.56%	2.16%	
PAT / Revenue	1.54%	1.54%	1.33%	1.16%	0.90%	
Return on Average Capital Employed *	33.57%	31.67%	31.20%	25.87%	19.85%	
Return on Average Equity *	49.59%	38.97%	29.76%	24.60%	17.91%	
EPS (₹) #	3.25	2.54	2.07	1.72	1.28	
Book Value per Share (₹) #	19.28	17.19	15.78	14.63	13.74	

For EPS per share calculation-weighted average number of equity shares have been considered. During the year 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 crores)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07	CAGR
Total Revenue	17,478.08	13,778.65	12,683.14	10,883.81	9,067.14	18%
EBIDTA	471.65	365.72	329.57	259.04	198.47	24%
PBT	351.00	275.92	219.02	177.06	127.25	29%
Net Profit	226.00	184.33	159.66	136.07	101.70	22%
Networth	1,189.59	1,075.72	1,002.20	721.49	625.61	
Capital Employed	3,120.55	2,464.85	2,226.51	1,505.44	1,226.88	
EBIDTA/Revenue	2.70%	2.65%	2.60%	2.38%	2.19%	
PAT/Revenue	1.29%	1.34%	1.26%	1.25%	1.12%	
Return on Average Capital Employed *	16.74%	16.25%	18.50%	18.86%	18.19%	
Return on Average Equity	22.35%	23.04%	22.54%	21.68%	21.27%	
EPS(₹) #	5.72	4.70	4.10	3.50	3.07	
Book Value Per Share (₹) #	30.02	27.36	25.74	18.53	16.07	

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

* Fixed deposits of USD 4.10 Mn (PY-50Mn) out of the investement from Investcorp is excluded. While calculating return on average capital employed and return on average equity, goodwill has been excluded/capital reserve has been included appropriately

Note:

Financials are post acquitision of the following entities - FY 06 (Redington Distribution Pte Ltd and Cadensworth (India) Ltd) , FY 08 (Easyaccess Financial Services Limited) and FY 11(Arena) .

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directors' report

To the Members,

Your Directors are delighted to present the Eighteenth Annual Report on your Company's business and operations together with the Audit Report and Audited Accounts for the year ended March 31, 2011.

Financial Highlights (₹ In Crore)

Particulars	Consolidated 2010-11	Consolidated 2009-10	Standalone 2010-11	Standalone 2009-10
Net Sales /Income from operations	17,458.54	13,757.75	8,316.01	6,449.61
Other Income	19.54	19.80	13.05	9.95
Total Revenue	17,478.08	13,777.55	8,329.06	6,459.56
Total Expenditure				
a) Cost of goods sold	16,521.04	13,033.14	7,864.04	6,085.26
b) Trading Expenditure	53.48	34.93	33.00	19.55
c) Staff Cost	206.57	165.50	83.10	79.78
d) Other Expenditure	225.34	178.25	99.00	73.37
Profit before Interest, Depreciation and Tax (EBIDTA)	471.65	365.73	249.92	201.60
Interest	96.09	66.38	43.05	33.04
Depreciation	24.56	23.43	13.47	15.40
Profit before Tax (PBT)	351.00	275.92	193.40	153.16
Provision for Taxation	86.23	63.90	64.96	53.70
Profit after Tax (PAT)	264.77	212.02	128.44	99.46
Minority Interest	38.77	27.69	nil	nil
Net Profit for the year	**226.00**	**184.33**	**128.44**	**99.46**

Previous year figures are re-grouped.

During the year under review there has been commendable growth on a consolidated basis - in terms of turnover by 26.85 %, EBIDTA by 28.96% and an interesting growth in PAT by 22.61% over the previous year.

Your Directors have made the following appropriations:

		(₹ in Crore)
Balance in Profit and Loss Account brought forward		232.95
Less: Dividend for the year 2009-10 including Dividend Distribution tax for additional equity shares allotted under the ESOP scheme after the closure of the financial year		0.13
		232.82
Add: Profit for the year 2010-11		128.44
Profit available for appropriation		361.26
Less: Proposed Dividend @ ₹ 1.10 per Equity Share of ₹ 2/- each (i.e 55%) for the year ended March 31, 2011	43.70	
Dividend Distribution Tax thereon	6.59	
Transfer to General Reserve	12.84	63.13
Balance in the Profit and Loss account to be carried forward		298.11

Dividend

Considering your Company's performance, the Directors are happy to recommend for approval of the Members a dividend of ₹ 1.10 per equity share of face value ₹ 2/- each of the Company for the financial year 2010-11.

Shareholders are aware that each share of face value of ₹10/- was sub-divided into five Equity Shares of ₹ 2/- each during the year. Effectively therefore the proposed dividend works out to ₹ 5.50 on the original face value of ₹10/- each.

Performance

Buoyed by your Company's strong Indian and Global performance, revenue grew by 27% demonstrating once again the consistent growth in profits. The Consolidated revenue of your Company was ₹17478.08 Crore as against ₹13777.55 Crore in the previous year with a CAGR of 18% for five years. The Consolidated net profit for the year under review was ₹226.00 Crore as against ₹184.33 Crore in the previous year with a CAGR of 22% for the last 5 years.

The Stand alone revenue of your Company was ₹ 8329.06 Crore as against ₹ 6459.56 Crore in the previous year (Year-on-Year growth 28.94%) and the profit after tax was ₹128.44 Crore as against ₹ 99.46 Crore in the previous year (Year-on-Year growth 29.14%).

The Earnings per Share (EPS) on a consolidated basis (based on weighted average number of shares) increased to ₹ 5.72 in the year under review as compared to ₹ 4.70 in the previous year, while EPS on standalone basis (based on weighted average number of shares) increased to ₹ 3.25 in the year under review as compared to ₹ 2.54 in the previous year.

Distribution Business

Information Technology

The Information Technology (IT) industry has been acknowledged as key to the continuing growth of India's economy and IT Distribution plays an important role in making technology and its products available to all sections of the Indian industry and society.

The IT Hardware, Software and Services business was estimated at approximately ₹ 80,000 Crores during FY 2010-11. This is estimated to grow to ₹ 125,000 Crores by FY 2013-14. The Hardware and Software Distribution business which is the domain of operations of your Company, was estimated at ₹ 37,000 Crore during FY 2010-11 and is estimated to grow to ₹ 56,000 Crore by FY 2013-14.

Your Company has now achieved a well-diversified vendor portfolio in all product categories and this allows your Company to withstand occasional disturbances in the distribution eco-system of specific vendors. Any drop in sales of a particular brand can be made up by taking advantage of the increased sales of a competing brand. The deep engagement of your company with competing brands of PCs and Laptops allowed it to neutralise the impact of changes in the distribution strategy brought in by HP during the last Financial Year.

Notebooks remain a major growth area for the IT industry and with HP, Lenovo, Samsung, Acer, Toshiba, Fujitsu, HCL and Wipro as vendors, your Company enjoys broad representation in all brand positions and price points and caters to approx 18% of the Notebook demand in the Distribution space. Total PC (Notebook and Desktops) demand is expected to grow at an average rate of 20% for the next 3 years.

"Infrastructure" investment in IT products by Central and State Governments towards achieving wider e-Governance has resulted in a huge requirement of IT products in this sector and your Company has partnered with large National System Integrators for several prestigious projects during the Financial Year under review. One of the major areas of government infrastructure investment is the ongoing project towards Accelerated Power Development and Reforms Programme (APDRP). This constitutes investments for modernizing all State Electricity Boards to enable them to accurately measure customer usage and distribution loss of electricity produced and transmitted. The total project expenditure in the distribution addressable space is expected to be in the region of ₹ 800 Crores and your Company has positioned itself to partner in at least 40% of this requirement.

Unique Identification (UID) Project has become a showcase for the Central Government in the e-Governance space. It is a "one-of-its-kind" project in the world and attempts to biometrically enroll the entire population of India in a time-bound manner. Headed by Nandan Nilekani, erstwhile CEO and CMD of Infosys, the basic aim of this project is to better target social sector investments. However, there are likely to be many spin-offs in areas requiring accurate and quick identification of individuals and it is expected that many Private, Central, and State Government services will be focused on the Indian citizen's UID Number. The total project cost is estimated to be ₹ 4000 Crores.

The core equipment required for this project is the Biometric Solution comprising the Fingerprint Capturing Device and the Iris Scan Device. The total requirement of such devices for the UID Project is estimated at 80,000 sets. In this context, a significant breakthrough has been achieved by your Company by signing up a Distribution Agreement with one of the leading brands for supply of the Biometric Solution. This has enabled your Company to be engaged in the landmark UID Project and will help it maintain a strong presence in all forthcoming projects requiring biometric identifications.

The wide range of products that your Company deals in helps it to manage shifts in the "usage pattern" of customers. Consequently in the Financial Year under review, although the assembled PC space continued to shrink as the price gap between assembled units and branded products reduced drastically, the slowdown in the sale of PC components by your Company was compensated by the simultaneous increase in its sale of branded products.

In order to better address the fast growing Tier 3 & Tier 4 cities, your Company decided to divide its market into two segments - INDIA-1, comprising of the top 10 territories which continue to generate more than 70% of your Company's revenue and INDIA-2, comprising of the remaining territories which are today growing at a rate which is much faster than INDIA-1. INDIA-2 is now handled by an exclusive senior resource who is tasked with addressing all human resource and business related issues in this territory. This additional focus is expected to allow your Company to fully capitalize on the growth momentum in the INDIA-2 market.

Consumer and Digital Lifestyle Products Division

Your Company's diversification and focus into the non-IT (Consumer and Digital Lifestyle Products) has started yielding significant results. With 14 major Consumer and Digital Lifestyle brands in its portfolio and a partner base of over 5000, your Company has carved out a strong presence in this space with a 146% growth in revenue during the last fiscal.

The Smartphone segment in India is one of the fastest growing segments in the Indian mobile phones industry and its demand is expected to accelerate from 6 million units during FY 10-11 to more than 50 million units by FY 13-14. The strategic tie-up with brand Blackberry has enabled your Company to efficiently tap into this rapid growth segment. Your Company has tied up with leading brands Acer, Dell and Huawei to include the Android smart phones in its portfolio and this will help it to enhance its presence and share in the smart phone segment.

The introduction of iPad by Apple has redefined the tablet category and has proved to be a "game changer" in other markets. Consumer demand for the iPad has in fact impacted the sales of conventional notebooks in developed markets and it is forecast that the Indian customer may not be any different. While the actual impact of iPad and other tablets is still to be measured in India, our position as Apple's leading distributor in the country will help us play a major role in fulfilling the tablet demand in the Indian market. This category is set to revolutionize the market due to its offering of an easy and stylish user experience. Further, your company's strong relationships with vendors like RIM, HP, Lenovo, Acer, Dell and Samsung, all of whom intend to launch a slew of tablet products in India, would help it maintain its strong presence across all technology platforms, brand positions and price points.

Your Company's exclusive tie-up with Microsoft's Xbox 360 continues to have a strong presence in the Indian Gaming segment. The Launch of Microsoft Kinect in India – which holds the Guinness record for the fastest selling consumer product globally – has spurred the demand in India too, for gaming consoles and your Company is able to effectively cater to this growing demand. The Consumer Durable products revenue maintained a high growth momentum with the addition of two new vendors – Pioneer & Voltas - to the existing bouquet of products from LG, Whirlpool and Godrej.

The continued exclusive tie-up with HP's "Indigo" Digital Printing Solutions has helped your Company maintain a share in the fast growing "Digital Photo Printing" segment. The overall Digital printing industry is showing signs of growth and the sizable installed base of Indigo machines in the country now enables your company to earn a healthy annuity income by way of "usage based payments".

Support Services Business

The fast growth in the IT hardware market is supplemented by an adequate support system to sustain the growth. Understanding the value of support services, your Company capitalized on the demand for good service providers. After-sales service has become an integral part of your Company's overall strategy when it comes to building loyalty, improving customer satisfaction and discovering new marketing opportunities. Your Company's service function has world class facilities and systems to provide Warranty and Post Warranty Support Services across the country through Remote, Carry-in and Onsite service delivery models. While competitors in a similar business space have faced challenges in achieving operational excellence, your Company exceeded committed targets accepted with vendors.

Through a network of 73 owned service centers and 273 Partner service centres your Company is poised to address a widespread market touching every nook and corner of the country. Your Company supported by the Spare Parts Management System (SPMS) and the Call Management System and Service On Line (SOL) seamlessly manages complex operations with more than 100,000 part transactions per month. Your Company's High Level Repair Centres (HLRCs) are strategically positioned at Delhi, Mumbai and Chennai to carry out component level repairs for smart phones, other mobile phones and fixed wireless devices. During the financial year under review, your company started providing pre-sales support services to Partners and customers of Cisco, Avaya, EMC and RSA for Networking, Storage and Security products. Netapp, a leading Storage products brand has appointed your company as Authorized Implementation and Support Partner.

Your company has been appointed by HP as an exclusive Neutral Support Partner for TSD Dispatch Support for the East Zone of India. As part of this support agreement your company opened 20 dedicated service centers in East and North East India.

Keeping in line with the rapid growth of Blackberry Smart Phone sales and customer requirements, your company opened 9 new exclusive Service Centers in major cities, apart from 73 centres spread across the country. Apple appointed your company as an authorized service partner to support iPhone, iPad, iPod and Mac Books.

Third Party Logistics (3PL) Services

The economic slowdown compelled many vendors to resort to effective ways of handling inventory and its related cost. There is an increased preference for Third Party Logistics (3PL) service providers like your Company for effectively fulfilling their logistics requirements in a cost effective manner. Being a supply chain service provider, your Company understands the varied requirements of different clients and has successfully offered its services to several new customers like EC Media International, Socomec UPS, Dorma India, Tower Vision, Lenovo and Ncomputing during the year under review.

Automated Distribution Centres (ADC)

The ADC at Chennai has been operational since Q2 of FY 09-10 (last financial year). It facilitates an extensive inventory of products with improved operational efficiency to meet the requirements of the company and its 3PL clients throughout the year by keeping their products on the move without any delay. The construction of the ADC in Kolkata will commence during the current financial year. In recognition of your Company's unmatched service, TUV NORD has awarded ISO 9001 2008 Certification for the Chennai ADC for deploying the best management system for providing warehousing and distribution for various products.

The Automated Distribution Center (ADC) at Dubai (second in the company's history, after Chennai ADC) has started functioning effective September 2010. With a 95,000 sq. ft. warehouse space, the ADC is strategically located just 20 minutes from the upcoming Al Maktoum International Airport in Jebel Ali Free Zone. The ADC is fully equipped with 16 metre High Racking System with Very Narrow Aisle Technology (VNA) and Material Handling Equipments (MHE). The new Logistics Centre has many advanced features like Radio Frequency Identification (RFID) and is completely WiFi enabled. Your Company is the first company in the Middle East to implement the Task Resource Management (TRM), an integrated module of SAP.

Subsidiary Companies

The Financial year 2011 has been a favourable year for your Company's subsidiaries not only in India but also abroad. Despite difficulties posed by the economic recession around the world, your Company's Indian and Overseas subsidiaries contributed remarkably to the overall growth of your Company.

<u>Indian Subsidiaries</u>

Easyaccess Financial Services Limited (EAFSL), the Non-Banking Finance Company (NBFC) is engaged in providing trade finance to your Company's channel partners. EAFSL has posted good results registering a 48% growth in profits. The company enjoys 'P1+' (read as P one plus) rating for short term debt from CRISIL. During the course of the year the company also provided trade finance to certain other verticals other than IT.

Nook Micro Distribution Limited (Nook Micro), is focused on addressing the *"Last mile of Distribution"* with Regional Distribution as its key thrust area. During FY 11, Nook Micro has embarked on its journey with in-depth distribution across South India. In Tamil Nadu it addresses over 500 Channel Partners in 75 towns across 29 districts.

With increasing demand for digital devices there is a growing opportunity to reach these products efficiently at a competitive supply chain cost. Nook Micro is positioned to be the preferred intermediary to bridge the gap between national distributors, vendors, retailers and assemblers. To strengthen the financial position of Nook Micro, your Company has invested a sum of ₹ 3.95 Crores in the equity of the Company.

Cadensworth (India) Limited (Cadensworth), engaged in the business of Support Services has shown improved performance during the financial year under review. Cadensworth has tied up with Kodak India Private Limited for Scanner Board Repair Services and Parts Logistics Services for its document imaging solution. The support service business for critical parts being provided on behalf of M/s. Flash Global Logistics for their clients in India, looks promising. Cadensworth has retained the ISO 9001: 2008 Certification this year.

Overseas Subsidiaries

Your Company's overseas subsidiaries had another year of good growth in revenues and profitability. Your Company's Middle East, Turkey and Africa operations which constitute over 45% of the consolidated revenue faced social and political upheavals in some of their markets. There were security issues in the North Africa region, pitched battles in the streets and regime changes in certain countries. Despite these challenging circumstances your Company's Middle East and Africa Subsidiary once again demonstrated strong performance with a revenue growth of 27% and a PAT growth of 19% as compared to the previous year. The company's subsidiary in Singapore and South Asia delivered significant growth of 49% in sales revenue and 48% in PAT year on year.

For the 4th year in succession Redington Gulf was judged the No.1 Distributor in the Middle East, by Channel Middle East - a respectable IT Trade publication in Middle East. Redington Gulf is almost twice the size of its nearest competitor.

As part of its strategy to explore opportunities in newer markets, your Company's overseas investment holding company in Cayman Islands viz. Redington International Holdings Limited (RIHL) has through its subsidiary invested in a 49.4% stake in ARENA BILGISAYAR SANAYI VE TICARET ANONIM SIRKETI (Arena), a company listed on the Istanbul Stock Exchange and the second largest distributor of information technology products in Turkey. Arena is a broad line distributor with an impressive bouquet of global brands in their portfolio. This investment is expected to enhance your company's overseas presence and will be value accretive for the company's shareholders. We are happy to share that post the investment, our Dell tie-up in MEA got extended to Turkey also.

Your company's MEA subsidiary distributes 27 global brands with in-country operations in 14 countries and addresses 22 markets. Amongst some new tie-ups are Sony for some markets in Africa and ASUS for the Gulf region. The subsidiary helps your company build a commanding presence in the distribution space in new markets as well as hold a strong representation for new brands in existing markets.

Particulars of Subsidiary Companies

The Ministry of Corporate Affairs, Government of India, vide their General Circular No: 2 /2011 dated February 8, 2011 granted general exemption from annexing the accounts of the subsidiary companies with the accounts of the Company.

The detailed annual accounts of the Company and its subsidiaries are available to the shareholders of the Company requiring such information 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 respective subsidiary companies.

Credit Rating

Your Company's financial discipline and fiscal prudence is reflected in the strong credit ratings ascribed by India's leading credit rating agencies, viz. CRISIL, a Standard and Poor's company and ICRA, an associate of Moody's Investors Services.

CRISIL has upgraded its ratings on the long term bank facilities of your Company to 'AA-/Stable' (read as double A minus) from 'A+/ Stable' (read as A plus) and reaffirmed its rating on the short-term bank facilities and short term debt program at 'P1+' (read as P one plus). ICRA has also upgraded its ratings for the Fund based and Non-fund based credit facilities to 'LAA-' (read as L double A minus) from 'LA+' (read as LA plus) and reaffirmed its rating on the short term debts at 'A1+' (read as A one plus).

Employee Stock Option Plan 2008

With an intention of retaining the talent pool, your Company decided to give Stock Options to the Employees and has granted 23,35,973 options. No fresh ESOP options were issued during the financial year ended March 31, 2011.

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 and are set out in Annexure "A" of this Report.

During the year under review, pursuant to the exercise of options under Employee Stock Option Scheme, 2008, the Share capital of the Company has increased to ₹ 7926.60 Lacs from ₹ 7863.60 Lacs and the Share Premium Account has also increased to ₹34,489.26 Lacs from ₹ 33,726.64 Lacs.

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

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

Utilization of the Initial Public Issue Proceeds

In the financial year 2006-07, your Company went to the Indian capital market with an Initial Public Offer (IPO) and mobilized funds (net of issue expenses) aggregating to ₹ 138.99 Crore for meeting its various objectives, which included setting up of Automated Distribution Centres in four Metros in India and one in Dubai. Your Company in the Financial Year under review has completed spending the unutilized money for the objectives stated in the Prospectus.

Shares in Demat Suspense Account

Post IPO in January 2007 the shares were credited to the shareholders demat account through corporate action. Out of the data submitted for credit of shares through electronic mode, certain shares could not be credited to the respective demat accounts due to "Invalid Client Status". Your company sent frequent reminders to the allottees and as a result of constant follow up, your Company was able to credit all the shares in the suspense account to the respective allottees' account after proper verification of the identity of the allottee. At present there are no shares in the Demat suspense Account and the account will be closed shortly.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of your Company, Mr. N. Srinivasan and Mr. Tu, Shu-Chyuan, Directors would retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

At the Annual General Meeting held on July 24, 2009, Mr. M. Raghunandan was re-appointed as the Whole-time Director of your Company for a period of two years from March 1, 2009. The tenure of his appointment as Whole-time Director ended on February 28, 2011. Mr. M. Raghunandan, has been re-appointed as Whole-time Director of the Company by the Board of Directors subject to the approval of members at the ensuing Annual General Meeting for a period of two years with effect from March 1, 2011.

The tenure of appointment of Mr. R. Srinivasan as Managing Director ends on June 30, 2011. The Board of Directors at their meeting held on May 19, 2011 have re-appointed Mr. R. Srinivasan as Managing Director for a period of five years with effect from July 1, 2011 subject to the approval of shareholders in the ensuing Annual General Meeting and the approval of the Central Government.

Director's Responsibility Statement

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

a. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
b. that appropriate accounting policies have been selected and applied consistently, and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2011 and of the profit for the said year;
c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
d. that the annual accounts have been prepared on a going concern basis.

Corporate Governance

Our governance practices are described separately in this annual report. We have obtained a certification from our Statutory Auditors on our compliance with clause 49 of the listing agreement with Indian Stock Exchanges. This certificate also forms part of our Annual Report.

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Sub Division of Shares

For enhancing the liquidity of the shares of your Company in the market, the Board of Directors approved sub-division of shares at their Board Meeting held on May 21, 2010. Members approval was obtained at the Annual General Meeting held on July 20, 2010 for this purpose. The record date was fixed as August 23, 2010 and subsequently the shares of face value of ₹ 10/- each were sub-divided into five Equity Shares of face value of ₹ 2/- each. Post sub-division of shares, the liquidity of trading of the shares improved and the total traded quantity in the Stock Exchanges increased.

Increase in FII's, NRI's, and PIO's Limit under Portfolio Investment Scheme

For the purpose of enabling Foreign Institutional Investors to invest in your Company, the Board of Directors enhanced the investment limit of Foreign Institutional Investors (FIIs) up to 100% and Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs) up to 24% on the paid up share capital of the Company under the portfolio scheme. For this purpose, the Members' approval was sought through Postal Ballot and the resolution was approved with requisite majority. It enabled your Company to ensure that the investments by the FIIs, NRIs, and PIOs are as per the RBI's regulatory requirements.

Particulars of Employees

The recent circular from the Ministry of Corporate Affairs (MCA) enhanced the amount of remuneration required to be disclosed under section 217 (2A) from ₹ 24 Lakhs per annum to ₹ 60 Lakhs per annum. Likewise, the monthly limit has been enhanced from ₹ 2 Lakhs to ₹ 5 Lakhs for part of the year of employment.

In terms of Section 219(1)(b)(iv) of the Act, the Directors Report is being sent to the Members excluding the information required under Section 217(2A) of the Companies Act, 1956 and the Rules there under.For the financial years under review none of the employees fall under the revised ceiling limits.

Auditors

The Statutory Auditors of your Company, M/s Deloitte Haskins & Sells (DHS), 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 proposal for their re-appointment is included in the notice for Annual General Meeting sent herewith.

Foreign Exhange

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

Acknowledgements

The significant growth in revenue reflects the increased number of transactions being handled. The higher volume has resulted in many complex and time and resource consuming commitments throughout the supply chain comprising of import clearance, warehousing and delivery services. Your Company's strong warehouse infrastructure, back-end support, processes and IT system helped weather the challenges and support the overall business growth.

Your Directors wish to convey their appreciation to all the employees of the Company and its subsidiaries and step down subsidiaries for their collective contribution to the Company's performance. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the distribution industry.

Your Directors also take this opportunity to thank its customers, shareholders, suppliers, bankers, business partners, financial institutions and all other business associates for the on-going support and the encouragement given by them to the Company.

On behalf of the Board of Directors

Place : Chennai
Date: May 19, 2011

J. Ramachandran
Chairman

Annexure - A

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

Sl. No.	Particulars	ESOP Scheme
1	Number of options granted	2,648,116 (includes 312,143 lapsed options granted subsequently)
2	The Pricing Formula	Market price or such price as decided by the Board
3	Number of options vested	694,095
4	Number of options exercised	1,400,265
5	Total number of shares arising as a result of exercise of options	7,001,325
6	Number of options lapsed	469,957
7	Variation in terms of options	No variations made in the current year
8	Money realised by exercise options	Rs. 82,562,100
9	Total number of options in force	777,894

B. Employee-wise details of options granted to:

(i) Senior management personnel

Name	No. of options granted
No Options were granted during the year	
(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Nil
(iii) Identified employees who were granted option, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 - ₹ 3.19

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

	(₹ In Lakhs)
Profit as reported	12844.04
Add: Intrinsic Value Cost	0.00
Less: Fair Value Cost	225.76
Profit as adjusted	12618.28
Earning per share (Basic) as reported	3.25
Earning per share (Basic) as adjusted	3.19
Earning per share (Diluted) as reported	3.23
Earning per share (Diluted) as adjusted	3.17

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E. Weighted average exercise prices of options whose

a. Exercise price equals market price	Nil as no options have been granted during the year
b. Exercise price is greater than market price	
c. Exercise price is less than market price	

Weighted average fair value of options whose

a. Exercise price equals market price	Nil as no options have been granted during the year
b. Exercise price is greater than market price	
c. Exercise price is less than market price	

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

No options were granted during the year

Compliance Certificate in respect of ESOP Scheme

We have perused the Employee Stock Option Scheme 2008 ("the scheme") of Redington (India) Limited ("the Company") along with the relevant resolutions passed in this respect in the shareholders' meetings, meetings of the Board of Directors, Remuneration and Compensation Committee, other relevant records / documents and the books of account of the Company for the year ended March 31, 2011.

On the basis of the aforesaid perusal and according to the information and explanations provided to us, we state that the said Scheme has been implemented in accordance with the resolutions of the Company passed at the Extraordinary general Meeting held on February 27, 2008 and in accordance with the resolution passed in the Board Meeting for re-pricing the options dated January 28, 2009 and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "guidelines") as amended till March 31, 2011.

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

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 19, 2011

report on corporate governance

1. Redington's philosophy on corporate governance

"Good corporate governance is about 'intellectual honesty' and not just sticking to rules and regulations."

- Mervyn King (Chairman - King Report)

In line with its commitment to intellectual honesty, your Company believes in adhering to global standards of corporate ethics that enables principled goal setting, effective decision making and appropriate monitoring of compliance and performance. It is indubitably accepted by your Company that Fairness, Transparency, Accountability and Consistency are the cornerstones of good corporate governance. Your Company has set a goal for attaining the highest standards of good governance and meticulously pursuing it thereby maximizing value for shareholders, customers, employees and the society at large. Its code of business principles, as shared with you over the past years as part of the Annual Report reflects your Company's commitment to these principles.

Your Company presents a summary of the practices followed during the year in deference to its commitment to the above mentioned principles.

2. Board of Directors :

a) Composition:

Your vibrant board interacts effectively and responds quickly to changing circumstances within a framework founded on strong corporate values, to provide enduring value to the shareholders and stakeholders. The Board of Directors of your Company uphold high standards of expertise, professionalism and experience. The Board comprises of ten members including four Non-Executive Independent Directors, three Non-Executive Directors and three Executive Directors including the Chairman being a Non-Executive Independent Director.

b) Board Meetings:

The Company in consultation with the Directors prepares and circulates a tentative annual calendar for the meetings of the Board and Board Committees in order to facilitate and assist the Directors in planning their schedules for the meetings.

During the Financial Year, the Board of Directors of the Company met four times on May 21, 2010, July 23, 2010, October 22, 2010 and January 28, 2011. The maximum interval between any two Board meetings was well within the prescribed maximum gap of four months.

c) Attendance and other Directorships:

The details of attendance of the Directors at the board meetings during the year and at the last Annual General Meeting along with the numbers of other Directorships and Committee Memberships/Chairmanship as on March 31, 2011 are listed below :

Table 1: Composition and attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year 2010-11

Name	Category	*Directorship in other public Companies	Committees of other Indian Public Companies@		No. of Board Meetings during 2010-11		Whether Attended last AGM July 20, 2010
			Membership	Chairmanship	Held	Attended	
Prof. J. Ramachandran	Non- Executive Chairman, Independent Director	7	4	2	4	4	Yes
Mr. R. Jayachandran	Non- Executive Director	1	Nil	Nil	4	3	No
Mr. Tu, Shu - Chyuan**	Non- Executive Director	Nil	Nil	Nil	4	3	No
Mr. Huang Chi Cheng**	Non- Executive Director	Nil	Nil	Nil	4	1	No
Mr. Steven A Pinto	Independent Director	1	Nil	1	4	4	No
Mr. William Adamopoulos	Independent Director	Nil	Nil	Nil	4	4	No
Mr. N. Srinivasan	Independent Director	14	5	4	4	4	Yes
Mr. R. Srinivasan	Managing Director	1	1	Nil	4	4	Yes
Mr. Raj Shankar	Deputy Managing Director	1	1	Nil	4	4	Yes
Mr. M. Raghunandan	Whole- Time Director	2	Nil	Nil	4	4	Yes

* Private companies, foreign bodies corporate and companies under Section 25 of the Companies Act, 1956 are excluded for computing the Directorships.

@ Only Audit Committee and Investors and Shareholder's Grievance Committee are considered for the purpose of Committee positions as per the listing agreement.

** Representing Synnex Mauritius Limited.

Mr. William Adamopoulos and Mr. R. Jayachandran participated in the meeting held on May 21, 2010 through tele-conferencing.

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3. Audit Committee :

The Audit Committee reviews the quarterly, half-yearly and yearly financial results with the management before submitting them to the Board for its consideration and approval. The Audit Committee comprises of three Non-Executive Independent Directors and a Deputy Managing Director. All the Members of the Audit Committee of the Company are financially literate with the Chairman of the Committee having accounting and financial management expertise. The core objectives of our Audit committee includes:

- Supervision of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and reliable
- Recommending to the Board, the appointment, re-appointment and, if required, the removal of the statutory auditor and internal auditors, and the determination of their audit fees
- Ensuring periodical interaction with the Internal and External auditors
- Reviewing the scope of the internal audit plan, procedures and discussions with auditors in relation to the adequacy of internal control systems
- Review of related party transactions
- Ensuring compliance as per Listing Agreement with respect to the financial reporting process
- Reviewing the Company's risk management and financial policies
- Reviewing accounting policies and accounting standards applicable to the Company and ensuring compliance in accordance with the requirement of the Companies Act, 1956

The Committee met four times during the financial year under review on May 21, 2010, July 20, 2010, October 22, 2010 and January 27, 2011.

Table2: Attendance record of Audit Committee:

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

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

Mr. M. Muthukumarasamy is the Secretary of this Committee.

4. Shareholders'/ Investors' Grievance Committee:

The Shareholders'/ Investors' Grievance Committee has been structured with three Directors including the Chairman being a Non-Executive Independent Director. Apart from Prof. J. Ramachandran, Mr. R. Srinivasan, Managing Director and Mr. M. Raghunandan, Whole - time Director are also members of this Committee.

The Committee specifically looks into redressal of investors' complaints with respect to non-receipt of declared dividends, non-receipt of refunds and non-receipt of annual reports. The Committee also monitors and reviews the performance and service standards of M/s. Cameo Corporate Services Limited, the Registrar & Share Transfer Agents and provides them continuous guidance to improve service levels for investors.

Mr. M. Muthukumarasamy, Company Secretary, is designated as the Compliance Officer as per the requirement of Listing Agreement.

During the year under review, the Committee met four times on the following dates: May 21, 2010, July 20, 2010, October 22, 2010 and January 27, 2011.

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

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

During the year, 5 Complaints were received from the investors and were resolved. There were no complaints from the investors pending as on March 31, 2011. Considering the large number of shareholders, the few compliants which were of routine nature reflects the strong committment of your company towards shareholders' services.

5. Remuneration committee :

The role of Non-Executive Directors and Independent Directors has significantly contributed to the growth of the Company. Bearing in mind the scale and complexity of your Company's operations and the level of involvement of Non-Executive Independent Directors as members of the Board and also as Chairman/Members of the relevant committees of the Board, they are paid remuneration by way of a commission as may be recommended by the Board. The remuneration committee has been constituted with four directors including the Chairman and another Director being Non-executive Independent Director and two other executive directors. The dates on which the committee met were May 21, 2010, July 23, 2010 and January 27, 2011

Discussion at the committee covers the following areas:

- Payment of performance linked Bonus to Whole-time Director
- Payment of sitting fees for Independent Directors for attending Board meetings
- Payment by way of commission to Non-Executive Independent Directors upto a limit of one percent of the net profits of the Company.
- Reviewing the remuneration of the Senior Management team.

The Remuneration Committee at its meeting held on January 27, 2011 considered and recommended payment of salary and performance linked bonus payable to Mr. M. Raghunandan, Whole-time Director of the Company. Since Mr. M. Raghunandan was interested, he did not participate in the resolution related to salary and performance linked bonus payable to him. His profile has been given in Table No.8 :

Table 4: Attendance record of Remuneration Committee:

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

Table 5: Details of remuneration paid/ payable to Directors for the financial year ended March 31, 2011.

Name of Director	Salary & Perquisites (₹ / Lacs)	Commission (₹ / Lacs)	Performance Linked Bonus (₹ / Lacs)*	Sitting Fees (₹ / Lacs)
Prof. J. Ramachandran	-	12.30	-	2.20
Mr. R. Jayachandran	-	-	-	-
Mr. Huang Chi Cheng	-	-	-	-
Mr. Tu, Shu-Chyuan	-	-	-	-
Mr. Steven A Pinto	-	10.85	-	1.65
Mr. William P Adamopoulos	-	11.90	-	0.60
Mr. N. Srinivasan	-	10.65	-	1.85
Mr. R. Srinivasan	-	-	-	-
Mr. Raj Shankar	-	-	-	-
Mr. M. Raghunandan	23.41	-	16.00	-
Total	23.41	45.70	16.00	6.30

* Provision made

Table 6: Shareholding of Directors in the Company as on March 31, 2011

Name of the Director	Category	No. of Shares	% to Equity capital
Prof. J. Ramachandran	Independent Director	93,750	0.024
Mr. Steven A Pinto	Independent Director	93,750	0.024
Mr. N. Srinivasan	Independent Director	62,500	0.016
Mr. R. Srinivasan	Managing Director	2,50,000	0.063
Mr. Raj Shankar	Deputy Managing Director	10,10,090	0.255
Mr. M. Raghunandan	Whole time Director	2,85,615	0.072

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. The code of conduct has been posted on the Company's website www. redingtonindia.com.

The Board members and the Senior Management personnel affirmed compliance with the code on an annual basis and 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 2010-11.

R. Srinivasan
Managing Director

7. General body meetings:

I. Location and time of last 3 Annual General Meetings:

Year	Location	Date	Day	Time
2009-2010	Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Chennai -600 018.	July 20, 2010	Tuesday	10.00 A.M.
2008-2009	Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Chennai -600 018.	July 24, 2009	Friday	02.00 P.M.
2007-2008	Narada Gana Sabha, Mini Hall, No.314, T.T.K Road, Chennai -600 018.	July 26, 2008	Saturday	11.00 A.M.

II. Details of Postal Ballot

During the year under review, a special resolution was passed through postal ballot for "Increasing the investment limit of Foreign Institutional Investors (FIIs) upto 100% and and Non-Resident Indians (NRIs)/Persons of Indian Origin (PIOs) upto 24% on the paid-up capital of the Company under portfolio Investment Scheme". Mr. A.S. Varadharajan, Practising Chartered Accountant was appointed as Scrutiniser for the Postal Ballot. The procedure as given in The Companies (Passing of the resolution by Postal Ballot) Rules, 2001 was followed by the Company. The result of the Postal Ballot is as follows:

Description	Total No. of Ballot Forms	Total No. of Shares	For		Against		Invalid	
			No. of Forms	No. of Shares	No. of Forms	No. of Shares	No. of Forms	No. of Shares
Increasing the FIIs and NRIs / PIOs investment limit under portfolio investment scheme	324	48,674,639	308	48,671,255	14	3134	2	250

The results of Postal Ballot were published in Business Standard (English) and Makkal Kural (Tamil) Newspapers and the same has been posted in the Company's website (www.redingtonindia.com).

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

Table No.7: Details of Special Resolutions passed in the last three Annual General Meeting.

Year	Special resolutions passed
2009-10	Approval for extending the estimated time for further two years for utilization of net IPO proceeds as contained in 'the Object of the issue' clause of Prospectus dated January 31, 2007, for setting up of Automated Distribution Centres(ADCs) at Mumbai, New Delhi, and Kolkata including the revised size and capacity.
	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 exceeding 60% of the aggregate of the paid-up share capital and its free reserves or 100% of 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 ₹1000 Crores (Rupees One Thousand Crores only).

2008-09	Approval to amend the clause 6.1, 15 and 21.1 of the Employee Share Purchase Scheme as given below
	6.1- The company shall issue / allot a maximum of 15,52,500 shares under this scheme. In addition to the aforementioned shares, the Trust is entitled to purchase from the open market and transfer to the employees such number of equity shares of the
	15 - All shares issued under the Scheme shall be subject to any applicable taxes (including withholding tax and Fringe Benefit Tax)
	21.1 - The scheme shall continue to be in effect for a period of 72 months from the "Effective Date" or from the date of approval of variations to the Scheme, if any, unless terminated by the Company or the Group.
2007-08	Approval for varying cost estimates as contained in the 'Object of the Issue' clause of the Prospectus dated January 31, 2007, to meet the additional fund requirements/expenditure incurred/ to be incurred due to escalation in the cost for setting up of Automated Distribution Centres (ADCs) at Chennai, Mumbai, New Delhi and Kolkata including cost of land, construction and expenditure incurred/to be incurred for procurement of warehouse management software, material handling equipments from internal accruals and temporary borrowings.

8. Subsidiary companies:

   i. Easyaccess Financial Services Limited is a material non-listed Indian Subsidiary as per clause 49 of the Listing Agreement. The requirement for appointing an Independent Director on the Board of Subsidiary Company is ensured by appointing Prof. J. Ramachandran.

   ii. The minutes of the Board meetings of unlisted subsidiary companies were periodically placed before the Board and the Board was also periodically appraised about all significant transactions and arrangements entered into by the unlisted subsidiary companies.

9. Disclosures:

Related party transactions:

There were no material related party transactions during the year 2010-11 that are prejudicial to the interest of the company and its shareholders.

Risk management

Risk management at Redington encompasses practices related to identification, assessment, monitoring and mitigation of various risks attached to the business. It seeks to minimize risks that may affect the success of our business objectives and enhancement of stakeholder value. Your Company's risk management practices seek to sustain and increase long term competitive advantage for the Company.

The risk management practices at Redington are oriented to leverage the risk reward parity to generate maximum rewards while keeping risks below a defined threshold level. Your Company's core values and ethics provide the platform for the risk management practices.

Proceeds from public issue

The funds received from the initial public offer made in the year 2007 have been fully utilised for the stated purposes.

Non compliance by the company, penalties, strictures:

The Company has complied with the requirements of the Stock Exchange/SEBI/other Statutory Authority 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. N. Srinivasan and Mr. Tu, Shu-Chyuan, Directors of the company retire by rotation and being eligible have offered themselves for re-appointment.

Mr. M. Raghunandan has been re-appointed as whole-time Director for a further period of two years effective from March 1, 2011 subject to the approval of the Shareholders at the ensuing Annual General Meting.

Mr. R. Srinivasan has been re-appointed as Managing Director of the Company with effect from July 1, 2011 subject to the approval of members in the ensuing annual general meeting and approval of Central Government for a further period of 5 years.

The details of Directors seeking re-appointment at the forth coming Annual General Meeting are provided below:

Table8: Brief Resume of Directors seeking Re-appointment

Name of the Director	Mr. N. Srinivasan
Brief resume of the Directors	Mr. N. Srinivasan is a commerce graduate and a Chartered Accountant since 1955. He was the senior partner of well known auditing firms Fraser & Ross and Deloitte Haskins & Sells. Mr. Srinivasan has been closely associated with development of the profession of accounting and auditing in India as a Central Council Member of The Institute of Chartered Accountants of India. He was head of various professional bodies in India and abroad, like Deputy President of The Associated Chamber of Commerce & Industry of India, Director on the Board of The Institute of Internal Auditors Inc., Florida, USA, member of Madras Management Association and Senate Member of The Annamalai University. He holds Directorship in many Public and Listed companies in India.
Expertise in Specific Functional Area	Corporate Finance and Audit
Directorship in Indian Public Limited Companies other than Redington (India) Limited	1. India Cements Limited 2. India Cements Capital Limited 3. Tractors & Farm Equipment Limited 4. United Breweries (Holdings) Limited 5. GATI Limited 6. Essar Shipping Limited 7. The Andhra Pradesh Paper Mills Limited 8. Mcdowell Holdings Limited 9. UB Engineering Limited 10. Amco Batteries Limited 11. Tafe Motors and Tractors Limited 12. The United Nilgiri Tea Estates Company Limited 13. Ador Fontech Limited 14. Best & Crompton Engg. Limited

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Membership of Committees in Indian Public Limited Companies	
Audit Committee	1. Tractors & Farm Equipment Limited 2. UB Englineering Limited 3. GATI Limited 4. Essar Shipping Limited 5. The Andhra Pradesh Paper Mills Limited 6. UB Holdings Limited 7. The India Cements Limited 8. Tafe Motors and Tractors Limited 9. India Cements Capital Limited
Shareholders / Investors Grievance Committee	Nil
Private Limited Companies	1. Unique Receivable Management Private Limited. 2. S G P Exim Pvt. Limited 3. Indair Carriers Private Limited.
Alternate Directorship	1. SCM Microsystems (India) Pvt. Ltd 2. UT Worldwide (India) Pvt. Ltd.
Managing Committee Member	1. The Association Chamber of Commerce, New Delhi 2. Indo Australian Chamber of Commerce 3. The Madras Chamber of Commerce & Industry 4. The Employers' Federation of Southern India.

Name of the Director	Mr. Tu, Shu-Chuyan
Brief resume of the Director	Mr. Tu, Shu-Chyuan, is an engineering graduate from the National Chiao Tung University, Taiwan, and has a Master's degree in Computer Engineering from San Jose State University, USA. He has overall 25 years of working experience in the global IT industry. He joined Synnex in 1994 and held a series of management positions. He is currently the GM of business development of Synnex. Prior to joining Synnex, he worked for various computer networking companies in the State and has focused expertise in planning and management.
Expertise in Specific Functional Area	Business Strategy
Directorship in Indian Public Limited Companies other than Redington (India) Limited	Nil
Membership of Committees in Indian Public Limited Companies	Nil

Name of the Director	Mr. M. Raghunandan
Brief resume of the Director	Mr. M. Raghunandan is a graduate in engineering from the Indian Institute of Technology, Madras, and also has a masters' degree in business management from the Indian Institute of Management, Ahmedabad. He has been with the Company since January 1998, first as Country Support Manager and he is currently a Whole time Director. Mr. Raghunandan has professional experience of 33 years in areas such as manufacturing, technology transfer and projects. He has been associated with organisations like ITC Limited and HCL Infosystems Limited and prior to joining the Company was the President of Indian Food Fermentations Limited.
Expertise in Specific Functional Area	Professional Management
Directorship in Indian Public Limited Companies other than Redington (India) Limited	1. Cadensworth (India) Limited 2. Nook Micro Distribution Limited
Membership of Committees in Indian Public Limited Companies	Nil

Name of the Director	Mr. R. Srinivasan
Brief resume of the Director	Mr. R. Srinivasan is the Company's Founder and currently its Managing Director. Prior to starting Redington in Singapore, he spent three years in Indonesia with a leading Textile Company in the years 1978 to 1981. Mr. Srinivasan's experience also includes a number of years with Readers Digest and The Coca - Cola Corporation in India. Mr. Srinivasan holds an Electrical Engineering Degree from the Madras University in India and an MBA degree from the Indian Institute of Management, Ahmedabad. Mr. Srinivasan has been involved in and continues to engage in the operations of the Company and provides direction to its corporate strategy and vision.
Expertise in Specific Functional Area	Strategic and Business Management
Directorship in Indian Public Limited Companies other than Redington (India) Limited	1. Easyaccess Financial Services Limited 2. HCL Technologies Limited
Membership of Committees in Indian Public Limited Companies	Easyaccess Financial Services Limited – Audit Committee

10. Compliance with the non-mandatory requirements

Your company has adopted the non-mandatory requirement in pursuit of its adoption of best governance. It has the following :

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

→ Whistle blower policy to provide a framework to promote responsible and secure whistle blowing.

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

11. Means of communication:

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

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

B. The quarterly, half yearly and annual results and shareholding pattern are also posted on the website of the company (www.redingtonindia.com).

C. The Company also intimates the Stock Exchanges all price sensitive information and such other matters which in its opinion are material and of relevance to the investors/ shareholders.

D. The Management Discussion and Analysis on financial and operational performance of the company is provided in another part of this Annual Report.

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

12. General shareholders' Information:

(i) Annual General Meeting

Date : July 22, 2011

Time : 10.00 A.M.

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

(ii) Financial Year : 1st April to 31st March
(Tentative Calendar for the Financial year 2011-12)

Adoption of results for & considering other items for the 1st Quarter	:	August 5, 2011
Adoption of results for & considering other items for the 2nd Quarter	:	October 28, 2011
Adoption of results for & considering other items for the 3rd Quarter	:	January 27, 2012
Adoption of results for & considering other items for the 4th Quarter	:	Before May 31, 2012

(iii) Date of Book Closure : 16th July 2011 till 22nd July 2011 (Both days inclusive).

(iv) Dividend payment date : 20th August 2011

(v) Listing on Stock Exchanges

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

(vi) Depositories (ISIN 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:

Share transfer committee has been constituted with three directors with the Chairman being an Independent Director.

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

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

(ix) Reconciliation of Share Capital Audit:

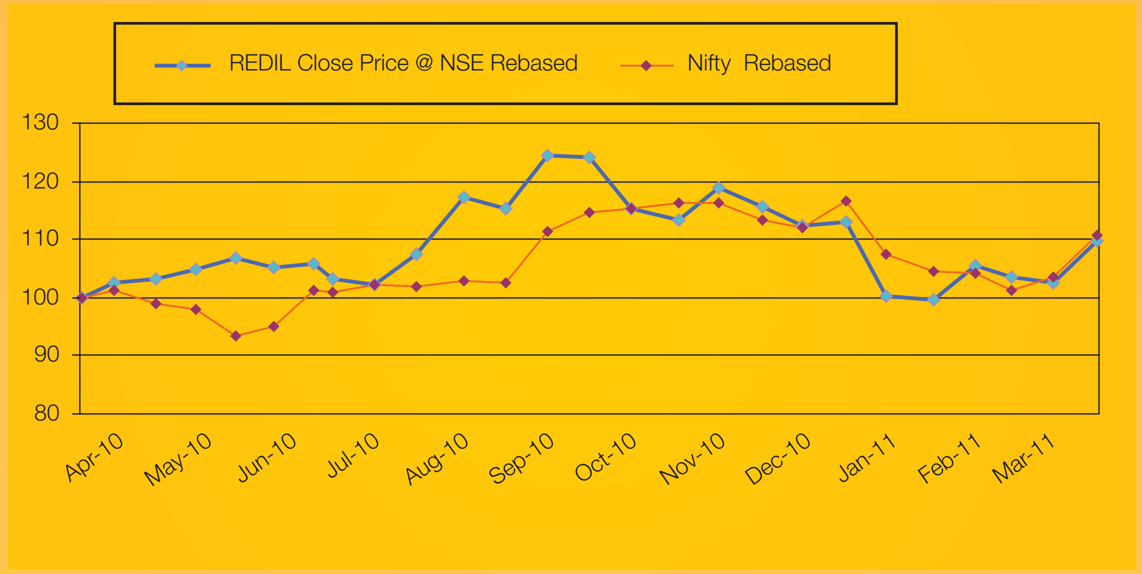
Audit on Share Capital for reconciling the total admitted capital with NSDL, CDSL and physical and the total issued and listed capital for each of the quarters in the financial year ended March 31, 2011 was carried out by a Practising Company Secretary and a Report on the same was placed before the Board. As per the report issued there were no variations/ exceptions found in the total No. of shares of the Company held in Physical and Electronic form.

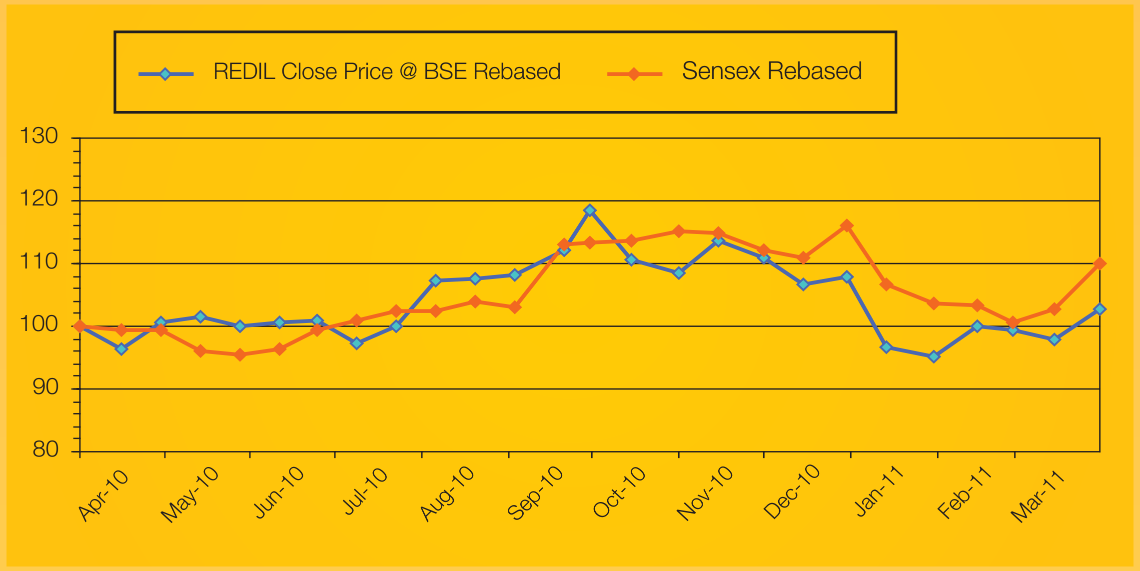
(x) Market price data:

S. No	Month	NSE			BSE		
		High	Low	Close	High	Low	Close
1	Apr - 10	383.90	364.25	381.75	382.50	364.05	382.50
2	May - 10	391.10	372.45	380.80	390.75	370.05	378.15
3	Jun - 10	419.40	376.65	376.65	419.60	378.60	379.55
4	Jul - 10	391.35	360.55	391.35	391.40	360.25	391.40
5	Aug - 10#	429.60	398.50	421.45	429.90	396.00	422.10
6	Aug - 10*	85.95	82.03	84.00	84.85	81.90	83.75
7	Sep - 10*	93.95	82.05	90.55	93.40	82.25	90.15
8	Oct - 10*	89.70	79.40	80.00	89.10	79.55	79.70
9	Nov - 10*	86.60	79.60	82.95	86.30	79.05	82.50
10	Dec - 10*	84.30	78.20	82.35	84.40	78.50	81.95
11	Jan - 11*	79.50	67.75	72.60	79.55	67.75	72.35
12	Feb - 11*	77.65	71.00	75.50	77.45	70.50	75.55
13	Mar - 11*	80.05	72.45	80.05	78.10	72.55	78.10

* On 23rd August 2010 the shares of face value of ₹ 10/- each was sub-divided into 5 Equity shares of face value of ₹ 2/- each. Accordingly, the monthly high and low prices are reflected.

Before subdivision of shares



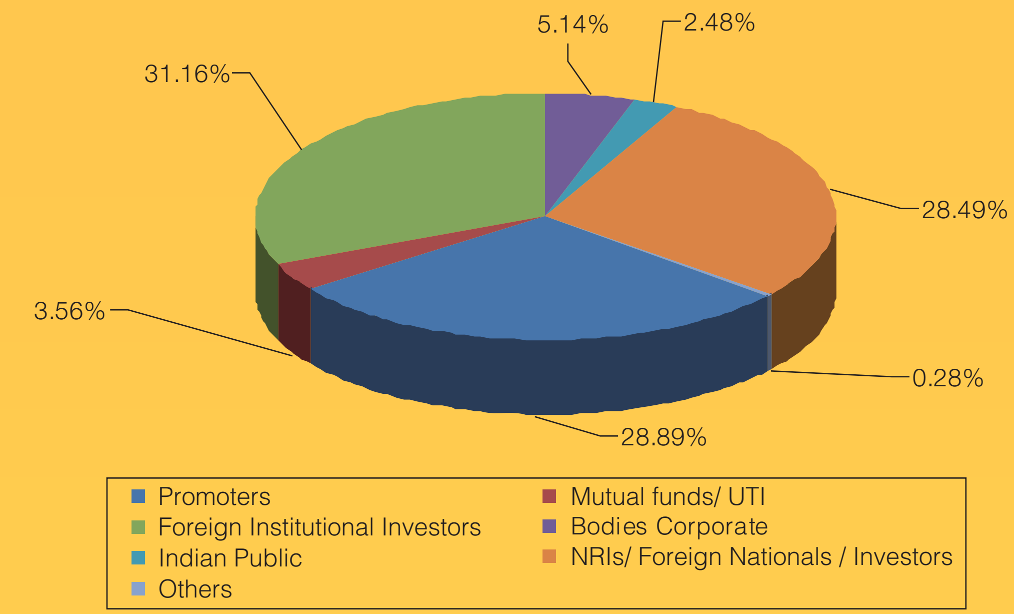


(xi) Distribution of Shareholding as on March 31, 2011

Share Holding (₹)	No. of Shareholders	% of total Shareholders	Amount of Share Capital (₹)	% of total share capital
2-5000	13,025	94.50	8,440,180	1.07
5001-10000	294	2.13	2,257,278	0.28
10001-20000	170	1.24	2,422,262	0.31
20001-30000	71	0.52	1,747,440	0.22
30001-40000	36	0.26	1,277,070	0.16
40001-50000	25	0.18	1,168,134	0.15
50001-100000	46	0.33	3,356,942	0.42
100001 & Above	116	0.84	771,990,804	97.39
Total	13,783	100.00	792,660,110	100.00

(xii) Statement showing Shareholding Pattern as on March 31, 2011

Category	No. of holders	No. of shares	% of shareholding
Promoter Holding			
Foreign bodies corporate	1	114,507,975	28.89
Total of Promoter Holding	1	114,507,975	28.89
Non promoter holding			
Mutual funds/ UTI	19	14,124,979	3.56
Foreign Institutional Investors	74	123,503,340	31.16
Non Institutions			
Bodies Corporate	404	20,381,703	5.14
Indian Public	12,457	9,806,409	2.48
NRIs / Foreign Nationals / Investors	301	112,878,506	28.49
Others	527	1,127,143	0.28
Total of Non promoter Holding	13,782	281,822,080	71.11
Grand Total	13,783	396,330,055	100.00



(xiii) Dematerialisation of Shares and Liquidity

The shares of the company are compulsorily traded in dematerialised form by all categories of investors. As on March 31, 2011, 72.14 % shares of the Company are held in dematerialised form.

(xiv) Sub-division of shares

The shareholders of the Company at their Annual General Meeting held on July 20, 2010 approved sub-division of shares of face value of ₹ 10/- each into five equity shares of face value of ₹ 2/- each. Accordingly, shares of face value of ₹ 10/- was sub-divided into five equity shares of face value of ₹ 2/- each during the financial year 2010-11. The record date for the purpose of sub-division was fixed as August 23, 2010.

(xv) Green initiative in corporate governance

The Ministry of Corporate Affairs vide its General Circular No. 17/2011 dated April 21, 2011 has allowed paperless compliance by companies after considering the sections 2, 4, 5 and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies Act through electronic mode.

Your Company is proud to state that as a part of Green Initiative which allows paperless compliances, it has initiated to send soft copy of notice and Annual Reports to its shareholders who have registered their e-mail ids with their Depository Participants.

To make the initiative more successful, we request the 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 eco-friendly practices. Nevertheless printed Annual Report will be mailed to members on request in response to the e-mail.

(xvi) ECS mandate:

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

(xvii) ADR / GDRs

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

(xviii) Warehouse locations:

Since your Company is in the business of providing Supply Chain solution provider, there is no manufacturing plant. It has following the distribution offices, warehouses and services centres both in India and overseas.

Particulars	India	Overseas (through its subsidiary companies)
Sales offices	55	18
Warehouses	63	24
Services centres	73	25

(xviii) Address for Correspondence :

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

Corporate Office:

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

Registered Office

Redington (India) Limited
SPL Guindy House,
95 Mount Road, Guindy,
Chennai 600 032

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

CERTIFICATE UNDER SUB CLAUSE V OF CLAUSE 49 OF LISTING AGREEMENT

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

a. we have reviewed financial results for the year ended March 31, 2011 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 19, 2011

R. Srinivasan
Managing Director

S.V. Krishnan
Chief Financial Officer

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Redington (India) Limited

We have examined the compliance of conditions of corporate governance by Redington (India) Limited, for the year ended on 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the company for ensuring 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 the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 19, 2011

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management discussion and analysis

Global Outlook

While the severe recessionary tendencies across the Globe appear to have eased, many countries are still feeling the impact of decreased demand and reduced consumer consumption. Most international Governments are trying to come to grips with minimal economic growth and consequent pressures of rising joblessness. The developed countries are actually looking to the developing world and the emerging markets to shore up demands for manufactured products and lead the world out of the downturn.

According to the report published by United Nations Conference on Trade and Development (UNCTAD), fiscal weaknesses in almost all major developed economies continue to remain the cause behind the uncertainty of a more permanent global recovery and world-wide economic stability. The recovery in World Economy is being largely driven by much stronger GDP growth in emerging economies like China, India and Brazil and a few countries in APAC.

While most experts doubt the ability of the emerging economies to single-handedly pull the World out of its recession in a sustainable manner without significant contributions from North America and Europe, the International Monetary Fund (IMF) maintained its forecasts for global growth for 2011 and 2012 at 4.4% and 4.5%, respectively, predicting the global recovery to strengthen.

Information and Communication Technologies (ICT) and the products it supports, while being key factors in bringing about increased operational efficiencies, increased productivity as also innovative tools for personal and social communication, remain dependent for its growth on the willingness and ability of the consumers to invest in newer technologies and products.

Indian Outlook

According to the World Economic Situation and Prospects 2011(WESP 2011), the Indian economy continued to grow at a healthy rate in 2010-11, owing to rapid expansion in gross fixed capital formation, increased government spending and robust growth in private consumption. WESP forecasts that the growth will moderate to 8.2% and 8.4% in 2011 and 2012 respectively, mainly as a result of tighter monetary and fiscal policies. Another report from The Prime Minster Economic Advisory Council (PMEAC) predicted the growth at 8.5%, and CSO Advance Estimates for year 2010-11 predicted growth at 8.6%.

The Central and State Governments, recognizing the imperative of increased e-Governance facilities and importance of use of technology for its socio-economic programmes, continue to invest heavily in Infrastructure projects.

Customers across all industry segments, with better business outlook and forecasts, resumed investments in IT infrastructure in critical areas of technology upgradation, product refresh, storage and security.

Apart from the expected growth in the Education sector driven by ever increasing technology adoption by schools, colleges and universities, consumer demand of technology and digital products has been further fuelled by the explosion of social networking. Gen-Next would henceforth define and drive the consumption of Information and Communication products and technology.

Nature of Business

Your Company has successfully transformed itself into a multi-faceted organization from a pure-play IT distributor. With IT, Communication, Consumer and Digital Lifestyle product distribution at its core, it today offers a whole bouquet of value add services to its customers – Vendors, Channel Partners and in cases, End Customers. The range of offering today encompasses Value Added Distribution, complete Logistics Solutions, Commercial Structuring, Support Services and Channel Financing through your company's various divisions and subsidiaries. It is today the only distribution company in India, if not in the world, with such a comprehensive range of offerings for its business partners.

Industry Structure

With a huge range of products of differing values and usage comprising the IT and Communication market today, various vendors require differing and often custom-made "Go-To-Market" strategies. These strategies decide the type of distribution and channel network the vendor prefers. The channel landscape comprises of pure Distributors, Value Added Distributors and Regional Distributors as Tier-1 partners for vendors and National System Integrators, System Integrators, sub-Distributors, Resellers, Corporate Resellers, Exclusive Retailers, Multi-Brand Retailers and Large Format Retailers forming the Tier-2 partners for various brands / vendors. Your Company, as a Tier-1 Partner for its vendors is uniquely structured to offer any value-addition that might be required by any of its business partners.

Geography – wise analysis

Indian Operations

Information Technology (IT)

Your company's wide bouquet of IT products in India has allowed it to take full benefit of increased spending by the government, commercial houses as well as consumers. It has kept pace with the rapidly changing technology offerings and consumer preferences by tying up with relevant brands and vendors. It would continue to look for niche demand areas which offer opportunities for incremental revenue earnings growth.

With a possible shift in the way users look at deploying technology due to development of "Cloud" platform, your Company is already on its way to position itself effectively with vendors for a value-added role in their proposed Cloud-based offerings. The platform is still in its formative stage and would probably mature in another two year's time, but your Company wants to be an early entrant in order to be on a strong footing as and when the demand shift takes place.

Consumer, Smart Communication, and Digital Products

In the Consumer and Digital Lifestyle space, your company has focused on developing and expanding its portfolio in the Smartphone and Tablet PC space. While the Smartphone market is already demonstrating itself to be the highest growth category in the communications space, its usage is likely to see further fillip due to the service and application offerings that would be available on the 3G platform from various network operators. The Tablet PCs, on the back of the revolution brought about by the iconic iPad from Apple, is expected to carve out a significant share of the Indian PC market due to its style quotient, variety, convenience of use and the plethora of applications available on this platform.

After sales services

Success of any product in India is primarily dependent on the extent, quality and breadth of the post-sales service facilities offered by the vendor. As a neutral service provider for IT and Communication products and the only national distributor having a country-wide service infrastructure, your company offers a valuable alternative to the vendors. While, in India, the consumer still remains reluctant to pay incremental value for quality service, as the market and consumers mature, companies offering high levels of support services are expected to command a premium.

Warehousing and Third Party Logistics

Your company's expansion in the Logistics Service Provider space by way of ADC and 3rd Party Logistics offerings are investments in future demand areas. Demand for efficient, modern and highly automated logistics services is on the increase and your Company is going ahead with investments in ADC facilities at Kolkata and Delhi with a view to capturing a part of this growing trend.

Overseas Operations

As the largest distributor of IT and Communication Products in the Middle-East, West Asia and Africa, your company's subsidiary, headquartered in Dubai, has taken advantage of demand opportunities in both commercial and consumer sectors in the countries where your company has a presence. Once again combining well developed support service infrastructure in all the markets where it distributes products, your company offers a differential value to its business partners. As the first company to set up distribution and service infrastructure in several difficult territories in the African Continent, your company has a "first-mover-advantage" in a geography where penetration of IT and Communication products and services can only rapidly increase.

Strengths, Opportunities, and Concerns

Strengths

The exceptional strength of your Company is the dedicated group of talented professionals who drive its business and relationships with its business partners and manage its support functions. This strength has enabled your company to successfully articulate its various, differentiated value propositions in the markets in which it operates. Prudent fiscal policies have enabled your company to maintain a strong financial base, positioning it as one of the most credit-worthy distribution partners in the world for its vendors. Since availability of Capital is the key to driving distribution business, all vendors find immense value in the fact that your company is always able to participate effectively in their growth plans.

Oppotunities

Future opportunities for your company would include developing skill-sets and domain knowledge for providing implementation and application services to customers on behalf of its vendors and channel partners. Opprtunities in Value Added Distribution where vendors are increasingly looking at their distribution partners to add to their own efforts at market development and demand generation activities are also possible areas of differentiation as compared to its competitors. Your company's strong in-house IT Division which has the skills and domain knowledge to develop and deploy applications can provide the infrastructure for increased use of technology in its day-to-day operations, in order to derive a multi-fold leveraging of the human resources available and provide seamless business experience to its partners with significantly improved operational "Turn Around Times".

Concerns

Proliferation of small regional players with limited infrastructure commitments and hence vastly reduced cost-structure is an increasing concern as your company is forced to compete against organizations with completely different return expectations. The convergence of IT and Telecommunication industries, while providing huge growth opportunities to your company, also exposes it to competition from a completely different type of distribution companies. Highly competitive market scenarios means that your company's vendors themselves are facing increasing margin pressures, which tend to reflect adversely on the earnings they offer to their partners for services rendered.

Paucity and cost of capital, especially in the Indian market would remain a risk area since the entire business of your company is carried out on credit terms. While prudent risk-management and risk mitigation policies have resulted in sterling Accounts Receivables record for your company throughout its history, this would remain an area of concern.

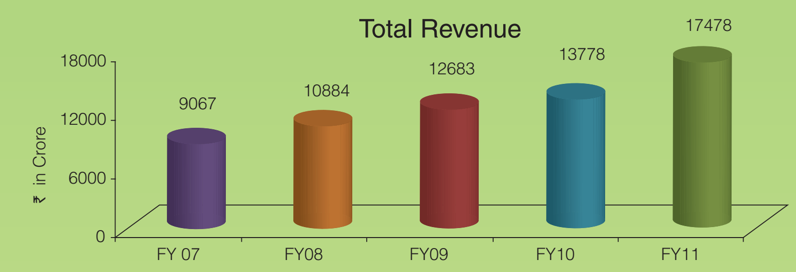
Development of Human Resources

Your Company firmly believes that its success is inherently linked to the quality of the human capital at its disposal. Ensuring a transparent, cohesive, conducive and professional working environment which rewards its employees on merit, remains amongst your company's primary commitments and objectives.

Financial performance and position

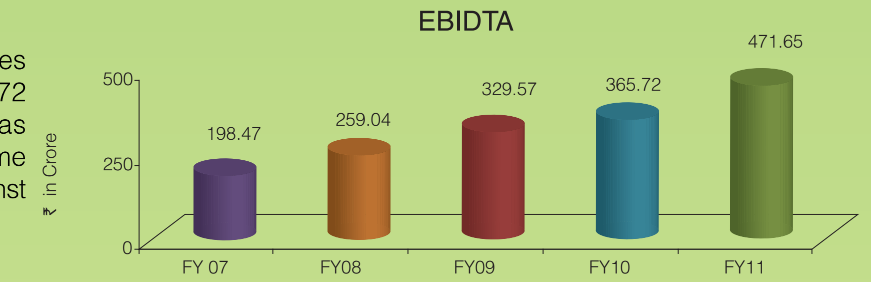
The financials of your Company and its Indian subsidiaries are prepared in accordance with Generally Accepted Accounting Principles in India. The consolidated financials of Redington Distribution Pte. Ltd and its subsidiary is prepared in accordance with the Singapore Financial Reporting Standards and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

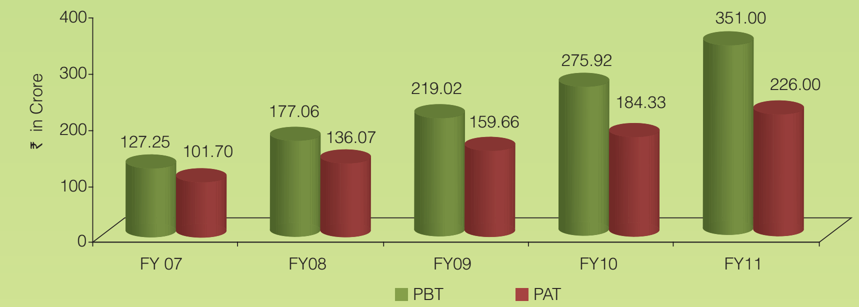
Analysis of Consolidated Financials



Revenues - Revenues for the fiscal 2011 grew by 26.85 % to ₹ 17478.08 Crores from ₹13777.55 Crores in the previous year. Revenues from Overseas subsidiaries contributed to 45 % of the total revenues.

EBIDTA – grew by 28.96 % to ₹ 471.65 Crores during the fiscal 2011 as against ₹ 365.72 Crores during the fiscal 2010. EBIDTA as a percentage of Sales and service income touched 2.70 % during the fiscal 2011 as against 2.65 % during the previous fiscal.

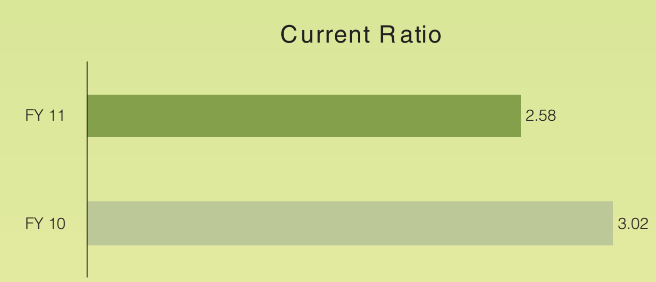


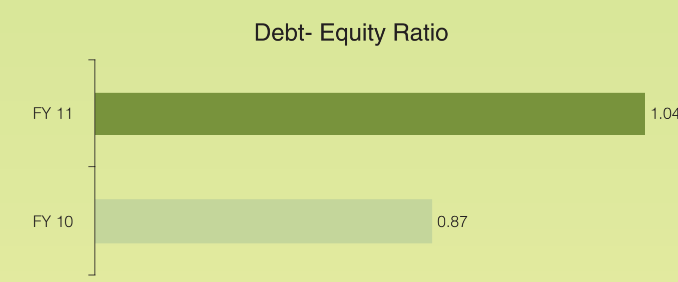


PBT and PAT- Profit before tax increased to ₹ 351.00 Crore during the year as against ₹ 275.92 Crore during the last fiscal year.

The provision for current tax and deferred tax for the year is ₹ 86.23Crore. PAT for the year after minority interest increased to ₹ 226 Crores during the fiscal 2011 as against ₹ 184.33 Crore during the fiscal 2011.

The growth of 27.21% and 22.61% in the PBT and PAT respectively has been mainly on account of increased contribution from higher margin products and operational efficiencies. The PBT and PAT as a % of sales has been at 2% and 1.29% as against 2% and 1.34 % in the previous fiscal.





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Borrowings – Increased by 38.40 % to ₹ 1589.69 Crore as on March 31, 2011 as against ₹ 1148.59 Crores as on March 31, 2010.

Interest – Interest cost has increased to ₹ 96.09 Crore as against ₹ 66.38 Crores during the previous fiscal. Interest as a percentage of sales has increased from 0.48% in the previous fiscal to 0.55% in the current fiscal.

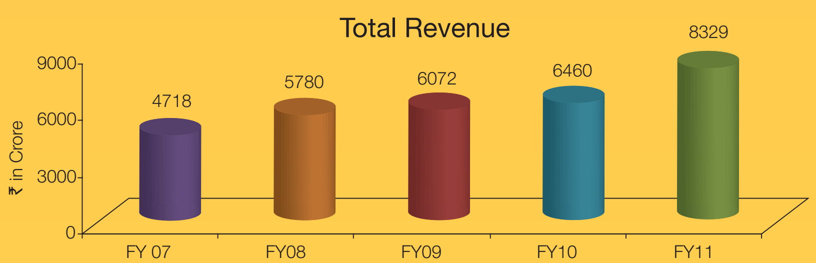
Other Expenses – mainly Rent, Insurance, Communication, Travel and Exchange Loss - increased to ₹ 197.96 Crore during this fiscal year 2011 as against ₹ 160.24 in the previous fiscal year.

Fixed Assets – Increased to ₹ 147.61 Crores during fiscal 2011 as against ₹ 96.81 Crore during the previous fiscal.

Summarized Cash Flow Statement

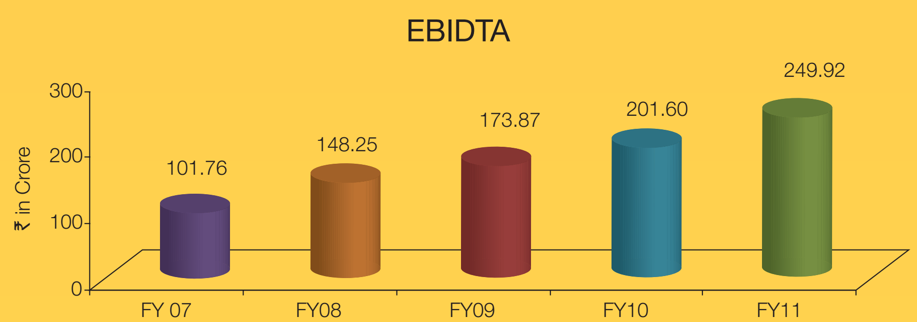
Particulars	2010-11 (₹ in Crores)	2009-10 (₹ in Crores)
Cash and cash Equivalents at the beginning of the year	582.60	602.39
Add: Cash generated from / (used in)		
Operating activities	(70.87)	11.05
Investing activities	(236.24)	(53.43)
Financing Activities	197.99	84.43
Currency Translation	(6.85)	(100.77)
Cash and cash Equivalents at the end of the year	466.63	543.66
Add: Deposits held for more than 3 months	13.97	38.94
Cash and cash Equivalents as per the balance sheet	480.60	582.60

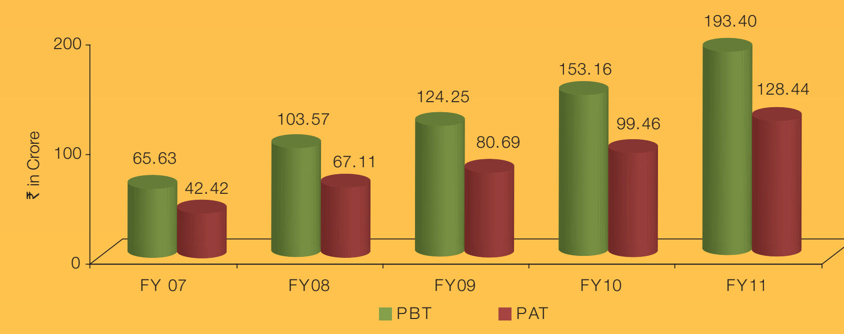
Analysis of Standalone Financials



Revenue - Revenues has grown to ₹ 8329.06 crores in the fiscal year 2011 from ₹ 6459.56 crores in fiscal year 2010.

EBIDTA increased by 23.97% to 249.92 crores during the fiscal year 2011 as against ₹ 201.60 crores in previous fiscal year 2010. EBIDTA as against the total revenue has been at 3 % during this fiscal year as against 3.12 % during the previous fiscal year 2010.

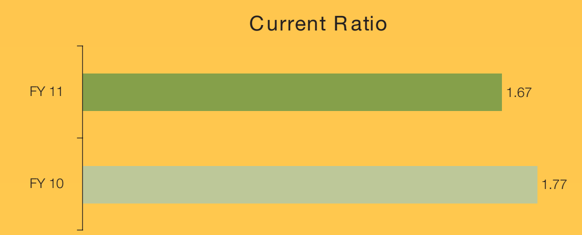


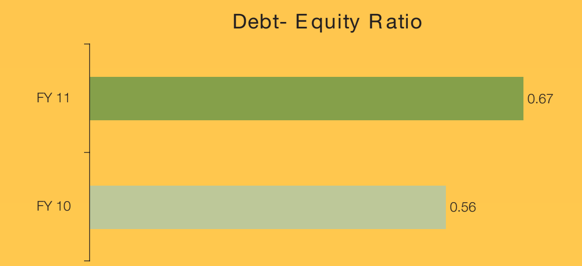


PBT and PAT - Profit before tax increased to ₹ 193.40 Crores during the year as against ₹153.16 Crores during the last fiscal year. Profit After Tax increased to ₹ 128.44 crores during the year as against ₹ 99.46 crores during fiscal 2010.

The growth of 26.27% and 29.14 % 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 have been at 2.32 % and 1.54 % respectively, as against 2.37% and 1.54% in the previous fiscal.





Borrowings – Increased to ₹ 515.03 Crore as on March 31, 2011 as against ₹ 375.52 Crore as of March 31, 2010.

Fixed Assets – Decreased to ₹ 67.64 Crore during fiscal 2011 as against ₹ 68.39 Crore during the previous fiscal.

Employee compensation cost increased to ₹ 83.10 crore from ₹ 79.78 crore in the fiscal year 2011. Though there has not been much increase in this fiscal year when compared to the previous fiscal year the difference is inevitable for retaining the existing skilled human personnel.

Interest cost has been increased to ₹ 43.05 crore as against the previous fiscal year which stood at ₹ 33.04 crore. The interest as a percentage of sales has been at 0.52% as against 0.51% in the previous fiscal cost has increased by 30.31%.

Other expenses for this fiscal year have also increased by 34.93% mainly due to factoring expenses and also in line with the increase in revenue. The other expenses have been increased to ₹ 98.99 crore when compared to the previous fiscal year which stood at ₹ 73.37 crore.

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Summarized Cash Flow Statement

Particulars	2010-11 (₹ in Crores)	2009-10 (₹ in Crores)
Cash and cash Equivalents at the beginning of the year	19.96	55.96
Add: Cash generated from / (used in)		
Operating activities	73.91	89.05
Investing activities	(10.90)	(148.21)
Financing Activities	64.87	23.16
Cash and cash Equivalents at the end of the year	147.84	19.96
Add: Deposits held for more than 3 months	2.35	–
Cash and cash equivalents as per the balance sheet	150.19	19.96

Cautionary Statement

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

abridged standalone financial statements

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

We have examined the attached abridged Balance Sheet of Redington (India) Limited ("the Company"), as at March 31, 2011 and also the abridged Profit and Loss Account and the Cash Flow Statement for the year ended on that date both annexed thereto, together with significant notes thereon. These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the audited financial statements of the Company for the year ended March 31, 2011 prepared in accordance with the provisions of sub-section 3(C) of Section 211 of the Companies Act, 1956 and covered by our report of even date to the members of the Company, which is attached hereto.

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

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 19, 2011

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, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 19, 2011

ANNEXURE TO THE AUDITORS' REPORT

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

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

(ii) In respect of its fixed assets:

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

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

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

(iii) In respect of its inventory:

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

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

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

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

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of the business with regards to purchases of the inventory and fixed assets and the sale of goods and services. During the course of our audit we have not observed any major weakness in such internal control system.

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

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

(viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(ix) 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, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Cess which have not been deposited as on 31st March, 2011 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 (₹ in Lakhs)
The Customs Act, 1962	Customs Duty	CESTAT / Commissioner	Bill of entries relating to various years	15.27
Sales Tax Act of Various States	Local Sales Tax	Various appellate authorities	2002-03	22.47
			2003-04	75.43
			2004-05	0.24
			2005-06	152.41
			2006-07	423.44
			2007-08	138.68
			2008-09	70.34
			2009-10	31.13
Income Tax Act, 1961	Income Tax	Income tax Appellate Authority (ITAT)	Assessment year 2006-07	84.53

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

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

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

(xiii) 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.

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

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

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

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

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 19, 2011

ABRIDGED BALANCE SHEET AS AT MARCH 31, 2011

(Amount in ₹ Lakhs)

	As At 31.03.2011	As At 31.03.2010
SOURCES OF FUNDS		
(1) Shareholders' Fund		
a. Capital		
I. Equity	**7,926.60**	7,863.60
b. Reserves and Surplus		
I. Securities Premium Account	**34,489.26**	33,726.64
II. General Reserve	**4,181.17**	2,896.77
III. Hedge Accounting Reserve	**(2.09)**	(184.77)
IV. Surplus in Profit and Loss Account	**29,811.46**	23,295.51
Total	**76,406.40**	67,597.75
(2) Loan Funds		
a. Secured Loans	**35,752.21**	30,955.49
b. Unsecured Loans	**15,750.63**	6,596.80
Total	**51,502.84**	37,552.29
Total	**127,909.24**	105,150.04
APPLICATION OF FUNDS		
(1) Fixed Assets		
(a) Net block (Gross Block less Accumulated Depreciation)	**6,604.21**	6,707.30
(b) Capital advances	**159.68**	131.37
(2) Investments in Subsidiaries - Unquoted	**46,300.09**	45,905.09
(3) Deferred Tax Asset (Net)	**404.85**	249.76
(4) (i) Current assets, loans and advances		
a. Inventories	**71,743.07**	42,241.21
b. Sundry Debtors	**85,426.80**	67,855.45
c. Cash and bank balances	**15,019.67**	1,996.37
d. Loans and advances		
– To Subsidiary	**240.00**	42.00
– To Others	**13,181.37**	5,885.07
Total	**185,610.91**	118,020.09
Less:		
(ii) Current liabilities and provisions		
(a) Liabilities	**105,492.71**	60,765.96
(b) Provisions	**5,677.79**	5,097.61
Total	**111,170.50**	65,863.57
Net current assets	**74,440.41**	52,156.52
Total	**127,909.24**	105,150.04

Refer notes to abridged financial statements

Compiled from the audited annual accounts of the company referred to in our report dated 19th May, 2011

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 19, 2011

ABRIDGED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in ₹Lakhs)

	Year Ended March 31, 2011	Year Ended March 31, 2010
I. Income		
Sales & Service Income	**831,601.26**	644,961.42
Interest	**638.06**	852.21
Dividend Income	**442.21**	–
Other Income	**224.23**	142.61
Total	**832,905.76**	645,956.24
II. Expenditure		
Cost of goods sold		
(i) Opening Stock	**42,241.21**	27,344.57
(ii) Purchases	**802,057.29**	623,422.70
(iii) Closing Stock	**57,894.39**	42,241.21
	786,404.11	608,526.06
Trading expenses	**3,299.81**	1,954.93
Employee Compensation Costs	**8,270.96**	7,939.19
Managerial Remuneration	**39.41**	39.06
Interest	**4,305.28**	3,303.78
Depreciation	**1,347.00**	1,540.50
Auditor's remuneration	**45.91**	48.60
Bad Debts Written Off and Provision for doubtful debts	**802.99**	485.45
Other expenses	**9,050.65**	6,802.89
Total	**813,566.12**	630,640.46
III. Profit before tax	**19,339.64**	15,315.78
IV. Provision for taxation	**6,495.60**	5,370.17
V. Profit for the year	**12,844.04**	9,945.61
VI. Dividend including Dividend Distribution Tax relating to previous year	**13.83**	28.28
VII. Proposed Dividend on Equity Shares including Dividend Distribution Tax	**5,029.86**	4,597.11
VIII. Transfer to reserves/surplus	**7,800.35**	5,320.22
EARNINGS PER SHARE		
EPS – Basic (₹) - Facevalue - ₹ 2	**3.25**	2.54
EPS – Diluted (₹) - Face Value – ₹ 2	**3.23**	2.51
Weighted Average Number of shares for calculating earnings per share		
Basic	**395,348,997**	392,026,000
Diluted	**397,931,703**	396,106,180

Refer notes to abridged Financial Statements

Compiled from the audited annual accounts of the Company referred to in our report dated 19th May, 2011

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 19, 2011

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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in ₹ Lakhs)

Particulars	Year Ended March 31, 2011		Year Ended March 31, 2010	
A. Cash flow from operating activities:				
Profit before tax (excluding extraordinary items)	**19,339.64**		15,315.78	
Adjustments for:				
- Depreciation	**1,347.00**		1,540.50	
- Interest Expense	**4,305.28**		3,303.78	
- Interest Income	**(638.06)**		(852.21)	
- Dividend from Subsidiaries	**(442.21)**		-	
- Provision for Doubtful Debts	**486.14**		485.45	
- Provision for Compensated Absences	**(10.35)**		(9.63)	
- Provision for Gratuity	**128.95**		(5.19)	
- Unrealised Foreign Exchange Variation (net)	**63.00**		120.31	
- Loss/(Profit) on sale of fixed assets	**(18.85)**		2.81	
Operating Profit before working capital change	**24,560.54**		19,901.60	
Increase in Sundry Debtors	**(18,057.49)**		(3,838.64)	
Increase in Loans and advances	**(6,102.94)**		(249.05)	
Increase in Inventories	**(29,501.86)**		(14,896.64)	
Increase in Current liabilities and Provisions	**44,247.82**		13,190.89	
Cash generated from operations	**15,146.06**		14,108.16	
Direct taxes paid	**(7,754.60)**		(5,202.41)	
Net Cash generated from operating activities		**7,391.46**		8,905.75
B. Cash flow from investing activities:				
Purchase of Fixed Assets	**(1,300.56)**		(1,890.52)	
Proceeds from Sale of fixed Assets	**47.19**		56.92	
Interest Received	**595.10**		770.41	
Loan Granted to ESPS Trust	**(4.50)**		–	
Loan Settled by ESPS Trust	**–**		53.78	
Dividend Income from Subsidiaries	**442.21**		–	
Loan Granted to Subsidiaries	**(22,330.50)**		(52,002.00)	
Loan Settled by Subsidiaries	**22,090.50**		52,002.00	
Deposits placed	**(235.00)**		–	
Investments in subsidiaries	**(395.00)**		(13,811.84)	
Net Cash used in investing activities		**(1,090.56)**		(14,821.25)
C. Cash flow from financing activities:				
Proceeds/(Repayment) from long term borrowing	**(625.00)**		2,500.00	
Proceeds from short term borrowings (net)	**14,575.55**		6,061.55	
Proceeds from exercise of Employee Stock Option	**825.62**		1,012.23	
Dividends Paid (including dividend tax)	**(4,560.33)**		(3,671.45)	
Interest paid	**(3,728.44)**		(3,586.18)	
Net Cash generated from financing activities		**6,487.40**		2,316.15
Net Increase/ (decrease) in cash and cash equivalents		**12,788.30**		(3,599.35)
Cash and cash equivalents at the beginning of the year		**1,996.37**		5,595.72
Cash and cash equivalents at the end of the year		**14,784.67**		1,996.37
Reconcilation of cash equivalent at the end of the year as per Balance Sheet		**15,019.67**		1,996.37
Less : Bank Deposits held for more than three months treated as investing activities		**235.00**		–
Cash and cash equivalents at the end of the year		**14,784.67**		1,996.37

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place: Chennai
Date : May 19, 2011

Notes to Abridged Accounts for the year ended March 31, 2011

(Compiled from audited annual accounts of the Company)

1. The proceeds of initial public offer in 2007 have now been fully utilized. **(Note No. 2(a) in the notes to accounts of the financial statements)**

2. **Sub-division of Shares:**

   Pursuant to the shareholders resolution at the Annual General Meeting held on 20th July 2010, the face value of the shares has been sub divided from ₹.10/- to ₹.2/-. **(Note No. 2 (p) in the notes to accounts of the financial statements)**

3. **Contingent Liabilities**

(₹ in Lakhs)

	Particulars	As at March 31, 2011	As at March 31, 2010
1.	Guarantees by banks on behalf of the Company	2,587.15	281.10
2.	Corporate Guarantees outstanding		
	On behalf of subsidiaries	39,484.08	48,060.62
	Others	321.68	321.68
3.	Bills Discounted	7,347.12	2,614.30
4.	Factoring	5,750.00	4,625.00
5.	Claims against Company not acknowledged as debts	563.63	159.53

6. The Company has in addition to above issued letters of comfort/awareness to banks for the facilities granted to its subsidiaries.

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

(₹ in Lakhs)

Name of the Statue	Nature of Dues	Financial Year	Forum where Dispute is pending	As at March 31, 2011	As at March 31, 2010
The Customs Act, 1962	Customs duty	Various Years	Various appellate Authorities	315.79	64.87
Income Tax Act, 1961	Income Tax	Various years	Various appellate Authorities	520.56	130.22
Sales Tax Act of various states	Sales Tax	Various years	Various appellate Authorities	752.08	719.13
Central Sales Tax Act, 1956	Sales Tax	Various years	Various appellate Authorities	477.10	61.08

The Company has paid ₹. 631.23 Lakhs under protest (P.Y. ₹.226.13 Lakhs), which is included under loans & advances. **(Note No. 2(h) in the notes to accounts of the financial statements)**

4. **Capital Commitments**

   Estimated amount of contracts remaining to be executed on capital account and not provided for, (net of advances) is ₹ 406.34 Lakhs (P.Y. ₹.9.72 Lakhs). **(Note No. 2(i) in the notes to accounts of the financial statements)**

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

   i. After March 31, 2011, 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 12, 2011	5,15,815
April 30, 2011	5,12,910

   ii. Corporate guarantees amounting to ₹ 6,205.60 Lakhs expired which are issued on behalf of step down subsidiaries.

   iii. The company has issued corporate guarantee on behalf of its wholly owned subsidiary amounting to ₹ 2,210.75 Lakhs.

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

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6. Earnings per Share

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

Description	March 31, 2011	March 31, 2010
Profit after Tax (₹. In Lakhs)	12,844.04	9,945.61
Weighted Average Number of equity shares (Basic)	395,348,997	392,026,000
Earning per share - Basic ₹	3.25	2.54
Weighted Average Number of equity shares (Diluted)	397,931,703	396,106,180
Earning per share - Diluted ₹	3.23	2.51
Face Value per share in ₹	2/-	2/-

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

7. Accounting for Financial Instruments

The Company has recognized Mark to Market (MTM) Losses of ₹. 2.09 Lakhs (P.Year ₹.184.77 Lakhs) relating to forward contracts entered into to hedge the foreign currency risk of highly probable transactions that are designated as effective cash flow hedges, in the Hedge Reserve Account. The company has not entered into any speculative/other derivative transaction.

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

(₹ in Lakhs)

Type of Contract	March 31, 2011	March 31, 2010
Forward Contracts entered into to hedge the foreign currency risk of highly probable forecast transactions	9,096.29	11,554.05
Forward Contracts entered into for import creditors outstanding	63,660.47	57,499.18

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

8. Related Parties

1) Key Management Personnel

Mr. R.Srinivasan, Managing Director

Mr. Raj Shankar, Deputy Managing Director

Mr. M.Raghunandan, Wholetime Director

2) Names of the related parties

Party where control exists	Redington Employee Share Purchase Trust*
Parties having Significant Influence	Redington (Mauritius) Limited, Mauritius* Synnex Mauritius Limited, Mauritius*
Subsidiary Companies	Nook Micro Distribution Limited, India * Redington (India) Investments Private Limited, India Cadensworth (India) Limited, India* Easyaccess Financial Services Limited, India* Redington International Mauritius Limited, Mauritius Redington International (Holdings) Limited, Cayman Islands Redington Gulf FZE, Dubai* Cadensworth FZE, Dubai* Redington Gulf & Co. LLC, Oman Redington Nigeria Ltd, Nigeria Redington Egypt Ltd, Egypt Redington Kenya Ltd, Kenya Redington Middle East LLC, Dubai Redington Qatar WLL, Qatar Redington Arabia Limited, Saudi 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 Cadensworth United Arab Emirates LLC, Dubai Redington Morocco Limited, Morocco. Redington Tanzania Ltd., Tanzania Redington SL Pvt Limted, Sri lanka Redington Angola ADA Redington Turkey Holdings S.A.R.L Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi, Turkey#

* *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

3) Nature of Transactions

(₹ in Lakhs)

Nature of Transactions	Year Ended March 31, 2011	Year Ended March 31, 2010
	Party Where Control Exists	Party Where Control Exists
Redington Employees Share Purchase Trust		
Interest Income	NIL	0.67
Loan Granted	4.50	NIL
Dividend Paid	0.10	1.39
Loan Repaid	NIL	53.78
Loan Outstanding	4.50	NIL

(₹ in Lakhs)

Nature of Transactions	Year Ended March 31, 2011	Year Ended March 31, 2010
	Parties having Significant Influence	Parties having Significant Influence
Redington (Mauritius) Limited		
Dividend Paid	1,145.08	1,356.06
Synnex Mauritius Limited		
Dividend Paid	1,101.91	881.53

(₹ in Lakhs)

Nature of Transactions	Year Ended March 31, 2011	Year Ended March 31, 2010
	Subsidiary Companies	Subsidiary Companies
Nook Micro Distribution Limited		
Rent Paid	7.13	6.00
Rent received	2.88	NIL
Interest Income	5.44	1.48
Consultancy charges – Expenses	NIL	4.00
Rebates – Expenses	10.19	NIL
Loan Granted	330.50	NIL
Loan Repaid	90.50	NIL
Equity Contribution	395	NIL
Sales/Service Charges - Income	339.89	0.77
Purchases	1.00	NIL
Amount Receivable at year end (Net)	63.34	10.01
Loan outstanding at the year end	240.00	NIL
Investments at year end	410.32	15.32
Redington (India) Investments Private Ltd		
Sales/Service Charges – Income	NIL	0.45
Interest Income	NIL	0.01
Sales/Service Charges – Expenses	NIL	3.00
Loan Granted	NIL	2.00
Loan Repaid	NIL	2.00
Investments at year end	5.00	5.00
Easyaccess Financial Services Ltd		
Lease Rent	NIL	NIL
Sales/Service Charges – Income	50.04	18.58
Receivables Factored	297,055.87	195,966.16
Factoring Expenses	2,175.58	910.26
Interest Income	179.93	281.81
Dividend received – Income	302.06	NIL
Rent received	0.12	NIL
Amount Receivable at year end	NIL	2.25
Loan Granted	22,000	52,000
Loan Repaid	22,000	52,000
Equity Contribution	NIL	13,800
Investments at year end	22,074.74	22,074.74
Cadensworth (India) Ltd		
Purchase of Fixed Assets	NIL	NIL
Sales/Service Charges – Expense	11.83	12.29
Sales/Service Charges – Income	4.61	2.45
Amount Payable at year end	0.56	5.26
Investments at year end	612.27	612.27

(₹ in Lakhs)

Nature of Transactions	Year Ended March 31, 2011	Year Ended March 31, 2010
	Subsidiary Companies	Subsidiary Companies
Redington Distribution Pte Ltd		
Trading Purchases	1,224.44	2,604.04
Sales/Service Charges	248.46	2.15
Dividend received – Income	140.15	NIL
Trade Mark License Fees	181.52	191.29
Amount Receivable at year end	191.69	NIL
Amount Payable at year end	173.39	226.54
Investments at year end	1,762.81	1,762.81
Corporate Guarantees given	10,836.59	9,563.70
Redington International Mauritius Ltd		
Equity Contribution	NIL	11.84
Investments at year end	22.62	22.62
Redington International (Holdings) Ltd		
Investments at year end	21,412.33	21,412.33
Redington Gulf FZE		
Amount Receivable at year end	NIL	26.15
Investments at year end	NIL	NIL
Corporate Guarantees given	24,187.99	29,516.92
Cadensworth FZE		
Trading Purchases	NIL	0.95
Amount Payable at year end	NIL	NIL
Corporate Guarantees given	4,459.50	8,980.00

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

9. Employee Stock Option Plan 2008

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

Particulars	Grant - I	Grant - II	Grant - III	Grant - IV
Date of Grant	29.02.2008	25.07.2008	28.01.2009	22.05.2009
Exercise Price (₹.)*	348.05	319.90	130.00	165.00
Vesting commences on	28.02.2009	24.07.2009	27.01.2010	22.05.2010
Options granted	23,35,973	11,000	2,76,143	25,000
Options vested	18,66,016	8,250	2,07,107	12,500
Options Exercised at the beginning of the year	766,720	3,500		
Options Exercised during the year	459,687	750	1,57,108	12,500
Options Lapsed	469,957	-	-	-
Total Options outstanding and not exercised as on 31.03.2011	6,39,609	6,750	1,19,035	12,500

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

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

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

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

The fair values of options on the respective dates of grant are given below:

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

Assumptions:

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

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

Exercise Price: Options have been granted primarily at a price of ₹.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.

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

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

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

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

(₹. in Lakhs)

Particulars	2010-11	2009-10
Profit after tax as per Profit and Loss Account (a)	12,844.04	9,945.61
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	NIL	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method	225.76	850.93
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	12,618.28	9,094.68
Earnings per share based on earnings as per (a) above		
– Basic	3.25	2.54
– Diluted	3.23	2.51
Earnings per share had fair value method been employed for accounting of employee stock options as per (b) above		
– Basic	3.19	2.32
– Diluted	3.17	2.30

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

11. Ratios

(i) Sales to total assets ratio – 3.48 Times (Previous Year - 3.78 Times)

(ii) Operating Profit / Closing Capital Employed – 18.49% (Previous Year – 17.71%)

(iii) Return on Closing Net worth – 16.81% (Previous Year – 14.71%)

(iv) Profit to sales ratio – 1.54% (Previous Year – 1.54%)

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No	28758	State Code	18
Balance Sheet Date	31-03-11		

II Capital raised during the year (₹ in Thousands)

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

III Position of Mobilisation and Deployment of Funds (₹ in Thousands)

Total Liabilities	12790924	Total assets	12790924
SOURCES OF FUNDS			
Paid-up Capital	792660	Reserves & Surplus	6847980
Secured Loans	3575221	Unsecured Loans	1575063
APPLICATION OF FUNDS			
Net Fixed Assets	676389	Investments	4630009
Net Current Assets	7484526	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV Performance of Company (₹ in Thousands)

Turnover (incl. Other Income	83290576	Total Expenditure	81356612
+/- Profit/Loss before tax	1933964	+/- Profit/Loss after tax	1284404
Earning per Share (in ₹) (Basic)	3.25	Dividend Rate %	55
Earning per Share (in ₹) (Diluted)	3.23		

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

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

Place : Chennai
Date : May 19, 2011

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THE BRAND BEHIND BRANDS

abridged consolidated financial statements

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

To

The Board of Directors
Redington (India) Limited

We have examined the attached abridged Consolidated Balance Sheet of Redington (India) Limited ("the Company") and its subsidiaries (the "Group"), as at March 31, 2011 and also the abridged Consolidated Profit and Loss account and the Cash Flow Statement for the year ended on that date both annexed thereto, together with significant notes thereon. These abridged consolidated financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the audited Consolidated Financial Statements of the Company for the year ended March 31, 2011 prepared by the management in accordance with the requirements of Accounting Standard (AS 21), Consolidated Financial Statements, as notified in the Companies (Accounting Standard) Rules, 2006 and covered by our report of even date to the Board of Directors of the Company which report is attached hereto.

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

M K Ananthanarayanan
Partner
Membership No.19521

Place : Chennai
Date : May 19, 2011

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 (the Company and its subsidiaries constitute "the Group") as at 31st March, 2011 the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 239,549.97 lakhs as at 31st March, 2011, total revenues of Rs. 911,007.08 lakhs and net cash outflows amounting to Rs. 9,899.20 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

M.K. Ananthanarayanan
Partner
Membership No. 19521

Place : Chennai
Date : May 19, 2011

ABRIDGED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Amount in ₹ Lakhs)

	As At 31.03.2011	As At 31.03.2010
Sources of Funds		
(1) Shareholders' Funds		
a. Capital		
I. Equity	**7,926.60**	7,863.60
b. Reserves and Surplus		
I. Capital Reserve	**21,386.05**	28,256.37
II. Securities Premium Accounts	**34,489.26**	33,726.64
III. General Reserve	**4,181.17**	2,896.77
IV. Statutory Reserve	**803.72**	423.02
V. Hedge Accounting Reserve	**(2.09)**	(184.77)
VI. Employee Share Purchase Reserve	**10.97**	11.05
VII. Foreign Currency Translation Reserve	**(500.27)**	(226.40)
VIII. Surplus in Profit and Loss Account	**50,664.00**	34,805.95
Total (b)	**111,032.81**	99,708.63
Total	**118,959.41**	107,572.23
(2) Minority Interest	**34,126.42**	24,025.29
(3) Loan Funds		
a. Secured Loans	**75,975.02**	59,987.07
b. Unsecured Loans	**82,993.85**	54,872.26
Total	**158,968.87**	114,859.33
Total	**312,054.70**	246,456.85
Application of Funds		
(1) Fixed Assets		
(a) Net block (Gross Block less Accumulated Depreciation)	**14,601.66**	8,470.36
(b) Capital advances	**159.68**	1,210.35
(2) Deferred Tax (Asset)	**633.21**	337.58
(3) (a) Current assets, loans and advances		
(i) Inventories	**158,327.50**	98,284.92
(ii) Sundry Debtors	**254,832.45**	181,643.50
(iii) Cash and bank balances	**48,060.24**	58,260.21
(iv) Loans and advances	**23,590.79**	15,185.18
Total	**484,810.98**	353,373.81
Less:		
(b) Current liabilities and provisions		
(i) Liabilities	**181,006.46**	110,897.97
(ii) Provisions	**7,144.37**	6,037.28
Total	**188,150.83**	116,935.25
Net current assets	**296,660.15**	236,438.56
Total	**312,054.70**	246,456.85

Refer notes to abridged financial statements

Compiled from the audited annual accounts of the company referred to in our report dated 19th May, 2011

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 19, 2011

ABRIDGED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in ₹ Lakhs)

	Year Ended March 31, 2011	Year Ended March 31, 2010
I. Income		
Sales & Service Income	**1,745,853.65**	1,375,775.15
Interest	**1,526.37**	1,837.93
Other Income	**428.16**	142.42
Total	**1,747,808.18**	1,377,755.50
II. Expenditure		
Cost of goods sold		
(i) Opening Stock	**98,284.92**	77,935.71
(ii) Purchases	**1,712,146.77**	1,323,663.60
(iii) Closing Stock	**158,327.50**	98,284.92
(i + ii - iii)	**1,652,104.19**	1,303,314.39
Trading expenses	**5,348.21**	3,492.74
Employee Compensation Costs	**20,061.42**	16,043.57
Managerial Remuneration	**595.33**	506.37
Interest	**9,608.67**	6,637.62
Depreciation	**2,455.81**	2,343.15
Auditor's remuneration	**332.94**	306.98
Bad Debts Written Off and Provision for doubtful debts	**2,405.37**	1,495.18
Other expenses	**19,795.82**	16,023.79
Total	**1,712,707.76**	1,350,163.79
III. Profit before tax	**35,100.42**	27,591.71
IV. Provision for taxation	**8,623.14**	6,389.69
V. Profit after tax	**26,477.28**	21,202.02
VI. Minority Interest	**3,877.33**	2,769.04
VII. Profit for the year	**22,599.95**	18,432.98
VIII. Dividend including Dividend Distribution Tax relating to previous year	**13.83**	28.28
IX. Proposed Dividend - Equity Shares including Corporate Dividend Tax	**5,091.11**	4,647.28
X. Transfer to reserves/surplus	**17,495.00**	13,757.42
EARNINGS PER SHARE		
EPS – Basic (Face Value – ₹ 2 Per Share)	**5.72**	4.70
EPS – Diluted (Face Value – ₹ 2 Per Share)	**5.68**	4.65
Weighted Average Number of shares for calculating earnings per share		
Basic	**395,348,997**	392,026,000
Diluted	**397,931,703**	396,106,180

Refer notes to abridged financial statements

Compiled from the audited annual accounts of the company referred to in our report dated 19th May, 2011

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 19, 2011

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in ₹ Lakhs)

Particulars	Year Ended March 31, 2011		Year Ended March 31, 2010	
Cash flow from operating activities:				
Net Profit before taxation	35,100.42		27,591.71	
Adjustments for:				
- Depreciation	2,455.81		2,343.15	
- Interest Expense	9,608.67		6,637.62	
- Interest Income	(1,526.37)		(1,837.93)	
- Provision for Doubtful debts	2,085.43		1,464.87	
- Bad debts written off	319.94		30.31	
- Provision for compensated absences	(9.46)		50.19	
- Provision for gratuity	551.25		243.61	
- Provision for standard assets	195.00		120.00	
- Unrealised Foreign Exchange Variation (Net)	67.11		120.31	
- (Profit) / Loss on sale of fixed assets	(55.61)		2.81	
Operating Profit before working capital changes	48,792.19		36,766.65	
(Increase)/Decrease in Sundry Debtors	(37,070.35)		(42,681.98)	
(Increase)/Decrease in Loans and advances	(8,030.21)		5,554.26	
(Increase)/Decrease in Inventories	(38,151.44)		(20,349.21)	
Increase/(Decrease) in Current liabilities	38,121.49		29,027.60	
Cash used in operations	3,661.68		8,317.32	
Interest Paid by Financial Services Subsidiary	(1,476.59)		(989.76)	
Direct taxes paid	(9,272.44)		(6,222.06)	
Net Cash (used in)/generated from operating activities		(7,087.35)		1,105.50
Cash flow from investing activities:				
Purchase of fixed assets	(5,644.00)		(3,487.04)	
Proceeds from sale of fixed assets	86.47		58.54	
Interest received	1,494.43		1,925.30	
Loan settled by ESPS Trust	–		53.78	
Deposits placed	(1,397.17)		(3,893.78)	
Investment in step down subsidiaries	(18,163.46)		–	
Net Cash used in investing activities		(23,623.73)		(5,343.20)
Cash flow from financing activities:				
Proceeds from issue of share capital by a subsidiary	–		156.99	
Proceeds from issue of share capital by parent company	825.62		1,012.23	
(Repayment of)/Proceeds from long term borrowing	(625.00)		2,500.00	
Proceeds from short term borrowings (Net)	32,173.80		14,060.89	
Dividend paid by stepdown subsidiary to minority shareholders	(506.78)		–	
Dividends Paid, including dividend tax	(4,560.33)		(3,671.45)	
Interest paid	(7,508.02)		(5,615.81)	
Net Cash generated from financing activities		19,799.29		8,442.85
Net (decrease)/increase in cash and cash equivalents		(10,911.79)		4,205.15
Cash and cash equivalents at the beginning of the year		58,260.21		60,238.65
Currency Translation Adjustment		(685.35)		(10,077.37)
Cash and cash equivalents at the end of the year		46,663.07		54,366.43
Reconciliation of Cash and cash equivalents				
Cash and cash equivalents at the end of the year as per Balance Sheet		48,060.24		58,260.21
Less: Bank deposits held for more than three months		1,397.17		3,893.78
Cash and cash equivalents at the end of the year		46,663.07		54,366.43

In terms of our report attached

For and on behalf of the Board

For Deloitte Haskins & Sells
Chartered Accountants

R Srinivasan
Managing Director

Raj Shankar
Dy. Managing Director

M Raghunandan
Wholetime Director

M K Ananthanarayanan
Partner

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 19, 2011

Notes to Abridged consolidated financial statements for the year ended March 31, 2011

(Compiled from audited annual accounts of the Company)

1. Basis of consolidation

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

a. Financial Statements of Redington (India) Limited and Easyaccess Financial Services Limited prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP) under historical cost convention on the accrual basis and audited by Deloitte Haskins and Sells, Chartered Accountants, Chennai.

b. Financial statements of Cadensworth (India) Limited, Nook Micro Distribution Limited and Redington (India) Investments Private Limited prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP) under historical cost convention on the accrual basis and audited by M/s. A S Varadharajan & Co., Chartered Accountants, Chennai.

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

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

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

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

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

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

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

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

(Note no: 2 in the notes to the consolidated financial statements)

2. Acquisition of Arena, Turkey

The Company's step down subsidiary Redington International Holdings Limited acquired 49.40% stake in Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi, Istanbul, Turkey (ARENA) for a consideration of USD 42.484 million (₹18,945.74 lakhs) through its wholly owned subsidiary Redington Turkey Holdings S.A.R.L., Luxembourg. While preparing the consolidated financial statements the excess consideration of ₹ 6505.35 lakhs paid over the net worth of Arena as on the date of acquisition is adjusted against Capital Reserve. The Consolidated Profit and Loss Account includes profits amounting to ₹ 497.73 lakhs of Arena relating to the period November 29, 2010 to March 31, 2011 (post acquisition period).

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

3. Unsecured Loans

During the year, the Company and one of its wholly owned subsidiaries has privately placed Unsecured Redeemable Non convertible debentures with a daily call and put option to meet its working capital requirements. There are no amounts outstanding as at March 31, 2011.

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

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

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4. Contingent Liabilities

(Amount in ₹ Lakhs)

Details	As at March 31, 2011	As at March 31, 2010
a. Guarantees by banks	**2,587.15**	832.00
b. Disputed Income Tax / Sales Tax / Customs Duty demands		
- Disputed customs duty	**315.79**	64.87
- Disputed sales tax demand	**1,229.18**	780.21
- Disputed Income tax demand	**554.74**	136.19
c. Letter of Credit	**2,566.01**	2402.15
d. Bills discounted*	**6,939.49**	2584.94
e. Claims against the Company not acknowledged as debts	**564.43**	162.24
f. Corporate guarantees issued to others	**321.68**	321.68
g. Factoring*	**2,000.00**	2,000.00

* Net of intra group transaction

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

5. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 406.34 lakhs (Previous year ₹ 2467.41 lakhs).

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

6. Employee Stock Option Plan 2008

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

Particulars	Grant - I	Grant - II	Grant - III	Grant - IV
Date of Grant	29.02.2008	25.07.2008	28.01.2009	22.05.2009
Exercise Price*	348.05	319.90	130.00	165.00
Vesting commences on	28.02.2009	24.07.2009	27.01.2010	22.05.2010
Options granted	23,35,973	11,000	2,76,143	25,000
Options vested	18,66,016	8,250	2,07,107	12,500
Options Exercised at the beginning of the year	7,66,720	3,500	-	-
Options Exercised during the year	459,687	750	1,57,108	12,500
Options Lapsed	469,957	-	-	-
Total Options outstanding and not exercised as on 31.03.2011	639,609	6,750	1,19,035	12,500

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

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

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

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

The fair values of options on the respective dates of grant are given below:

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

Assumptions:

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

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

Exercise Price: Options have been granted primarily at a price of ₹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.

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

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

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

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

(Amounts in ₹ Lakhs)

	2010-11	2009-10
Profit after tax as per Profit and Loss Account (a)	**22,599.94**	18,432.98
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	**NIL**	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method	**225.76**	850.93
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	**22,374.18**	17,582.05
Earnings per share based on earnings as per (a) above - Basic	**5.72**	4.70
Earnings per share based on earnings as per (a) above - Diluted	**5.68**	4.65
Earnings per share had fair value method been employed for accounting of employee stock options - Basic	**5.66**	4.48
Earnings per share had fair value method been employed for accounting of employee stock options - Diluted	**5.62**	4.43

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

7. Accounting for Financial Instruments

The Parent Company has recognized Mark to Market (MTM) Losses of ₹2.09 lakhs (PY - ₹184.77 Lakhs) as of March 31, 2011 relating to forward contracts entered into to hedge the foreign currency risk of highly probable transactions that are designated as effective cash flow hedges, in the Hedge Reserve Account. The Parent Company and its subsidiaries have not taken any forward contract for speculative purposes.

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

8. Events occurred after Balance Sheet Date

After March 31, 2011, equity shares of ₹2/- each fully paid up were issued and allotted at a pre-determined premium pursuant to the exercise of stock options under Redington (India) Limited Employee Stock Option Plan 2008.

Date of allotment	No of Shares
April 12, 2011	5,15,815
April 30, 2011	5,12,910

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

9. Related Parties

i) Key Management Personnel

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

ii) Name of the related parties

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

(iii) Remuneration to Key Management Personnel - ₹39.41 Lakhs (2009-10 ₹39.06 Lakhs) (Key Management Personnel of Parent Company) ₹556.26 Lakhs[@] (2009-10 - ₹467.30 Lakhs) (Key Management Personnel of Overseas subsidiaries).

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

iv) Nature of Transactions

(Amounts in ₹ Lakhs)

Nature of transaction	Party where control exists	
	2010-11	2009-10
Interest Income	**NIL**	0.67
Dividend Paid	**0.10**	1.39
Loan granted	**4.50**	NIL
Loan repaid	**NIL**	53.78
Loan outstanding	**4.50**	NIL

(Amounts in ₹ Lakhs)

Nature of transaction	Parties with Significant Influence	
	2010-11	2009-10
Redington (Mauritius) Limited		
Dividend Paid	**1,145.08**	1,356.06
Synnex Mauritius Limited		
Dividend Paid	**1,101.91**	881.53

10. Ratios

(i) Sales to total assets ratio 3.48 - (Previous Year - 3.77)
(ii) Operating Profit / Closing Capital Employed 17.78% -(Previous Year - 14%)
(iii) Return on Closing Net worth 15.76% - (Previous Year - 16.43%)
(iv) Profit to Sales ratio - 1.54% (Previous Year - 1.34%)

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

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

(₹ In Lakhs)

Sl.No	Name of Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in subsidiary	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Tax	Proposed Dividend	Country
1	Nook Micro Distribution Limited	INR	1.0000	400.00	(39.34)	997.16	636.50	–	1,034.03	(46.42)	0.28	(46.70)	–	INDIA
2	Redington (India) Investments Private Limited	INR	1.0000	5.00	3.57	8.68	0.11	–	–	(2.40)	–	(2.40)	–	INDIA
3	Easyaccess Financial Services Limited	INR	1.0000	15,103.00	10,140.76	68,204.75	42,960.99	–	5,217.13	2,861.56	958.08	1,903.48	377.58	INDIA
4	Cadensworth (India) Limited	INR	1.0000	130.13	1,172.30	1,389.96	87.53	–	568.32	123.01	40.29	82.72	–	INDIA
5	Redington Bangladesh Limited	TAKA	0.6150	18.45	8.69	33.29	6.15	–	31.60	2.19	–	2.19	–	BANGLADESH
6	Redington Distribution Pte. Limited	USD	44.5900	1,783.60	3,360.65	23,851.17	18,706.92	–	105,370.26	1,173.99	193.20	980.79	136.43	SINGAPORE
7	Redington Gulf FZE	AED	12.1200	1,454.40	49,106.33	158,590.65	108,029.92	–	649,339.74	4,549.87	88.60	4,461.27	3,097.15	UAE
8	Redington Gulf and Co. LLC	RO	115.6270	173.44	128.00	1,813.37	1,511.93	–	781.21	51.58	4.49	47.09	–	OMAN
9	Redington Nigeria Limited	NN	0.2876	28.76	(370.31)	3,808.76	4,150.31	–	19,159.18	87.47	–	87.47	–	NIGERIA
10	Redington Egypt Limited	LE	7.7016	3.85	201.02	4,322.42	4,117.55	–	19,758.41	108.89	25.01	83.88	–	EGYPT
11	Redington Kenya Limited	SH	0.5392	5.39	(214.73)	8,727.36	8,936.70	–	45,492.20	242.90	–	242.90	–	KENYA
12	Cadensworth FZE	AED	12.1200	121.20	5,385.22	13,149.62	7,643.20	–	55,342.08	1,584.68	–	1,584.68	–	UAE
13	Redington Middle East LLC	AED	12.1200	36.36	1,901.22	9,352.65	7,415.07	–	49,460.29	739.46	–	739.46	–	UAE
14	Redington Qatar WLL	QR	12.2250	24.45	1,127.58	1,603.61	451.58	–	2,528.31	478.71	23.65	455.06	–	QATAR
15	Redington Africa Distribution FZE	AED	12.1200	121.20	3,704.75	24,091.04	20,265.09	–	125,447.22	2,457.97	–	2,457.97	–	UAE
16	Redington Arabia Limited	SR	12.0732	120.73	829.48	2,342.41	1,392.20	–	3,917.28	99.46	36.12	63.34	–	SAUDI ARABIA
17	Redington Bahrain SPC	BD	115.6270	57.81	55.41	494.09	380.87	–	708.09	57.00	–	57.00	–	BAHRAIN
18	Redington Qatar Distribution Company W.L.L.	QR	12.2250	24.45	11.86	163.06	126.75	–	–	23.67	1.36	22.31	–	QATAR
19	Redington International (Holdings) Limited	USD	44.5900	6.66	67,925.70	67,987.28	54.92	–	–	2,315.35	–	2,315.35	1,698.95	CAYMAN ISLANDS
20	Redington International Mauritius Limited	USD	44.5900	22.30	1,135.06	1,167.40	10.04	–	–	1,172.54	–	1,172.54	–	MAURITIUS
21	Redington Kenya EPZ Limited	SH	0.5392	0.54	(28.93)	2,515.42	2,543.81	–	2,752.66	0.97	–	0.97	–	KENYA
22	Africa Joint Technical Services Company ##	LD	36.2065	108.62	15.98	235.39	110.79	–	471.67	9.80	1.86	7.94	–	LIBYA
23	Cadensworth UAE LLC	AED	12.1200	36.36	433.37	629.43	159.70	–	9,140.12	165.77	–	165.77	–	DUBAI
24	Redington Limited, Ghana	GHS	29.5494	164.15	6.80	1,544.27	1,373.32	–	6,694.53	9.69	3.49	6.20	–	GHANA
25	Redington Uganda Limited	UGS	0.0186	2.79	4.10	1,510.87	1,503.98	–	5,598.61	6.11	2.28	3.82	–	UGANDA
26	Redington Morocco Ltd.	MAD	5.5998	16.80	0.48	34.75	17.47	–	2.38	0.47	–	0.47	–	MOROCCO
27	Redington SL PVT LTD	LKR	0.4040	114.90	58.50	1,235.92	1,062.52	–	2,896.38	84.93	26.22	58.71	–	SRI LANKA
28	Redington Turkey Holdings S.A.R.L.	USD	44.5900	200.65	(89.84)	18,973.60	18,862.79	–	–	(90.92)	–	(90.92)	–	TURKEY
29	Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi	USD	44.7000	9,976.59	9,937.25	56,579.02	36,665.18	–	220,617.32	5,557.28	1,168.25	4,389.03	2,064.86	TURKEY

RGF Private Trust Company Limited, Cayman Islands, Redington Tanzania Ltd, Tanzania and Redington Angola Limited, Angola are yet to commence their operations.

Due to Political unrest Unaudited Management Accounts is considered for disclosure.

Abbreviation:

INR - Indian Rupees; AED - UAE Dirhams; QR - Qatari Riyal; RO - Omani Riyal; USD - US Dollar; NN - Nigerian Naira; SH - Kenyan Shilling; SR - Saudi Riyal; LE - Egyptian Pound; TAKA - Bangladesh Taka; BD - Bahrain Dinar; GHS - Ghanaian Cedi; UGS - Uganda Shilling; LD - Libyan Dinar; MAD - Moroccan Dirham; LKR - Srilankan Rupee.

REDINGTON (INDIA) LTD.

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

NOTICE

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the Company will be held on Friday, the 22nd day of July 2011 at 10.00 A.M at Mini Hall, Narada Gana Sabha, No. 314 (Old No. 254), T.T.K. Road, Alwarpet, Chennai-600 018, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2011, the Profit and Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year ended March 31, 2011.
3. To appoint a Director in place of Mr. N. Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Tu, Shu-Chyuan, 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, are eligible for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED that pursuant to sections 198,269,309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for the re-appointment of Mr. M. Raghunandan, as a Whole –Time Director of the Company for a period of two years with effect from March 1, 2011 on the salary, perquisites and benefits as set out in the explanatory statement attached to this notice."
7. To consider and if thought fit, to pass, with or without modification(s) the following as an Ordinary Resolution:

   "RESOLOVED that in accordance with the provisions of Section 269 and other applicable provisions if any, of the Companies Act, 1956 and subject to approval of the Central Government, approval of the Company be and is hereby accorded for re-appointment of Mr. R. Srinivasan as Managing Director of the Company for a period of five years with effect from July 1, 2011 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 entered between Mr. R. Srinivasan and the Company."

By Order of the Board

for **Redington (India) Limited**

Chennai
May 19, 2011

M. Muthukumarasamy
Company Secretary

Notes :

1. The relative explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items 6 and 7 is attached hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A BLANK PROXY FORM IS ENCLOSED FOR 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 Saturday, July 16, 2011 to Friday, July 22, 2011 (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 :-
   - to all beneficial owners in electronic form as per data made available by NSDL and CDSL.
   - to all shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 15, 2011.
5. All correspondence with regard to share transfers/dividends and matters related therewith may directly be addressed to the Company's Registrar and Share Transfer Agents at M/s. Cameo Corporate Services Limited, 'Subramanian Building', No. 1, Club House Road, Chennai - 600 002.
6. The Members are requested to lodge/notify the transfer deeds, communication for change of address, Bank details, ECS details, 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. The shareholders holding shares in electronic form are requested to lodge the above details to their depository participants and not to the Company or to the Registrar and Share Transfer Agents of the Company as the Company is obliged to use only the data provided by the Depositories while making payment of dividend.
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. Members/Proxy holders are requested to produce at the entrance of the auditorium the enclosed admission slip duly completed and signed.
10. Members who have not yet encashed the dividend warrants for the financial years 2006-07,2007-08, 2008-09 and 2009-10 are requested to present the same for revalidation to our Registrar and Share Transfer Agents.
11. Brief particulars regarding Directors retiring by rotation and re-appointment of Whole-time Director and Managing Director are given in the Corporate Governance Report forming in other part of the Annual Report.
12. The Ministry of Corporate Affairs, Government of India, vide their General Circular No: 2 /2011 dated February 8, 2011 granted general exemption from annexing the accounts of the subsidiary companies with the accounts of the Company.
13. The detailed annual accounts of the Company and its subsidiaries are available to the shareholders of the Company requiring such information 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 respective subsidiary companies.

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EXPLANATORY STATEMENT

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

Item No. 6

At the Annual General Meeting held on July 24, 2009, Mr. M. Raghunandan was re-appointed as a Whole-time Director of the Company for a period of two years with effect from March 1, 2009.

Mr. M. Raghunandan is a graduate in engineering from the Indian Institute of Technology, Madras and also has a masters' degree in business management from the Indian Institute of Management, Ahmedabad. He joined the Company in January, 1998 as a Country Support Manager and was made as a Whole-time Director in the year 1999. Mr. Raghunandan has a professional experience of 33 years and has been associated with organisation like ITC Limited and HCL Info systems Limited and has rich experience in manufacturing, technology transfer and projects. Prior to joining the Company, Mr. Raghunandan was the President of Indian Food Fermentations Limited.

The term of Mr. M. Raghunandan's appointment as a Whole-time Director of the Company came to an end on February 28, 2011. The Board of Directors at their meeting held on January 28, 2011 re-appointed Mr. M. Raghunandan as the Whole-time Director of the Company for a further period of two years with effect from March 1, 2011 subject to the approval of members.

The remuneration payable as per the provisions of Schedule XIII to the Companies Act, 1956 from March 1, 2011 is as under:

Basic Salary	:	₹ 1,00,000/- per month
Allowances	:	₹ 86,333/- per month
Contribution to Provident Fund	:	12% of basic salary
Leave Travel Allowance	:	As per the policy of the Company.

Performance linked Bonus

As approved by the Board of Directors subject to a maximum of ₹ 32,00,000/- per annum.

Perquisites

Telephone – the company shall provide a mobile phone for the official use of Mr. M. Raghunandan.

Minimum Remuneration:-

The remuneration as set out above may be paid as the minimum remuneration to Mr. M. Raghunandan, in the event of absence or inadequacy of profits in any financial year, provided that the total remuneration payable by way of salary, perquisites and any other allowance shall not exceed the ceiling provided in Section II of Part II of Schedule XIII of the Companies Act, 1956.

The re-appointment and remuneration of Mr. M. Raghunandan as above is subject to the approval of the Shareholders.

The Directors therefore recommend the resolution set out as item No. 6 for approval.

Except Mr. M. Raghunandan, none of the Directors of the Company is interested in this resolution.

This should also be treated as an abstract of the terms of appointment of the aforesaid Whole-time Director and the Memorandum of Interest of the Director in the said appointment, as contemplated under section 302 of the Companies Act, 1956.

Item No. 7

At the Extra-ordinary General Meeting held on August 25, 2006 Mr. R. Srinivasan was appointed as Managing Director of the Company for a period of five years with effect from July 1, 2006. The tenure of his appointment comes to an end on June 30, 2011.

Considering Mr. R. Srinivasan's vast experience in the field of Information Technology and his long standing association with the Company, the Board of Directors at their meeting held on May 19, 2011 approved the re-appointment of Mr. R. Srinivasan as Managing Director of the Company for a further period of five years with effect from July 1, 2011 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. R. Srinivasan and the Company subject to the approval of members and the Central Government.

Mr. Srinivasan holds an Electrical Engineering Degree from the Madras University and an MBA degree from the Indian Institute of Management, Ahmedabad. Mr. Srinivasan has been involved in and continues to engage in the operations of the Company and provides direction to its corporate strategy and vision.

As Mr. Srinivasan is not a resident in India and has not been staying in India for a continuous period of twelve months immediately preceding the days of his appointment as Managing Director, an application for approval of the Central Government for re-appointment of Mr. Srinivasan as 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: 7 of the Notice for the approval of members.

None of the Directors except Mr. R. Srinivasan is interested in this resolution.

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

Chennai
May 19, 2011

M. Muthukumarasamy
Company Secretary

REDINGTON (INDIA) LTD.

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

ATTENDANCE SLIP

Eighteenth Annual General Meeting 22nd July 2011

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 Eighteenth Annual General Meeting of the Company at Mini Hall, Narada Gana Sabha, No.314 (Old No. 254), T.T.K Road, Alwarpet, Chennai-600 018 on Friday, the 22nd day of July 2011 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 EIGHTEENTH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 22nd day of July 2011 at 10.00 A.M. at Mini Hall, Narada Gana Sabha, No.314 (Old No. 254), T.T.K Road, Alwarpet, Chennai-600 018 and at any adjournment (s) thereof.

Signed this_____________________ day of __________________ 2011.

Re. 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

Registered Office:
Redington (India) Limited
SPL Guindy House
95, Mount Road, Guindy, Chennai - 600 032
Tel: + 91 44 42243352, 4224 3353
Fax: +91 44 2235 2790
www.redingtonindia.com

Nagaraj & Co. Pvt. Ltd.