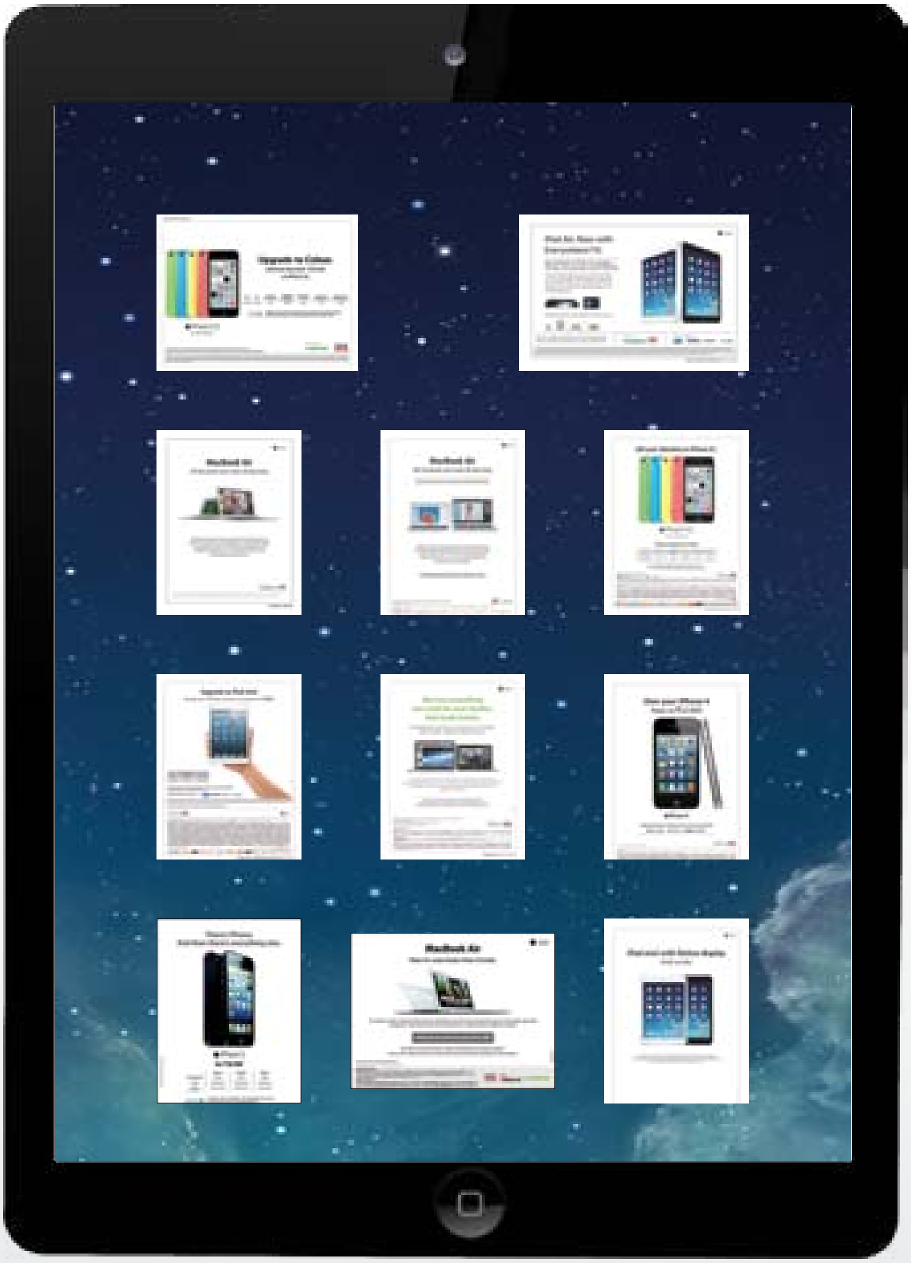
REDINGTON

India bytes Apple



Annual Report 2013 – 2014

Contents

Doing What It Takes
Resilience, commitment, leadership and a relentless pursuit of business goals towards creating shareholder value have been the cornerstones of the Redington way of doing business. In multiple geographies, through challenging times and changing market demands, the company has stood resolute, transforming its strategy and taking measured risk as appropriate towards ensuring growth and stakeholder delight. Redington is here for the future; its differentiator will continue to be its ability to stay a step ahead of the times.

Corporate Information

Chairman	Prof. J Ramachandran
Managing Director	R Srinivasan
Joint Managing Director	Raj Shankar
Whole-Time Director	M Raghunandan
Directors	R Jayachandran Tu, Shu-Chyuan Lin Tai-Yang Nainesh Jaisingh N Srinivasan V S Hariharan Keith WF Bradley
Company Secretary	M Muthukumarasamy
Statutory Auditors	M/s Deloitte Haskins & Sells
Internal Auditors	M/s Pricewaterhouse Coopers
Bankers – India	ANZ Banking Group Ltd Axis Bank Ltd Bank of Nova Scotia Barclays Bank PLC BNP Paribas Citibank DBS Bank Ltd Deutsche Bank First Rand Bank Ltd HDFC Bank Ltd ICICI Bank Ltd

Bankers – India	IDBI Bank Ltd IndusInd Bank Ltd ING Vysya Bank Ltd Kotak Mahindra Bank Ltd Standard Chartered Bank State Bank of India The Bank of Tokyo-Mitsubishi UFJ, Ltd The Hongkong & Shanghai Banking Corporation Ltd The Ratnakar Bank Ltd The Royal Bank of Scotland Yes Bank Ltd
Bankers – Overseas	Axis Bank, Dubai Bank of Baroda, Dubai Barclays Bank, Dubai BNP Paribas, Dubai Dubai Islamic Bank, Dubai Emirates NBD Bank, Dubai First Gulf Bank, Dubai HSBC, Dubai ICICI Bank, DIFC, Dubai Macquarie Bank, London Mashreqbank, Dubai National Bank of Fujairah, Dubai Standard Chartered Bank, Dubai BNP Paribas, Singapore HSBC, Singapore ICICI Bank, Singapore Maybank, Singapore OCBC Bank, Singapore Standard Chartered Bank, Singapore UCO Bank, Singapore

Message to Shareholders

R. Srinivasan

Raj Shankar

Dear Shareholders,

"Victory doesn't render you strong but overcoming difficulties does…" goes an old Chinese saying. How true this is for your Company. The past couple of years have been challenging for the Company as the economies of most developing countries were passing through a stressful period. Though the outlook in India and overseas remained challenging this year, we are pleased to say that your Company has been able to accomplish what it set out to achieve by modifying strategies and making some key decisions.

We take pleasure to hand you the twenty first Annual Report, containing the Board's Report along with the Audited Standalone and Consolidated Financial Statements for the year ended 31st March 2014. Your Company has posted **revenue** growth of about 16% and **profit** growth from operations of about 7% on a full year basis. The good news is that each of the geographies, where the Company has operations, viz India, Middle East, Turkey, Africa (META) and South Asia, grew its Revenue and Profits during the year.

Your Company had earlier taken a mandate of creating positive cash flows from operations. Your Company has achieved this goal for the third consecutive year. The positive cash flows accrued has reduced debt and had enabled us to propose an increase in the dividend payout. Accordingly, your Board has recommended a **dividend** of 45% of the face value of the share (90 paise per equity share) for the financial year 2014 as compared to 20% of the face value of the share (40 paise per equity share) the year before.

The year under review was a momentous one and for the first time globally the number of PC units shipped declined substantially. The year also witnessed the emergence of Lenovo as the Global No. 1 PC brand and a repositioning of other brands in the league table. Your Company's strategy of engaging with all PC brands enabled it to achieve growth even in a year of declining PC sales.

The rapid proliferation of Smartphones and tablets in India and in your Company's overseas markets and its representation with Apple and Samsung brands enabled your Company to capture revenue growth. The launch of Apple's 5S and 5C, in the second half of the last fiscal, was well received in the Indian market.

Your Company's focus on the value portfolio continued to grow market share. Success in this space can be attributed to its unique ability to identify product category and vendors well ahead of their launch in the markets. Your Company focuses on distributing storage, networking, and software products in the enterprise segment in the SMB and midmarket space which global brands find difficult to address. Brands whose focus is primarily in the Enterprise space, have acknowledged the unique value your Company brings to this space.

The world of commercial printing is undergoing a disruptive change with the introduction and increasing popularity of Digital printing presses. We anticipated this disruption nearly 5 years ago and our investment in this category has helped us become the leaders in the Digital printing category in India.

In keeping with the ideology **"Create Value, Profit will follow"**, your Company housed its core competencies of warehousing and logistics and hardware support services into two separate wholly owned subsidiaries and also created other subsidiaries to focus on value added distribution and micro distribution in tier-III & IV cities and rural areas. Since the needs of these businessess is diverse, differentiated effort is needed to grow each of them.

During 2012, your Company hived off its warehousing and logistics business into a 100% subsidiary, **ProConnect**, which has added many prestigious customers in FY14 including Reckitt Benckiser, a leader in the FMCG and Pharma sectors. The demand for logistics and warehousing services is expected to increase on relaxation of the FDI regulation in the retail sector and the roll out of GST. ProConnect is poised to capture this demand.

Last year we told you that Redington Gulf has housed its support services business in a new subsidiary called 'Ensure'. We have now incorporated **Ensure Support Services (India) Ltd.** for the purpose of carrying out support services business in India. Ensure started operations on 1st April 2014 as a neutral independent service provider and will provide the entire gamut of support services for various IT, Telecom and Consumer Electronics products.

Your Company's **Automated Distribution Centre** (ADC) in Chennai has completed four years of operations, and is almost full. To meet growing warehousing needs, your Board of Directors has approved phase II of the ADC expansion. Construction of ADC at Kolkata is completed and operations started from February 2014. We are in the process of obtaining approvals for construction at Delhi and work is expected to commence during this fiscal.

The IT channel industry is moving towards solutions based distribution. Since 2012, your Company delivers optimal IT solutions to its partners in India across the technology domain–Networking, Servers, Security, Surveillance and Infrastructure, through **Cadensworth (India) Limited**. Cadensworth completed its second successful year in the Value Added Distribution space and grew revenue by over 100% compared to the previous year. This gives us confidence that we can grow further in the VAD space and we will therefore strengthen investments in Wireless, Security and Cloud businesses.

Our overseas operations contributed 57% of total revenues in FY14. During the year, the MEA operations made a well considered decision to add **Lenovo** to its PC brand basket. While other brands were redefining themselves Lenovo gained ground globally and is today the #1 player in the world PC market and the only one to show positive growth in the Middle East markets. Your Company's decision to partner Lenovo has reaped a good dividend.

Though Turkey is going through challenges, our investment Company **Arena** has performed well on many parameters compared to peers in the industry. We are confident that when the economy bounces back, Arena's growth will be bright.

Your Company invested in the NBFC Easyaccess Financial Services Limited to provide channel finance to partners and to factor its receivables. While Easyaccess grew business consistently, changes in regulation brought in by the Central Bank on factoring made it difficult for Easyaccess to factor Redington's receivables. And with an increased number of regional distributors and easy availability of credit, its share of business began to shrink. Paying heed to investors' view that Easyaccess should be a subsidiary only as long as it is an enabler to Redington's business, your Company decided to divest the subsidiary fully by March 2014. Your Company utilised a portion of the consideration towards part repayment of a long-term debt and utilised the remaining to repay short-term debts.

Amongst other awards this year, your Company has been awarded the prestigious IBM Software Business Group's "Best Value Added Distributor" for the "Rational" line of software products on a global basis.

Your Company has re-negotiated the rate on a long-term loan of USD 78 Million from an all inclusive cost of 3 months Libor plus 5.5% p.a to 2.92% p.a on a fixed basis. As on 31st March 2014, the outstanding loan is USD 53.5 Million.

Your company's on-going dispute with the tax authorities on "Transfer Pricing", with regard to the restructuring of Redington India's holding in Redington Gulf to enable Investcorp's investment in Redington Gulf, has made some progress. At the first level of appeal with the Dispute Resolution Panel (DRP) of the Tax department we received partial relief and not surprisingly on the main issue, DRP concurred with the Tax department's line of reasoning. This led your Company to prefer an appeal with the Income Tax Appellate Tribunal (ITAT) and we are awaiting judgement.

The new Government in the Centre and their early pronouncements on policy matters and their determination to infuse growth in the economy augurs well for your Company's prospects. We would like to end by quoting India's New Prime Minister, "Good Days are ahead".

Lastly, we wish to thank our 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

Raj Shankar
Joint Managing Director

20th June 2014

Five years at a glance

Standalone Financials

(₹ in Crore)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10	CAGR
Total Revenue	11,304.65	10,454.55	9,871.48	8,144.84	6,278.84	16%
EBITDA	337.23	342.80	321.24	249.92	201.60	14%
PBT‡	315.44	248.94	233.29	193.40	153.16	20%
PAT‡	239.79	171.37	156.81	128.44	99.46	25%
Networth	1,266.75	1,065.47	908.97	764.06	675.98	
Capital Employed	1,623.78	1,684.74	1,529.69	1,279.09	1,051.50	
EBITDA / Revenue	2.98%	3.28%	3.25%	3.07%	3.21%	
PAT / Revenue	2.12%	1.64%	1.59%	1.58%	1.58%	
Return on Average Capital Employed *	29.30%	32.33%	35.01%	33.04%	31.67%	
Return on Average Equity *	39.59%	44.00%	50.03%	48.44%	38.97%	
EPS (FV ₹ 2) (₹) #@	6.01	4.29	3.94	3.25	2.54	
Book Value per Share (FV of ₹ 2) (₹) @	31.71	26.69	22.81	19.28	17.19	

For EPS calculation weighted average number of equity shares has been considered.
@ During the year 2010-11, Face value of shares got split from ₹ 10 to ₹ 2. EPS and Book Value for earlier years converted basis face value of ₹ 2.
* Investments and Dividend income received from wholly owned Subsidiaries is excluded.
‡ Including profit on sale of long-term investment in Easyaccess Financial Services Limited of ₹ 65.76 Crores during FY 2013-14.

Consolidated Financials

(₹ in Crore)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10	CAGR
Total Revenue	27,999.22	24,210.38	21,222.02	16,722.66	13,277.65	21%
EBITDA	719.61	684.20	633.40	471.65	365.72	18%
PBT	485.11	462.41	450.33	351.00	275.92	15%
PAT ^	336.65	323.11	292.74	226.00	184.33	16%
Networth	2,021.29	1,640.68	1,322.48	1,255.32	1,075.72	
Capital Employed	3,993.84	3,947.11	3,477.61	3,186.28	2,464.57	
EBITDA / Revenue	2.57%	2.83%	2.98%	2.82%	2.75%	
PAT / Revenue	1.20%	1.33%	1.38%	1.35%	1.39%	
Return on Average Capital Employed *	17.23%	17.69%	18.44%	16.01%	14.59%	
Return on Average Equity *	19.11%	22.82%	23.93%	19.95%	17.74%	
EPS (FV ₹ 2) (₹) #@	8.43	8.10	7.35	5.72	4.70	
Book Value per Share (FV of ₹ 2) (₹) @	48.75	39.46	33.18	31.67	27.36	

For EPS calculation weighted average number of equity shares has been considered.
@ During the year 2010-11, face value of shares got split from ₹ 10 to ₹ 2. EPS and Book value for earlier years converted basis face value ₹ 2.
* While calculating Return On Average Capital Employed and Return On Average Equity, goodwill has been excluded / capital reserve has been included appropriately.
^ Including loss on sale of investment in Easyaccess Financial Services Limited of ₹ 9.07 Crores during FY 2013-14.

India bytes Apple

The second biggest mobile market in the world gets a taste of the Apple phone

2007 Redington's relationship with Apple starts with Mac and iPod

2011 iPad launches in India

2012 India bytes iPhone

2013 iPhone 5S sells out within 24 hours of retail launch in November

> Redington's end-to-end supply chain expertise in the Indian geography and its acumen for extending value-added distribution at all touch points, rendered the company the perfect distributor for Apple.

Every once in a while there comes along a brand that creates a revolution of sorts in the world. Like the Apple. Apple has time and again introduced products that people could never have imagined, but once hooked, wonder how they ever lived without. The brand succeeds in creating a unique fan following as it consistently innovates products that make easier the way people work and play–the iMac, the iPod, the Macbook, the iPad and the iPhone bear testimony to that.

In a country like India, an Apple product has always been aspirational. Before it began retailing in the country, the 'Apple' of the times was bound to be on an eager consumer's shopping list when traveling overseas. And if they were not going anywhere, family and friends bore that responsibility.

In 2007 Redington launched the first Apple product in India. In 2010 it carved out a specific SBU for Apple sensing a potential spike in market demand for Apple products. Consequently, the Mac made impressive growth in the very first year. In January of 2011, the iPad made its debut in India, the 27th country by order of launch indicating that the country as a market was deeply undervalued by Apple. The India opportunity driven by her billion plus people had been relegated to the wings because the company could not fathom a business model to suit a multi-layered distribution system and provincial tax structure.

But the country was too important a stage for Apple. In 2012, Apple decided to raise the curtain on a new distribution model for launching its iconic iPhone 5 in India. Apple sought value added distribution partners for the first time in its history. It by-passed the Apple tradition of owned flagship retail stores and sale of phones through telecom operators elsewhere in the world. This decision worked to Redington's advantage as the company was chosen as one of two distributors for Apple phones in India.

Growth of smartphones in India

The smartphone market in India has plenty of headroom for growth. Sales of smartphones grew by 229% YOY to touch 12.8 million units in Q3 2013 compared to 3.8 million units in Q3 2012, virtually cannibalizing the feature phone market. An explosion is predicted for 2014; 400 million new users of internet-enabled phones are expected to vault the country ahead of the US as the second-largest country for smartphone use in the world.

Redington is seeing increasing user familiarity with iOS. The company offers value added distribution to Apple–it has set up the company's IT reporting systems and trained its pre-sales teams. Redington owns the larger share of the India market, thanks to its capabilities as a solutions provider and its ability to scale and this has translated into profitable growth for the company. Redington has also acquired great customer equity, thanks to Apple.

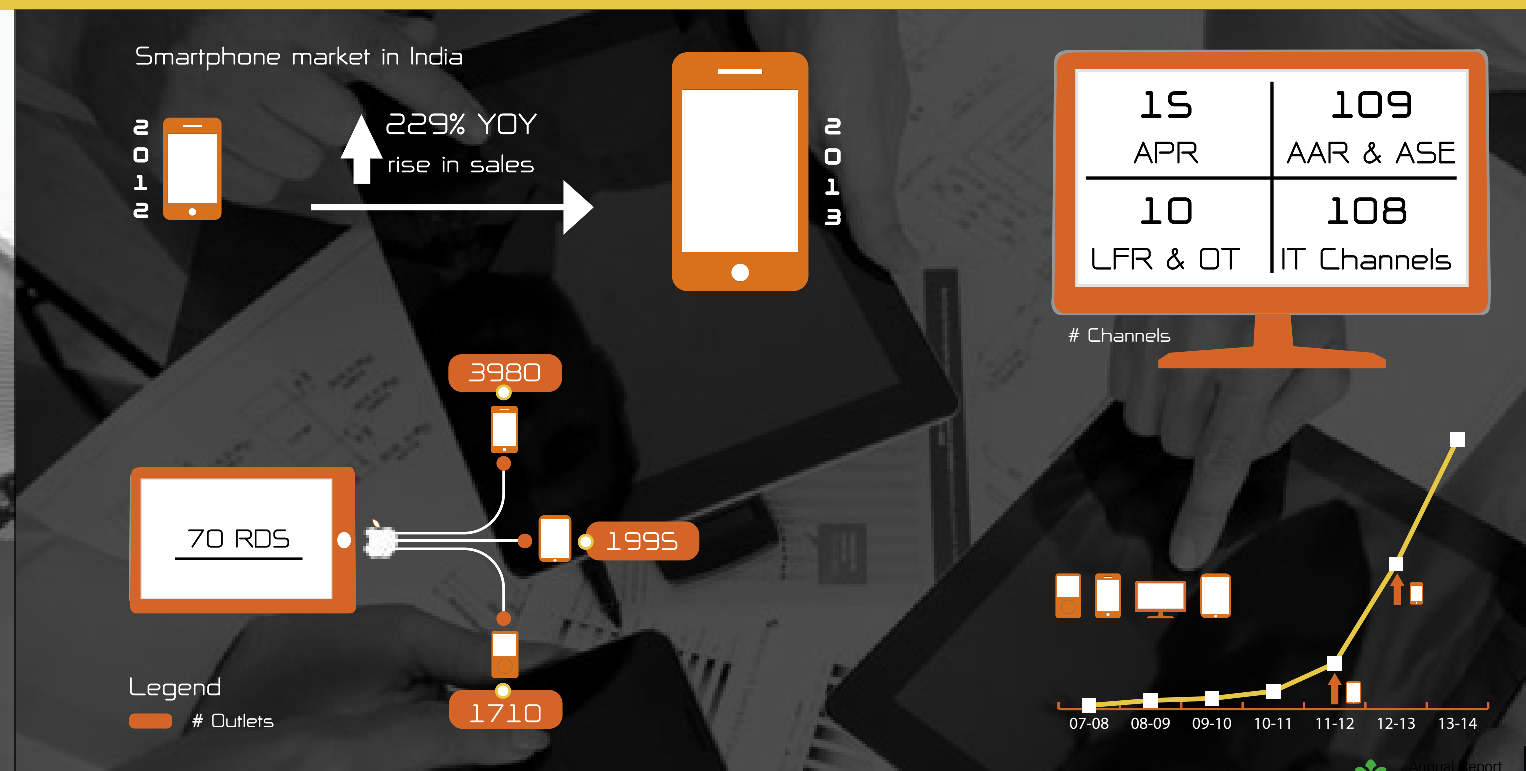
The iPhone strategy–a pay off for Redington

From the start of the distribution of the iPhone, Redington has been involved in all aspects of product distribution–the coordination of advertising, PR and launch events, logistics and channel management.

Apple products as a whole and iPhones in particular have always been regarded as expensive in India despite the country being one of the fastest growing smartphone markets in the world. In the first half of 2013 Apple launched various creative schemes to attract consumers. Its 'buy-back' scheme for iPhone 4 was a huge hit in the country as also the upgrade offer allowing buyers to bring in any smartphone for exchange. iPhone 4 sales gathered a huge momentum in 2013.

The flagship iPhone 5 was launched in India in tandem with its first phase launch around the globe. The zero interest EMI scheme succeeded in transforming a dream product into an affordable one for mass Indian consumers and drove sales figures northwards. The premium 5S sold out within 24 hours of its retail launch mirroring a global trend in its popularity.

India is the second biggest mobile market in the world with 800 million users. Apple wants to penetrate the top 50 II and III tier markets in India through stand-alone franchisee stores. Redington's expertise in distribution will prove priceless for Apple in this venture. In a mere 3 quarters, Redington has enhanced Apple's reach to touch 3500 retailers–a telling milestone for Apple in India.



Proconnecting the dots

The company offers multi-regional supply chain services across ten verticals

Leveraging core strength

Known for distribution of printers, Redington was in its early days in 1993, essentially a 'single product' distributor in India. Within a short space of time, it successfully added more products to its stable and soon grew to become a multi-product 'volume' distributor. The Company's geographic footprint outside India expanded alongside, extending into South Asia, the Middle East, Turkey and Africa. Redington's comprehension of the distribution business combined with insight about the value adds it could offer vendors and resellers at all touch points of the supply chain soon earned it the name of supply chain solutions provider. The Company's network within India enlarged. Its warehouses and stock-points at nodal hubs multiplied. In 2012 Redington chose to leverage the collective benefit of this set-up and its nuanced in-house expertise in the areas of warehousing and logistics, to create a new revenue stream. It made a foray into third party logistics (3 PL) and named the new company ProConnect.

ProConnect's differentiator

ProConnect is founded on a strong foothold. Redington's Automated Distribution Centres (Chennai and Kolkata are operational; Delhi is work in progress), and the Company's core competencies offer the perfect amalgam for cementing ProConnect's future.

The Company has inherited 75 warehouses totaling 1.20 million square feet space across India including Automated Distribution Centres. This is a key differentiator for ProConnect. Its transportation capability and geographic reach covers 26 states in the country with delivery capability to a total of 25,000 locations. In Chennai alone, ProConnect delivers to 1200 locations. And all of these deliveries can be tracked through GPS. ProConnect's operational capabilities are multi-modal and span air, rail and road for outbound services and sea and air for inbound.

Offerings

Traditionally logistics service providers have been known to stick to products within one business vertical. Starting out quite contrarily, ProConnect's approach has been business agnostic. It operates across 10 verticals and provides multi-regional services to customers in Pharma, FMCG, Consumer Durables, IT and others. It offers the entire bandwidth of supply chain services including import management, warehousing (with customized requirements when needed), insurance and claims handling, transportation, and reverse logistics with a call centre.

The Company offers last mile transportation services for large shipments to outlets, dealers, distributors, retailers, warehouses and project sites, and uses the GPS system to track goods en route.

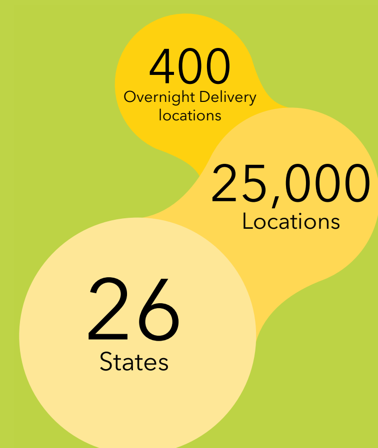
ProConnect has the capability to execute delivery for large projects. In one scenario, the company distributed a Kit of IT hardware to 7521 locations within a period of 27 days. It manages 10,000 SKUs for clients across verticals and last year moved 150,000 tons of stocks—impressive for a service provider essentially founded on high technology distribution.

Redington chose to leverage the collective benefit of its warehouses, stock points and its nuanced in-house expertise in the areas of warehousing and logistics, to make a foray into third party logistics (3 PL). The new company was named **ProConnect.**

75 Warehouses

1.20 mn sq ft Warehouse Spaces

Reach and capability



Despite its infancy, ProConnect is a master at providing value added services. In addition to delivering tower equipment and active devices for its prestigious clients in the telecom sector, the company took on starter pack kitting to the tune of 1crore SIM cards last year before distributing them. The trustworthiness of the company is absolute. At the consumer level, for example, ProConnect is authorized by a global PC brand to issue a refund cheque to the customer if the product is found to be defective.

ProConnect closes the loop in the value chain by offering Reverse Logistics to its customers–a huge benefit for vendors because of e-waste management mandates from the government. ProConnect works with certified e-waste managers and acts as liaison between customer and vendor for responsible disposal of e-waste.

Logistics is still in an embryonic stage in India and is expected to grow markedly over the next five years. The Goods & Service Tax (GST) which the government is considering will prove to be a great advantage for the Company as it is presently dealing with varying provincial tax structures. The move will vastly improve ProConnect's efficiencies in distribution and logistics.

Barcoding a transformation

Moving from volume player to a value added distributor

Redington is today a strong enterprise player in the IT and telecom products distribution space. The Company started in 1993 distributing printers and slowly added other adjacencies to its product portfolio. The business performed well but remained essentially volume driven, adding very little value to vendors and customers; revenues were determined by price and payment terms.

Then about fifteen years ago, the market came to an inflection point when everything familiar in the distribution business underwent a re-definition. Historically, an IT distributor who was a volume player would essentially focus on reach and coverage. He would extend financial support to his partners by giving them credit and derive a value for himself for taking that credit risk. But over the years the value for that risk started to diminish. Players such as Redington had to think beyond mere reach, coverage and credit, and examine the value proposition they were making to vendors and customers. It was clear that it was time for Redington to transform into a value added distributor. So what would that makeover take? Did Redington have that capacity?

1993 to 2001	Commodities player looking inside the PC
2002	Moving outside the PC into enterprise products

Such a task is not easy to accomplish. Value added distribution, a completely different cup of tea from a volume focused business, demands certain skills. In the enterprise segment for example, it is important to invest in human capital that is knowledgeable about technology. Consider a storage box–what is the type of data to be stored? Is it critical or non-critical? What is the best size to be used? A pre-sales team needed to know the answers.

Value added distribution, a completely different cup of tea from a volume focused business, demands knowledgeable human capital

Motorola & Redington

When Motorola wanted to enter MEA about six months ago, it approached Redington who undertook the whole gamut of responsibilities from demand forecasting to identifying products, designing brand communications, evolving brand positioning, creating a marketing strategy, procuring licenses, and putting together a distribution model. They even took responsibility for volume–5% market share in the Smartphone segment. From the vendor perspective, Redington had to earn and invest the marketing dollar. From the customer perspective, they had to be on premises, become their advisors and consultants.

Margins

Commodity Business		Enterprise Business
1	:	2+

Owning the enterprise segment

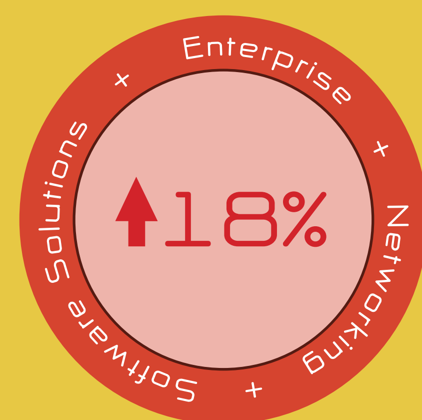
Redington's stable management, depth of experience and superior execution skills collectively enabled the company to transform itself. But the process was gradual. The seed was sown in 2002 until when Redington was still focused on commodities–essentially products that went inside a PC, like hard disks. It was now time to move outside the PC. The company built a portfolio of enterprise goods and skilled itself to offer value added solutions and services to the vendor and customer–be it procuring licenses or programed software; value adds that complement rather than conflict or marginalize the value added reseller and system integrator. It supported pre-sales teams of the partners to help generate leads and opportunities. This yielded results and Redington's many commodity play partners have now evolved into value partners, growing in tandem with Redington. Thanks to the company, they have successfully transformed from a commodity business to the enterprise business where volumes are low but margins higher. They could not have done this alone as the initial investment in the segment is high and competency building is a challenge. Redington has today totally differentiated itself from peers and emerged as the #1 partner for enterprise vendors like Cisco, EMC, Oracle, and Avaya.

Staying ahead of the time

Redington's success can be attributed to its unique ability to identify product category and vendor before they begin to bear fruit. Time and again they have been able to identify emerging markets ahead of time, (as they did with the Middle East and Africa), replicate a business model, and enjoy early mover advantage in that region. But most importantly, they have demonstrated through their performance, their ability to learn, adapt, and continuously redefine their business so as to stay profitable.

Redington now distributes storage, networking, and software products in the enterprise segment with special focus on the SMB and midmarket space which global brands find difficult to address. It is a preferred partner for commercial projects as it effectively structures to the satisfaction of all concerned parties–the vendor, the partner and Redington itself. The company has seen the CAGR rise 22% on its revenue in the last 8 years. Margins have grown every year during this period from 4% to 6% contributing to a significant growth trajectory in revenue. Redington is a market leader in the enterprise segment and a virtual dipstick in the IT ecosystem as the company captures the ebb and flow of the IT and Telecom markets better than anyone else can.

CAGR Chart (FY10–FY14)

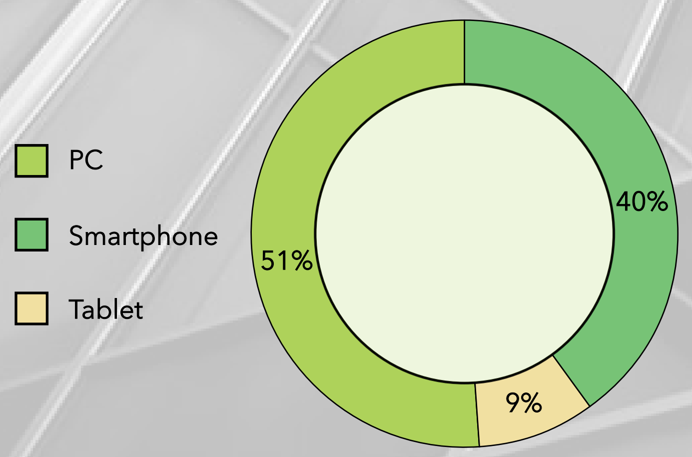


Keeping the pulse on market impulse

Reading signals

Last year Redington made a well considered decision to add Lenovo to its PC brand basket in the MEA. About the same time the global PC market went deeper into the prolonged decline, wielding a particularly telling effect in the Middle East region where unlike India the market focuses on familiar well-known brands. Worldwide, consumers are increasingly relying on tablets and smartphones for their daily needs, reducing the PC consumption base in both mature and emerging markets. The commercial market has fared only slightly better as most regions have delayed replacements and new purchases. Lenovo's performance in this landscape is hugely creditable and positions it ahead of competitor brands. While other brands were redefining themselves and their PC business remained stagnant, Lenovo gained ground globally. Today it is the #1 player in the world PC market and the only one that has shown positive growth in the Middle East markets. Redington's well thought out strategic decision to invest in Lenovo has reaped a good dividend.

PC, Tablet and Smartphone split
India FY14



Adaptable to changing market demands

The Company has always been adept at adapting itself to market needs. It has made tactical decisions at various points in time to re-define, sell or spin off– and all of these have worked successfully towards creating crown jewels for the company. When RIM sought to bring BlackBerry in the Smartphone product category to India in 2007, there was no digital platform in existence; Redington, RIM's distributor of choice, had to evolve an effective 'go to market' strategy that would work for the vendor. Credit should be given to RIM for engaging a distributorship in India; particularly one such as Redington. The relationship worked very well and RIM took the market by storm year after year. When RIM eventually started to lose its sheen, the Redington hallmark of being able to accurately read the 'what if' situation, understand what could possibly go wrong, and act on it, had already set the wheels in motion. The company was well into planning its next step in the same product category. It invested in the iPhone opportunity. This decision kept Redington profitable despite market slack in certain other product areas.

Redington's landscape stretches broadly across three theatres–the Indian sub-continent, Middle East & Africa and South Asia (Singapore). While growth has come from different products in the three regions, the company's trump card, its comprehensive portfolio of vendors and brands, has insulated it from market troughs in these geographies. Redington's resilience and endurance, its appetite to leverage competencies and add value, and its focus on staying profitable have all contributed to its good performance.

Making just-in-time decisions

Redington has consistently shown acumen in making just-in-time decisions that have paid off time and again. Nokia, a long undisputed global leader in cell phones was a regional favourite in Africa. In 2012 keeping in view market demand for newer brands, Redington signed up with Samsung for this region. This was a measured risk that the Company took, but the decision was a well thought out one. Sales growth in Samsung proved the decision right.

Similarly in 2009 Redington added Dell to its PC basket in the Middle East where HP had for long been the largest contributor to Redington's overseas revenue. The company now continues to be a valuable distributor for both HP and Dell in the Middle East. And after Lenovo acquired the PC business from IBM and aggressively grew sales emerging as the #1 global vendor, Redington signed up with them as well. The relationship has seen consistent growth in revenue in both the Middle East and Africa.

In a very different scenario, Redington's forethought and decision-making capacity, nudged it to exit the NBFC business through its subsidiary Easyaccess. When first set up, Easyaccess, which was factoring Redington's receivables, offered extended credit to channel partners. The group was able to retain and enjoy the margins for a while. But because of regulatory changes by the RBI the business proved difficult to scale and balancing Redington's working capital became a challenge. It became necessary for the NBFC to look at non IT business to grow profitability. Many shareholders felt that Easyaccess should contribute to Redington's growth and not venture into business that was not core to the company. Heeding this opinion and with a focus on remaining profitable, Redington decided to exit the subsidiary and release capital critical for Redington's growth.

Conversely when it came to leveraging its deep expertise in logistics, Redington saw a quality opportunity in hiving off the logistics business into a subsidiary and set up ProConnect in 2012–a decision that is already reaping benefits. Similarly it did not shy away from transforming into an enterprise player from being a hard-core volume player–a demanding task that comprised a steep learning curve and investment in a new and different business strategy. The result of that decision is there for all to see.

It did not shy away from transforming into an enterprise player from being a hard-core volume player –a demanding task that comprised a steep learning curve and investment in a new and different business strategy

Directors' Report

To the Members,

Your Directors take pleasure in presenting the twenty-first Directors' Report of your Company and the Audited Accounts for the financial year ended March 31, 2014.

Financial Highlights

(Figures in ₹ /Crores)

Particulars	Consolidated		Standalone	
	2013-14	2012-13	**2013-14**	2012-13
Revenue from operations	**27935.09**	24164.66	**11,256.62**	10,409.67
Add: Other Income	**64.13**	45.72	**48.03**	44.88
Total Revenue	**27999.22**	24210.38	**11,304.65**	10,454.55
Less: Total Expenses				
a) Cost of goods sold	**26309.18**	22738.05	**10,614.69**	9821.41
b) Employee Benefits	**410.56**	348.16	**101.30**	102.09
c) Other Expenses	**559.87**	439.97	**251.43**	188.25
Profit before Interest, Depreciation and Tax	**719.61**	684.20	**337.23**	342.80
Less: Finance costs	**186.93**	183.92	**76.95**	83.86
Less: Depreciation & Amortisation	**38.50**	37.87	**10.60**	10.00
Profit Before Exceptional Item and Tax	**494.18**	462.41	**249.68**	248.94
Add: Exceptional Item - (Loss)/Profit on Sale of Long-term Investment	**(9.07)**	-	**65.76**	-
Profit before Tax	**485.11**	462.41	**315.44**	248.94
Less: Provision for Taxation	**127.18**	115.07	**75.65**	77.57
Profit after Tax	**357.93**	347.34	**239.79**	171.37
Less: Share of loss of Associate	**-**	0.03	**NA**	NA
Less: Minority interest	**21.28**	24.20	**NA**	NA
Profit for the year	**336.65**	323.11	**239.79**	171.37

Your Directors have made the following appropriations:

		(₹ in Crore)
Balance of Profit brought forward from last year		567.44
Less: Dividend for the year 2012-13 including Dividend Distribution tax for additional equity shares allotted under the ESOP scheme after the closure of the financial year		0.01
Add: Profit for the year 2013-14		239.79
Profit available for appropriation		**807.22**
Less: Proposed Dividend @ ₹ 0.90 per Equity Share of ₹ 2/- each (i.e. 45% of the Face Value) for the year ended March 31, 2014	35.95	
Dividend Distribution Tax thereon	6.11	
Transfer to General Reserve	23.98	
Dividend distribution tax credit on account of dividend received from subsidiary companies	(2.71)	
Balance of Profit to be carried forward		**743.89**

Dividend

Considering your company's financial performance, the directors have recommended a dividend of ₹ 0.90 per share (i.e. 45% of the Face Value) for the year under review as compared to ₹ 0.40/- per share (i.e. 20% of the Face Value) in the previous year.

Financial Performance

The consolidated revenue of your Company was ₹ 27,999.2 Crores as against ₹ 24,210.4 Crores in the previous year with a CAGR of 21% for five years. The consolidated net profit for the year under review was ₹ 336.7 Crores as against ₹ 323.1 Crores in the Previous year with the CAGR of 16% for the last five years.

The stand-alone revenue of your Company was ₹ 11,304.7 Crores as against ₹ 10,454.6 Crores in the previous year with a CAGR of 16% for five years and the profit after tax was ₹ 239.8 Crores as against ₹ 171.4 Crores in the previous year with CAGR of 25% for the last five years.

The Earnings Per Share (EPS) on consolidated basis (based on weighted average number of shares during the year) increased to ₹ 8.4 in the year under review as compared to ₹ 8.1 in the previous year. EPS on standalone basis has increased to ₹ 6.01 in the year under review from ₹ 4.29 in the previous year.

Distribution business

Information Technology Products

Personal Computing

It is axiomatic that all computing begins at the "Client" level where individuals use a desktop PC or a notebook to carry out their word-processing, spread-sheet calculations or data analysis work. This is fundamental to "IT", enabling processes and operations.

While usage of Tablets and Smartphones as consumer devices has rapidly exploded, the PC is expected to remain the primary device for computing and content creation, which would drive the demand for this form factor.

The total desktop sales shrunk during FY 13-14 as a result of sharp de-growth in the demand of assembled (unbranded) units and consumer preference for the mobile form factor arising out of the affordability of notebooks.

The sales of consumer and commercial notebooks de-grew, if one were to exclude Free Laptop Projects initiated by State Governments. Hence, the overall PC market, without the special Education Projects witnessed a sharp de-growth.

Your Company maintained its share of business in the portfolio of PC brands it engaged with during FY 13-14, viz. HP, Lenovo, Toshiba, HCL and Wipro.

Most PC manufacturers are attempting to garner a share of the tablet market dominated by Mobile Phone brands. However, the lack of proper product positioning and an inability to match the Mobile brands in promotional dollars meant that their efforts are yet to yield tangible results.

Enterprise & Infrastructure

Your Company's investment and engagement in the Value Added Distribution segment over the years has enabled it to develop a strong foothold with all the vendors catering to Enterprise & Infrastructure projects. While investment decisions on centrally funded projects had slowed down in the last 4-6 quarters, there have been pockets of opportunities available in private enterprise, State Government Projects and selected Centrally Funded Projects. Your Company has been able to take full advantage of these opportunities to grow its Value Added Business substantially year on year.

Your Company retained its **dominant position with vendors like Oracle, IBM, CISCO, DLink, NetApp and Hitachi** and is well positioned to capitalize on increasing opportunities in the future.

Voice-Video-Data, Security & Virtualization

Voice-Video-Data transmission, Security and Virtualization are key growth segments across user groups encompassing consumers, commercial houses, Enterprise customers and Government / PSU.

Your Company represents some of the leading vendors like **McAfee, CISCO, Cyberoam, Molex, Fortinet, Palo Alto Networks, Symantec, IBM, Polycom, VMware, Microsoft and NComputing** in these sectors.

These growing verticals will remain focus areas for your Company and we expect to grow revenues significantly in future.

Cloud

While globally the Cloud business has already gained a high degree of acceptance, penetration levels still remain relatively small in India.

While customers in India have shown a marked resistance towards moving onto the Cloud due to Data Security & Privacy concerns, FY 13-14 did see some inroads being made by Cloud solution vendors into the SMB space where the value proposition appears to be more apparent.

Your Company recognizes and appreciates that "IT on Cloud" has the potential to become a significant game-changer and a possible threat to traditional distribution business in selected areas.

Keeping this in mind, your Company is in the process of developing its Cloud portfolio and is in discussion with its major vendors.

Your Company has already initiated Cloud related business with vendors like **Microsoft, Adobe, CA and Citrix for their Software-as-a-Service (SaaS) offerings**, and with **Hitachi and CtrlS for their Infrastructure-as-a-Service (IaaS) offerings**.

As the demand pattern in India matures, your Company will evaluate appropriate Cloud business strategies and invest in this space accordingly.

Printing & Supplies

Demand for printing has been stagnant, and while printing 'categories' have expanded due to significant growth in "consumer" printing in the Education and the Social Media verticals, Commercial & Enterprise printing which still forms the bulk of the demand, has been contracting, thus impacting the growth of printers. Among various printer models, Multi-Function Printing Devices (combined print-scan-copy-fax features) are growing at the cost of Single-Function Devices (pure printing devices). Hewlett Packard maintains its lead in the printing segment and while this space is over-distributed, your Company has maintained its share in HP's business pie.

Supplies are impacted by the proliferation of "Refilled" and "Compatible" products, which form the bulk of the demand from both consumers and commercial users. Brands have countered this by significantly lowering "printing-cost-per-page" by slashing prices and reducing cartridge sizes. This has resulted in stagnant supplies revenue, even though supplies demand has increased due to increase in Printer population base.

Software

Starting as a distributor of pure Volume Licensing products, your Company has undergone a transformation over the last 3-4 years to emerge as the premier partner for its Software vendors in the Value Added Distribution portfolio also.

Strong engagement with key vendors like IBM, Microsoft, Oracle and Autodesk has helped your Company significantly grow Software revenue during FY 13-14.

Consumer and Lifestyle Products

The distribution of Consumer and Lifestyle products by your Company continued to show a strong performance in FY13-14 with a 22% revenue growth over the previous fiscal year.

The Smartphone market grew to over 40 million units in CY13 according to IDC and is set to exceed 100 million units in CY15. According to IDC, Apple garnered approximately 7% of market share by value in CY13 in India. Your Company's relationship with Apple has been strengthened in the Smartphone market. Though the decline of BlackBerry continued globally, the correction of prices of BB10 models improved sales towards the end of FY13-14.

The tablet market for FY13-14 was affected due to the impact (mainly on lower price segment players and white-box brands) of new regulations from the Bureau of Information Standards (BIS). The Apple iPad business continued to show strong growth in FY13-14. The Apple PC revenue grew strongly compared to previous fiscal year due to a change in the distribution structure and an increase in demand. The Huawei business revenue more than doubled during the year with good traction in the data card business.

Your Company continues to be a key player in the fast growing Digital Printing space and has seen a strong growth with increased installed base resulting in continued growth from consumable sales.

Hardware Support Services

Customer satisfaction has been the key objective of your Company's Hardware Support Services. This has enabled us to retain existing customers and win new customers through referrals. To facilitate consistent quality service delivery across the country and across diverse product categories, your Company invested and strengthened the Service Network, Parts Logistics, and Online Systems and Processes. Apart from winning the Best Service Provider awards from reputed brands like Hewlett Packard and Toshiba for field support, your Company earned similar recognition for Parts Logistics Support from HP Indigo, Fujitsu, and Toshiba.

To sustain the current performance levels and ensure continuous improvement, your Company has been investing on automation tools and training employees on new methodologies of Parts Management, Manpower Management and Operations Management that enable resource optimization and cost optimization. Unified Part Code, dynamic resource allocation in line with business volumes through MAT (Manpower Allocation Table), GRC (Green Recovery Centre) for defective parts recovery and SMART, the Sales Force automation tool have been adopted and successfully used. Your Company's Support Services are ISO 9001:2008 and ISO 20000 certified.

Your Company's Infrastructure Management Services (IMS) continues to add new customers across the country. Polaris Financial Services, Southern Naval Command, Britannia Industries, Hinduja Global Solutions, Asian Heart Institute and Research Center, CRISIL, ITC Ltd. (Food Division), Alstom India Ltd., Yazaki India Ltd. and many other such prestigious customers from diverse business verticals bestowed their faith in your Company's IMS Services.

Your Company will continue to ensure service excellence, and to enable its customers through improved IT availability.

Automated Distribution Centres (ADC)

The ADC in Chennai, which is operating to near full capacity now, is leased out to and operated through ProConnect Supply Chain Solutions Limited, a wholly owned subsidiary of your Company. Operations out of this ADC in Chennai have been running successfully over the last four years, which has indeed demonstrated your Company's capabilities in bringing efficiency through automation and process orientation in a cost-efficient manner and in compliance with best practices in the Supply Chain business.

The ADC in Kolkata, which has been operational since February 2014, is now operated through ProConnect Supply Chain Solutions Limited. Migration of a few internal and external customers has already been enabled, and with the addition of a major FMCG Client, your Company expects to operate the warehouse to full capacity during the next fiscal.

As planned, your Company is in the process of setting up a similar state-of-the-art facility in the North, for Delhi & NCR in Ghaziabad. Having bought the required land, your Company is now in the process of obtaining necessary approvals for commencing construction. Basic facilities at the site have been set up and a compound wall has been built to secure the land.

Subsidiary Companies

Your Company has 49 subsidiaries, including 45 overseas subsidiaries and step down subsidiaries, which operate in India, South Asia, Middle East, Turkey, Africa and CIS countries. The financial year 2014 has been a favorable year for your Company's subsidiaries both in India and abroad.

Indian Subsidiaries

Cadensworth (India) Limited (Cadensworth)

In a year filled with economic uncertainty and slowing demand, Cadensworth has managed to double its revenue as well as increase its absolute value of gross margin by over 50% year on year.

Most of the brands adopted for distribution during last year have made significant contributions to both revenue and profitability growth. Revenue from distribution of products in the area of Storage, Wireless LAN, Security and 3D Printing Solutions contributed significantly to the growth. Cadensworth will continue to identify and add key brands in disruptive technology areas of the IT infrastructure world for distribution.

Cadensworth strongly believes in channel enablement as a key differentiator in Solution Based Distribution. Cadensworth has made significant investments in the areas of Consulting, Training, Services (CTS) and lead generation to support its channel partners. Cadensworth will continue to make investments in these areas to strengthen its capabilities to enable its channels.

The Repairs, RMA, Reverse Logistics Services (RRRS) business division showed a promising growth during the year. Toshiba Digital Media Network Taiwan Corporation signed up with Cadensworth for RMA support services of their Hard Disk Drive in India during the year. Flash Global Logistics added few more brands for the services rendered by Cadensworth.

Cadensworth was recognized and honored in the distribution business by two vendors-EMC and DLink-during the year.

Nook Micro Distribution Limited (Nook Micro)

Nook Micro continues to focus on micro distribution in Southern India. Nook Micro has grown at around 3% in the current year, despite the overall economic slowdown and negative growth in the IT and consumer durables industry.

In the consumer durable segment, Nook Micro added the Panasonic brand to our distribution in the state of Andhra Pradesh. Nook Micro has also added more products and territories in LG brand. In recognition of its performance in Coimbatore, Nook Micro has been recognised as No. 1 distributor in Coimbatore by Voltas.

The IT business had a revenue growth of 22% over previous year. Nook Micro continued its focus on PC distribution and increased its share in the business. It has strengthened its relationship with the Lenovo brand by adding more territories.

The primary objective this year was to increase the gross margins and optimize the cost. Nook Micro has increased the Gross Margin by around 0.55% and the cost reduction has given it a benefit of 0.45% of Revenue, due to which its financial performance has improved.

During the year, Nook Micro strategically entered into telecom distribution by signing up with 'Panasonic' in the state of Andhra Pradesh. Telecom is going to be the main focus area of growth in the coming financial year and will be a significant contributor in the coming years.

ProConnect Supply Chain Solutions Limited (ProConnect)

The supply chain operations of your Company is managed by our wholly owned subsidiary called ProConnect Supply Chain Solutions Limited. ProConnect offers an entire gamut of Third Party Logistics (3PL) services starting from Import, Warehousing, Picking and Packing to Order Processing and Stock Movement across local geographies with last-mile deliveries. Their services include Reverse Logistics, In-plant Logistics Management, Project Management and Supply Chain Consulting.

ProConnect commenced commercial operations as a separate company in October 2012. Within a short span of time, ProConnect creditably brought on board new businesses and extended its services to a wide range of industry verticals. Dealing with multiple clients with demanding needs across various locations in India, it has today grown to become one of the most dependable 3PL service providers in the industry. Needless to say, the diversified experience earned across different industries and a skilled work-force have helped ProConnect to handle the complex needs of Clients.

In the financial year under discussion, ProConnect extended their services across various verticals like FMCG, Telecom, Pharmaceuticals, Engineering, Logistics/4PL and Electricals & Electronics. It has secured a prestigious contract from Reckitt Benckiser, a leader in the FMCG and Pharma sectors, to handle their operations in Kolkata. It has also added clients like Schwing Stetter, Byond Mobiles, Oppo Mobiles, KMI, Endovascular Corporation and Consul Consolidated during this fiscal. A noteworthy mention is also ProConnect's business expansion from existing clients like FastTrack Communications, BSH Home Appliances, Kansai Nerolac, Socomec, Transition and Netplace.

Service levels are achieved with the effective deployment of ProConnect's warehouse management software (WMS), which seamlessly integrates with clients' ERP to meet today's fast-paced business requirements. ProConnect strives to meet clients' requirements through continuous development of the software. Furthermore, the WMS is periodically upgraded with new modules to handle various functionalities like billing as part of automation.

ProConnect has implemented value added services in Warehousing & Transportation services during this financial year such as the pilot run with the Vehicle Tracking System for real time information on high value shipments. It has maintained their record of on-time delivery, 99.99% inventory accuracy, zero incidents and damage-free deliveries during this financial year as well.

ProConnect has been continuously improving their marketing strategies and media coverage with major event sponsorships and participation in exhibitions and expos in the metros as delegate and exhibitor. It is also active in various social networking sites and takes part in other brand promotional activities.

ProConnect has received appreciation from Insight Business Machines Pvt. Ltd. (a partner of your Company) for the execution of Sahara India's Drop Shipment project across India. Apart from the Supply Chain Excellence Award for "Forward and Reverse logistics" for this year from one of their big clients, it has also received several appreciation letters from existing clients such as BenQ, BSH, Vodafone, Dalmia and Dorma, to name some, for their outstanding service.

Ensure Support Services (India) Limited (Ensure)

Your Company incorporated Ensure Support Services (India) Limited during the year for carrying out after sales support service business for various IT Hardware and Technology products as a neutral third party service provider. Ensure will provide an entire gamut of services ranging from Call Centre Services, Field Engineering Support, Parts Warehousing, Forward and Reverse Logistics, Imports and Re-exports and Asset Recovery.

Ensure commenced its operations effective from 1st April 2014.

Overseas Subsidiaries

The fiscal year 2013-14 continued to be a challenging one for many countries in the METACIS (Middle East, Turkey, Africa and Commonwealth of Independent States) region-owing to a combination of weak economic environments, depreciating currencies (eg. Turkey and Kazakhstan), terror attacks (eg. Kenya and Nigeria) and continuing political uncertainties (eg. Egypt).

Inspite of these challenges, your Company's overseas operations demonstrated growth in both revenues and earnings by 20.2% and 9.5% respectively.

While the Smartphones and Tablets product category continues to grow, the traditional PC product category has experienced a decline in FY 2014. However your Company has been able to grow across all the product categories and across most markets.

- For most of the PC brands (HP, Lenovo, Dell, etc.) your Company has leading market shares.
- For Samsung in West Africa, Redington has grown its business considerably year on year.
- In KSA (Kingdom of Saudi Arabia), your Company has elevated itself to be the No. 1 distributor ahead of many other local and regional players. Your Company was successfully able to mirror this trend by demonstrating significant growth in both these product categories.
- Continued to be the Numero Uno distributor in the PCs category in Middle East (ME) region.

Redington Gulf FZE (RGF) continues to maintain its leadership position and was ranked the No. 1 Distributor in the ME region by Channel Middle East for the 8th consecutive year.

RGF's continued leadership in the Volume Distribution business is demonstrated by the many awards and recognitions it has earned, notably:

- "IT Distributor of the Year" award by Channel Middle East
- "Champion Distributor of the Year" award by VAR Magazine, MEA
- "Middle East Retail Academy "award by Distree ME Retail Academy Awards

The value-added distribution portfolio continued to demonstrate strong growth and further expanded the product offering by adding over 8 brands, including certain premier brands in the Value Space (Oracle, VMware). As a recognition for its growing prominence in this space, RGF was also awarded the following commendations in the value business:

- "Value added Distributor of the year" award by VAR Magazine, MEA
- "Distributor of the year" award by Avaya
- "Distributor of the year" award by Dell

The Support Services business was also awarded the "Best After-Sales Service" award by VAR Magazine, MEA.

Employee Stock Option Plan 2008

The summary information on the stock options program of the Company is provided in Annexure A of this report. The information is being provided in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme) and (Employee Stock Purchase Scheme) Guidelines, 1999, as amended. No employee was issued Stock Option during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.

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

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

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

Since your Company is not involved in manufacturing activities, it did not incur any expenditure on Research and Development.

Directors

Mr. Lin Tai-Yang and Mr. Nainesh Jaisingh, Directors of the Company are liable to retire by rotation, and being eligible, have offered themselves for re-appointment. Pursuant to the provisions of Companies Act, 2013 Prof. J. Ramachandran, Mr. V. S. Hariharan and Mr. Keith WF Bradley, Independent Directors are proposed to be appointed for a period of 5 consecutive years till 31st July 2019.

Brief resumes of the Directors who are getting reappointed are furnished in the Corporate Governance Report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibilities Statement, the Directors confirm that:

(i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;

(ii) Appropriate accounting policies have been selected and applied consistently, and judgements and estimates which are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

(iii) 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 the Company and for preventing and detecting fraud and other irregularities; and

(iv) The Annual Accounts have been prepared on a going-concern basis.

Credit Rating

CRISIL has upgraded its rating outlook on the long-term bank facilities of your Company from 'stable' to 'positive', while reaffirming the rating at 'CRISIL A+' (read as CRISIL A plus) . The rating on the short-term debt and bank loan facilities had been reaffirmed at 'CRISIL A1+'(read as CRISIL A one plus), which is the highest rating for this category.

ICRA reaffirmed its ratings for the long-term fund based facilities as 'ICRA AA-' (read as ICRA Double A minus). It has also reaffirmed its rating on the short-term debt program/commercial paper, fund and non-fund based facilities at 'ICRA A1+' (read as ICRA A one plus).

Particulars of Employees

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

Auditors

The Company's Statutory Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S) who retire at the ensuing AGM, have expressed that they would like to offer themselves for re-appointment as Auditors of the Company.

Further, the Company has received a certificate dated 30th May 2014 from M/s. Deloitte Haskins & Sells to the effect that their appointment, if made, would be in accordance with the provisions of the Companies Act, 2013, and they are not disqualified in terms of provisions of the Companies Act, 2013, from being appointed as Statutory Auditors of the Company.

Auditors' Report

During the year the Company had received an Income Tax demand of ₹ 129 Crore mainly on account of imputed capital gains arising from Transfer of Company's investment in an overseas subsidiary to another overseas step-down subsidiary without consideration. The matter is under appeal before the Income Tax Appellate Tribunal. The Statutory Auditors have drawn attention to this in their report.

Foreign Exchange

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

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance and Management Discussions & Analysis is attached to this Annual Report.

Auditors' Certificate on compliance with FDI norms

Pursuant to Reserve Bank of India Circular Ref. RBI / 2013-2014 / 117 A.P. (DIR Series) Circular No. 1 dated July 4, 2013, the Company has obtained a certificate from the statutory auditors certifying that the Company is in compliance with the regulations as regards downstream investment and other related FEMA prescriptions.

Acknowledgment

Your Directors take this opportunity to thank the shareholders including the principal shareholders, customers, suppliers, bankers, business partners/associates, for their consistent support and encouragement to the Company. I am sure you will join my other Board Members in conveying our sincere appreciation to all employees of the Company and its subsidiaries and Associates for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the industry.

On behalf of the Board of Directors

Place : Chennai
Date : May 30, 2014

J. Ramachandran
Chairman

Note: As per the Ministry of Corporate Affairs circular dated 4th April 2014, the Financial Statements, Directors' Report and Disclosures are prepared for the Financial Year ended 31st March 2014 in compliance with the requirements of Companies Act, 1956.

Annexure A

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

	Particulars	ESOP Scheme
1	Number of options granted	2,821,328 (includes 485,355 lapsed options granted subsequently)
2	The Pricing Formula	Market price or such price as decided by the Board.
3	Number of options vested	2,192,985
4	Number of options exercised	2,030,618
5	Number of options vested and exercisable	162,367
6	Total number of shares arising as a result of exercise of options	10,153,090
7	Number of options lapsed	592,414
8	Variation in the terms of options	No variations made in the current year
9	Money realised by exercise of options during FY 2013-14 (₹)	9,435,500
10	Total Number of Options in force	198,296

B. Employee-wise details of options granted to

	Particulars	No. of options granted
1.	Senior Management Personnel	No options were granted during the financial year 2013-14
2.	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	NIL
3.	Identified employees who were granted option, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 - ₹ 6.00

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

₹ In Lakhs

Profit as reported	23,978.79
Add - Intrinsic Value Cost	0.00
Less - Employee Stock Compensation Expense as per Fair Value Method*	(83.91)
Profit as adjusted	24,062.70
Earnings per share (Basic) as reported	₹ 6.01
Earnings per share (Basic) adjusted	₹ 6.03
Earnings per share (Diluted) as reported	₹ 6.00
Earnings per share (Diluted) adjusted	₹ 6.02

* Employee Stock Compensation expense for the year as per Fair Value is a net credit on account of cancellation / lapse of options, as these cost have already been considered in the previous year when the options were outstanding.

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

(a)	Exercise price equals market price	The Company has not granted options during the financial year 2013-14
(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	The Company has not granted options during the financial year 2013-14
(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:

The Company has not granted options during the financial year 2013-14.

Compliance certificate in respect of ESOP scheme

We have examined the books of account and other records maintained by **Redington (India) Limited** ("the Company") for the year ended March 31, 2014 and on the basis of such examination, information/explanations and representations given to us, we confirm that the Company's Employee Stock Option Scheme 2008 ("the Scheme") has been implemented in accordance with the "Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999" and in accordance with the Resolution passed in the Extra-ordinary General Meeting of the Company held on February 27, 2008.

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

B Ramaratnam
Partner
(Membership No. 21209)

Place: Chennai
Date: May 30, 2014

Report on Corporate Governance

1. Company's Philosophy on the Code of Corporate Governance

Redington (India) Limited's (Redington/Company) philosophy on Corporate Governance goes beyond mere compliance with statutes and extends to the way it manages the social and economic impact of its business, as well as its relationships with all key stakeholders; the working community, the business supply chain and the investors. The Company's operating procedures reflect its commitment to the Corporate values, ethical business conduct, objectivity, self-regulation and accountability. These serve as a foundation for us to build and strengthen stakeholders' values. The Company believes that transparency in disclosing financial information and other corporate information is a cornerstone of better corporate governance. The management of the Company ensures that all the information which are necessary for investors to assess the Company's stand and the financial position are disclosed to public immediately on occurrence. The company strives to equate its existing standards to meet best class practices across the Globe.

2. Board of Directors

i) Size and Composition of Board of Directors

The Board of Directors is primarily responsible for protecting and enhancing shareholders value besides fulfilling the Company's obligations towards other stakeholders. Your Company's Board provides strategic superintendence over the Company's management and its governance. In today's market scenario, to survive and flourish globally, a strong board is required and it should implement a versatile board governance strategy. The composition of your Company's board reflects versatility and a broad knowledge base. The Board brings in expertise in multifarious fields. It provides leadership, strategic guidance and an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

Currently, the total strength of the Board is eleven (11) comprising three (3) executive directors, four (4) non - executive directors and four (4) non-executive independent directors. The chairman of the Board is a non-executive Independent Director and the minimum requirement of one-third of the Board consisting of independent directors is duly complied with.

The Composition of the Board of Directors and the details of attendance record of each Director at the Board Meetings held during FY 2013-14 as well as the last Annual General Meeting are given in the table below:

Composition of the Board and Attendance of the Directors at the Board Meetings held during Financial Year 2013-14 and last Annual General Meeting

Name	Category	No. of board meetings during Financial Year 2013-14		Whether Attended last AGM
		Held	Attended	
Prof J. Ramachandran	Non-Executive Chairman, Independent Director	5	4	Yes
Mr. R. Jayachandran	Non-Executive Director	5	5	Yes
Mr. Tu, Shu-Chyuan	Non-Executive Director	5	4	No
Mr. Lin Tai-Yang	Non-Executive Director	5	4	No
Mr. Nainesh Jaisingh	Non-Executive Director	5	3	No
Mr. Mukul Nag #	Alternative Director to Mr. Nainesh Jaisingh	5	1	No
Mr. N. Srinivasan	Independent Director	5	4	Yes
Mr. V. S. Hariharan	Independent Director	5	3	No
Mr. Keith WF Bradley **	Independent Director	5	4	No
Mr. R. Srinivasan	Managing Director	5	4	Yes
Mr. Raj Shankar	Joint Managing Director	5	5	Yes
Mr. M. Raghunandan	Whole-Time Director	5	5	Yes

Resigned as Alternate Director with effect from February 05, 2014

** Appointed as an Independent Director with effect from April 01, 2013

ii) Board Meetings

The meetings of the Board of Directors is conducted periodically interalia to review the financial and operational performance of the Company. Corporate governance and corporate sustainability topics are also routinely reviewed. Participation of directors in the Board meetings of the Company is also enabled through video conferencing. The frequency and the schedule of the meeting for the entire financial year is approved by the Board at the beginning of the year. The notice and agenda for the meeting are circulated well in advance, which help the directors to review meeting materials and to actively participate in Board discussions. In addition to the regular business items, other applicable information as mentioned in Annexure IA to clause 49 of the Listing Agreement with the Stock Exchanges are placed before the Board.

During Financial Year 2013-2014, five (5) Board Meetings were held on April 01, 2013, May 22, 2013, August 02, 2013, November 07, 2013 and February 05, 2014. The maximum time gap between any two meetings was not more than four calendar months. The necessary quorum was available for all the meetings held during the Financial Year.

iii) Directorships in other Companies

Details of the number of other Directorships and Chairmanship/Membership of Committees that each Director holds in various Companies, as on March 31, 2014 is presented below:

Details of the Directorship of the Members of Board in the Board of Directors of the other Indian Public Companies and Chairmanship/Membership in the Committees of other Indian Public Companies

Name	Category	Directorship in other public companies	Committees of other Indian Public companies	
			Membership	Chairmanship
Prof J. Ramachandran	Non-Executive Chairman, Independent Director	6	4	1
Mr. R. Jayachandran	Non-Executive Director	1	-	-
Mr. Nainesh Jaisingh	Non-Executive Director	2	-	-
Mr. N. Srinivasan	Independent Director	14	4	4
Mr. R. Srinivasan	Managing Director	2	1	-
Mr. M. Raghunandan	Whole-Time Director	2	1	-

Notes:

1. None of the Directors of the Company held memberships of more than ten committees nor they are Chairpersons of more than five committees (as specified in Clause 49), across companies of which they are directors.
2. Only Audit Committee and Investors' and Shareholders' Grievance Committee are considered for the purpose of Committee positions as per the listing agreement.
3. Private Companies, foreign bodies corporate and companies under Section 8 of the Companies Act, 2013 are excluded in computing the Directorships.

iv) Committees of Board of Directors

The performance of the Board is gauged by its accomplishment of various roles and this can be enhanced by delegating certain functions to specialist committees, including Financial Reporting, Internal Controls, Investor Relations and Evaluation of performance of Directors. This enables the respective committees to perform their charter in an effective and efficient manner. Presently there are seven (7) committees of the Board Viz., Audit Committee, Shareholders' / Investors' Grievance Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Share Transfer Committee, ESOP Compensation Committee and ESOP Share Allotment Committee.

The scope and terms of functioning of these committees are set by the Board. The recommendations of the committees are placed before the Board for its consideration. The Board of Directors takes on record the minutes of the meetings of these committees.

3. Audit Committee

In today's governance scenario, the Audit Committee has been viewed more as a tool which can tone up the Corporate Governance practices at the Board level. The Board of Directors places reliance on the Audit Committee for reliable and transparent financial reporting and firm internal controls. The Company has constituted an independent Audit Committee in line with the provisions of Clause 49 of the Listing Agreement, which comprises of two Non - Executive Independent Directors and one Executive Director. The members of the committee are financially literate and the Chairman of the Committee is an expert in the field of Finance and Internal controls. The charter of the audit committee is specified by the Board and it covers all the areas specified in the Companies Act 1956, as well as those specified in Clause 49 of the Listing Agreement, as amended from time to time and inter-alia provides assurance to the Board on the adequacy of the internal control systems and financial disclosure.

The charter of the Audit committee, interalia, includes the following:

1. Reviewing the operation on quarterly/half yearly/annual intervals, the financial results and the annual accounts
2. Reviewing the Company's financial reporting process and disclosure of its financial information
3. Reviewing the Company's financial and risk management policies, accounting policies, accounting standards, as are applicable to the company
4. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, reporting structure, coverage and frequency of internal audit
5. Recommending the Board on the appointment of Internal auditors and Statutory Auditors together with their remuneration
6. Periodical interaction with External/Internal auditors
7. Reviewing the findings of External/Internal auditors with reference to Management response on matters of material nature
8. Reviewing the performance of Internal and Statutory auditors and Internal control system and effectiveness of Audit process
9. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
10. Reviewing the adequacy of Insurance cover
11. Reviewing the Related Party Transactions, in particular, those which are material in nature

Attendance record of Audit committee

The Audit Committee met four times during the year on May 21, 2013, August 02, 2013, November 07, 2013, and February 05, 2014. The Chief Finance Officer, Partners/Representatives of the Statutory Auditors and the Internal Auditors were regularly invited to the Audit Committee meetings. The Secretary of the Company acts as the secretary to the Committee.

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

* Participated through Audio conferencing at the meeting held on May 21, 2013

4. Shareholders'/ Investors' Grievance Committee

The Company has constituted a Shareholders'/ Investors' Grievance Committee, whose primary role is to redress the grievances of the shareholders and investors, on behalf of the Board.

The terms of reference of the Shareholders'/ Investors' Grievance Committee are as follows:

- Monitoring and ensuring proper controls at Registrar and Share Transfer Agent;
- Looking into the redressal of the shareholders complaints and queries;
- Reviewing movement in shareholdings and ownership structure;

The Committee comprises Prof. J. Ramachandran, Independent Director, Mr. R. Srinivasan, Managing Director and Mr. M. Raghunandan, Whole- Time Director. The Committee met four (4) times during the year under review on May 21, 2013, August 02, 2013, November 07, 2013, and February 05, 2014.

Attendance record of Shareholders'/ Investors' Grievance Committee

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

During the year, three complaints were received from the investors which were all resolved and no complaints from the investors were pending as at March 31, 2014.

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

5. Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee to assist the board in fulfilling its governance responsibilities in regard to the nomination and remuneration of Directors and their performance evaluation.

The Committee is responsible for the following, amongst other matters:

- Evaluating and recommending appropriate Independent Directors and Non Executive Directors to the Board
- Reviewing and approving the appropriate remuneration of Directors
- Recommending appointment and remuneration of Executive Directors
- Developing and recommending to the Board remuneration/incentive programs
- Developing, maintaining and monitoring appropriate remuneration policies and procedures

The Committee presently comprises two Independent Directors and one Non-Executive Director and it met two (2) times during the financial year under review, on April 01, 2013 and May 22, 2013.

Attendance record of Nomination and Remuneration Committee

S No	Name of the Director	Category	Position	No. of meetings	
				Held	Attended
1	Mr. N. Srinivasan	Independent Director	Chairman	2	2
2	Prof J. Ramachandran	Independent Director	Member	2	1
3	Mr. R. Jayachandran	Non-Executive Director	Member	2	2

Details of remuneration paid/payable to Directors for the financial year ended March 31, 2014

S No	Name of the Director	Salary & Perquisites (₹/Lacs)	Commission (₹/Lacs)#	Performance Linked Bonus (₹/Lacs)*	Sitting Fees (₹/Lacs)#
1	Prof J. Ramachandran	-	17.30	-	2.35
2	Mr. N. Srinivasan	-	17.25	-	1.85
3	Mr. V. S. Hariharan		17.25		0.45
4	Mr. Keith WF Bradley		17.40	-	0.60
5	Mr. M. Raghunandan	24.00	-	16.00	-
	Total	**24.00**	**69.20**	**16.00**	**5.25**

\# Service Tax is not included

* Provisions Made

Shareholding of Directors in the Company as on March 31, 2014

S No.	Name of the Director	Category	No. of Shares	% to Equity Shares	Options granted (Nos.)
1	Prof J. Ramachandran	Independent Director	125,000	0.0312	25,000
2	Mr. N. Srinivasan	Independent Director	93,750	0.0234	25,000
3	Mr. R. Srinivasan	Managing Director	325,000	0.0813	100,000
4	Mr. Raj Shankar	Joint Managing Director	594,946	0.1489	100,000
5	Mr. M. Raghunandan	Whole-Time Director	75	-	76,143

All the options granted to the directors had been exercised in the past.

6. Code of Conduct and Ethics

The Company has formulated and implemented a Code of Conduct for the Board of Directors and Senior Management of the Company. The Code has also been posted on the Company's website www.redingtonindia.com. Annual affirmation of compliance with the Code has been made by the Directors and Senior Management of the Company. The necessary declaration by the Managing Director of the Company regarding compliance of the Code of Conduct for the financial year 2013-14 is given below.

Declaration by the Managing Director under Clause 49 of the Listing Agreement Regarding Compliance to the Code of Conduct

I hereby confirm that the Company has obtained affirmation from all the members of the Board and Senior Management Team that they complied with the code of business conduct and ethics for Directors and Senior Management in respect of the Financial Year 2013-14.

R. Srinivasan

Managing Director

7. General Body Meetings

I. Location and time of last three Annual General Meetings

Year	Location	Date	Day	Time
2012-2013	Narada Gana Sabha, Mini Hall, No. 314, T.T.K Road, Chennai-600 018.	August 02, 2013	Friday	10.30 A.M.
2011-2012	Narada Gana Sabha, Mini Hall, No. 314, T.T.K Road, Chennai-600 018.	July 31, 2012	Tuesday	10.00 A.M.
2010-2011	Narada Gana Sabha, Mini Hall, No. 314, T.T.K Road, Chennai-600 018.	July 22, 2011	Friday	10.00 A.M.

II. Details of Postal Ballot

During the year under review, an ordinary resolution and two special resolutions were passed through postal ballot. As mandated by Listing Agreement, the Company enabled voting through electronic mode for Postal Ballot, to facilitate increased participation of shareholders. The following resolutions were passed through postal Ballot:

Item No. I – Special Resolution – For Sale of Equity Shares held by the Company in M/s Easyaccess Financial Services Limited

Item No. II – Ordinary Resolution – For transfer of the assets and liabilities of the service division of the Company either by way of itemized transfer or any other suitable mode to a wholly owned subsidiary

Item No. III – Special Resolution – For Increasing the limits to make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 372A of Companies Act, 1956 / Section 186 of Companies Act, 2013

The Company had on November 22, 2013, completed the dispatch of Postal Ballot Notice along with the Postal Ballot Form. The Board appointed Mr. A.S. Varadharajan, Practising Chartered Accountant as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner. The Voting period commenced on November 25, 2013 and ended on December 26, 2013. The scrutinizer submitted his report on postal ballot results on December 27, 2013. According to the Scrutinizer's report, the Resolutions were passed by the requisite majority. The results of postal ballot are as follows:

	Total No. of Ballot Forms/ e-Votes received	Corresponding Total No. of Shares	For		Against		Invalid	
			No. of Forms/ e-Votes received	No. of Shares	No. of Forms/ e-Votes received	No. of Shares	No. of Forms/ e-Votes received	No. of Shares
Item No. I	330	294,904,632	311	291,436,364	14	116,714	5	3,351,554
Item No. II	330	294,904,632	309	291,549,126	16	3,952	5	3,351,554
Item No. III	330	294,904,632	280	286,183,158	45	5,369,920	5	3,351,554

The results of the postal ballot were published in the newspapers i.e **Business Standard** (English) and **Makkal Kural** (Tamil) and the same were posted on the Company's website (www.redingtonindia.com).

No Extra-ordinary General Meeting was convened during the last financial year under review.

Details of Special Resolutions passed in the last three Annual General Meetings.

Year	Special resolutions passed
2012-13	Approval for amendment in Redington (India) Limited Employee Share Purchase Scheme, 2006, to provide that the Redington (India) Limited - Employees Share Purchase Trust shall not deal with the securities of the Company in the secondary market, to align with the new requirements of the SEBI (ESOS and ESPS) Guidelines.
2011-12	Approval for payment of remuneration to the Directors of the Company other than the whole-time Directors, by way of Commission up to an aggregate limit of 1% of the net profits of the Company computed in accordance with the provision of Section 349/350 of the Companies Act, 1956 for each financial year and subject to such limits as may be determined from time to time by the Board of Directors, for a period of five years commencing from financial year ended March 31, 2012.
2010-11	NIL

8. Subsidiary Companies

i. The Company has four Wholly Owned unlisted non - material Indian subsidiary companies Viz., Nook Micro Distribution Limited, Cadensworth (India) Limited, ProConnect Supply Chain Solutions Limited and Ensure Support Services (India) Limited.

ii. Easyaccess Financial Services Limited (Easyaccess) was the Company's Wholly Owned material non listed Indian Subsidiary as per Clause 49 of the Listing Agreement. Pursuant to the approval of the shareholders through Postal ballot, the Company divested its equity interest in Easyaccess to M/s. Harrow Investment Holding Limited, 86% in January 2014 and balance 14% in March 2014. Consequently, Easyaccess ceased to be a subsidiary Company w.e.f January 22, 2014 and Prof. J. Ramachandran, the Company's nominee in Easyaccess stepped down from its Board.

iii. The Board of Directors of the Company have regularly been appraised of the performance of the subsidiary companies. The minutes of the Board meetings and the details of important events of unlisted subsidiary companies are periodically placed before the board. The Management invites key managers of the subsidiaries to provide updates on their business operations.

9. Disclosures

Related Party Transactions

Transactions with related parties are disclosed in note 27 to the standalone financial statements for the year ended March 31, 2014. Details of transactions with the related parties are placed periodically before the Audit Committee for its review.

There are no transactions entered into by the Company with the related parties during the financial year ended March 31, 2014 which are prejudicial to the interests of the Company.

Risk Management

The Board of Directors is inter-alia mandated to review and upgrade the process to address and minimize the operational, monetary and other risks associated with the Company on a continuous basis.

The Company has laid down procedures about the risk assessment and its mitigation. Audit Committee also reviewed periodically the risk management mechanism to ensure that risk is controlled through a properly defined framework.

Non Compliance by the Company, Penalties, Strictures

The Company has complied with the requirements of the Stock Exchange/SEBI/any Statutory Authority on all matters related to capital markets wherever applicable. There were no instances of non-compliances of any matter related to the capital markets and no penalties or strictures were imposed by Stock Exchanges or SEBI or any statutory authority during the last three years.

Re-Appointment of Directors

Mr. Lin Tai - Yang and Mr. Nainesh Jaisingh, Directors of the Company, are liable to retire by rotation and being eligible have offered themselves for re- appointment.

Pursuant to the provisions of Companies Act, 2013 Prof. J. Ramachandran, Mr. V. S. Hariharan and Mr. Keith WF Bradley, Independent Directors are proposed to be appointed for a period of 5 consecutive years till 31st July 2019.

As required under Clause 49 of the Listing Agreement, particulars of the Director seeking re-appointment are given hereunder:

Brief Resume of Directors seeking Re-appointment

Name of the Director	**Mr. Lin Tai-Yang**
	Mr. Lin, an Accounting graduate from the National Chengchi University, Taipei, Taiwan, has an overall work experience of 21 years. He had joined M/s. Synnex Technology International Corporation as Accounting Manager in 2000 and currently serves as its Senior Director of Finance Planning and Management. Mr. Lin is also a Director on the Board of several public and private limited companies including Synnex (Thailand) Public Company Limited, Syntech Asia Limited and PT. Synnex Metrodata Indonesia.
Expertise in Specific Functional Area	Accounting and Business Strategy
Directorship in Indian Public Limited Companies other than Redington (India) Limited	NIL
Membership of Committees in Indian Public Limited Companies other than Redington (India) Limited	NIL

Name of the Director	**Mr. Nainesh Jaisingh**
	Mr. Nainesh Jaisingh is the Managing Director and Global Co-Head of Standard Chartered Private Equity (SCPE) and has been with the business since 2000. In 2001, he co-founded Fin Ventures, a global Venture Capital Fund sponsored by Standard Chartered Bank, headquartered at Singapore. In 2003, Mr. Nainesh was instrumental in the launch of the Merlion India Fund, a JV between SCPE and Temasek, Singapore. With SCPE, Mr. Nainesh has made and managed successful investments in several sectors - Software / BPO, Engineering, Pharmaceuticals, Shipbuilding, Auto Components, Power Generation, Travel, and Financial Services. He serves on the Board of Directors of several companies. Mr. Nainesh is an Engineer from IIT-BHU with an MBA from the IIM-Bangalore.
Expertise in Specific Functional Area	Business Strategy
Directorship in Indian Public Limited Companies other than Redington (India) Limited	1. Powerica Limited 2. Prime focus Limited
Membership of Committees in Indian Public Limited Companies other than Redington (India) Limited	NIL

Name of the Director	**Prof J. Ramachandran**
	Professor J. Ramachandran is the Chairman of our Board. A qualified Chartered and Cost Accountant, and a Fellow of the Indian Institute of Management Ahmedabad, Professor Ramachandran is a Professor of Strategy at the Indian Institute of Management, Bangalore. His research focuses on the growth and governance challenges of companies and his work has been published in the Harvard Business Review, Strategic Management Journal, Global Strategy Journal, Journal of Product Innovation Management, Advances in International Management, Best Paper Proceedings of the Academy of Management USA, IIMB Management Review, Vikalpa and Economic and Political Weekly. Professor Ramachandran is the first Bain Fellow in India and the recipient of the 2012 IMD FDC Award from the Academy of Management USA; the Tata Steel-IIMB award for best case on corporate social responsibility; best case awards from the European Foundation for Management Development [EFMD], Association of Management Development Institutions in South Asia [AMDISA], The Central and East European Management Development Association [CEEMAN], and Association of Indian Management Schools [AIMS] as well as best teacher awards at IIM Bangalore.
Expertise in Specific Functional Area	Strategic Management ; International Business
Directorship in Indian Public Limited Companies other than Redington (India) Limited	• Reliance Communications Limited • Sasken Communication Technologies Limited • Indofil Industries Limited • Antrix Corporation Limited • Allcargo Logistics Limited • Reliance Infratel Limited
Membership of Committees in Indian Public Limited Companies other than Redington (India) Limited	
Audit Committee	• Reliance Communications Limited • Sasken Communication Technologies Limited • Reliance Infratel Limited
Shareholders & Investors Grievance Committee	• Reliance Communications Limited • Sasken Communication Technologies Limited (Chairman)

Name of the Director	**Mr. V.S. Hariharan**
	Mr. V. S. Hariharan is a graduate of IIT - Madras with an MBA from Indian Institute of Management, Bangalore with specialisation in marketing. He has over 20 years of sales, marketing, operations and general management experience working within and outside India in the Information Technology Industry. Starting his career with Wipro in India, he relocated to Singapore and was associated with Hewlett-Packard (HP) for more than 15 years. In HP, Mr. Hariharan held a number of positions and was promoted as Vice President leading various new areas such as consumer business, sales and field operations in Asia Pacific, Graphic Solutions Business APJ and Mono Laser World Wide. He is the Co-founder and CEO of Third Wave Power Pte Ltd - A Global business based on Solar Portable Solutions based out of Singapore.
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 other than Redington (India) Limited	NIL

Name of the Director	**Mr. Keith WF Bradley**
	Mr. Keith WF Bradley is a Chartered Accountant from the United Kingdom with Masters of Accounting from the Queen's University of Belfast. He served as the Senior Executive Vice President and President of Ingram Micro North America and played a vital role in developing strategies for the region. Mr. Bradley was responsible for overall performance of Ingram Micro's US and Canadian operations. Under his leadership Ingram Micro North America had introduced several new divisions and services. Mr. Bradley started his career with M/s PricewaterhouseCoopers, UK and moved to M/s Walt Disney Consumer Products before joining Ingram Micro. Mr. Bradley is now an operating partner at Clearlake Capital and is currently serving as CEO of Tolt Solutions Inc., a solution provider to the retail industry.
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 other than Redington (India) Limited	NIL

10. Compliance with the Non-Mandatory Requirements

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

Remuneration Committee

The company has set up a Nomination and Remuneration Committee, detailed particulars of which are furnished in para 5 above.

Shareholder's rights

The Company communicates the financial performance and highlights to investors regularly through email, telephone and Investor conferences and road shows. The Company has enabled an option on its website www.redingtonindia.com to allow present and prospective investors to subscribe to e-alerts on all the communications and financial results announced by the Company.

Whistle Blower Policy

The Company expects its employees to conduct their duties in accordance with the applicable laws and regulations, with high ethical standards. To enable employees to raise voice against any misconduct, including violations of law, regulations and code of conduct, the Company has instituted the Whistle Blower Mechanism. The Company believes that this will build and strengthen a culture of transparency and trust in the organization.

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

11. Means of Communication

A. The quarterly, half yearly and annual results are published in newspapers, namely **Business Standard** in English and **Makkal Kural** in the regional language.

B. The quarterly, half-yearly and annual financials and shareholding pattern are also posted in the Company's website www.redingtonindia.com under the investors interests section.

C. Report on Management's Discussion and Analysis on financial and operational performance of the Company is provided in this Annual Report.

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

12. General Shareholders' Information

I. Annual General Meeting

Date : July 31, 2014
Time : 10.30 A.M.
Venue : Narada Gana Sabha, Mini Hall, No. 314, T.T.K. Road, Alwarpet, Chennai - 600 018.

II. Financial Calendar : April 01 to March 31

(Tentative Calendar for the Financial Year 2014-15)

Adoption of results for & considering other items for the I Quarter : July 31, 2014
Adoption of results for & considering other items for the II Quarter : November 5, 2014
Adoption of results for & considering other items for the III Quarter : February 2, 2015
Adoption of results for & considering other items for the IV Quarter : Before May 30, 2015

III. Date of Book Closure : July 24, 2014 to July 31, 2014

IV. Dividend payment date : August 28, 2014

V. Listing on Stock Exchanges

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

Listing fees have been paid to National Stock Exchange of India Limited and BSE Limited.

VI. Depositories (Stock Code) : INE891D01026

VII. Registrar and Share Transfer Agent : M/s. Cameo Corporate Services Limited,

Subramanian Building,
No.1, Club House Road, Chennai – 600 002.
Phone No : + 91 44 2846 0390 (5 lines)
Fax No : + 91 44 2846 0129
Email : investor@cameoindia.com
Website : www.cameoindia.com

VIII. Share Transfer System

Share Transfer Committee:

A 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

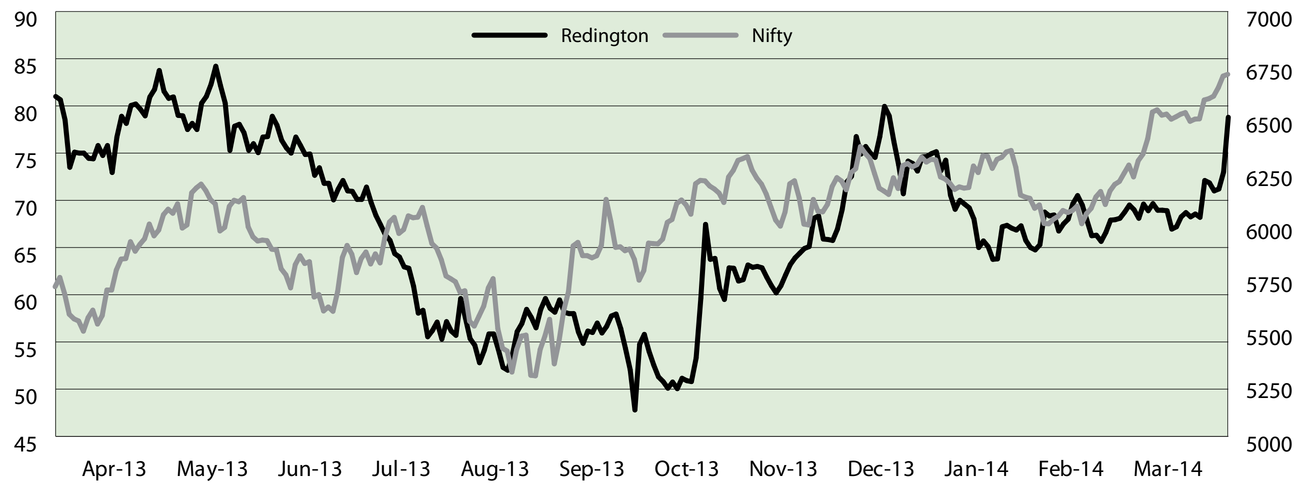
The Committee registers the shares received for transfers in physical form, provided the documents are complete and valid in all respects, within a period of 15 days from the date of receipt of such documents. The Committee meets at regular intervals to issue duplicate share certificates, for the transmission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

IX. Reconciliation of Share Capital Audit

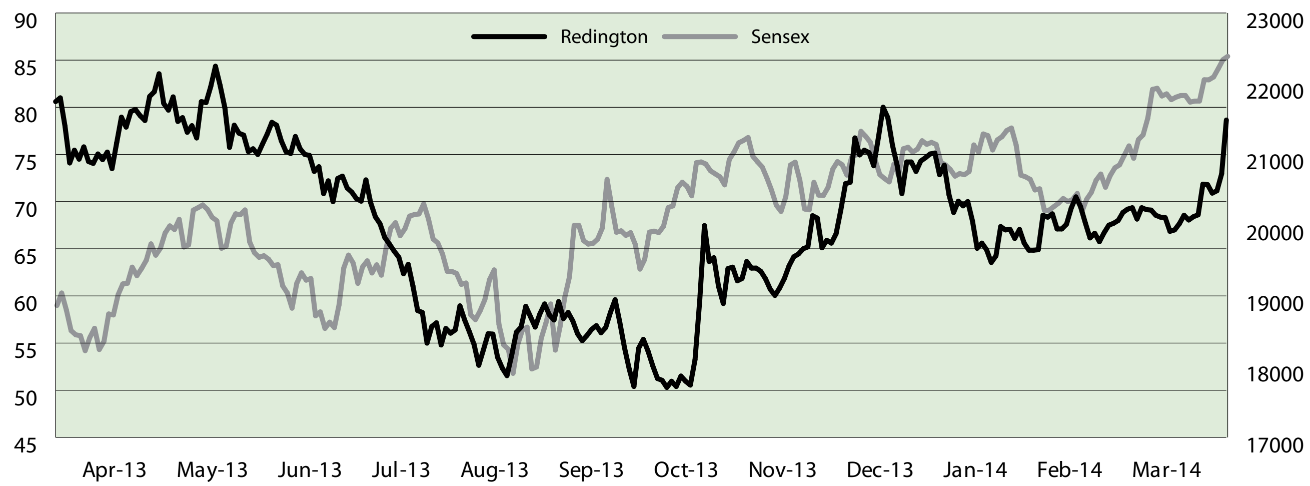
As stipulated by SEBI, a qualified Practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to NSE and BSE. As per the reports there were no variations/exceptions found in the total number of shares of the Company issued and held both in physical and electronic form.

X. Market Price Data

S.No	Month	NSE			BSE		
		High	Low	Close	High	Low	Close
1	Apr-13	81.00	72.95	78.95	81.00	73.50	78.60
2	May-13	84.20	75.30	75.30	84.35	75.30	75.30
3	Jun-13	78.90	70.50	72.10	78.40	70.00	72.70
4	Jul-13	71.40	55.30	56.15	72.30	54.80	56.05
5	Aug-13	59.60	52.00	59.60	59.15	51.95	59.15
6	Sep-13	59.45	47.80	54.75	59.60	50.40	54.45
7	Oct-13	67.45	50.05	61.45	67.45	50.30	61.60
8	Nov-13	68.35	60.20	65.75	68.50	60.05	65.60
9	Dec-13	79.95	66.95	74.95	80.00	66.60	75.05
10	Jan-14	75.15	63.75	65.30	75.15	63.55	64.90
11	Feb-14	70.50	65.65	69.50	70.50	65.75	69.20
12	Mar-14	78.80	66.95	78.80	78.65	66.85	78.65



Nifty v Redington



Sensex v Redington

XI. Distribution of Shareholding as on March 31, 2014

Share Holding	No. of Shareholders	% of Total Shareholders	Amount of Share Capital (₹)	% of Total Share Capital
2 - 5000	14,116	95.77	8,094,564	1.01
5001-10000	233	1.58	1,780,534	0.22
10001-20000	129	0.87	1,900,006	0.24
20001-30000	47	0.32	1,159,828	0.15
30001-40000	35	0.24	1,249,784	0.16
40001-50000	25	0.17	1,141,846	0.14
50001-100000	46	0.31	3,362,194	0.42
100001 & Above	109	0.74	780,274,884	97.66
Total	**14,740**	**100.00**	**798,963,640**	**100.00**

XII. Statement Showing Shareholding Pattern as on March 31, 2014

Category	No. of holders	No. of shares	% of shareholding
Promoter Holding			
Foreign bodies corporate	1	84,027,302	21.03
Total of Promoter Holding	**1**	**84,027,302**	**21.03**
Non promoter holding			
Mutual funds/UTI/FIs/Banks	20	30,030,054	7.52
Foreign Institutional Investors	88	149,119,773	37.33
Non Institutions			
Bodies Corporate	390	20,724,372	5.19
Indian Public	13,779	9,512,500	2.38
NRIs/OCBs/Foreign Nationals	323	104,660,183	26.20
Others	139	1,407,636	0.35
Total of Non promoter Holding	**14,739**	**315,454,518**	**78.97**
Grand Total	**14,740**	**399,481,820**	**100.00**

XIII. Dematerialisation of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialized form by all categories of investors. As on March 31, 2014, 76.38% shares of the Company are held in dematerialized form.

XIV. ECS Mandate

In order to enable the Company to serve the investors in a better way, the Company requests shareholders to update their bank accounts with their respective depository participants.

XV. Convertible Instruments

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

XVI. Locations of Branches

Our Company has the following distribution sales offices, warehouses and service centers both in India and Overseas.

Particulars*	India	Overseas
Sales offices	42	24
Warehouses	67	28
Owned Service Centers	64	31
Partner Service Centers	210	17

* Includes branches of subsidiary companies.

XVII. Address for Correspondence

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

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 42243353
Fax No : + 91 44 22253799
Email : investors@redington.co.in

The Company has its website namely www.redingtonindia.com. The website provides detailed information about the Company, its products and services offered, locations of its corporate offices and various distribution 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, 2014 and that to the best of our knowledge and belief;

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

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

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

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

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

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

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

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

Place : Chennai	R. Srinivasan	S.V. Krishnan
Date : May 30, 2014	Managing Director	Chief Financial Officer

Auditors Certificate on Corporate Governance

To the Members of Redington (India) Limited

We have examined the compliance of conditions of Corporate Governance by **Redington (India) Limited** ("the Company") for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and 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 the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

B Ramaratnam
Partner
(Membership No. 21209)

Place: Chennai
Date: May 30, 2014

Management Discussion and Analysis

Economic Outlook

Your Company has a wide geographic presence in the regions of India, South Asia, Middle East, Turkey, Africa (META) and CIS countries. Due to liberalisation across several of these economies, they are significantly influenced by the sentiments and developments of the global economy. Therefore analysing developments in the global and domestic economies during 2013 and assessing future prospects become important for a meaningful analysis of your Company's performance.

Global

After the economic slowdown, global economies showed signs of recovery in 2012 and even some stability in 2013. Economic developments during 2013 were characterized by uncertainty surrounding monetary policies. Monetary policy changes and fiscal volatility in the large economies, especially those of the US and the Eurozone, led to the destabilising of capital inflows and wide fluctuations in exchange rates. Policy changes in the developing economies continued to be conservative and growth softer than expected. The geo-political tensions in the African region and parts of Eurasia posed a threat to the development of adjacent and dependant economies.

Normalization of monetary policy is a big influencing factor that affects economic recovery even in advanced economies. The ongoing efforts in the USA to strengthen monetary policy are expected to gradually help normalize fiscal policies and investor sentiments of developing economies. Reports by various international agencies on the global economic outlook are positive, though with certain caveats. According to the IMF report, in emerging markets and developing economies, growth is expected to pick up gradually from 4.7% in 2013 to about 5% in 2014 and 5.25% in 2015. World growth is projected at 3.6% in 2014 and at 3.9% in 2015. The report further mentions that more policy efforts are needed to fully restore confidence; ensure robust growth and lower downside risks. According to a BCG report, both India and China are on the threshold, poised for huge growth. The average spending of consumers in both the countries is likely to be $10 trillion by the year 2020. Consumerism is creeping into these large economies. Indian children today are likely to consume nearly thirteen times as much as their grand-parents did at comparable ages.

India

The economic growth during the last year was slower than expected. The annual industrial production in Indian industry contracted for the first time in the last three decades, due to spiraling inflation coupled with volatile exchange and interest rates and lacklustre consumer demand. But despite the dull environment, corporate houses delivered modest results. For its part, the Reserve Bank tried to check inflation by hiking interest rates.

OECD has reported that the outlook for emerging Asian markets remains robust over the medium term, anchored by the steady rise in domestic demand. The GDP is expected to grow by 6.9% per annum in the period 2014-18. The World Bank has reported that India's economy will grow over 6% in 2014-15 and 7.1% by 2016-17 as global demand recovers and domestic investment increases. With a new and stable government at the centre, the analysts expect new macroeconomic reforms to address some of the policy concerns. The agenda includes quick policy decisions, state-of-the-art infrastructure, curtailing of subsidies, and normalization of the current account deficit and currency depreciation.

Industry Structure, Developments, Opportunities and Threats

Strategies and thought processes of all stakeholders in the Information Technology as well as the Communications space is increasingly being governed by developments in the areas of Cloud services, social media, mobile usage, big data analyses and security.

While the past year saw muted growth in the domestic IT industry, pockets of opportunity presented themselves in the form of Infrastructure projects, software requirements, video and data transmission, security & surveillance and consumer demand.

International Data Corporation (IDC) reported that the PC industry witnessed its sharpest decline in FY 2013 and that growth challenges are to be expected till 2018. While the demand for Smart Phones has risen sharply, much to the detriment of Feature Phones, the demand for Tablets has dipped to lower than projected at the start of the year. This may be attributed to the fact that 70% of the demand for the Tablet has been in the sub-₹ 15,000 price band, and also to unsatisfactory consumer experiences with low-cost devices. Added to this is the proliferation of large-screen Smart Phones, which serve as cost-effective substitutes for Tablets.

Proliferation of online marketplaces like Flipkart and Snapdeal, which offer Consumer IT & Communication products at prices well below market prices in the traditional offline IT channel, has emerged as a concern for the channel ecosystem. While many of those products are sourced from distribution partners like us, it does pose a challenge to certain of your Company's products if these are directly sourced from brands. We are vigilant about changing market dynamics and risk volatility and are therefore looking at strategies to address these challenges.

The industry received a major operational compliance mandate from the Government in the form of the compulsory registration of 15 categories of IT hardware such as Personal Computers, Laptops, Video Displays, Scanners and Telephone Answering Machines. This posed operational challenges to various stakeholders in the supply chain—from manufacturers to retail. Sellers faced problems due to delays in approvals of vendor applications by the Bureau of Indian Standards. However this was resolved by the postponement of the deadline for effecting compliance, thanks to appeals made by IT Associations. But this certification continues to pose challenge to many of the vendor product launches where there is a high frequency of product roll-overs.

With the overall PC penetration in India still among the lowest in the world, the next phase of growth in PC demand is expected to take place once nationwide low-cost broadband connectivity with relevant applications in local languages become a reality. The blurring of lines between IT and Communication devices will continue. Content Consumption activities will be dominated by Smart Phones and Tablets, while Content Creation and Computing activities will continue to drive demand for PCs and Notebooks.

Gartner has estimated that IT spending in India will be $71.3 billion in 2014, marking a 5.9% increase from the $67.4 billion in 2013. It has also estimated that the devices market, which includes mobile phones, PCs, Tablets and Printers, is expected to be $23.5 billion in 2014, a 6% increase over 2013. To lower the cost of IT infrastructure investments, business are evaluating technologies. The transition to Cloud services in India lags far behind that in developed countries, governed by uncertain value propositions and data security concerns. However, your Company is engaged with key vendors to work out an appropriate strategy to keep your Company relevant to vendors and channel partners, in anticipation of an increase in subscription to Cloud services in the future.

Internal Control Systems and their adequacy

Your Company over the years has developed extensive risk management processes built into the ERP system to enhance internal control systems across various functions. There are multi-functional teams to identify, capture, measure, monitor, manage and control various risks our business faces. All teams are well aware of your Company's thrust on internal control-based risk management.

Controls have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, and compliance with regulations for ensuring reliability of financial reporting. The Company continues its efforts to align all its processes and controls with best practices in these areas as well.

Through an Enterprise Risk Management programme, each Business Unit addresses opportunities and attends risks through an institutionalized approach aligned to the Company's objectives. This is also facilitated by internal audit. The business risk is managed through cross functional involvement and effective communication across businesses. The results of the risk assessment and residual risks are presented to the senior management. The Audit Committee reviews reports covering operational, financial and other business risk areas.

The Board is responsible for the overall process of risk management in the organization. The Board is regularly updated on the risks perceived by the Company and the process of risk management. The Audit Committee of the Board has a responsibility to critically examine the adequacy of processes, which both internal audit and statutory audit also oversee.

In our quest to participate in the emerging markets (Africa and Middle East in particular) which are highly potential, we have to be cognizant of the challenges and risks involved. The geo-political tensions in many of these markets and the frequent civilian attacks pose significant threat to the security of our people. While the company is taking necessary steps to ensure the safety of its people, the unpredictability of these incidents is creating a huge problem in attracting key talent and more importantly in retaining the existing talent. While your company is taking measures to adhere to the localization requirements imposed by various countries (particularly in the Middle East) we are challenged by the dearth of finding the right skill sets locally resulting in having to employ expatriates for senior positions.

Human Resources Management

Your Company has been constantly striving to maximise the latent potential of its human capital through continuous empowerment. The line managers play a crucial role in this endeavour, devising and coordinating developmental activity. The strong bonding that the company has built with staff succeeds in evoking passion in their everyday tasks.

The Company strongly believes in the importance of togetherness. Family gatherings on national holidays help to bridge the divide between work, family, and leisure which we believe will create a closer, more engaged workforce. Your Company has always been lauded for its professional approach towards staff and employees. The values and culture that lie at the core of the Company's operations have been deeply ingrained in its workforce.

The Company prides itself on its ability to identify, nurture, and reward talent. The Company has in place training programmes for B-School graduates and high potential candidates that allows them to cultivate and develop new ideas and concepts that will help boost the performance of the individual and the Company. This programme has proved to be a great success in the past. Your Company also believes in empowering multi-talented employees by giving them the right of first refusal when an opportunity arises in a different function.

Segment-wise Performance Analysis

Your Company identified Geographical Segment as the primary segment based on the similarity of risks and returns of the operation of business in different countries or other geographical areas.

Geographical segments reported are India and Overseas. Secondary segment identified are Distribution, Financial Service business and others. Both in India as well as overseas, your Company has performed reasonably well during this fiscal year. Despite a subdued demand environment in India & Turkey, Geo political tensions in MEA region & wide fluctuation in USD- Turkish Lira exchange rate, the Company has managed to post double digit growth in its revenue and earnings in the year under review. The Revenue & Profit growth were bettered in each of the quarters last year, indicating better outlook in the ensuing quarter.

Your Company's consolidated financial performance is marked by healthy revenue and profit mix from both domestic and overseas markets and a strong market position in both these markets. It may be heartening to note that your Company continued its leadership position in MEA Markets this year also.

Financial Performance Analysis

The Consolidated financials of your Company and its subsidiaries (including 45 Overseas subsidiaries and Step-down Subsidiaries) have been prepared in accordance with Generally Accepted Accounting Principles in India in compliance with the Accounting Standards notified by the Central Government.

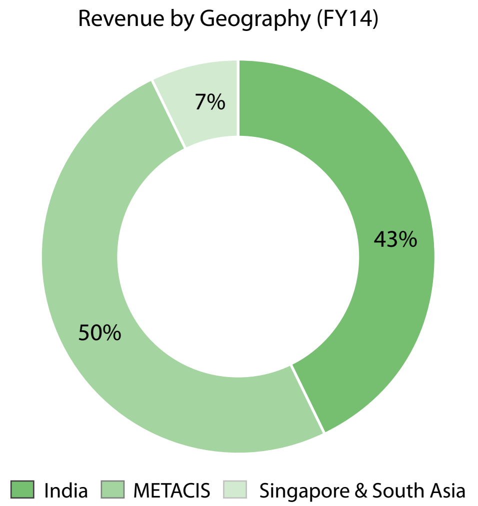
The audited financial statements of the Company and all its subsidiaries and step-down subsidiaries except the financials of Easyaccess Financial Services Limited (Easyaccess) used in the consolidation are drawn up to the same reporting date as that of the Company. The performance of Easyaccess engaged in providing financial services is consolidated till the date of divestment of 86% shareholding in Easyaccess—January 22, 2014.

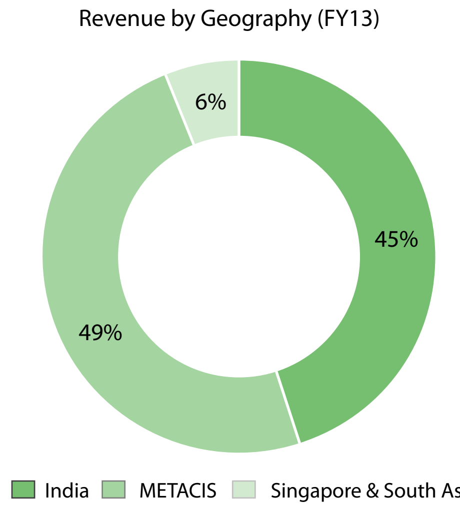
Analysis on the Consolidated Financial Performance

Revenue

Your Company's consolidated revenue was ₹ 27,999.2 Crore for the fiscal 2014, an increase of 15.7% when compared to fiscal 2013, with a CAGR of 21% for the last 5 years. While the YoY revenue growth was 12% in Q1, it improved to 14% in Q2, 16.5% in Q3 & 19.5% in Q4.

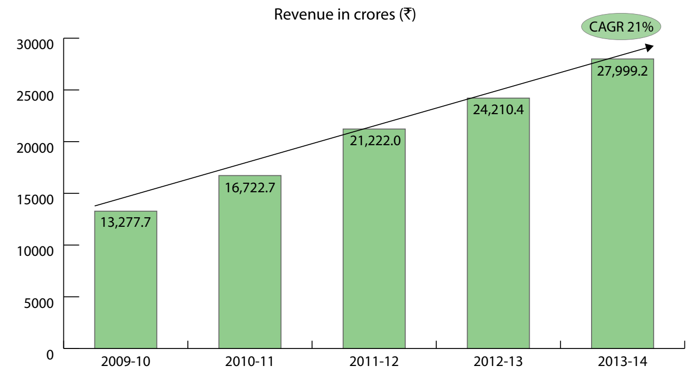
Revenue pie by Geography in comparison to previous year is given below:





Our fiscal 2014 revenue growth in MEA is primarily as the result of expansion of the Company's business in more territories in the MEA region and African continent and also on account of increasing momentum in the telecom business.

The Company continued to maintain its growth trend in revenue this year too and the Compounded Annual Growth Rate (CAGR) of the Consolidated Revenue for last five years was 21%.



Gross Margin

The Gross Margin for the year was maintained at 6.04% compared to 6.08% for the previous year.

Expenses

Employee Benefits has increased by 18% and is majorly due to increase in headcount on account of expansion of business in the overseas segment and compensation increase for the existing employees.

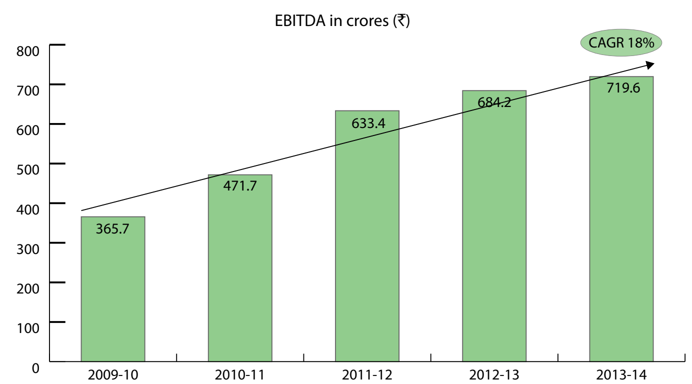
The freight expense during the year has increased by 17% and is mainly due to increased business volume in logistic business in India from Third Party Logistic (3PL) clients. The Logistics Company ProConnect Supply Chain Solutions Limited is well poised to increase its presence in 3PL space and this may result in increased freight cost in future.

The advertisement cost has more than doubled in FY14. This is mainly in the domestic market, on account of our enhanced marketing spends on Apple products, which in turn reflects in high contribution of Apple revenue in our total revenue.

Volatile fluctuation in the exchange rates across various markets where your company has operations has also resulted in increase in our overseas expenses.

EBITDA

EBITDA grew by 5% to 719.6 Crore in fiscal 2014 from 684.2 Crore for fiscal 2013, with a CAGR of 18% for the last 5 years.



Finance Costs

Inspite of the less conducive business environment and ever increasing working capital requirement, we could achieve a nominal increase in finance cost compared to the revenue increase of 15.7%. The interest cost for the year has increased only by 2% compared to the previous year.

This was achieved both by reducing the interest rate and bank utilization through consistent positive cash flow from operations. During the year, RIML has re-negotiated its long-term loan from the bank, at a lesser interest rate. This refinance is expected to reduce our interest cost over the remaining period of the loan.

As part of our overall strategy, we manage our treasury to ensure that sufficient and appropriate finance is available to support ongoing and expected growth and to protect against unexpected events. The Company had continued to invest the temporary surplus available in the system in short term mutual funds to ensure that the funds are effectively deployed.

PBT and PAT

The profit before tax during the financial year 2014 was ₹ 485.1 Crore versus ₹ 462.4 Crore during the last financial year 2013, signifying an increase of 4.9% during the year over the previous year.

The profit after tax and minority interest during the financial year 2014 was ₹ 336.7 Crore versus ₹ 323.1 Crore during the last financial year 2013, signifying an increase of 4% during the year over the previous year. The growth without considering the exceptional loss on account of sale of investment would have been 7% for the year.

Though the new business development through an acquisition of a 50% stake in ADEO, Turkey in the month of August 2013 by the step-down subsidiary (Arena) has not contributed much to the PAT for the current year it is expected to add value to the pie in the coming years since the company focuses more on Service business in that Geography.

Operating Cash Flow Statement

Similar to earlier years, the company's endeavor of positive cash flow from the operating activity was not compromised and was given utmost importance by way of constant review and course changes wherever required. This resulted in your consolidated cash flow from operations being positive for the third successive year. This positive cash flow for the year has reduced your Company's Debt to Equity ratio to a very comfortable level of 0.6x compared to 0.9x as on 31st March 2013. With this lower gearing, your Company is well poised to capture additional business opportunities without any difficulty in the ensuing years.

Key Ratios

Particulars	FY14	FY13
Return on Average Capital Employed (%)*	17.2	17.7
Return on Average Equity (%)*	19.1	22.8
Book Value/ Share (in ₹)	48.8	39.5
EPS (in ₹)	8.4	8.1
Interest Cover (times)	3.6	3.5
Gross Debt : Equity (times)	0.8	1.2
Net Debt : Equity (times)	0.6	0.9

* Goodwill has been excluded and Capital reserves has been included appropriately.

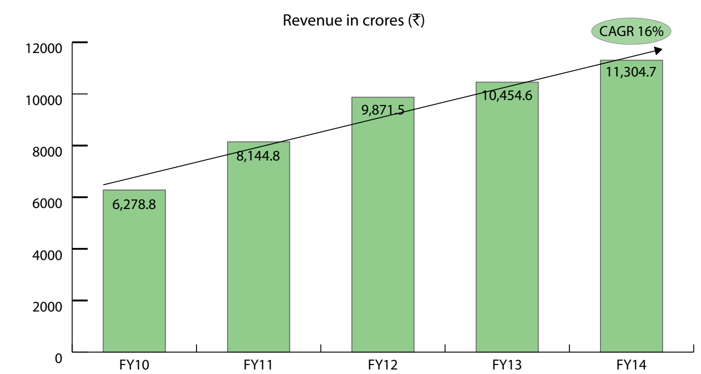
The marginal drop in return ratios, viz ROCE & ROE, during the year is on account of benign business environment across our various markets. Book value per share and EPS has shown improvement due to profit growth during the year.

Interest Cover has improved marginally due to lower interest cost.

Analysis on the Standalone Financial Performance

Revenue

The Company's revenue primarily comprises of sale of Information Technology, Digital Lifestyle products, followed by income from the After Sales Support Services. The standalone revenue was ₹ 11,304.7 Crores for the fiscal 2014, an increase of 8.1% when compared to fiscal 2013, with a CAGR of 16% for the last 5 years.



Service income and income from distribution increased by 15% and 8% respectively. Revenue growth in IT distribution during the previous fiscal 2014 is mainly on account of splendid growth in the Enterprise, Infrastructure and Software portfolios. Vendors in the networking, security and visualization space offered good opportunities for revenue growth. In Non-IT distribution, de-growth in Blackberry revenue is more than compensated by Apple iPhone with a very strong revenue growth.

Other income for the fiscal grew by 7.0% to ₹ 48.0 Crores from ₹ 44.9 Crores in the previous year. Your Company does not leave any stone unturned to collect the dues from its customers though they were provided for in the books. This perseverance and the constant follow-up helped the Company to recover bad debts that were written off during previous periods.

Expenses

Employee benefit

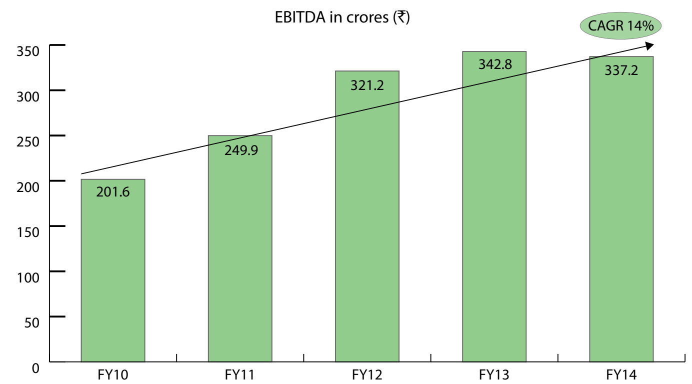
Employee benefits reduced to ₹ 101.3 Crores as against ₹ 102.1 Crores from the previous fiscal, the principal reason being there were tight controls on fresh recruitments throughout the year. Transfer of Supply Chain employees to the Wholly Owned Subsidiary, ProConnect Supply Chain Solutions Limited towards the middle of previous fiscal also contributed to this reduction in employee cost.

Other expenses

The Bank charges decreased to ₹ 6.4 Crores as against the ₹ 7.1 Crores during the previous year due to decreased utilization of Non-Fund based limits. The sales promotion charges increased to ₹ 88.4 Crores as against ₹ 19.7 Crores during the previous year mainly because of higher spending for promotional activities of certain brands as per the agreements. As the company transferred its Supply Chain activities to its wholly owned subsidiary during the second half of previous fiscal other costs are not comparable.

EBITDA

EBITDA reduced by 1.6% to ₹ 337.2 Crores in the fiscal 2014 from ₹ 342.8 Crores for the fiscal 2013 mainly due to change in revenue mix.



Depreciation & Amortisation

Depreciation and amortisation expenses for the year 2013-14 was at ₹ 10.6 Crores increased by 6% over the previous year. Increase in the depreciation expenses for the year reflects the impact of depreciation on additions made to the fixed assets towards the end of the fiscal due to capitalization of Kolkata ADC.

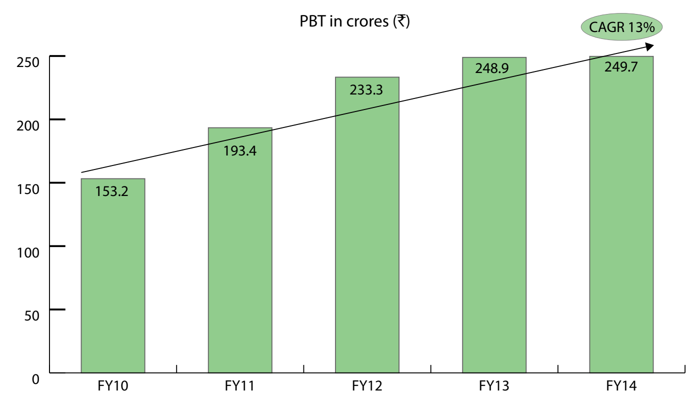
Finance Costs

The decrease in interest cost is due to receipt of sales proceeds from divestment of investment in Easyaccess Financial Services Limited and a marginal drop in interest rate during the year.

Interest cover for fiscal 2014 has improved to 4.24 times as against 3.97 times for previous fiscal.

Profit before Tax (Before exceptional item)

Profit before Tax increased by 0.3% to ₹ 249.7 Crores during the year from ₹ 248.9 Crores during the previous fiscal.

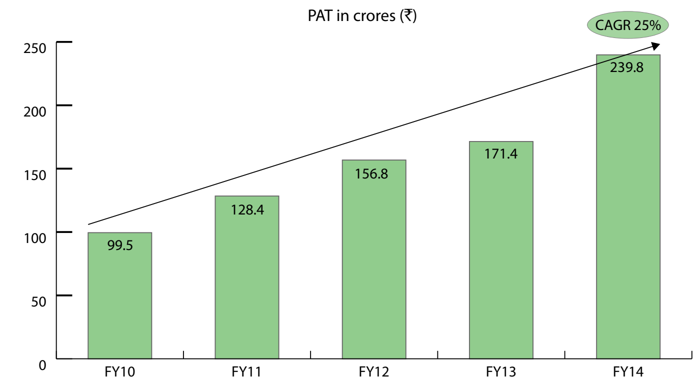


Exceptional item

During the fiscal 2014, the Company has divested its equity interest in one of its wholly owned subsidiaries, Easyaccess Financial Services Limited, at a profit of ₹ 65.8 Crores. This being a sale of long-term investment, it is disclosed as exceptional item in the Financial Statement.

Profit after Tax

Profit after Tax increased to ₹ 239.8 Crores during the year as against ₹ 171.4 Crores from previous fiscal marking yet another year of consistent growth in earnings.



Cash Flow Statement

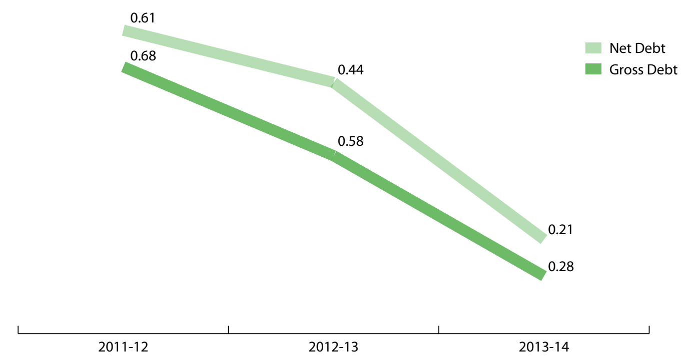
Cash generated from operations during the year was ₹ 44.3 Crores. Net Cash inflow on account of investing activities was ₹ 262.4 Crores mainly due to divestment of equity interest in Easyaccess Financial Services Limited. Net cash outflow on account of financing activities was ₹ 361.6 Crores, which is attributable primarily to repayment of borrowings and dividend paid.

Funds Employed

Increase in reserves due to current year profit has contributed to increase in shareholder funds as at March 31, 2014 to ₹ 1,266.8 Crores from ₹ 1,065.5 Crores as at March 31, 2013.

Debt as on March 31, 2014 has decreased to ₹ 357 Crores compared to ₹ 619.3 Crores as of March 31, 2013 due to proceeds from divestment of Easyaccess Financial Services Limited during Quarter IV.

Due to positive cash flow from operations over the last six years, the Debt-Equity situation has moved favourably and as of March 31, 2014, both the Gross Debt to Equity and Net Debt to Equity have moved below 0.3x. The Company is therefore favourably poised to capture any upswing in the business opportunity in the ensuing years, without need for additional capital.



Dividend

With a comfortable Debt levels, the Directors have recommended 45% dividend on the face value of the share for the year 2013-14, equivalent to ₹ 0.90 per share, marking an increase in the dividend as compared to last two financial years (20% Dividend on the face value of the share).

Book value and Earnings per Share

Book Value of the Company increased from ₹ 26.7/- per share as at March 31, 2013 to ₹ 31.7/- per share as at March 31, 2014.

Earnings per share increased by 40% to ₹ 6.01 per share for the year ended March 31, 2014 mainly due to exceptional income.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be (forward-looking statements) within the meaning of applicable laws and regulations. The actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a down-trend in the automobile sector, significant changes in the political and economic environment in India and abroad, exchange rate fluctuations, tax laws, litigation, labour relations and interest cost.

Standalone Financial Statements

Independent Auditors' Report to the Members of Redington (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of REDINGTON (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24 to the financial statements in respect of disputed income tax demands.

The Company has received tax demand of Rs. 129 Crores (besides interest of Rs. 78 Crores) for Assessment Year 2009-10 mainly on account of tax on Capital Gain arising from Transfer of Company's investment in a overseas subsidiary to another overseas step-down subsidiary in November 2008.

The Company has preferred an appeal against the said demand before the Income Tax Appellate Tribunal (ITAT), Chennai. Based on eminent tax counsel's opinion the management is hopeful of successfully contesting the demand in appeal; accordingly no provision towards the disputed tax claim is presently considered necessary.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).

(e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

B Ramaratnam
Partner
Membership No. 21209

Chennai, May 30, 2014

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business / activities / results during the year, clauses (viii), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.

(ii) In respect of its fixed assets:

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

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

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

(iii) In respect of its inventories:

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

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

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

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

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and 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:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) There are no transactions that need to be entered in the register maintained under Section 301 of the Act other than the transaction of sale of investment as detailed in note 35 to the financial statements, which has been made at a price which is considered, *prima facie*, reasonable.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

(viii) In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management have been commensurate with the size of the Company 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 statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Custom Duty and Cess which have not been deposited as on March 31, 2014 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)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2009-10	16,216.93*
		Commissioner of Income Tax (Appeals)	2006-07	62.51
Sales Tax Act of various states	Sales Tax	Appelate and Tax Revisional Board -Kolkata	2007-08 and 2009-10	4.96
		Additional Commissioner (Appeals) (various states)	2004-05 to 2006-07 and 2009-10	4.45
		Joint Commissioner (Appeals)	2005-06, 2006-07, 2007-08	266.12
		Special Commissioner-VAT New Delhi	2005-06 and 2009-10	590.94
		Tax Tribunal	2008-09	481.55
		Appeal - Deputy Commissioner (Appeals)	2009-10	8.40
		Appeal - Appellate Board	2009-10	6.64
Central Sales Tax Act, 1956	Sales Tax	Appellate and Tax Revisional Board - Kolkatta	2007-08	0.73
		Additional Commissioner Appeals - various states	2007-08, 2011-12	90.88
		Joint Commissioner (Appeals)	2005-06	90.07
		Special Commissioner-VAT New Delhi	2009-10	55.22
The Customs Act, 1962	Customs duty	Customs Excise Service Tax Appellate Tribunal	2007-2008	15.27

* Also Refer Note 24(vi) to the Financial Statements.

(x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not borrowed from any financial institutions and has not issued any Debentures.

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

(xiii) In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year.

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

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

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

B Ramaratnam
Partner
Membership No. 21209

Chennai, May 30, 2014

Balance Sheet as at March 31, 2014

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	7,989.64	7,983.05
Reserves and surplus	4	118,685.47	98,563.75
		126,675.11	**106,546.80**
Non-current liabilities			
Long-term provisions	5	906.07	710.09
		906.07	**710.09**
Current liabilities			
Short-term borrowings	6	35,702.45	61,926.73
Trade payables	7	112,392.36	92,344.22
Other current liabilities	8	23,111.93	19,637.31
Short-term provisions	9	4,273.79	1,981.95
		175,480.53	**175,890.21**
TOTAL		**303,061.71**	**283,147.10**
II. ASSETS			
Non-current assets			
Fixed assets			
(i) Tangible assets	10(i)	9,299.80	6,655.44
(ii) Intangible assets	10(ii)	114.94	17.75
(iii) Capital work-in-progress		399.07	1,530.30
Non-current investments	11	48,369.53	65,911.64
Deferred tax assets (net)	12	1,051.18	675.18
Long-term loans and advances	13	9,090.00	6,962.21
		68,324.52	**81,752.52**
Current assets			
Inventories	14	83,048.57	77,186.34
Trade receivables	15	123,508.49	93,301.91
Cash and cash equivalents	16	9,258.95	15,037.96
Short-term loans and advances	17	18,921.18	15,868.37
		234,737.19	**201,394.58**
TOTAL		**303,061.71**	**283,147.10**

See accompanying notes forming part of financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B Ramaratnam
Partner

For and on behalf of the Board of Directors

R Srinivasan
Managing Director

Raj Shankar
Joint Managing Director

M Raghunandan
Whole-Time Director

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 30, 2014

Statement of Profit and Loss for the year ended March 31, 2014

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
Revenue from operations	18	1,125,661.84	1,040,966.42
Other income	19	4,803.22	4,488.31
Total Revenue		**1,130,465.06**	**1,045,454.73**
Expenses:			
Purchases of trading stocks		1,067,331.15	977,627.58
Changes in inventories		(5,862.23)	4,513.04
Employee benefits	20	10,130.20	10,209.06
Finance costs	21	7,694.71	8,385.66
Depreciation & amortisation	10(iii)	1,060.46	1,000.36
Other expenses	22	25,142.64	18,825.00
Total Expenses		**1,105,496.93**	**1,020,560.70**
Profit Before Exceptional item and Tax		**24,968.13**	**24,894.03**
Exceptional Item			
Profit on sale of Long-term investment	35	6,575.66	-
Profit Before Tax		**31,543.79**	**24,894.03**
Tax expense:			
Current tax		7,941.00	7925.00
Deferred tax		(376.00)	(168.33)
Tax expense for the year		**7,565.00**	**7,756.67**
Profit for the Year		**23,978.79**	**17,137.36**
Earnings per equity share:	23		
Basic		**6.01**	**4.29**
Diluted		**6.00**	**4.29**

See accompanying notes forming part of financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B Ramaratnam
Partner

For and on behalf of the Board of Directors

R Srinivasan
Managing Director

Raj Shankar
Joint Managing Director

M Raghunandan
Whole-Time Director

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 30, 2014

Cash Flow Statement for the year ended March 31, 2014

(₹ in Lakhs)

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
A. Cash flow from operating activities:		
Profit before tax	**31,543.79**	**24,894.03**
Adjustments for:		
– Depreciation & amortisation	1,060.46	1,000.36
– Interest expense	7,694.71	8,385.66
– Interest income	(1,528.20)	(1,522.62)
– Provision for doubtful receivables	1,301.51	998.53
– Provision no longer requried written back	(540.00)	-
– Dividend from Subsidiaries	(2,088.55)	(2,137.16)
– Dividend income from short-term Investments	(115.51)	(257.18)
– Profit on sale of Long-term investment (exceptional item)	(6,575.66)	-
– Unrealised foreign exchange loss (net)	(243.55)	903.38
– (Profit)/Loss on sale of fixed assets (net)	(202.10)	2.68
Operating Profit before working capital changes	**30,306.90**	**32,267.68**
Increase in Trade receivables	(31,509.04)	(10,885.16)
Increase in Long-term loans and advances	(1,192.06)	(356.74)
Increase in Short-term loans and advances	(3,241.40)	(833.96)
(Increase)/Decrease in Inventories	(5,862.23)	4,513.04
Increase in Other current liabilities	4,795.01	5,322.29
Increase/(Decrease) in Trade payables	20,254.25	(5,221.99)
(Decrease)/Increase in Short-term provisions	(46.58)	30.27
Increase in Long-term provisions	195.98	46.40
Cash generated from operations	**13,700.83**	**24,881.83**
Direct taxes paid (including TDS receivable)	(9,273.38)	(10,116.72)
Net Cash generated from operating activities	**4,427.45**	**14,765.11**
B. Cash flow from investing activities:		
Capital Expenditure	(2,390.02)	(1,468.57)
Proceeds from Sale of fixed assets (net)	307.20	221.15
Interest received	1,546.79	1,616.22
Dividend Income from Subsidiaries	2,088.55	2,137.16
Loans disbursed to Subsidiaries & Associates	(13,140.00)	(41,870.92)
Loans settled by Subsidiaries & Associates	13,310.00	48,269.98
Purchase of short term Investments	(682,854.23)	(482,775.00)
Proceeds from sale of short term Investments	682,969.74	483,032.18
Earmarked Bank Deposit/Bank Deposits with original maturity for more than three months (net)	285.24	(25.26)
Investments in Subsidiaries	(4,532.63)	(6,868.75)
Proceeds from sale of Long-term investment	28,650.40	-
Net Cash generated from investing activities	**26,241.05**	**2,268.19**
C. Cash flow from financing activities:		
Repayment of short term borrowings (net)	(26,224.28)	(144.77)
Proceeds from allotment of shares including premium under Employee Stock Option, 2008	94.36	154.20
Dividends paid (including dividend tax)	(1,596.96)	(1,610.09)
Interest paid	(8,435.38)	(6,601.34)
Net cash used in financing activities	**(36,162.26)**	**(8,202.00)**
Net (decrease)/increase in cash and cash equivalents	**(5,493.77)**	**8,831.30**
Cash and cash equivalents at the beginning of the year	**14,747.39**	**5,916.09**
Cash and cash equivalents at the end of the year	**9,253.62**	**14,747.39**
Reconciliation of Cash & cash equivalents		
Cash & cash equivalents as per Balance sheet (Refer note 16)	**9,258.95**	**15,037.96**
Less: Bank Deposits with original maturity for more than three months not treated as cash equivalent	-	285.00
Less: Earmarked Balance -Dividend Account	4.28	4.14
Less: Balance held as Margin money	1.05	1.43
Cash and cash equivalents at the end of the year	**9,253.62**	**14,747.39**
See accompanying notes forming part of financial statements		

In terms of our report attached **For and on behalf of the Board of Directors**

For Deloitte Haskins & Sells
Chartered Accountants

B Ramaratnam
Partner

R Srinivasan
Managing Director

Raj Shankar
Joint Managing Director

M Raghunandan
Whole-Time Director

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 30, 2014

Notes to financials statements for the Year Ended March 31, 2014

1. Company Overview

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

2. Basis of preparation of financial statements

2.1 The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The financial statements and documents required to be attached thereto, upto year ended March 31, 2014 would be governed by the provisions of Schedule VI of the Companies Act, 1956 as clarified by Ministry of Corporate Affairs in its circular no 08/2014 dated April 4, 2014.

2.2. Summary of Significant Accounting Policies

a. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

b. Fixed assets

Tangible assets

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

Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net proceeds from disposal/net realisable value and carrying amount of the asset and are recognised in the Statement of Profit and Loss.

Depreciation on Tangible assets

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

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

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

Intangible assets

Intangible assets are recorded at cost less amortization.

Intangible assets are amortized on straight line basis over a period of three years.

c. Impairment of tangible and intangible assets

At each Balance Sheet date, the Company assesses whether there is any indication that the fixed assets with finite lives may be impaired. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

If there is any indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of cash-generating unit to which the asset belongs.

d. Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Lease Rentals under operating leases are recognised in the Statement of Profit and Loss.

e. Investments

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

f. Inventories

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

g. Foreign Currency Transactions

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

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

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

h. Warranties

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

i. Revenue Recognition

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

j. Other Income

1. Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.
2. Interest income is recognised on the time proportion basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists. Interest income on overdue receivables is recognized only when there is a certainty of receipt.

k. Employee Benefits

i. Short-term Employee Benefits

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

ii. Long-term Employee Benefits

Defined Benefit Plan

Compensated Absences & Gratuity

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

Defined Contribution Plan

Contribution under statutory laws relating to employee benefits, including Provident Fund and Employee State Insurance, is made in accordance with the respective rules and is charged to the Statement of Profit and Loss as and when services are rendered by the employees.

l. Employee share based payments

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

m. Current and deferred tax

i. Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit for the year.

ii. Current tax is measured in accordance with the provisions of the Income Tax Act, 1961, on the taxable income for the year.

iii. Tax on proposed distribution of dividend is based on the provisions of Income Tax Act, 1961 and disclosed as appropriation in the Reserves and Surplus in the Balance Sheet.

iv. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax bases using enacted or substantively enacted tax rates at the reporting date. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward to the extent they can be realized.

n. Provisions, Contingent Liabilities and Contingent Assets

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

i. Possible obligation which will be confirmed only by future events not wholly within the control of the Company or

ii. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements.

o. Segment Reporting

Since the Company prepares consolidated financial statements as per AS-17 "Segment Reporting", segment information has been disclosed in consolidated financial statements.

p. Cash and cash equivalents

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

q. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

r. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

s. Derivative Instruments and Hedge Accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to all such contracts outstanding as on March 31, 2014 the hedge accounting principles set out in Accounting Standard 30 “Financial Instruments : Recognition and Measurement” (AS 30) by marking them to market. Changes in the fair value of the contracts that are designated and effective hedges of future cash flows are recognised directly in the Hedge Accounting Reserve.

3. Share Capital

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

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Authorized shares		
425,000,000 (Previous Year 425,000,000) Equity Shares of ₹ 2/- each	8,500.00	8,500.00
Issued, Subscribed and fully paid up		
399,481,820 (Previous Year 399,152,570) Equity Shares of ₹ 2/- each fully paid up	7,989.64	7,983.05

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

	2013-14		2012-13	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	399,152,570	7,983.05	398,578,195	7,971.56
Allotment of shares under Employee Stock Option, 2008 issued during the year	329,250	6.59	574,375	11.49
Outstanding at the end of the year	**399,481,820**	**7,989.64**	**399,152,570**	**7,983.05**

iii. Terms/rights attached to equity shares;

Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. For the year ended March 31, 2014 a dividend of ₹ 0.90 per equity share has been proposed by the Board of Directors (Previous year ₹ 0.40 per equity share). The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting which includes an agenda item to consider declaration of dividend.

iv. Shares held by shareholders holding more than 5% of the paid-up equity capital

	31-Mar-2014		31-Mar-2013	
	No. of shares	% of Share holding	No. of shares	% of Share holding
Harrow Investment Holding Limited (formerly known as Redington (Mauritius) Limited)	84,027,302	21.03	84,027,302	21.05
Synnex Mauritius Limited	94,295,940	23.60	94,295,940	23.62
Standard Chartered Private Equity (Mauritius) Limited	47,686,500	11.94	47,686,500	11.95
SBI Mutual Fund	16,500,939	4.13	20,409,218	5.11

4. Reserves & Surplus

₹ in Lakhs

i. Securities Premium Account	31-Mar-2014	31-Mar-2013
Balance as per the last Balance Sheet	35,178.08	35,035.37
Add: Premium on allotment of shares under Employee Stock Option, 2008 issued during the year	87.77	142.71
Balance at the end of the year	**35,265.85**	**35,178.08**

₹ in Lakhs

ii. General Reserve	31-Mar-2014	31-Mar-2013
Balance as per the last Balance Sheet	6,642.56	5,357.26
Add: Transfer from surplus in Statement of Profit and Loss	2,397.89	1,285.30
Balance at the end of the year	**9,040.45**	**6,642.56**

₹ in Lakhs

iii. Hedge Accounting Reserve	31-Mar-2014	31-Mar-2013
Balance as per the last Balance Sheet	(0.54)	17.52
Add: Movement during the year (net)	(9.32)	(18.06)
Balance at the end of the year	**(9.86)**	**(0.54)**

₹ in Lakhs

iv. Surplus in the Statement of Profit and Loss	31-Mar-2014	31-Mar-2013
Balance as per the last Balance Sheet	56,743.65	42,515.63
Profit for the year	23,978.79	17,137.36
Sub total	**80,722.44**	**59,652.99**
Less: Appropriations		
Proposed equity dividend for the year	3,595.34	1,596.61
Dividend Distribution Tax on the Proposed Dividend	611.03	271.34
Dividend including Dividend distribution tax for previous year (Refer note below)	0.58	1.09
Dividend distribution tax credit on account of dividend received from subsidiary	(271.43)	(245.00)
Transfer to General Reserve	2,397.89	1,285.30
Balance at the end of the year	**74,389.03**	**56,743.65**

Total Reserves and surplus	**118,685.47**	**98,563.75**

Subsequent to the date of Balance Sheet as on March 31, 2013 and before the book closure date, 125,000 (Previous Year 235,875) equity shares were allotted under Employees Stock Option Plan 2008 and dividend of ₹ 0.50 Lakhs (Previous year ₹ 0.94 Lakhs) on these shares were paid. The total amount of ₹ 0.58 Lakhs (Previous year ₹ 1.09 Lakhs) including tax on dividend, has been appropriated from the Statement of Profit and Loss.

5. Long Term Provisions

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Compensated Absences	276.82	205.53
Gratuity	629.25	504.56
Total	**906.07**	**710.09**

Gratuity (included as part of Employee benefits in Note 20)

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

a. Movement

₹ in Lakhs

Particulars	2013-14	2012-13
Projected Benefit Obligation at the beginning of the year	**559.01**	**495.28**
Service cost	39.92	110.20
Interest Cost	41.93	32.24
Actuarial Loss	104.27	54.51
Benefits paid	(68.28)	(133.22)
Projected Benefit Obligation at the end of the year	**676.85**	**559.01**
Amount recognized in the Balance Sheet:		
Projected benefit obligation at the end of the year	676.85	559.01
Liability recognized in the Balance Sheet	**676.85**	**559.01**

Particulars	2013-14	2012-13
Cost of the defined plan for the year:		
Current service cost	39.92	110.20
Interest on obligation	41.93	32.24
Net actuarial loss recognized during the year	104.27	54.51
Net cost recognized in the Statement of Profit and Loss	**186.12**	**196.95**

b. Assumptions for Gratuity/ Compensated Absences:

₹ in Lakhs

Particulars	2013-14	2012-13
Discount Rate	7.5%	7.5%
Salary escalation rate	5%	5%
Attrition rate	5%	3%
Demographic assumptions – Mortality	IALM (2006-08) ULT	IALM (2006-08) ULT

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

The details of experience adjustments arising on account of plan liabilities are not readily available in the valuation report and hence, are not furnished.

6. Short-term borrowings

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Secured Loan from Banks (Refer note a)	33,314.90	45,818.78
Unsecured Loan from Banks	2,387.55	16,107.95
Total	**35,702.45**	**61,926.73**

a. Loans from Banks are secured by pari-passu charge on Inventories and Trade receivables.

b. **Commercial Paper:** There are no amounts outstanding as at March 31, 2014 & March 31, 2013 and the maximum amount outstanding at any time during the year was ₹ 55,000 Lakhs (Previous Year ₹ 57,500 Lakhs).

7. Trade payables

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Trade payables*	109,047.73	88,943.19
Other payables	3,344.63	3,401.03
Total	**112,392.36**	**92,344.22**

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

*** Trade payables includes due to Micro and Small Enterprises**

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Due to Micro and Small Enterprises	2.82	1.49
Total	**2.82**	**1.49**

The Company has circulated letters to suppliers and based on confirmation received so far from the parties necessary disclosures relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 are made in the financial statements in accordance with the Notification No: GSR 719 (E) dated November 16, 2007 issued by the Ministry of Corporate Affairs. There is no overdue outstanding (including interest) payable to these enterprises.

8. Other current liabilities

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Creditors for other liabilities^	12,394.24	9,443.01
Statutory Liabilities	5,876.02	4,594.54
Other Liabilities	287.51	241.16
Advances/deposit received from Customers	1,701.66	1,858.28
Interest accrued but not due on loans	1,778.11	2,518.78
Unamortized Revenue	1,070.11	977.40
Earmarked Liability - Unclaimed Dividend*	4.28	4.14
Total	**23,111.93**	**19,637.31**

* No Amount is due and outstanding to be credited to Investor Education and Protection Fund as on March 31, 2014.

^ Includes provision for extended warranty for a product traded by the Company based on management estimate of ₹ 251.54 Lakhs (Previous year ₹ 270.54 Lakhs) and ₹ 207.78 Lakhs (Previous year ₹ 218.56 Lakhs) payable towards acquisitions of Tangible assets.

9. Short-term provisions

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Compensated absences	19.82	59.55
Gratuity	47.60	54.45
Proposed Dividend	3,595.34	1,596.61
Dividend Tax on Proposed Dividend	611.03	271.34
Total	**4,273.79**	**1,981.95**

10. Fixed Assets—Owned

i. Tangible Assets

₹ in Lakhs

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.13	Additions	Deletions	As at 31.03.14	As at 01.04.13	For the Year	Deletions	As at 31.03.14	As at 31.03.14	As at 31.03.13
Land (Freehold)										
Current year	2,789.17	-	47.71	2,741.46	-	-	-	-	2,741.46	2,789.17
Previous year	*2,788.16*	*1.01*	*-*	*2,789.17*	*-*	*-*	*-*	*-*	*2,789.17*	*2,788.16*
Buildings										
Current year	2,602.92	2,396.70	-	4,999.62	616.73	166.80	-	783.53	4,216.09	1,986.19
Previous year	*2,596.48*	*6.44*	*-*	*2,602.92*	*467.08*	*149.65*	*-*	*616.73*	*1,986.19*	*2,129.40*
Plant and Machinery										
Current year	1,058.35	319.80	55.02	1,323.13	751.28	130.32	51.72	829.88	493.25	307.07
Previous year	*1,235.72*	*61.90*	*239.27*	*1,058.35*	*803.25*	*140.45*	*192.42*	*751.28*	*307.07*	*432.47*
Furniture & Fixtures										
Current year	2,553.98	515.25	82.99	2,986.24	1,835.40	275.05	71.60	2,038.85	947.39	718.58
Previous year	*2,697.98*	*99.00*	*243.00*	*2,553.98*	*1,714.72*	*319.71*	*199.03*	*1,835.40*	*718.58*	*983.26*
Office Equipments										
Current year	429.50	165.83	28.51	566.82	269.59	56.55	26.23	299.91	266.91	159.91
Previous year	*502.95*	*68.37*	*141.82*	*429.50*	*339.60*	*51.47*	*121.48*	*269.59*	*159.91*	*163.35*
Computers										
Current year	1,725.98	143.34	184.76	1,684.56	1,374.21	183.69	168.00	1,389.90	294.66	351.77
Previous year	*1,917.31*	*208.84*	*400.17*	*1,725.98*	*1,533.23*	*178.25*	*337.27*	*1,374.21*	*351.77*	*384.08*
Vehicles										
Current year	495.03	118.68	50.97	562.74	152.28	100.49	30.07	222.70	340.04	342.75
Previous year	*412.97*	*174.90*	*92.84*	*495.03*	*122.63*	*85.06*	*55.41*	*152.28*	*342.75*	*290.34*
Tangible assets total										
Current year	**11,654.93**	**3,659.60**	**449.96**	**14,864.57**	**4,999.49**	**912.90**	**347.62**	**5,564.77**	**9,299.80**	**6,655.44**
Previous year	***12,151.57***	***620.46***	***1,117.10***	***11,654.93***	***4,980.51***	***924.59***	***905.61***	***4,999.49***	***6,655.44***	***7,171.06***

ii. Intangible Assets

₹ in Lakhs

Description	Gross Block				Amortization				Net Block	
	As at 01.04.13	Additions	Deletions	As at 31.03.14	As at 01.04.13	For the Year	Deletions	As at 31.03.14	As at 31.03.14	As at 31.03.13
Software										
Current year	440.05	247.51	68.40	619.16	422.30	147.56	65.64	504.22	114.94	17.75
Previous year	*729.83*	*61.81*	*351.59*	*440.05*	*685.78*	*75.77*	*339.25*	*422.30*	*17.75*	*44.05*
Intangible assets total										
Current year	**440.05**	**247.51**	**68.40**	**619.16**	**422.30**	**147.56**	**65.64**	**504.22**	**114.94**	**17.75**
Previous year	***729.83***	***61.81***	***351.59***	***440.05***	***685.78***	***75.77***	***339.25***	***422.30***	***17.75***	***44.05***

iii. Depreciation / Amortization

₹ in Lakhs

Category	2013-14	2012-13
Tangible assets	912.90	924.59
Intangible assets	147.56	75.77
Total	**1,060.46**	**1,000.36**

11. Non-current Investments

Trade Investments

Investment in Equity Instruments—Unquoted

Investment in Subsidiaries & Associates:

a. Investment in Indian Subsidiaries

₹ in Lakhs

Name of the Entity	31-Mar-2014	31-Mar-2013
1,301,294 (Previous Year 1,301,294) Equity Shares of ₹ 10/- each fully paid-up in Cadensworth (India) Limited	612.27	612.27
Nil (Previous Year 151,030,000) Equity Shares of ₹ 10/- each fully paid-up in Easyaccess Financial Services Limited (Refer note 35)	Nil	22,074.74
20,000,000 (Previous Year 20,000,000) Equity Shares of ₹ 10/- each fully paid-up in Nook Micro Distribution Limited	2,010.32	2,010.32
4,550,000 (Previous Year 4,550,000) Equity Shares of ₹ 10/- each fully paid-up in ProConnect Supply Chain Solutions Limited	455.00	455.00
2,050,000 (Previous Year Nil) Equity Shares of ₹ 10/- each fully paid-up in Ensure Support Services (India) Limited (Refer note c below)	205.00	Nil
Total	**3,282.59**	**25,152.33**

b. Investment in Overseas Subsidiaries

₹ in Lakhs

Name of the Corporate Body	31-Mar-2014	31-Mar-2013
25,695,758 (Previous Year 24,985,453) Equity Shares of US$ 1 each fully paid-up in Redington International Mauritius Limited	21,906.80	17,579.17
Add:- Inter Transfer of Investment of Redington International Holdings Ltd (RIHL)*	21,412.33	21,412.33
	43,319.13	**38,991.50**
3,800,000 (Previous Year 3,800,000) Equity Shares of US$ 1 each fully paid-up in Redington Distribution Pte. Limited	1,762.81	1,762.81
Total	**45,081.94**	**40,754.31**

* Represents transfer of investment held in Redington Gulf FZE by RIHL in the previous year, to comply with the directive of Reserve Bank of India.

c. Pursuant to the approval of the shareholders through postal ballot, the Company has since transferred the assets of the after sales support services to its wholly owned subsidiary Ensure Support Services (India) Limited formed for this purpose.

d. Investment in associate

₹ in Lakhs

Name of the Entity	31-Mar-2014	31-Mar-2013
50,000 (Previous Year 50,000) Equity Shares of ₹ 10/- each fully paid-up in Redington (India) Investments Limited	5.00	5.00
Total Investments	**48,369.53**	**65,911.64**

The Company has given undertakings on behalf of some of its subsidiaries to various banks/vendors, that it shall not dilute its shareholding in those subsidiaries below the agreed percentages.

12. Deferred tax assets (net)

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

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
i. Deferred Tax Assets:		
Provision for doubtful Trade receivables	483.32	372.63
Provision for Gratuity	230.06	190.01
Provision for Compensated absences	100.83	90.10
Depreciation	-	22.44
Long term Capital Loss*	249.48	-
Total	**1,063.69**	**675.18**
ii. Deferred Tax Liability:		
Depreciation	12.51	-
Total	**12.51**	**-**
Deferred tax assets (net)	**1,051.18**	**675.18**

* Consequent to sale of the Company's investment in its wholly owned subsidiary Easyaccess Financial Services Limited, there is a long-term capital loss, under the Income Tax Act, 1961, which has resulted in a deferred tax asset of ₹ 1,310.48 Lakhs. Of this, ₹ 249.48 Lakhs has been recognised against Long Term Capital Gain realised subsequent to the year end. The balance deferred tax asset of ₹ 1,061 Lakhs will be recognised as and when there is a long-term capital gain.

13. Long-term loans and advances

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Unsecured & Considered Good		
Capital Advances	261.83	658.48
Income Taxes (Net of Provisions)	5,905.19	4,572.81
Deposits	344.59	400.58
Receivable from Customs/Sales tax Department	1,978.39	1,330.34
Loans and Advances to related parties		
Currents Technology Retail (India) Limited	600.00	-
Total	**9,090.00**	**6,962.21**

14. Inventories

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Trading Stocks	73,758.74	67,276.12
Goods in Transit	8,711.64	9,453.56
Service Spares	578.19	456.66
Total	**83,048.57**	**77,186.34**

15. Trade receivables—Unsecured

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered Good	7,696.65	8,679.86
Considered Doubtful	1,421.86	1,096.31
	9,118.51	**9,776.17**
Other trade receivables - Considered Good	115,811.84	84,622.05
	124,930.35	**94,398.22**
Less:- Provision for doubtful trade receivables	1,421.86	1,096.31
Total	**123,508.49**	**93,301.91**

16. Cash and cash equivalents

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Cash on hand	15.61	17.19
Balances with Banks		
On Current Account	9,238.01	14,730.20
On Deposit Account	-	285.00
Earmarked Balances - Unclaimed Dividend account	4.28	4.14
Margin Money with Banks	1.05	1.43
Total	**9,258.95**	**15,037.96**

17. Short-term loans and advances

₹ in Lakhs

	31-Mar-2014	31-Mar-2013
Unsecured & Considered Good		
Loans and Advances to related parties		
Nook Micro Distribution Limited	3,700.00	3,005.14
Cadensworth (India) Limited	-	1,000.00
ProConnect Supply Chain Solutions Limited	-	422.45
Redington (India) Investments Limited	-	5.06
Currents Technology Retail (India) Limited	1,155.25	1,207.80
Others		
Receivables from Customs authorities	2,571.47	4,214.34
Service tax receivable	6,964.66	3,749.29
Other receivable	3.06	6.21
Other Advances	3,337.85	973.22
Prepaid expenses	429.39	622.52
Deposits	759.50	662.34
Total	**18,921.18**	**15,868.37**

Particulars of maximum amount outstanding at any time during the year of loans and advances to Subsidiaries and associates to be disclosed by the Company pursuant to Clause 32 of the Equity Listing Agreements

₹ in Lakhs

	2013-14	2012-13
Easyaccess Financial Services Limited	NA	17,508.64
Nook Micro Distribution Limited	4,261.07	3,005.16
Cadensworth (India) Limited	1,700.09	1,033.58
ProConnect Supply Chain Solutions Limited	522.79	1,258.59
Redington International Mauritius Limited	0.01	12,119.05
Redington (India) Investments Limited	5.23	5.06
Currents Technology Retail (India) Limited	2,265.94	1,207.80

18. Revenue from operations

₹ in Lakhs

	2013-14	2012-13
Sales	1,072,461.70	991,808.64
Service Income	18,074.24	15,710.92
Rebates	35,109.88	33,429.25
Other operating revenue	16.02	17.61
Total	**1,125,661.84**	**1,040,966.42**

19. Other income

₹ in Lakhs

	2013-14	2012-13
Dividend from subsidiaries	2,088.55	2,137.16
Interest on loan to related parties	590.82	694. 10
Interest from dealers	906.74	800.21
Interest on Bank deposits	30.64	28.31
Provision no longer required written back	540.00	-
Dividend from Short term Investments	115.51	257.18
Bad Debts Written off in earlier years recovered	120.57	101.26
Exchange gain (net)	-	354.87
Profit on Sale of Fixed Assets (net)	202.10	-
Other non-operating incomes	208.29	115.22
Total	**4,803.22**	**4,488.31**

20. Employee benefits

₹ in Lakhs

	2013-14	2012-13
Salaries & Bonus	8,818.00	9,023.71
Contribution to Provident Fund & Other Funds	459.48	439.76
Welfare Expenses (including compensated absences)	666.60	548.64
Gratuity	186.12	196.95
Total	**10,130.20**	**10,209.06**

21. Finance costs

₹ in Lakhs

	2013-14	2012-13
Interest on Borrowings	7,549.39	8,212.20
Other Borrowing Costs	145.32	173.46
Total	**7,694.71**	**8,385.66**

22. Other expenses

₹ in Lakhs

	2013-14	2012-13
Rent (Refer note: 25)	1,149.70	1,849.20
Warehouse Product/Handling Charges	5,227.10	2,384.54
Freight	628.60	1,215.03
Commercial taxes	1,639.04	2,806.05
Repairs & Maintenance	572.03	767.50
Utilities	337.39	375.09
Insurance	315.78	433.08
Rates and Taxes	77.25	65.13
Communication	593.08	760.75
Travel	865.76	835.14
Conveyance	302.99	348.91
Bad debts	975.96	1,025.80
Less:- Written off against provision	975.96	1,025.80
Bad debts (net)	-	-
Provision for doubtful receivables	1,301.51	998.53
Auditor's Remuneration (refer details below)	54.58	51.79
Factoring charges	1,513.51	1,587.46
Directors sitting fee	5.25	5.52
Directors commission	69.20	61.97
Outsourced resource cost	207.50	407.13
Loss on Sale of Fixed Assets (net)	-	2.68
Bank charges	635.16	705.95
Exchange Loss (net)	39.70	-
Sales Promotion expenses	8,839.72	1,965.42
Miscellaneous expenses	767.79	1,198.13
Total	**25,142.64**	**18,825.00**

Auditor's Remuneration

₹ in Lakhs

Particulars	2013-14	2012-13
Audit fees	23.00	21.00
Tax Audit fee	1.70	1.50
Certification	22.88	22.58
Reimbursement of expenses including taxes	7.00	6.71
Total	**54.58**	**51.79**

23. Earnings per Equity Share

Description	31-Mar-2014	31-Mar-2013
Profit after Tax (₹ In Lakhs)	23,978.79	17,137.36
Weighted Average Number of equity shares (Basic)	399,308,287	399,007,418
Earnings per share—Basic ₹	6.01	4.29
Weighted Average Number of equity shares (Basic)	399,308,287	399,007,418
Add: Effect of ESOPs	352,096	783,002
Weighted Average Number of equity shares including on account of Employee Stock Option Plan 2008 (Diluted)	399,660,383	399,790,420
Earnings per share—Diluted ₹	6.00	4.29
Face Value per share in ₹	2/-	2/-

24. Contingent Liabilities & Commitments

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
i. Corporate Guarantees on behalf of subsidiaries	-	57,025.50
ii. Bills Discounted	9,396.64	4,619.76
iii. Channel financing	4,603.70	4,350.00
iv. Factoring	8,212.50	9,525.00
v. Claims not acknowledged as debts	337.68	253.16

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

₹ in Lakhs

Nature of Dues	31-Mar-2014	31-Mar-2013
Customs duty	97.03	110.88
Income Tax	18,964.47	795.39
Sales Tax	1,813.64	1,006.63

The Income Tax Assessment for the Accounting Year ended on March 31, 2009 has been completed in January 2014 resulting in a tax demand of ₹ 129 Crores (besides interest of ₹ 78 Crores) mainly on account of tax on Capital Gain arising from Transfer of Company's investment in an overseas subsidiary to another overseas step-down subsidiary in November 2008.

The Company has preferred an appeal against the said demand before the Income Tax Appellate Tribunal (ITAT), Chennai. The Company has paid ₹ 22 Crores under protest and the ITAT has granted stay for recovery of balance tax demand till August 31, 2014 or disposal of the case whichever is earlier.

Based on eminent tax counsels opinion the management is hopeful of successfully contesting the demand in appeal; accordingly no provision towards the disputed tax claim is presently considered necessary.

vii. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 1,245.25 Lakhs (Previous Year ₹ 2,615.25 Lakhs).

25. Operating Leases

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

26. Accounting for Financial Instruments

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

Consequently, as of March 31, 2014, the Company has recognised Mark to Market (MTM) loss of ₹ 9.86 Lakhs. (Previous Year loss of ₹ 0.54 Lakhs) relating to forward contracts and other derivatives entered into to hedge the foreign currency risk of highly probable forecast transactions that are designated as effective cash flow hedges, in the Hedge Accounting Reserve as part of the Shareholders Funds.

The MTM net loss on undesignated / ineffective forward contracts amounting to ₹ 23.25 Lakhs (Previous Year ₹ 5.65 Lakhs) has been recognised in the Statement of Profit and Loss.

Details of Derivative Exposures are as under:

Type of Derivative	31-Mar-2014		31-Mar-2013	
	$ in Lakhs	₹ in Lakhs	$ in Lakhs	₹ in Lakhs
Outstanding Forward Exchange Contracts entered into by the Company on account of payables including forecast payables				
Payables including forecast payables	922.69	58,638.20	1672.09	93,982.42
The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise				
Payables	134.09	8,034.10	113.78	6,179.31
Receivable	93.69	5,618.09	88.70	4,817.48

Type of Derivative	31-Mar-2014		31-Mar-2013	
	€ in Lakhs	₹ in Lakhs	€ in Lakhs	₹ in Lakhs
Outstanding Forward Exchange Contracts entered into by the Company on account of payables including forecast payables	-	-	0.62	43.12

Management covers foreign currency transactions through hedging foreign exchange, while the unhedged balances relate to balance in vendor account which to a larger extent have natural hedge. However the foreign currency exposure is closely monitored in consultation with Authorised dealers.

27. Related party disclosures

1) Key Management Personnel

Mr. R Srinivasan, Managing Director
Mr. Raj Shankar, Joint Managing Director
Mr. M Raghunandan, Whole-Time Director

Refer Note 28 below for remuneration

2) Names of the related parties

Party where the Company has control	Redington Employee Share Purchase Trust*
Parties having Significant Influence on the Company	Harrow Investment Holding Limited (formerly known as Redington (Mauritius) Limited), Mauritius* Synnex Mauritius Limited, Mauritius*
Subsidiary Companies	Nook Micro Distribution Limited, India* Cadensworth (India) Limited, India* Easyaccess Financial Services Limited* (Ceased to be Subsidiary w.e.f January 22,2014 (Refer note-35))* 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 Ensure Services Arabia LLC, Saudi Arabia (formerly known as Redington Arabia Limited, Saudi Arabia) Redington Africa Distribution FZE. Dubai Ensure Services Bahrain SPC, Bahrain (formerly known as 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

Subsidiary Companies	Redington Gulf FZE Co, Iraq Cadensworth United Arab Emirates LLC, Dubai Redington Morocco Limited, Morocco Redington Tanzania Ltd., Tanzania Redington SL (Private) Limted, Sri lanka Redington Angola Limited, Angola Redington Turkey Holdings S.A.R.L, Luxembourg Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi, Turkey# Arena International FZE, UAE Ensure IT Services PTY Limited, South Africa ProConnect Supply Chain Solutions Limited, India* Ensure Gulf FZE, Dubai Ensure Technical Service (PTY) Limited, South Africa Ensure Middle East Trading LLC,UAE Ensure Technical Services Kenya Limited, Kenya Ensure Technical Services Tanzania Limited, Tanzania Ensure Services Uganda Limited, Uganda Ensure Solutions Nigeria Limited, Nigeria Redington Rwanda Limited, Rwanda Redington Kazakhstan LLP, Kazakhstan Republic Sensonet Teknoloji Elelektronik Ve Bilisim Hizmetlen Sanayi- Ve Ticaret Limited Sirketi, Turkey **Formed during the year** Ensure Supply Chain Logistics LLC, Dubai Ensure Ghana Limited, Ghana Ensure Support Services (India) Limited, India* Ensure Technical Services Morocco Limited(SARLAU), Morocco Ensure Digital FZ LLC, Dubai **Acquired during the year** ADEO Bilisim Danismanlik Hizmetleri San. ve Tic.A.S., Turkey^
Associate Subsidiary of Associate	Redington (India) Investments Limited, India* Currents Technology Retail (India) Limited, India*

* Represents related parties 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 Bilgisayar Sanayi Ve Ticaret Anonim Sirketi is considered as subsidiary.

^ Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi, the step down subsidiary acquired 50% shares.

¥ Redington International Holdings Limited got merged with Redington International Mauritius Limited on July 10, 2013.

Related Parties have been identified by the management.

3) Nature of Transactions

₹ in Lakhs

Nature of Transactions	2013-14	2012-13
	Party Where Control Exists	Party Where Control Exists
Redington Employees Share Purchase Trust		
Dividend Paid	0.03	0.03
Deficit absorbed	0.11	0.32

₹ in Lakhs

Nature of Transactions	2013-14	2012-13
	Parties having Significant Influence	Parties having Significant Influence
Harrow Investment Holding Limited		
Dividend Paid	336.11	336.11
Proceeds from sale of Long-term investment (Refer note 35)	28,650.40	Nil
Synnex Mauritius Limited		
Dividend Paid	377.18	377.18

₹ in Lakhs

Nature of Transactions	2013-14	2012-13
	Subsidiary Companies	Subsidiary Companies
Cadensworth (India) Limited		
Sales/Service Charges - Expense	8.99	5.43
Sales/Service Charges - Income	280.07	246.69
Rent received	21.66	3.03
Trading Purchases	3,307.77	1,427.55
Interest Income	39.89	24.93
Sale of fixed assets	1.71	7.22
Loan disbursed	3,600.00	1,000.00
Loan settled	4,600.00	Nil
Loan outstanding at the year end	Nil	1,000.00
Amount Payable at the year end	13.81	542.19
Amount Receivable at the year end	7.09	30.57
Nook Micro Distribution Limited		
Rent Paid	19.90	19.34
Rent received	4.20	3.72
Interest Income	376.53	135.40
Loan disbursed	6,900.00	5,000.00
Loan Settled	6,200.00	2,000.00
Equity Contribution	Nil	1,000.00
Sales/Service Charges- Income	917.79	3,138.70
Purchase of Fixed asset	12.01	1.14
Sale of fixed assets - Income	0.24	13.81
Sales/Service Charges - Expense	3.09	3.98
Other Payable at the year end	1.69	3.58
Amount Receivable at the year end	60.44	77.49
Loan outstanding at the year end	3,700.00	3,005.14
Redington Distribution Pte Limited		
Trading Purchases	5,910.72	5,446.26
Sales/Service Charges - Income	1,186.09	556.52
Dividend Income	578.25	626.86
Amount Receivable at the year end	242.70	158.54
Amount Payable at the year end	512.14	253.39
Corporate Guarantees at the year end	Nil	8,146.50
Redington International (Mauritius) Limited		
Interest Income	Nil	71.89
Loan disbursed	Nil	1,180.92
Loan settled	Nil	13,189.98
Equity contribution	4,327.63	5,413.75
Corporate Guarantees at the year end	Nil	48,879.00
ProConnect Supply Chain Solutions Limited		
Sales/Service Charges- Income	135.06	25.34

Interest Expenses	Nil	1.33
Sales/Service Charges - Expense	17.91	16.51
Interest Income	13.81	27.01
Rent received	200.99	86.33
Warehouse/Product handling charges - Expenses	5,227.10	2,384.54
Sale of fixed assets - Income	2.66	0.22
Sale consideration under Business transfer	Nil	228.47
Loan disbursed	300.00	2,185.00
Loan settled	705.00	1,780.00
Equity Contribution	Nil	455.00
Loan outstanding at the year end	Nil	422.45
Amount Receivable at the year end	44.95	137.48
Amount Payable at the year end (Net)	714.68	665.24
Cadensworth FZE		
Purchases	0.35	Nil
Ensure Support Services (India) Limited		
Service Income	2.50	Nil
Rental Income	16.44	Nil
Equity Contribution	205.00	Nil
Amount Receivable at the year end	19.50	Nil
Easyaccess Financial Services Limited	**Up to 22-Jan-2014**	**2012-13**
Sales/Service Charges - Income	21.30	29.24
Receivables Factored	5,645.07	59,724.80
Factoring Charges	84.06	566.48
Interest Income	Nil	400.19
Dividend Income	1,510.30	1,510.30
Rent received	0.12	0.12
Amount Receivable at the year end	Nil	15.40
Loan disbursed	Nil	31,000.00
Loan settled	Nil	31,000.00
Amount received back against the payment made by us on behalf of channel partners	55.74	Nil
Payment made on behalf of Channel partners	1,052.95	925.59

Nature of Transactions	2013-14	2012-13
	Associate Company	Associate Company
Redington (India) Investments Limited		
Sales/Service Charges - Income	Nil	0.30
Interest Income	0.50	0.07
Loan disbursed	Nil	5.00
Loan settled	5.00	Nil
Loan outstanding at the year end	Nil	5.06

	Subsidiary of Associate	Subsidiary of Associate
Currents Technology Retail (India) Limited		
Sales/Service Charges - Income	1,937.07	1,939.86
Sales/Service Charges - Expenses	2.32	Nil
Interest Income	160.09	34.61
Loan disbursed	2,340.00	1,500.00
Loan settled	1,800.00	300.00
Loan outstanding at the year end	1,755.25	1,207.80
Amount receivable at the year end	634.63	301.27

28. Key Managerial remuneration

₹ in Lakhs

Nature of Transactions	2013-14	2012-13
Remuneration paid/payable to Whole-Time director	40.00	40.00

Remuneration drawn by the Managing Director and Joint Managing Director from wholly owned overseas subsidiary.

₹ in Lakhs

Particulars	2013-14	2012-13
Salary and Bonus	851.45	776.23
Contribution to provident fund	8.94	7.21
Total	**860.39**	**783.44**

29. CIF Value of Imports

₹ in Lakhs

Particulars	2013-14	2012-13
Trading Stocks	134,192.50	238,699.45

30. Expenditure in Foreign Currency

₹ in Lakhs

Particulars	2013-14	2012-13
Royalty (Cost of Software included under purchases)	1,957.06	1,673.93
Travel	23.84	26.99
License fee	63.81	76.68
Training	Nil	3.89
Directors' sitting fee	1.05	0.15
Directors' Commission	26.45	11.32

31. Earnings in Foreign Exchange

₹ in Lakhs

Particulars	2013-14	2012-13
Rebates	7,253.27	16,980.66
Warranty claims	2,418.91	1,819.36
Dividend from Overseas Subsidiaries	578.25	626.86
FOB value of exports	1,659.24	617.84
Others	52.12	10.92

32. Dividend remitted in Foreign Currency

Particulars	2013-14	2012-13
No. of non-resident shareholders	9	9
No. of Equity shares held (Face value of ₹ 2)	179,169,188	179,069,188
Amount remitted **(₹ in Lakhs)**	716.68	716.28
Financial Year to which it relates	2012-13	2011-12

33. The Company has setup a branch in Singapore on February 28, 2014. As at the Balance Sheet date, the Branch is yet to commence its operations.

34. Event occurring after the Balance Sheet date

The Company has made an additional equity investment of ₹ 2,924.63 Lakhs in its wholly-owned subsidiary Redington International Mauritius Limited in May 2014.

35. Exceptional item

Pursuant to the approval of the shareholders through Postal ballot, the Company divested its equity interest in Easyaccess Financial Services Limited to M/s. Harrow Investment Holding Limited, 86% in January 2014 and balance 14% in March 2014. Consequently Easyaccess Financial Services Limited ceased to be a subsidiary Company w.e.f January 22, 2014. Profit of ₹ 6,575.66 Lakhs arising out of divestment of equity interest in Easyaccess Financial Services Limited is disclosed as exceptional item.

36. Employee Stock Option Plan 2008

The Company follows the intrinsic value method of accounting for employee stock options. No compensation costs have been recognized in these accounts as the options have been granted at the prevailing market prices.

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V
Date of Grant	29-Feb-08	25-Jul-08	28-Jan-09	22-May-09	5-Dec-11
Exercise Price (₹)*	348.05	319.90	130.00	165.00	396.50
Vesting commences on	28-Feb-09	24-Jul-09	27-Jan-10	21-May-10	4-Dec-12
Options granted	2,335,973	11,000	276,143	25,000	173,212
Options lapsed	555,964	4,000	-	-	32,450
Options vested	1,780,009	7,000	276,143	25,000	104,833
Options exercised at the beginning of the year	1,656,375	6,250	276,143	25,000	1,000
Options exercised during the year	65,850	-	-	-	-
Total options outstanding and not exercised as on March 31, 2014	57,784	750	-	-	139,762

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

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

Date of Grant	25-Jul-08	28-Jan-09	22-May-09	5-Dec-11
No. of options	11,000	276,143	25,000	173,212

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

Grant Date	29-Feb-08	Repriced on 28-Jan-09	Repriced on 22-May-09	25-Jul-08	Repriced on 28-Jan-09	28-Jan-09	22-May-09	5-Dec-11
Fair Value	171.33	25.56	33.04	159.71	23.77	47.46	79.82	171.72

The 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	2013-14	2012-13
Profit after tax as per Statement of Profit and Loss (a)	23,978.79	17,137.36
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	NIL	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method*	(83.91)	109.45
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	24,062.70	17,027.91
Earnings per share based on earnings as per (a) above		
- Basic	6.01	4.29
- Diluted	6.00	4.29
Earnings per share had fair value method been employed for accounting of employee stock options as per (b) above		
- Basic	6.03	4.27
- Diluted	6.02	4.26

* Employee Stock Compensation Expense for the year as per Fair Value is a net credit on account of cancellation/lapse of Options, as these cost have already been considered in the previous years when the options were outstanding.

37. The figures of the previous year have been regrouped wherever necessary to conform to the classification of the current year.

For and on behalf of the Board of Directors

R Srinivasan
Managing Director

Raj Shankar
Joint Managing Director

M Raghunandan
Whole Time Director

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place: Chennai
Date: May 30, 2014

Consolidated Financial Statements

Independent Auditors' Report to the Board of Directors of Redington (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **REDINGTON (INDIA) LIMITED** ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information. The Consolidated Financial Statements also include investments in Associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and an associate referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note 29 to the consolidated financial statements in respect of disputed income tax demands.

The Company has received tax demand of Rs. 129 Crores (besides interest of Rs. 78 Crores) for Assessment Year 2009-10 mainly on account of tax on Capital Gain arising from Transfer of Company's investment in a overseas subsidiary to another overseas step-down subsidiary in November 2008.

The Company has preferred an appeal against the said demand before the Income Tax Appellate Tribunal (ITAT), Chennai. Based on eminent tax counsel's opinion the management is hopeful of successfully contesting the demand in appeal; accordingly no provision towards the disputed tax claim is presently considered necessary.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of 49 subsidiaries, whose financial statements reflect total assets (net) of Rs. 432,029.42 Lakhs as at March 31, 2014, total revenues of Rs. 1,663,626.20 Lakhs and net cash inflows amounting to Rs. 3,377.21 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.Nil for the year ended March 31, 2014, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

B Ramaratnam
Partner
Membership No. 21209

CHENNAI, May 30, 2014

Consolidated Balance Sheet as at March 31, 2014

(₹ in Lakhs)

	Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
I	EQUITY AND LIABILITIES			
	Shareholders' funds			
	Share Capital	3	7,989.64	7,983.05
	Reserves and Surplus	4	194,139.57	156,085.10
			202,129.21	**164,068.15**
	Minority Interest		**18,639.09**	**15,634.48**
	Non-current Liabilities			
	Long-term Borrowings	5	21,032.77	38,552.35
	Deferred Tax Liabilities (Net)	14	248.87	-
	Other Long Term Liabilities	6	-	689.50
	Long-term Provisions	7	3,708.19	2,987.83
			24,989.83	**42,229.68**
	Current Liabilities			
	Short-term Borrowings	8	145,487.49	160,434.12
	Trade Payables	9	274,154.33	203,698.63
	Other Current Liabilities	10	59,901.83	63,345.93
	Short-term Provisions	11	5,714.72	2,956.50
			485,258.37	**430,435.18**
	TOTAL		**731,016.50**	**652,367.49**
II	ASSETS			
	Non-Current Assets			
	Fixed assets	12		
	(i) Tangible Assets		17,889.94	27,599.92
	(ii) Intangible Assets		649.23	821.27
	(iii) Capital Work-In-Progress		2,277.32	1,530.30
	Goodwill on Consolidation / acquisition	16	7,379.67	6,573.00
	Non-current Investments	13	-	-
	Deferred Tax Assets (net)	14	1,146.72	854.06
	Long-term Loans and Advances	15	9,599.85	7,606.89
	Long-term Receivables Under Financing Activity	17	-	899.04
			38,942.73	**45,884.48**
	Current Assets			
	Inventories	18	228,526.13	195,316.91
	Trade Receivables	19	392,568.31	301,671.65
	Cash and Bank Balances	20	48,460.50	48,209.48
	Short-term Loans and Advances	21	22,518.83	25,947.50
	Short- term Receivables under financing activity	22	-	35,337.47
			692,073.77	**606,483.01**
	TOTAL		**731,016.50**	**652,367.49**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B Ramaratnam
Partner

For and on behalf of the Board of Directors

R Srinivasan — Managing Director
Raj Shankar — Joint Managing Director
M Raghunandan — Whole-Time Director
S V Krishnan — Chief Financial Officer
M Muthukumarasamy — Company Secretary

Place : Chennai
Date : May 30, 2014

Consolidated statement of Profit and Loss for the year ended March 31, 2014

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2014	Year Ended March 31, 2013
Income:			
Turnover / Revenue from Operations	23	2,793,509.17	2,416,466.48
Other Income	24	6,413.38	4,571.52
Total Revenue		**2,799,922.55**	**2,421,038.00**
Expenses:			
Purchases of Traded Goods		2,664,127.25	2,299,122.01
Changes in Inventories of Traded Goods		(33,209.22)	(25,317.28)
Employee Benefits	25	41,055.87	34,815.94
Finance Costs	26	18,692.97	18,392.08
Depreciation & Amortisation	12	3,850.40	3,786.96
Other Expenses	27	55,986.90	43,997.26
Total Expenses		**2,750,504.17**	**2,374,796.97**
Profit before exceptional item and tax		**49,418.38**	**46,241.03**
Exceptional item-Loss on sale of Long-term Investment	36	(906.99)	-
Profit before tax		**48,511.39**	**46,241.03**
Tax expense:			
Current tax		12,959.44	11,553.13
Deferred tax		(241.31)	(46.31)
Profit after Tax		**35,793.26**	**34,734.21**
Share of Loss from Associate		-	3.12
Minority interest		2,128.53	2,420.11
Profit for the Year		**33,664.73**	**32,310.98**
Earnings per Equity Share: (Face value ₹ 2 each)	28		
Basic (in ₹)		8.43	8.10
Diluted (in ₹)		8.42	8.08

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B Ramaratnam
Partner

For and on behalf of the Board of Directors

R Srinivasan — Managing Director
Raj Shankar — Joint Managing Director
M Raghunandan — Whole-Time Director
S V Krishnan — Chief Financial Officer
M Muthukumarasamy — Company Secretary

Place : Chennai
Date : May 30, 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

(₹ in Lakhs)

Particulars	Year Ended March 31, 2014		Year Ended March 31, 2013	
A. Cash flow from operating activities:				
Profit before tax	48,511.39		46,241.03	
Adjustments for:				
– Depreciation and amortisation	3,850.40		3,786.96	
– Finance Costs	18,692.97		18,392.08	
– Interest Income	(2,400.44)		(1,664.98)	
– Reversal of Provision for standard assets	(35.00)		(352.00)	
– Reversal of Provision for expenses no longer required	(583.22)		(35.50)	
– Provision for Doubtful Receivables	2,621.82		1,443.57	
– Bad debts written off	277.42		28.38	
– Dividend income from short term investments	(115.51)		(257.18)	
– Loss on sale of Long-term Investment	906.99		-	
– Rent equalisation reserve provided / (reversed)	(29.31)		16.75	
– Provision for standard /sub-standard assets	78.00		45.00	
– Unrealised foreign exchange loss (net)	(594.60)		1,013.30	
– Rental income from Investment properties	(17.72)		(8.82)	
– Profit on sale of fixed assets (net)	(166.82)		(18.42)	
Operating Profit before working capital changes	**70,996.37**		**68,630.17**	
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(74,301.51)		(71,598.96)	
Long-term loans and advances	(1,176.80)		2,189.12	
Loans & advances	3,915.74		18,997.72	
Inventories	(21,444.31)		(19,399.01)	
Adjustments for (increase) / decrease in operating liabilities:				
Non-Current Liabilities	(998.76)		676.80	
Other Current Liabilities	13,401.80		10,774.34	
Trade Payables	47,754.78		32,384.45	
Short-term Provisions	1,018.55		390.73	
Long-term Provisions	(767.69)		153.02	
Cash generated from operations	**38,398.17**		**43,198.38**	
Interest Paid by financial services subsidiary	(726.09)		(1,470.59)	
Direct taxes paid (including TDS receivable)	(13,540.21)		(12,960.60)	
Net Cash generated from operating activities		**24,131.87**		**28,767.19**
B. Cash flow from investing activities:				
Capital Expenditure	(5,686.98)		(15,743.68)	
Proceeds from sale of fixed assets(Net)	335.08		263.36	
Interest received	2,715.25		2,483.32	
Purchase of short term Investments	(682,854.23)		(482,775.00)	
Proceeds from sale of short term Investments	682,969.74		483,032.18	
Rental income from Investment properties	17.72		8.82	
Loan granted to Associates	(2,340.00)		(1,505.00)	
Loan settled by Associates	1,805.00		750.00	
Bank Deposits with original maturity for more than three months (net)	2,123.34		20,543.03	
Other lien marked deposits	(948.54)		(783.47)	
Consideration paid for acquisition of a subsidiary	(741.96)		-	
Proceeds from sale of Long-term Investment	28,650.40		-	
Net Cash generated from investing activities		**26,044.82**		**6,273.56**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2014		Year Ended March 31, 2013	
C. Cash flow from financing activities:				
Proceeds from allotment of shares including premium under Employee Stock Option, 2008	94.36		154.20	
Proceeds from long term borrowings	1,012.17		-	
Repayment of long term borrowings	(21,021.18)		-	
(Repayment of) / Proceeds from short term borrowings (net)	(10,041.30)		1,673.59	
Dividend paid by step-down subsidiary to minority shareholders	(645.92)		(380.94)	
Dividends Paid (including dividend tax)	(1,596.96)		(1,610.09)	
Finance Costs	(20,094.42)		(15,815.48)	
Net Cash used in financing activities		**(52,293.25)**		**(15,978.72)**
Net (decrease) / increase in cash and cash equivalents		**(2,116.56)**		**19,062.03**
Cash and Bank balances at the beginning of the year		**45,785.86**		**25,444.96**
Add: Effect of Exchange differences on restatement of foreign currency cash and bank balances		3,355.67		1,278.87
Add: Cash and Bank balances on acquistion of a subsidiary during the year		201.34		-
Less: Cash and Bank balances on disposal of a subsidiary during the year		(14.49)		-
Cash and Bank balances at the end of the year		**47,211.82**		**45,785.86**
Reconciliation of Cash and Bank balances with the Consolidated Balance Sheet				
Cash and Bank balances at the end of the year as per Balance Sheet (Refer Note 20)		**48,460.50**		**48,209.48**
Less: Bank Deposits with original maturity for more than three months not treated as cash equivalent		300.14		1,640.15
Less: Earmarked Balance -Dividend Account		4.28		4.14
Less: Balance held as Margin money		944.26		779.33
Cash and Bank balances at the end of the year		**47,211.82**		**45,785.86**
See accompanying notes forming part of the consolidated financial statements				

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

B Ramaratnam
Partner

For and on behalf of the Board of Directors

R Srinivasan
Managing Director

Raj Shankar
Joint Managing Director

M Raghunandan
Whole-Time Director

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place : Chennai
Date : May 30, 2014

Notes to Consolidated financial statements for the Year Ended March 31, 2014

1. Company Overview

Redington (India) Limited (the "Company"), is a public limited Company incorporated under the provisions of the Companies Act, 1956. The Company's equity shares are listed on the bourses of BSE Limited and National Stock Exchange of India Limited. The Company and its forty-nine subsidiaries as at March 31, 2014 (including 45 overseas subsidiaries and step-down subsidiaries) operate in India, Middle East, Turkey, Africa and South Asian countries. The Company and its subsidiaries operate mainly in Information Technology product distribution business besides supply chain solutions, after sales service of Information technology and other products and financial services.

2. Basis of Preparation of financial statements and Consolidation

(i) The consolidated financial statements of the Company and its subsidiaries (together the 'Group') and an associate have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable.

(ii) The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

(iii) The financial statements and documents required to be attached there to, up to year ended March 31, 2014, would be governed by the provisions of Schedule VI of the Companies Act, 1956 as clarified by Minister of Corporate Affairs in its circular no 08/2014 dated April 4, 2014.

(iv) The consolidated financial statements encompass financials of the Company and its subsidiaries for the year ended March 31, 2014. These consolidated financial statements have been prepared in accordance with Accounting Standard 21, "Consolidated Financial Statements". These Consolidated financials also include results of an Associate accounted under Equity method as specified in Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

A. (i) Direct Subsidiaries

Name of the Company	Country of incorporation	Ownership Interest % (As at March 31, 2014 and 2013)
Nook Micro Distribution Limited	India	100
Redington International Mauritius Limited (RIML)	Mauritius	100
Redington Distribution Pte. Limited (RDPL)	Singapore	100
Cadensworth (India) Limited	India	100
ProConnect Supply Chain Solutions Limited	India	100

(ii) Subsidiary incorporated during the year

Name of the Company	Country of Incorporation	Ownership Interest % (As at March 31, 2014)
Ensure Support Services (India) Limited	India	100

Pursuant to the approval of the shareholders through a postal ballot, the Company has since transferred the assets of the after sales support services to its wholly owned subsidiary Ensure Support Services (India) Limited formed for this purpose.

(iii) Divestment during the year

Name of the Company	Country of Incorporation	Ownership Interest % (As at March 31, 2013)
Easyaccess Financial Services Limited	India	100

As per Para 29(b)(ii) of Accounting Standard 21, the effect of disposal of the above mentioned subsidiary on the financial position and results included in Consolidated Financial Statement is given below:-

₹ in Lakhs

Particulars	For the period ended/ As at 22 January, 2014	For the year ended/ As at 31 March, 2013
Liabilities		
Non-Current liabilities	616.96	662.93
Current liabilities	10,425.40	22,200.54
Assets		
Non-Current assets	12,680.56	13,478.93
Current assets	27,864.10	36,691.63
Revenue for the period/year	4,651.50	6,592.84
Expenses for the period/year	1,391.29	2,570.23
Profit before tax for the period/year	3,260.21	4,022.61
Profit after tax for the period/year	2,195.21	2,704.61

B. Step-down Subsidiaries

Name of the Company	Country of Incorporation	Ownership Interest %	Beneficial Interest %
		As at March 31, 2014 and 2013	
Redington International (Holdings) Limited (RIHL)*	Cayman Islands	-	-
Redington Gulf FZE*	Dubai , UAE	100	100
Redington Egypt Ltd	Egypt	100	100
Redington Nigeria Ltd	Nigeria	100	100
Redington Gulf & Co. LLC	Oman	70	100
Redington Kenya Ltd	Kenya	100	100
Cadensworth FZE	Dubai, UAE	100	100
Redington Middle East LLC^	Dubai	49	100
Ensure Services Arabia LLC (formerly known as Redington Arabia Limited)	Saudi Arabia	100	100
Redington Africa Distribution FZE	Dubai, UAE	100	100
Redington Qatar WLL^	Qatar	49	100
Ensure Services Bahrain SPC (formerly known as Redington Bahrain SPC)	Bahrain	100	100
Redington Qatar distribution WLL^	Qatar	49	100
Redington Limited	Ghana	100	100
Redington Kenya (EPZ) Ltd	Kenya	100	100
Africa Joint Technical Services	Libya	65	100
Redington Uganda Ltd	Uganda	100	100
RGF Private Trust Company Limited**	Cayman Islands	100	100
Cadensworth UAE LLC^	Dubai	49	100
Redington Tanzania Limited	Tanzania	100	100
Redington Morocco Limited	Morocco	100	100
Redington Angola Limited	Angola	100	100
Ensure IT services PTY LTD	Johannesburg	100	100
Redington Gulf FZE**	Iraq	100	100
Redington Turkey Holdings S.A.R.L*	Luxembourg	100	100
Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi#	Turkey	49.40	49.40
Arena International FZE	Dubai, UAE	49.40	49.40

Name of the Company	Country of Incorporation	Ownership Interest %	Beneficial Interest %
Redington Bangladesh Limited	Bangladesh	99	100
Redington SL (Private) Ltd	Sri Lanka	100	100
Redington Rwanda Limited	Rwanda	100	100
Redington Kazakhstan LLP	Kazakhstan Republic	100	100
Ensure Gulf FZE^	Dubai, UAE	49	100
Ensure Technical Services (PTY) LTD**	South Africa	100	100
Ensure Middle East Trading LLC^	UAE	49	100
Sensonet Teknoloji Elelektronik Ve Bilisim Hizmetleri Sanayi Ve Ticaret Limited Sirketi	Turkey	49.40	49.40
Ensure Solutions Nigeria Limited	Nigeria	99.90	100
Ensure Technical Services Kenya Limited	Kenya	100	100
Ensure Services Uganda Limited	Uganda	99	100
Ensure Technical Services Tanzania Limited	Tanzania	99	100

Step-down subsidiaries incorporated during the year

Name of the Company	Country of incorporation	Ownership Interest %	Beneficial Interest %
		As at March 31, 2014	
Ensure Ghana Limited	Ghana	100	100
Ensure Supply Chain Logistics LLC**^	Dubai, UAE	49	100
Ensure Technical Services Morocco Limited (Sarlau)	Morocco	100	100
Ensure Digital FZ - LLC**	Dubai, UAE	100	100

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

* RIHL has transferred its investments in Redington Gulf FZE (RGF, Dubai) and Redington Turkey Holdings S.A.R.L (RTHS) to RIML and RGF respectively to comply with the directives of Reserve Bank of India.

** Yet to commence operations.

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

Subsequent to the Balance Sheet date,

(i) The Company has further invested ₹ 2,924.63 Lakhs in its wholly-owned subsidiary Redington International Mauritius Limited.

(ii) Redington Senegal Limited SARL, a wholly owned overseas step-down subsidiary is incorporated with 100% beneficial interest.

Acquired during the year

Name of the Company	Country of incorporation	Ownership Interest % of the Company	Beneficial Interest % of the Company
		As at March 31, 2014	
ADEO Bilişim Danismanlik Hizmetleri Sanayi ve Ticaret Anonim Şirketi	Turkey	24.70	24.70

Arena Bilgisayar Sanayi Ve Ticaret Anonim Sirketi ("Arena"), a step-down subsidiary of the Company, initially acquired 47.78% shares of ADEO on August 29, 2013 and further acquired 2.22% shares on October 3, 2013. Further Arena has the power to govern the strategic operating and financial policies and exercise control and hence ADEO has been considered as a subsidiary and consolidated with the Group's financial statements.

The effect of acquisition of the above mentioned subsidiary on the financial position and results as included in Consolidated Financial statements is given below:-

₹ in Lakhs

Particulars	For the period ended/ As at March 31, 2014
Liabilities	
Non-Current liabilities	4.73
Current liabilities	264.14
Assets	
Non-Current assets	131.38
Current assets	214.60
Revenue for the period	1,077.67
Expenses for the period	1,094.80
Profit before tax for the period	(17.13)
Profit after tax for the period	3.06

C. (i) Associate of the Company

Name of the Company	Country of Incorporation	Ownership/ Beneficial Interest % (As at March 31, 2014)	Ownership/ Beneficial Interest % (As at March 31, 2013)
Redington (India) Investments Limited	India	31.25	47.62

(ii) Subsidiary of Associate

Name of the Company	Country of Incorporation	Ownership/ Beneficial Interest % (As at March 31, 2014)	Ownership/ Beneficial Interest % (As at March 31, 2013)
Currents Technology Retail (India) Limited	India	31.25	47.62

Basis and Principles of Consolidation:

The following are considered in preparing the consolidated financial statements:

a. Financial Statements of Redington (India) Limited and Easyaccess Financial Services Limited (upto the date of disinvestment - January 22, 2014) are prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under historical cost convention, on accrual basis and audited by Deloitte Haskins & Sells, Chennai.

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

c. Financial statements of ProConnect Supply Chain Solutions Limited and Ensure Support Services (India) Limited are prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under historical cost convention, on accrual basis and audited by BSR and Associates, Chennai.

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

e. Consolidated financial statements of Redington Distribution Pte. Limited are prepared in accordance with Singapore Financial Reporting Standards (SFRS) and audited by Ernst & Young, Singapore.

Necessary adjustments have been made in the consolidated financial statements to conform to Indian GAAP wherever there are significant differences between Indian GAAP / SFRS / IFRS.

The audited financial statements of the Company and all its subsidiaries and step-down subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company.

The consolidated financial statements have been prepared using uniform Accounting Policies and on the following basis: (Also refer Note 2.1(e))

a. The financial information of the Company and its subsidiaries have been combined on a line-by-line basis of assets, liabilities, income and expenses. Inter Company balances and transactions and material unrealized profits or losses have been eliminated.

b. The difference between the cost of investment in the subsidiaries and the Company's share of Net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

2.1. Summary of Significant Accounting Policies

a. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

b. Fixed assets

Tangible assets

Tangible Assets are recorded at cost less accumulated depreciation. Cost comprises of purchase price and other directly attributable cost of bringing the assets to its working condition for the intended use. For the purpose of consolidation, additions to fixed assets of overseas subsidiaries have been converted at average rate and closing balance at closing rate.

Gains or losses arising from de-recognition of tangible fixed assets are measured as the difference between the net proceeds from disposal and carrying amount of the asset and are recognized in the Statement of Profit and Loss.

Depreciation on Tangible assets:

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

Class of Asset	Years
Buildings	20-40
Plant & Equipment	05-10
Furniture & Fixtures	04-10
Office Equipments	05-08
Computers	03-05
Vehicles	03-10

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

Intangible assets

Intangible assets are recorded at cost less amortization. For the purpose of consolidation of overseas subsidiaries, additions have been converted at average rate and closing balance at closing rate.

Intangible assets are amortized over the estimated useful economic life, on a straight line basis.

Class of Asset	Years
Software	03-05
Non-compete fees	03-05

c. Impairment of tangible and intangible assets

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

d. Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Lease Rentals under operating leases are recognized in the Statement of Profit and Loss.

e. Inventories

Inventories are stated at lower of cost and net realizable value. Costs include cost of purchase and other costs incurred in bringing the inventories to the warehouse, and are determined on weighted average basis. With respect to step down subsidiaries of Redington International Mauritius Limited, inventory of which constitutes 54% of the total inventory of the Group, cost is determined on FIFO method. However the impact of the same in the consolidated financial statements is not material.

f. Foreign Currency Transactions

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

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

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

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

g. Warranties

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

h. Revenue Recognition

1. Revenue from Sales is recognized when the ownership and title is transferred which generally coincides with delivery. Revenue is stated net of discounts, rebates and sales tax.
2. Service Income is recognized when services are rendered. Income from Warranty and Maintenance Contracts is recognized as per the terms of contract.
3. Revenue from supplier schemes is accrued, based on the fulfillment of terms of such programs.
4. (a) Interest Income on loans and other financial services of a subsidiary involved in the business of Financial services is recognized on accrual basis over its tenor.
   (b) Income including interest or any other charges on Non-performing Assets is recognized only when it is actually realized as per Prudential Norms. Any such income recognized before the asset became non-performing and remaining unrealized, is reversed as per the prudential norms stipulated by Reserve Bank of India for income recognition.

i. Other Income

1. Lease income is accrued over the period of lease.
2. Interest income is recognised on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists. Interest income on overdue receivables is recognized only when there is a certainty of receipt.

j. Employee Benefits

i. Short Term Employee Benefits

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

ii. Long Term Employee Benefits

<u>Defined Benefit Plan</u>

<u>Compensated Absences and Gratuity</u>

The liability for Gratuity and long term compensated absences, both unfunded, is provided based on actuarial valuation as at the

Balance Sheet date, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in the Statement of Profit and Loss for the period in which they occur. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost. With respect to overseas subsidiaries, provision for employee's end of service indemnity is made in accordance with the laws as applicable in respective countries.

Defined Contribution Plan

Contribution to provident fund, superannuation fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

k. Employee share based payments

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

l. Current and deferred tax

i. Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit for the year.

ii. Current tax is determined in accordance with the tax laws of respective countries, on the income for the year chargeable to tax.

iii. Tax on proposed distribution of dividend is based on the provisions of Income Tax Act, 1961 and disclosed as appropriation in the Reserves and Surplus in the Balance Sheet.

iv. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax bases using enacted or substantively enacted tax rates at the reporting date. Deferred tax assets, subject to consideration of prudence, are recognized and Carried forward to the extent they can be realized.

m. Provisions and Contingencies

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

i. Possible obligation which will be confirmed only by future events not wholly within the control of the Company or

ii. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements.

n. Segment Reporting

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

o. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value.

p. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

q. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

r. Derivative Instruments and Hedge Accounting

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Group does not hold derivative financial instruments for speculative purposes. The Group has applied to all such contracts outstanding as on March 31, 2014 the hedge accounting principles as set out in Accounting Standard 30 "Financial Instruments Recognition and Measurement" (AS 30) by marking them to market. Changes in the fair value of the contracts that are designated and effective hedges of future cash flows are recognized directly in Hedge Accounting Reserve.

3. Share Capital

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

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Authorized shares		
425,000,000 (Previous year 425,000,000) Equity Shares of ₹ 2/- each	8,500.00	8,500.00
Issued, Subscribed and fully paid up		
399,481,820 (Previous Year 399,152,570) Equity Shares of ₹ 2/- each fully paid up	7,989.64	7,983.05
Total	**7,989.64**	**7,983.05**

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

Particulars	31-Mar-2014		31-Mar-2013	
	No of shares	₹ in Lakhs	No of shares	₹ in Lakhs
At the beginning of the year	399,152,570	7,983.05	398,578,195	7,971.56
Allotted during the year under Employee Stock Option, 2008	329,250	6.59	574,375	11.49
Outstanding at the end of the year	**399,481,820**	**7,989.64**	**399,152,570**	**7,983.05**

iii. Terms/rights attached to equity shares:

Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. For the year ended March 31, 2014 a dividend of ₹ 0.90 per equity share has been proposed by the Board of Directors (Previous year ₹ 0.40 per equity share). The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting which includes an agenda item to consider declaration of dividend.

iv. Shares held by shareholders holding more than 5 % of the paid-up equity capital:

Particulars	31-Mar-2014		31-Mar-2013	
	No. of shares	% of Share holding	No. of shares	% of Share holding
Harrow Investment Holding Limited (formerly known as Redington Mauritius Limited, Mauritius)	84,027,302	21.03	84,027,302	21.05
Synnex (Mauritius) Limited	94,295,940	23.60	94,295,940	23.62
Standard Chartered Private Equity (Mauritius) Limited	47,686,500	11.94	47,686,500	11.95
SBI Mutual Fund	16,500,939	4.13	20,409,218	5.11

4. Reserves and Surplus

₹ in Lakhs

(a) Capital reserve	31-Mar-2014	31-Mar-2013
Balance as per last Balance Sheet date	21.34	21.34
Add: Additions during the year	-	-
Balance at the end of the year	**21.34**	**21.34**

(b) Securities Premium Account	31-Mar-2014	31-Mar-2013
Balance as per last Balance Sheet date	35,178.08	35,035.37
Add: Premium on shares issued on exercise of ESOP, 2008	87.77	142.71
Balance at the end of the year	**35,265.85**	**35,178.08**

(c) General Reserve	31-Mar-2014	31-Mar-2013
Balance as per last Balance Sheet date	6,642.56	5,357.26
Add: Transfer from surplus in Statement of Profit and Loss	2,397.89	1,285.30
Add: Inter transfer (Refer Note 30)	1,920.85	-
Balance at the end of the year	**10,961.30**	**6,642.56**

(d) Hedge Accounting Reserve	31-Mar-2014	31-Mar-2013
Balance as per last Balance Sheet date	(0.54)	17.52
Add: Net movement during the year	(9.32)	(18.06)
Balance at the end of the year	**(9.86)**	**(0.54)**

(e) Surplus in the Statement of Profit and Loss	31-Mar-2014	31-Mar-2013
Balance as per last Balance Sheet date	104,974.62	76,117.12
Profit for the year	33,664.73	32,310.98
Sub total	**138,639.35**	**108,428.10**
Less: Appropriations		
Proposed final equity dividend for the year	3,595.34	1,596.61
Dividend Distribution Tax	611.03	271.34
Dividend including Dividend distribution tax for previous year (Refer note below)	0.58	1.09
Dividend distribution tax credit on account of dividend received from Indian subsidiary	(14.73)	(245.00)
Transfer to General Reserve	2397.89	1,285.30
Transfer to Statutory Reserve	-	544.14
Balance at the end of the year	**132,049.24**	**104,974.62**

Note: Subsequent to the date of Balance Sheet as on March 31, 2013 and before the book closure date, 125,000 (Previous Year 235,875) equity shares were allotted under Employees Stock Option Plan 2008 and dividend of ₹ 0.50 Lakhs (Previous year ₹ 0.94 Lakhs) on these shares were paid. The total amount of ₹ 0.58 Lakhs (Previous year ₹ 1.09 Lakhs) including tax on dividend, has been appropriated from the Statement of Profit and Loss.

(f) Statutory reserves	31-Mar-2014	31-Mar-2013
Balance as per last Balance sheet date	1,957.74	1,413.60
Add: Transfer from Surplus in the Statement of Profit and Loss	-	544.14
Less: Inter transfer (Refer Note 30)	(1,920.85)	-
Balance at the end of the year	**36.89**	**1,957.74**

(g) Foreign Currency Translation Reserve	31-Mar-2014	31-Mar-2013
Balance as per last Balance Sheet date	7,311.30	6,314.56
Movement during the year	8,503.51	996.74
Balance at the end of the year	**15,814.81**	**7,311.30**

Total Reserves and Surplus	**194,139.57**	**156,085.10**

5. Long term Borrowings (Secured)

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Loans from Banks	20,020.60	37,202.35
Loans from others	1,012.17	1,350.00
Total	**21,032.77**	**38,552.35**

6. Other Long-term Liabilities

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Rental Deposits	-	619.94
Others	-	69.56
Total	**-**	**689.50**

7. Long Term Provisions

₹ in Lakhs

Particulars	Non Current	
	31-Mar-2014	31-Mar-2013
(a) Employee Benefits		
(i) Compensated Absences	328.50	241.16
(ii) Gratuity*	3,379.69	2,713.76
(b) Others		
(i) Provision for standard assets	-	3.60
(ii) Rent equalization reserve**	-	29.31
Total	**3,708.19**	**2,987.83**

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

** Easyaccess Financial Services Limited had taken premises on non-cancelable operating lease for its office, which was for a period of 9 years with escalation clause for rent after 3 years. The lease was renewable at the option of the company for subsequent periods of 3 years each.
As the existing lease would be no longer in operation from the second quarter of FY 2014-15 as agreed with the landlord rent equalization reserve created up to March 31, 2013 amounting to ₹ 29.31 lakhs has been written back during the year as the provision is no longer required.

Gratuity relating to the Company and applicable subsidiaries

Details of actuarial valuation as at the year end is given below:

a. Movement

₹ in Lakhs

Particulars	2013-14	2012-13
Projected Benefit Obligation at the beginning of the year	**656.40**	**507.43**
Service cost	57.75	134.21
Interest Cost	47.08	36.54
Actuarial loss	115.07	50.64
Benefits paid	(72.92)	(137.25)
Transfer of employees	-	64.83
Obligations of Easyaccess Financial Services Limited	(7.14)	-
Projected Benefit Obligation at the end of the year	**796.24**	**656.40**
Amount recognized in the Balance Sheet:		
Projected benefit obligation at the end of the year	796.24	656.40
Liability recognized in the Balance Sheet	796.24	656.40

Particulars	2013-14	2012-13
Cost of the defined plan for the year: (Refer Note 25)		
Current service cost	57.75	134.21
Interest on obligation	47.08	36.54
Net actuarial loss recognized in the year	115.07	50.64
Net cost recognized in the Statement of Profit and Loss	**219.90**	**221.39**

b. Assumptions for Gratuity/ Compensated Absences:

Particulars	2013-14	2012-13
Discount Rate	7.5%	7.5%
Salary escalation rate	5%	5%
Attrition rate	5%	3%
Demographic assumptions — Mortality	IALM(2006-08) ULT	IALM(2006-08) ULT

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

The details of experience adjustments arising on account of plan liabilities are not readily available in the valuation report and hence, are not furnished.

Gratuity relating to Redington International Mauritius Limited:

₹ in Lakhs

Particulars	2013-14	2012-13
Balance at the beginning of the year	2,116.84	1,629.47
Amount charged to the Statement of Profit and Loss (Refer Note 25)	918.34	705.09
Amount transferred on account of acquisition	10.10	-
Amount paid during the year	(641.62)	(327.95)
Currency Translation Adjustment	232.41	110.23
Balance at the end of the year	**2,636.07**	**2,116.84**

8. Short-term Borrowings

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Secured Loans from Banks (Refer note a)	139,334.66	140,484.47
Unsecured Loans from Banks	4,106.47	19,949.65
Loan from others	2,046.36	-
Total	**145,487.49**	**160,434.12**

a. Loan from Banks are secured by pari-passu charge on Inventories and Trade receivables.

b. **Commercial paper:** There are no amounts outstanding as at March 31, 2014 and March 31, 2013 and the maximum amount outstanding any time during the year was ₹ 55,000 Lakhs (Previous Year ₹ 57,500 Lakhs).

9. Trade Payables

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Trade payables*	270,852.50	199,951.69
Other payables	3,301.83	3,746.94
Total	**274,154.33**	**203,698.63**

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

10. Other Current Liabilities

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Creditors for other liabilities^	28,693.95	29,223.55
Interest accrued but not due on loans	1,942.65	2,556.57
Earmarked liability - Unclaimed Dividend*	4.28	4.14
Unamortized revenue	1,079.51	996.69
Statutory liabilities	6,861.13	6,327.37
Advances/Deposits received from customers	6,093.70	6,378.23
Non- Compete Fee**	-	835.54
Current maturities of long term borrowings	12,095.34	16,021.45
Others liabilities	3,131.27	1,002.39
Total	**59,901.83**	**63,345.93**

* No Amount is due and outstanding to be credited to Investor Education and Protection Fund as on March 31, 2014.

^ Includes provision for extended warranty for a product traded by the Company based on management estimate of ₹ 251.54 Lakhs (Previous year ₹ 270.54 Lakhs); also includes ₹ 207.78 Lakhs (Previous year ₹ 218.56 Lakhs) payable towards acquisitions of Tangible assets.

** One of the overseas subsidiaries of the Group signed a non-competition agreement with its Chief Executive Officer. In return, the subsidiary had committed to pay a non-compete fee to the Chief Executive Officer on June 30, 2013 and the liability got settled on the said date.

11. Short-term Provisions

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
(a) Provision for employment benefits		
(i) Compensated absences	21.06	67.53
(ii) Gratuity	52.62	59.48
(b) Others		
(i) Provision for Taxation(Net of advance taxes)	1,434.67	772.14
(ii) Provision for standard assets*	-	144.40
(iii) Provision for sub-standard assets*	-	45.00
(iv) Proposed dividend	3,595.34	1,596.61
(v) Dividend Tax on Proposed Dividend	611.03	271.34
Total	**5,714.72**	**2,956.50**

* **Provision for Standard assets / sub-standard assets**

Easyaccess Financial Services Limited had a policy for making a provision on standard assets @ 0.40% of outstanding Standard Assets (RBI policy prescribes a mandatory provision @ 0.25%).

An asset, in respect of which, interest has remained unrealized for a period of six months or more has been classified as sub-standard assets and provided for @ 10% as prescribed by RBI norms. During the period an additional provision of ₹ 77.37 lakhs has been made in respect of a specific customer based on Easyaccess Financial Services Limited's management's evaluation on the delay in recoverability.

The following table discloses the movement of the provisions for standard / sub-standard assets during the year:

₹ in Lakhs

	As at April 1, 2013	Addition during the period	Reversed during the period	Reversed on sale of Subsidiary	As at March 31, 2014
Provision for standard assets	148.00 (500.00)	- (-)	35.00 (352.00)	113.00 -	- (148.00)
Provision for sub-standard assets	45.00 (-)	78.00 (45.00)	- (-)	123.00 -	- (45.00)

12 . Fixed Assets—Owned

₹ in Lakhs

Description	Gross Block								Depreciation							Net Block	
	As at 01.04.13	Addition	Adjust-ments**	Acquired by a step-down subsidiary	Deletions	Elimination on sale of subsidiary (Refer note 2A(iii))	Transla-tion Adjust-ment	As at 31.03.14	As at 01.04.13	For the Year	Acquired by a step-down subsidiary	Deletions	Elimination on sale of subsidiary (Refer note 2A(iii))	Transla-tion Adjust-ment	As at 31.03.14	As at 31.03.14	As at 31.03.13
A. Tangible Assets																	
Land																	
Current year	2,781.64	-	5,144.65	-	47.71	5,144.65	-	2,733.93	-	-	-	-	-	-	-	2,733.93	2,781.64
Previous year	*2,780.63*	*1.01*	-	-	-	-	-	*2,781.64*	-	-	-	-	-	-	-	*2,781.64*	*2,780.63*
Buildings																	
Current year	18,718.12	2,396.70	(5,144.65)	-	-	7,280.66	376.79	9,066.30	1,340.17	417.09	-	-	276.44	35.67	1,516.49	7,549.81	17,377.95
*Previous year**	*6,055.46*	*12,431.75*	-	-	-	-	*230.91*	*18,718.12*	*753.83*	*567.65*	-	-	-	*18.69*	*1,340.17*	*17,377.95*	*5,301.63*
Plant and Equipment																	
Current year	2,269.04	360.3	-	-	56.84	7.41	73.06	2,638.15	1,470.82	303.16	-	53.45	2.61	34.74	1,752.66	885.49	798.22
Previous year	*2,272.35*	*193.53*	-	-	*239.5*	-	*42.66*	*2,269.04*	*1,338.76*	*311.29*	-	*192.46*	-	*13.23*	*1,470.82*	*798.22*	*933.59*
Furniture & Fixtures																	
Current year	10,100.81	1,146.80	-	68.74	340.05	38.32	749.86	11,687.84	7,176.72	1,117.71	-	267.36	18.61	530.57	8,539.03	3,148.81	2,924.09
Previous year	*9,090.97*	*837.75*	-	-	*247.30*	-	*419.39*	*10,100.81*	*5,928.68*	*1,182.02*	-	*211.02*	-	*277.04*	*7,176.72*	*2,924.09*	*3,162.29*
Office Equipment																	
Current year	4,599.46	492.54	-	-	123.66	14.90	419.80	5,373.24	2,374.84	624.47	-	113.86	7.21	210.32	3,088.56	2,284.68	2,224.62
Previous year	*4,020.99*	*497.96*	-	-	*154.24*	-	*234.75*	*4,599.46*	*1,881.40*	*512.19*	-	*121.62*	-	*102.87*	*2,374.84*	*2,224.62*	*2,139.59*
Computers																	
Current year	3,105.47	270.48	-	-	216.45	56.65	122.90	3,225.75	2,216.65	522.96	-	197.12	43.68	73.32	2,572.13	653.62	888.82
Previous year	*3,062.61*	*388.11*	-	-	*415.68*	-	*70.43*	*3,105.47*	*2,036.56*	*504.04*	-	*352.51*	-	*28.56*	*2,216.65*	*888.82*	*1,026.05*
Vehicles																	
Current year	1,401.96	273.37	-	4.09	91.82	9.96	88.93	1,666.57	797.38	240.30	-	66.05	3.63	64.97	1,032.97	633.60	604.58
Previous year	*1,201.63*	*277.47*	-	-	*128.84*	-	*51.70*	*1,401.96*	*620.58*	*217.97*	-	*74.85*	-	*33.68*	*797.38*	*604.58*	*581.05*
Tangible assets-Total																	
Current year	**42,976.50**	**4,940.19**	**-**	**72.83**	**876.53**	**12,552.55**	**1,831.34**	**36,391.78**	**15,376.58**	**3,225.69**	**-**	**697.84**	**352.18**	**949.59**	**18,501.84**	**17,889.94**	**27,599.92**
Previous year	***28,484.64***	***14,627.58***	**-**	**-**	***1,185.56***	**-**	***1,049.84***	***42,976.50***	***12,559.81***	***3,295.16***	**-**	***952.46***	**-**	***474.07***	***15,376.58***	***27,599.92***	***15,924.83***

* In the previous year, Easyaccess Financial Services Limited subsidiary acquired a modern building measuring 2,30,000 sq.ft of office space located at Chennai, at a cost of ₹ 12,425.31 Lakhs.

** Represents Cost of Land of Easyaccess Financial Services Limited subsidiary shown separately.

₹ in Lakhs

Description	Gross Block							Amortization							Net Block	
	As at 01.04.13	Additions	Acquired by a step-down subsidiary	Deletion	Elimination on sale of subsidiary (Refer note 2A(iii))	Transla-tion Adjust-ment	As at 31.03.14	As at 01.04.13	For the Year	Acquired by a step-down subsidiary	Deletion	Elimination on sale of subsidiary (Refer note 2A(iii))	Transla-tion Adjust-ment	As at 31.03.14	As at 31.03.14	As at 31.03.13
B. Intangible Assets																
Software																
Current year	2,740.97	415.08	12.60	120.80	139.20	209.77	3,118.42	2,427.53	467.22	-	83.12	128.04	189.13	2,872.72	245.70	313.44
Previous year	*2,738.08*	*233.72*	-	*351.68*	-	*120.85*	*2,740.97*	*2,313.15*	*350.10*	-	*339.25*	-	*103.53*	*2,427.53*	*313.44*	*424.93*
Non-compete fee																
Current year	835.54	-	-	-	-	86.23	921.77	327.71	157.49	-	-	-	33.04	518.24	403.53	507.83
Previous year	*782.70*	-	-	-	-	*52.84*	*835.54*	*173.93*	*141.70*	-	-	-	*12.08*	*327.71*	*507.83*	*608.77*
Intangible assets-Total																
Current year	**3,576.51**	**415.08**	**12.60**	**120.80**	**139.20**	**296.00**	**4,040.19**	**2,755.24**	**624.71**	**-**	**83.12**	**128.04**	**222.17**	**3,390.96**	**649.23**	**821.27**
Previous year	***3,520.78***	***233.72***	**-**	***351.68***	**-**	***173.69***	***3,576.51***	***2,487.08***	***491.80***	**-**	***339.25***	**-**	***115.61***	***2,755.24***	***821.27***	***1,033.70***

C. Depreciation / Amortization

₹ in Lakhs

Description	2013-14	2012-13
Tangible assets	3,225.69	3,295.16
Intangible assets	624.71	491.80
Total	3,850.40	3,786.96

13. Non Current Investments (Trade)

Investment in Associate

₹ in Lakhs

Name of the Corporate Body	31-Mar-2014	31-Mar-2013
50,000 Equity Shares (Previous Year 50,000) of ₹ 10/- each fully paid-up in Redington (India) Investments Limited	3.12	3.12
Less: Share of Loss (Recognized in line with AS23)	3.12	3.12
Total	**-**	**-**

14. Deferred Tax Assets (Net)

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

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
i. Deferred Tax Assets:		
Provision for doubtful trade Receivables	506.92	372.63
Gratuity	241.18	200.79
Compensated absences	122.93	94.17
Depreciation	38.45	98.94
Long term Capital loss*	249.48	-
Others	0.27	94.14
Total	**1,159.23**	**860.67**
ii. Deferred Tax Liability:		
Depreciation	12.51	6.61
Total	**12.51**	**6.61**
Deferred Tax Asset (Net)	**1,146.72**	**854.06**

* Consequent to sale of the Company's investment in its wholly owned subsidiary Easyaccess Financial Services Limited, there is a Long-Term capital loss, under the Income Tax Act, 1961, which has resulted in a deferred tax asset of ₹ 1,310.48 Lakhs. Of this, ₹ 249.48 Lakhs has been recognized against Long -Term Capital Gain realized subsequent to the year end. The balance deferred tax asset of ₹ 1,061 Lakhs will be recognized as and when there is a Long-Term capital gain.

Break up of Deferred Tax liability arising on account of timing differences (In respect of an overseas subsidiary)

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
i. Deferred Tax Liability:		
Depreciation	205.31	-
Others	43.56	
Total	**248.87**	**-**

15. Long-Term loans and Advances (Unsecured and considered good)

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
(a) Capital advances	261.83	658.48
(b) Security Deposits	541.22	697.73
(c) Loans and advances to employees	-	16.75
(d) Advance taxes (net of provisions)	5,984.13	4,690.61
(e) Receivable from customs /sales tax department	1,978.39	1,330.34
(f) Others	834.28	212.98
Total Long term Loans and advances	**9,599.85**	**7,606.89**

16. Goodwill on Consolidation / acquisition

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Balance as per last Balance sheet date	6,573.00	6,573.00
Add: On acquisition of step-down subsidiary	861.36	-
Less: On disposal of subsidiary during the year	54.69	-
Total	**7,379.67**	**6,573.00**

17. Long -term Receivables Under Financing Activity

(Represents repayments due after one year from the Balance sheet date)

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Secured and considered good*	-	587.35
Unsecured and considered good	-	311.69
Total	**-**	**899.04**

* Receivables (Loans) of Easyaccess Financial Services Limited are considered as secured, when the exposures are secured by hypothecation or mortgage of assets / properties (registered/equitable) /pledge of shares of private limited / listed / unlisted companies.

18. Inventories

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Trading Stocks	190,274.25	170,792.06
Goods in Transit	37,670.80	24,068.19
Service Spares	581.08	456.66
Total	**228,526.13**	**195,316.91**

19. Trade Receivables—Unsecured

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	7,696.65	9,501.82
Considered Doubtful	1,615.65	1,201.22
Less: Provision for doubtful receivables	(1,615.65)	(1,201.22)
(b) Other trade receivables		
Considered good	384,871.66	292,169.83
Considered Doubtful	8,328.35	7,966.82
Less: Provision for doubtful receivables	(8,328.35)	(7,966.82)
Total	**392,568.31**	**301,671.65**

20. Cash and Bank balances

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Cash on hand	218.37	227.60
Balances with Banks		
(i) In current accounts	27,956.86	29,205.20
(ii) In deposit accounts	19,336.73	17,993.21
(iii) In earmarked accounts		
a. Margin money with banks	944.26	779.33
b. Earmarked balances -Unclaimed Dividend account	4.28	4.14
Total	**48,460.50**	**48,209.48**

21. Short-term Loans and Advances (Unsecured and considered good)

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
(a) Security deposits	1,389.92	1,614.93
(b) Loans and advances to employees	378.78	266.91
(c) Prepaid expenses	2,892.63	3,988.69
(d) Balances with government authorities		
(i) Receivables from Customs authorities	2,574.15	4,226.38
(ii) VAT & Service Tax Credit Receivable	8,622.53	5,233.19
(e) Advances to suppliers	6,660.82	10,617.40
Total	**22,518.83**	**25,947.50**

22. Short-term Receivables Under Financing Activity

(Represents repayments due within one year from the Balance sheet date)

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
Secured and considered good*	-	20,994.85
Unsecured and considered good	-	14,342.62
Total	**-**	**35,337.47**

* Receivables (Loans) of Easyaccess Financial Services Limited are considered as secured, when the exposures are secured by hypothecation or mortgage of assets / properties (registered/equitable) / pledge of shares of private limited / listed / unlisted companies.

23. Turnover/Revenue from Operations

₹ in Lakhs

Particulars	2013-14	2012-13
Sales	2,659,802.47	2,289,905.57
Service Income	53,882.72	45,231.97
Income from financial services		
a. Interest income from loan	3,611.28	4,626.45
b. Other financial services	78.62	267.42
Rebates	76,104.00	76,413.78
Other operating revenues	30.08	21.29
Total	**2,793,509.17**	**2,416,466.48**

24. Other Income

₹ in Lakhs

Particulars	2013-14	2012-13
Interest on loan	160.59	130.33
Interest from dealers	1,754.01	803.87
Interest on Bank deposits	485.84	730.78
Profit on sale of Fixed assets(Net)	166.82	18.42
Dividend from Short term Investments	115.51	257.18
Rent income from Investment properties	17.72	8.82
Bad Debts Written off in earlier years recovered	120.57	101.26
Reversal of Provision for standard assets(Refer note 11 above)	35.00	352.00
Provision no longer required written back	612.53	35.50
Other Non-operating income	2,944.79	2,133.36
Total	**6,413.38**	**4,571.52**

25. Employee Benefits

₹ in Lakhs

Particulars	2013-14	2012-13
Salaries & Bonus	38,406.38	32,605.60
Contribution to Provident Fund & Other Funds	642.51	577.37
Welfare Expenses	868.74	706.49
Gratuity	1,138.24	926.48
Total	**41,055.87**	**34,815.94**

26. Finance Costs

₹ in Lakhs

Particulars	2013-14	2012-13
Interest on Borrowings	17,824.37	18,063.08
Other Borrowing Costs	868.60	329.00
Total	**18,692.97**	**18,392.08**

27. Other Expenses

₹ in Lakhs

Particulars	2013-14		2012-13	
Rent (Refer Note 31)		6,893.44		6,500.33
Freight		7,014.02		5,997.00
Commercial Taxes		1,838.06		2,946.91
Repairs and maintenance		2,301.69		2,236.40
Utilities		861.04		886.43
Insurance		2,261.31		1,939.46
Communication		2,406.15		2,454.37
Sales Promotion Expenses		12,797.56		5,401.64
Travel		3,647.46		3,139.14
Professional Charges		1,364.89		2,012.71
Bad Debts	2,564.06		1,054.18	
Less:- Written off against provision	2,286.64	277.42	1,025.80	28.38
Provision for doubtful receivables		2,621.82		1,443.57
Audit remuneration (including remuneration to subsidiaries' auditors)		751.60		640.63
Exchange loss(Net)		1,196.99		443.60
Factoring Charges		1,429.46		1,020.98
Directors' Sitting Fee		10.07		9.12
Directors' Commission		69.20		88.97
Outsourced Resource Cost		660.50		598.37
Security Charges		679.12		556.88
Packing Charges		223.11		259.52
Software expenses		1,438.77		1,051.65
Bank Charges		2,457.72		1,473.31
Miscellaneous expenses		2,785.50		2,867.89
Total		**55,986.90**		**43,997.26**

28. Earnings per Equity Share

Description	2013-14	2012-13
Profit after Tax (₹ In Lakhs)	33,664.73	32,310.98
Weighted Average Number of equity shares (Basic)	399,308,287	399,007,418
Earnings per share–Basic ₹	8.43	8.10
Weighted Average Number of equity shares (Basic)	399,308,287	399,007,418
Add: Effect on ESOPs	352,096	783,002
Weighted Average Number of equity shares including on account of Employee Stock Option Plan 2008 (Diluted)	399,660,383	399,790,420
Earnings per share-Diluted ₹	8.42	8.08
Face Value per share in ₹	2/-	2/-

29. Contingent Liabilities & Commitments

₹ in Lakhs

Particulars	31-Mar-2014	31-Mar-2013
i. Bank Guarantee	39,511.78	6,767.32
ii. Bills Discounted	9,396.64	4,619.76
iii. Channel financing	4,603.70	600.00
iv. Factoring	8,212.50	5,775.00
v. Claims not acknowledged as debts	337.68	254.88

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

₹ in Lakhs

Nature of Dues	31-Mar-2014	31-Mar-2013
Customs duty	97.03	110.88
Income Tax*	19,009.36	847.13
Sales Tax	1,813.64	1,007.24

* The Income Tax Assessment for the Accounting Year ended on March 31, 2009 for the Company has been completed in January 2014 resulting in a tax demand of ₹ 129 Crores (besides interest of ₹ 78 Crores) mainly on account of tax on Capital Gain arising from Transfer of Company's investment in a overseas subsidiary to another overseas step-down subsidiary in November 2008.

The Company has preferred an appeal against the said demand before the Income Tax Appellate Tribunal (ITAT), Chennai. The Company has paid ₹ 22 Crores under protest and the ITAT has granted stay for recovery of balance tax demand till August 31, 2014 or disposal of the case whichever is earlier.

Based on eminent tax counsels opinion the management is hopeful of successfully contesting the demand in appeal; accordingly no provision is presently considered necessary.

vii. Lawsuit filed by Redington Turkey Holdings S.A.R.L (RTHS)

The administrative lawsuit filed by Redington Turkey Holdings S.A.R.L. (RTHS) before the Administrative Court of Ankara, as the plaintiff, requesting the cancellation of the decision of the Capital Markets Board (CMB) dated August 25, 2011, requiring RTHS to file an application with the aim to conduct a mandatory tender offer towards the shareholders of Arena Bilgisayar Sanayi ve Ticaret A.S. (Arena) in connection with its purchase of 49.4% stake in Arena on 29 November 2010 has been concluded in favor of RTHS and the decision of the CMB has been cancelled. On January 3, 2013, the CMB appealed this decision following which RTHS filed its responses on February 3, 2013. Although the lawsuit has been assigned to the 13th Chamber of the Council of State for appellate review, the Chamber has not yet taken it up for review.

viii. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 1,249.03 Lakhs (Previous Year ₹ 2,615.25 Lakhs).

30. Statutory Reserve

Pursuant to the divestment of holdings in Easyaccess Financial Services Limited, the residual reserves have been regrouped under General Reserve since retention of statutory reserve is no longer required to be separately disclosed.

31. Operating Leases

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

32. Segment Reporting

The Company has identified geographical segment as its primary segment. Geographical segments are reported viz., India and Overseas. Secondary segment identified are Distribution, Financial Service business and others. Others include Service income and supply chain business.

PRIMARY SEGMENT

₹ in Lakhs

Particulars	India		Overseas		Eliminations		Corporate Unallocated		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue										
External	1,203,232.74	1,095,103.17	1,596,689.81	1,325,934.83	-	-	-	-	2,799,922.55	2,421,038.00
Inter-segment	1,760.35	1,255.27	6,543.41	5,521.12	(8303.76)	(6776.39)	-	-		
Total	**1,204,993.09**	**1,096,358.44**	**1,603,233.22**	**1,331,455.95**	**(8,303.76)**	**(6,776.39)**	**-**	**-**	**2,799,922.55**	**2,421,038.00**
Segment results	27,727.06*	28,261.17	21,362.57	18,606.72	(578.25)	(626.86)	-	-	48,511.38	46,241.03
Segment Assets	287,132.26	291,881.21	442,675.76	360,324.82	(7,317.91)	(7,265.60)	8526.39	7,427.06	731,016.50	652,367.49
Segment Liabilities	204,433.49	212,057.83	306,640.51	261,299.63	(1,074.67)	(692.52)	248.87	-	510,248.20	472,664.94
Other Information										
Depreciation	1,295.34	1,387.25	2,555.06	2,399.71	-	-	-	-	3,850.40	3,786.96
Capital Expenditure	2,585.74	14,285.67	3,101.24	1,458.01	-	-	-	-	5,686.98	15,743.68

* Includes loss to the Group of ₹ 906.99 lakhs (Refer Note 36)

SECONDARY SEGMENT

₹ in Lakhs

Particulars	Distribution		Financial Services*		Others		Eliminations		Corporate Unallocated		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue												
External	2,735,842.58	2,367,153.84	4,519.14	6,005.16	59,560.83	47,879.00	-	-	-	-	2,799,922.55	2,421,038.00
Inter-segment	2,493.27	429.55	132.36	587.68	5,678.13	2,647.02	(8303.76)	(3664.25)	-	-		
Total	**2,738,335.85**	**2,367,583.39**	**4,651.50**	**6,592.84**	**65,238.96**	**50,526.02**	**(8303.76)**	**(3664.25)**	**-**	**-**	**2,799,922.55**	**2,421,038.00**
Segment Assets	703,559.31	577,632.91	-	50,064.89	19,923.48	18,535.80	(992.68)	(1,293.17)	8,526.39	7,427.06	731,016.50	652,367.49
Other Information												
Depreciation	3,162.55	2,863.58	78.97	272.34	608.88	651.04	-	-	-	-	3,850.40	3,786.96

* Refer Note 2(A)(iii)

33. Accounting for Financial Instruments

The Company has recognized Mark to Market (MTM) loss of ₹ 9.86 lakhs (Previous Year loss of ₹ 0.54 lakhs) relating to forward contracts and other derivatives entered into to hedge the foreign currency risk of highly probable forecast transactions that are designated as effective cash flow hedges, in the Hedge Accounting reserve as part of the Shareholders Funds.

The MTM net loss on undesignated/ineffective forward contracts amounting to ₹ 23.25 lakhs (Previous Year ₹ 5.65 lakhs) has been recognized in the Statement of Profit and Loss.

34. Related party disclosures

1) **Key Management Personnel**

Mr. R Srinivasan, Managing Director
Mr. Raj Shankar, Joint Managing Director
Mr. M Raghunandan, Whole-time Director

2) **Names of the related parties**

Party where the Company has control	Redington Employee Share Purchase Trust*

Parties having Significant Influence on the Company	Harrow Investment Holding Limited, Mauritius (formerly known as Redington Mauritius Limited, Mauritius)* Synnex Mauritius Limited, Mauritius*

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

3) **Nature of Transactions**

₹ in Lakhs

Nature of Transactions	2013-14	2012-13
	Party Where Control Exists	Party Where Control Exists
Redington Employees Share Purchase Trust		
Dividend Paid	0.03	0.03
Deficit absorbed	0.11	0.32

Nature of Transactions	2013-14	2012-13
Harrow Investment Holding Limited, Mauritius (formerly known as Redington (Mauritius) Limited)		
Dividend Paid	336.11	336.11
Proceeds from sale of Long-term investment (Refer Note 36)	28,650.40	Nil
Synnex Mauritius Limited		
Dividend Paid	377.18	377.18

₹ in Lakhs

Nature of Transactions	2013-14	2012-13
	Associate Company	**Associate Company**
Redington (India) Investments Limited		
Sales/Service Charges -Income	Nil	0.30
Interest Income	0.50	0.07
Loan disbursed	Nil	5.00
Loan settled	5.00	Nil
Loan outstanding at the year end	Nil	5.06

	Subsidiary of Associate	Subsidiary of Associate
Currents Technology Retail (India) Limited		
Sales/Service Charges -Income	1,941.13	1,939.86
Sales/Service Charges -Expenses	2.32	Nil
Interest Income	160.09	130.26
Loan disbursed	2,340.00	1,500.00
Loan settled	1,800.00	750.00
Loan outstanding at the year end	1,755.25	1,207.80
Amount receivable at the year end	634.63	301.27

Related parties are as identified by the management.

Key Managerial Remuneration

₹ in Lakhs

Nature of Transactions	2013-14	2012-13
Remuneration paid/payable to Whole-Time director	40.00	40.00

Remuneration paid to the Managing Director and Joint Managing Director from Wholly-owned overseas subsidiary

₹ in Lakhs

Particulars	2013-14	2012-13
Salaries and Bonus	851.45	776.23
Contribution to provident fund	8.94	7.21
Total	**860.39**	**783.44**

35. The Company has setup a branch in Singapore on February 28, 2014. As at the Balance sheet date, the Branch is yet to commence its operations.

36. Exceptional item

Pursuant to the approval of the shareholders through Postal ballot, the Company divested its equity interest in Easyaccess Financial Services Limited to M/s. Harrow Investment Holding Limited, 86% in January 2014 and balance 14% in March 2014. Consequently Easyaccess Financial Services Limited ceased to be a subsidiary Company w.e.f January 22, 2014 and the loss to the group of ₹ 906.99 lakhs is disclosed as exceptional item.

37. Employee Stock Option Plan 2008

The Group follows intrinsic value method of accounting for employee stock options. No compensation costs have been recognized in these accounts as the options have been granted at the prevailing market prices.

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V
Date of Grant	29-Feb-08	25-Jul-08	28-Jan-09	22-May-09	5-Dec-11
Exercise Price (₹)*	348.05	319.90	130.00	165.00	396.50
Vesting commences on	28-Feb-09	24-Jul-09	27-Jan-10	21-May-10	4-Dec-12
Options granted	2,335,973	11,000	276,143	25,000	173,212
Options lapsed	555,964	4,000	-	-	32,450
Options vested	1,780,009	7,000	276,143	25,000	104,833
Options exercised at the beginning of the year	1,656,375	6,250	276,143	25,000	1,000
Options exercised during the year	65,850	-	-	-	-
Total options outstanding and not exercised as on March 31, 2014	57,784	750	-	-	139,762

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

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

Date of Grant	25-Jul-08	28-Jan-09	22-May-09	5-Dec-11
No. of options	11,000	276,143	25,000	173,212

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

Grant Date	29-Feb-08	Repriced on 28-Jan-09	Repriced on 22-May-09	25-Jul-08	Repriced on 28-Jan-09	28-Jan-09	22-May-09	5-Dec-11
Fair Value	171.33	25.56	33.04	159.71	23.77	47.46	79.82	171.72

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

₹ in Lakhs

Particulars	2013-14	2012-13
Profit after tax as per Statement of Profit and Loss (a)	33,664.73	32,310.98
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	NIL	NIL
Less: Employee Stock Compensation Expense as per Fair Value Method	(83.91)*	109.45
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	33,748.64	32,201.53
Earnings per share based on earnings as per (a) above		
- Basic	8.43	8.10
- Diluted	8.42	8.08
Earnings per share had fair value method been employed for accounting of employee stock options as per (b) above		
- Basic	8.45	8.07
- Diluted	8.44	8.05

* Employee Stock Compensation Expense for the year as per Fair Value is a net credit on account of cancellation/lapse of Options, as these cost have already been considered in the previous years when the options were outstanding.

38. The figures of the previous year have been regrouped wherever necessary to conform to the classification of the current year.

For and on behalf of the Board of Directors

R Srinivasan
Managing Director

Raj Shankar
Joint Managing Director

M Raghunandan
Whole Time Director

S V Krishnan
Chief Financial Officer

M Muthukumarasamy
Company Secretary

Place: Chennai
Date: May 30, 2014

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	Turnover	Profit before taxation	Provision for taxation	Profit after tax	Proposed dividend	Country
1	Nook Micro Distribution Limited	INR	1.0000	2,000.00	(753.48)	7,989.99	6,743.47	31,931.08	(158.34)	24.77	(183.11)	-	India
2	Easyaccess Financial Services Limited	INR	1.0000	-	-	-	-	3,773.96	3,260.21	1,065.00	2,195.21	-	India
3	Cadensworth (India) Limited	INR	1.0000	130.13	3,266.14	28,263.56	24,867.30	42,986.44	1,452.84	484.31	968.53	-	India
4	ProConnect Supply Chains Solutions Limited	INR	1.0000	455.00	538.60	1,413.75	420.15	6,516.80	654.15	210.89	443.26	-	India
5	Ensure Support Services (India) Limited	INR	1.0000	205.00	(28.25)	202.43	25.68	-	(32.57)	(4.32)	(28.25)	-	India
6	Redington Bangladesh Limited	TAKA	0.7689	23.07	12.80	54.29	18.43	-	0.52	0.32	0.19	-	Bangladesh
7	Redington Distribution Pte. Limited	USD	59.9150	2,396.60	8,866.43	47,375.06	36,112.03	189,931.27	2,793.46	597.11	2,196.35	571.77	Singapore
8	Redington Gulf FZE	AED	16.3125	1,957.50	113,903.61	345,687.43	229,826.32	937,427.42	11,096.98	29.56	11,067.42	4,291.51	UAE
9	Redington Gulf and Co. LLC	RO	155.8570	233.79	239.62	2,242.60	1,769.20	4,049.38	25.97	-	25.97	-	Oman
10	Redington Nigeria Limited	NN	0.3634	36.34	(349.87)	2,303.30	2,616.84	6,126.48	40.74	17.13	23.61	-	Nigeria
11	Redington Egypt Limited	LE	8.8939	4.45	500.23	2,510.85	2,006.18	11,144.36	93.68	20.94	72.74	-	Egypt
12	Redington Kenya Limited	SH	0.6937	6.94	(116.04)	9,732.62	9,841.72	46,578.38	11.47	19.05	(7.58)	-	Kenya
13	Cadensworth FZE	AED	16.3125	163.13	8,540.59	43,682.49	34,978.77	83,062.15	627.57	-	627.57	-	UAE
14	Redington Middle East LLC	AED	16.3125	48.94	481.10	27,455.31	26,925.27	141,553.84	194.62	-	194.62		UAE
15	Redington Qatar WLL	QR	16.4780	32.96	2,818.73	28,036.86	25,185.18	2,763.34	290.44	17.32	273.12	-	Qatar
16	Redngton Africa Distribution FZE	AED	16.3125	163.13	11,518.61	22,581.00	10,899.26	131,800.05	1,881.46	-	1,881.46	-	UAE
17	Ensure Services Arabia LLC (formerly Redington Arabia Limited)	SR	16.0000	160.00	244.14	3,799.06	3,394.93	3,741.25	53.06	19.50	33.56	-	Saudi Arabia
18	Ensure Services Bharain SPC (formerly Redington Bharain SPC)	BD	159.1520	79.58	190.64	764.44	494.22	420.96	4.72	-	4.72	-	Bahrain
19	Redington Qatar Distribution Company W.L.L	QR	16.4780	32.96	70.92	27,670.82	27,566.94	16,741.43	50.31	9.00	41.31	-	Qatar
20	Redington International Mauritius Limited	USD	59.9150	15,395.61	51,414.00	98,390.64	31,581.02	-	2,096.11	-	2,096.11	-	Mauritius
21	Redington Kenya EPZ Limited	SH	0.6937	0.69	(26.38)	214.62	240.31	513.24	0.76	-	0.76	-	Kenya
22	Africa Joint Technical Services Company	LD	48.5201	145.56	21.12	256.98	90.30	-	(6.13)	-	(6.13)	-	Libya
23	Cadensworth UAE LLC	AED	16.3125	48.94	257.41	807.01	500.66	4,280.48	132.74	-	132.74	-	UAE
24	Redington Limited, Ghana	GHC	22.3067	123.91	14.69	621.80	483.20	2,206.94	19.58	18.88	0.70	-	Ghana
25	Redington Uganda Limited	UGS	0.0200	3.00	55.67	2,022.91	1,964.24	10,316.95	34.54	32.20	2.35	-	Uganda
26	Redington Morocco Ltd	MAD	7.3250	21.98	30.61	7,385.10	7,332.52	12,078.02	77.72	63.88	13.84	-	Morocco
27	Redington SL (PRIVATE) LTD	LKR	0.4589	130.52	151.44	2,018.87	1,736.91	9,477.15	157.82	56.13	101.69	-	Srilanka
28	Redington Turkey Holdings S.A.R.L.	USD	59.9150	269.62	1,645.57	27,149.95	25,234.76	-	601.58	66.95	534.63	-	Luxembourg
29	Arena Bilgisayar Sanayi Ve Ticaret Anonim Şirketi	USD	61.8050	13,794.26	22,767.11	91,292.78	54,731.42	297,977.05	6,418.75	2,317.75	4,101.00	1,246.98	Turkey
30	Redington Tanzania Limited	TZS	0.0365	0.04	32.62	2,529.70	2,497.04	5,090.90	10.61	3.90	6.71	-	Tanzania
31	Ensure IT Services (PTY) Ltd	ZAR	5.6917	39.77	17.06	1,655.45	1,598.62	1,168.95	14.09	3.96	10.13	-	South Africa
32	Arena International FZE	AED	16.8275	168.28	1,714.63	21,321.42	19,438.51	81,510.20	1,596.58	-	1,596.58	1,161.47	UAE
33	Redington Rwanda Limited	RWF	0.0897	-	3.44	88.15	84.71	911.88	2.46	2.34	0.13	-	Rwanda
34	Redington Kazakhstan LLP	KZT	0.4003	56.04	(798.28)	4,784.79	5,527.03	7,799.74	(589.82)	-	(589.82)	-	Kazakhstan
35	Ensure Gulf FZE	AED	16.3125	163.13	517.66	920.10	239.31	945.43	520.40	-	520.40	-	UAE
36	Ensure Middle East Trading LLC	AED	16.3125	48.94	(2.13)	3,962.67	3,915.87	7,488.20	9.86	-	9.86	-	UAE
37	Sensonet Teknoloji Elelektronık Ve Bılısım Hızmetlerı Sanayı Ve Tıcaret Lımıted Şırketı	USD	61.8050	150.80	558.72	6,378.89	5,669.37	7,813.97	764.97	158.76	606.21	-	Turkey
38	Ensure Solutions Nigeria Limited	NN	0.3634	3.63	11.06	1,295.55	1,280.85	2,241.43	57.41	46.01	11.40		Nigeria
39	Ensure Technical Services Kenya Limited	SH	0.6937	6.94	4.31	303.85	292.60	252.37	4.35	-	4.35		Kenya
40	Ensure Services Uganda Limited	UGS	0.0200	1.00	5.22	88.65	82.42	62.96	8.06	2.42	5.65		Uganda
41	Ensure Technical Services Tanzania Limited	TZS	0.0365	0.37	8.72	203.75	194.66	237.82	8.87	-	8.87		Tanzania
42	Ensure Ghana Limited	GHC	22.3067	57.11	(39.48)	161.96	144.34	173.63	(41.08)	-	(41.08)		Ghana
43	Ensure Technical Services Morocco Limited (Sarlau)	MAD	7.3250	7.33	(19.50)	178.06	190.24	112.00	(13.83)	-	(13.83)		Morocco
44	ADEO Bilişim Danışmanlık Hizmetleri Sanayi ve Ticaret Anonim Şirketi	USD	61.8050	108.55	44.29	533.90	381.06	1,382.54	(134.65)	-	(134.65)		Turkey
45	Redington Angola, LDA	AKZ	0.9737	46.25	(8.93)	90.66	53.35	-	(8.07)	-	(8.07)		Angola

Redington Gulf FZE, Iraq, Ensure Technical Services (PTY) Limited, South Africa.
Ensure Supply Chain Logistics LLC, Dubai, Ensure Digital FZ LLC, Dubai are yet to commence their operations.

Abbreviation:

INR - Indian Rupee; AED - UAE Dirham; 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; GHC - Ghanaian Cedi; UGS - Uganda Shilling; LD - Libyan Dinar; MAD - Moroccan Dirham; LKR - Srilankan Rupee; RF - Rwandan Franc; KT - Kazhakstani tenge; ZAR - South African Rand; RWF - Rwandan Franc; KZT - Kazhakstani tenge; AKZ - Angolan Kwanza

REDINGTON (INDIA) LIMITED

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

CIN : L52599TN1961PLC028758

Website : www.redingtonindia.com

Email id : investors@redington.co.in

Phone No.: 044 42243353

Fax No.: 044 22253799

NOTICE

NOTICE is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the Company will be held on Thursday, 31st July 2014 at 10.30 A.M at the Narada Gana Sabha, Mini Hall, No. 314, 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 31st March, 2014, the Statement of Profit and Loss for the financial year ended on that date and the Report of Auditors and Directors thereon.
2. To declare Dividend for the Financial Year ended 31st March 2014.
3. To appoint a Director in place of Mr. Lin Tai - Yang, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Nainesh Jaisingh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office for one year 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, the following as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s)) read with Schedule IV to the Companies Act, 2013 and applicable provisions of the Listing Agreement (including amendments thereto) Prof. J. Ramachandran, Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31st July 2019, and not liable to retire by rotation."
7. To consider and if thought fit, to pass, the following as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s)) read with Schedule IV to the Companies Act, 2013 and applicable provisions of the Listing Agreement (including amendments thereto) Mr. V. S. Hariharan, Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31st July 2019, and not liable to retire by rotation."
8. To consider and if thought fit, to pass, the following as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s)) read with Schedule IV to the Companies Act, 2013 and applicable provisions of the Listing Agreement (including amendments thereto) Mr. Keith WF Bradley, Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31st July 2019, and not liable to retire by rotation."
9. To consider and if thought fit, to pass, the following as an Special Resolution:

   "RESOLVED THAT pursuant to Section 14 of Companies Act, 2013 (including the statutory modification(s)) consent of the members be and is hereby accorded to adopt the new set of articles of association of the Company, as available for inspection in the registered office of the Company, a copy of which is placed before the meeting and duly initialed by the Chairman for the purpose of identification, in substitution of the existing articles of association of the Company."

   "RESOLVED FURTHER THAT, the Board of Directors, be and is hereby authorised to do or cause to do all such acts, deeds, matters and things and to execute all such deeds, documents, instruments and writings as may deem necessary in relation thereto, and to file all the necessary documents with Registrar of Companies, for the purpose of giving effect to this resolution."

By Order of the Board
For Redington (India) Limited

Plase : Chennai
Date : 30th May 2014

M. Muthukumarasamy
Company Secretary

Notes:

1. The relative explanatory statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item 6 to 9 is attached hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A BLANK PROXY FORM IS ENCLOSED FOR USE BY MEMBERS, IF REQUIRED. THIS MUST BE SUBMITTED WITH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 24th July 2014 to Thursday, 31st July 2014 (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 National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
   - to all members 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 23rd July 2014.
5. All correspondence with regard to share transfers/dividends and matters related therewith may be addressed directly to the Company's Registrar and Share Transfer Agents at M/s. Cameo Corporate Services Limited, 'Subramanian Building', No. 1, Club House Road, Chennai - 600 002.
6. 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 members / beneficial owners 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. Companies Act, 2013 authorise the Company to send all statutory communications via email to the members who have registered their email ID. The Company, therefore, requests

   a. The members who are holding shares in Physical mode to submit their valid E-mail ID to M/s. Cameo Corporate Services Limited, the Registrar and Share Transfer Agents, by quoting their folio number and also any change therein from time to time and

b. The members / beneficial owners holding shares in dematerialized form are requested to inform/update their valid E-mail ID to their respective depository participants from time to time.

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

11. Ministry of Corporate Affairs (MCA) vide its Gazette notification No. G.S.R. 352(E) dated 10th May 2012, notified "Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012". As per this Rule, companies have to upload details of unclaimed dividend on their website. Accordingly detailed information of Unclaimed Dividend is uploaded in the Company's website www.redingtonindia.com for the benefit of members.

12. Members who have not yet en-cashed the dividend warrants for the financial years from 2006-07 to 2012-13 are requested to present the same for revalidation to our Registrar and Share Transfer Agents. The unclaimed and unpaid dividend for the financial year 2006-2007, is due to be transferred to the Investor Education & Protection Fund on 31st August 2014. Members, who are yet to claim the final dividend for the said financial year, are requested to submit their claims to the Registrar & Share Transfer Agent, viz., M/s. Cameo Corporate Services Ltd.

13. SEBI vide its circular dated 21st March 2013 has mandated all the Companies to print the bank account details of the investors on the payment instruments. Hence, while making revalidation requests the Members are requested to give their bank account details to print the same in the dividend payment instruments.

14. Brief particulars of the Directors retiring by rotation and the Independent Directors are given in the Corporate Governance Report which is a part of the Annual Report.

15. MCA vide their General Circular No: 2/2011 dated 8th February 2011 has granted general exemption from annexing the accounts of the subsidiary companies with the accounts of the Company in view of the consolidated accounts being made available to the members.

    The detailed annual accounts of the Company and its subsidiaries are available to the shareholders of the Company on any working day at the Registered Office of the Company. The annual accounts of the subsidiary companies are also available at the Registered Office of the respective subsidiary companies.

16. Electronic copy of the Annual Report and Notice is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Notice is being sent in the permitted mode.

17. Companies Act, 2013 requires all the Listed Companies to provide to its members facility to exercise their right to vote at general meetings by electronic means. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the option of e-voting facility to all the members of the Company to cast their votes electronically on all the resolutions set forth in the notice. The Company has entered into an agreement with National Securities Depositories Limited (NSDL) for facilitating e-voting. The Notice to the Meeting, inter alia contains the process and manner of e-voting.

Voting through Electronic means:

The Company has appointed Mr. A. S. Varadharajan, practising Chartered Accountant, as the 'Scrutiniser' for conducting the E-Voting process in a fair and transparent manner.

The Board of Directors has appointed Mr. S. V. Krishnan, Chief Financial Officer and Mr. M. Muthukumarasamy, Secretary of the Company as the persons responsible for the entire e-voting process.

The shareholders of the Company as on 20th June 2014 (cut off date) are eligible to cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 20th June 2014. The e-voting period commences on 21st July, 2014 (9:00 am) and ends on 23rd July 2014 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.

The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutiniser's Report shall be placed on the Company's website www. redingtonindia.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company.

Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of Annual General Meeting.

The Instructions for members for e-voting are as under

A. In case of members receiving e-mail from NSDL:

i. (a) For members whose e-mail addresses have been registered: Open the attached PDF file "Redingtonevoting.pdf" giving your "Client ID" (in case you are holding shares in demat mode) or Folio No. (In case you are holding shares in physical mode) as default password. This contains your "User ID" and "Password" for e-voting.

   (b) For members who have not registered their email address: please refer to the "User-Id" and "Password" printed on the notice.

ii. Please note that the Password is an initial password.

iii. Open internet browser and enter the URL www.evoting.nsdl.com.

iv. Click on "Shareholders Login".

v. Enter User Id and Password as initial password as mentioned in step (i) (a) or (b) above and Login into the website.

   For security purposes, the company strongly urges you to change your initial password once you login into the website.

vi. Password Change Menu appears. Change the password with the new password of your choice with minimum 8 digits/ characters or combination thereof.

vii. Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.

viii. In case you are already registered with NSDL, you can use your existing User ID and Password for casting your e-vote.

ix. Home page of "e-voting" opens. Click on "e-voting-Active Voting Cycles".

x. Select "EVEN" of Redington (India) Limited for casting your e-vote in favour of/ or against the resolution.

xi. Now you are ready for "e-voting" as "Cast Vote" page opens.

xii. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted.

xiii. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.

xiv. Institutional Shareholders (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant Board Resolution / Authority Letter, etc. together with attested specimen signature of the duly authorised signatory (ies) who is/are authorized to vote, to the Scrutiniser through email on asvaradarajanca@gmail.com with a copy marked to evoting@nsdl.co.in.

xv. The e-voting period commences on 21st July 2014 (9:00 am) and ends on 23rd July 2014 (5:00 pm). The e-voting module will be disabled by NSDL for voting thereafter.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] , the initial password is provided as below at the bottom of the Attendance Slip

EVEN (E-Voting Event Number)	USER ID	PASSWORD

Explanatory Statement

Item Nos. 6 to 8

Prof. J. Ramachandran, Mr. V. S. Hariharan and Mr. Keith WF Bradley are Independent Directors on the Board of the Company. Under erstwhile provisions of the Companies Act, 1956 their period of office is determined by retirement by rotation.

Companies Act, 2013 (Act 2013) provides that the appointment of Independent Directors can be for two consecutive terms of five years each and their office is not liable to retire by rotation. Though Act, 2013 has mentioned that the tenure of an independent director on the date of commencement of Act, 2013 (i.e 31st March 2014) shall not be counted as term, the recent amendment to Listing Agreement (effective from 1st October 2014) specifies that independent directors who already served for a period of five years or more as on October 1, 2014 shall be eligible for appointment, on completion of their present term, for one more term of up to five years only.

To meet the recent modifications brought in by the Companies Act, 2013 and Listing Agreement, it is proposed to appoint/re-appoint Prof. J. Ramachandran, Mr. V. S. Hariharan and Mr. Keith WF Bradley for a period of 5 consecutive years till 31st July 2019. The notices proposing their appointment (including re-appointment) have been received from the members of the Company.

In the opinion of the Board, Prof. J. Ramachandran, Mr. V. S. Hariharan and Mr. Keith WF Bradley fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and the said directors are independent of the management. Hence the Directors recommend the resolution contained in item nos. 6 to 8 for your approval.

Copy of the draft letter for appointment of Prof. J. Ramachandran, Mr. V. S. Hariharan and Mr. Keith WF Bradley as Independent Directors setting out the terms and conditions would be available for inspection at the Registered Office of the Company.

Brief particulars of Prof. J. Ramachandran, Mr. V. S. Hariharan and Mr. Keith WF Bradley are given in the Report on Corporate Governance forming part of the Annual Report.

Directors, Key Managerial Personnel and their relatives, who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

Item No 9

Ministry of Corporate Affairs has notified the Companies Act, 2013 (Act, 2013) during August 2013 and brought in certain sections of the Act to be effective from 1st April 2014. Act, 2013 has changed the form and content of the Articles of Association (AOA) of every Company, from the the format given in Table A of schedule I of Companies Act, 1956 to Table F of Schedule I of Act, 2013.

Pursuant to the notification of Act, 2013 the Company is required to amend the existing clauses of its Articles of Association to be in line with the Act, 2013 and Table F of Schedule I thereof. Hence the Company has proposed to make relevant changes in the existing AOA.

The amended AOA of the Company shall be available for inspection of the members at the Registered Office of the Company on all working days except Saturdays between 10.30 A.M. and 1.00 P.M. till the date of Annual General Meeting.

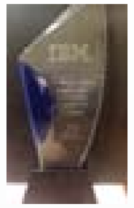
Board of Directors are of the view that making such alterations in the Company's AOA would enable the Company to ensure due compliance with the Act, 2013 and recommend the special resolution set out in the notice above, for the approval of members.

Directors, Key Managerial Personnel and their relatives, who are members of the Company, may be deemed to be concerned or interested in this Resolution to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

Awards

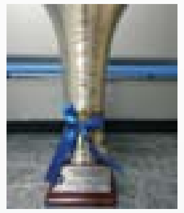
India

1. McAfee – Best Distributor of the Year – 2013
2. IBM – IBM Business Partner Award - Distributor Excellence Award – 2014
3. IBM – Innovate 2014 Value Added Distributor of the Year Award – 2014
4. Toshiba – Top contributor in Net Promoter Score (Customer Satisfaction)
5. HP – Best in Operational Performance
6. Dun & Bradstreet – Top 500 2014 Award - Computing and Telecom products Sector
7. Schneider Electric – Best Distributor - Overall Champion – 2013
8. HP – Highest Page Growth Channel – 2013
9. HP – HP-ISS-Contribution towards Proliant Business

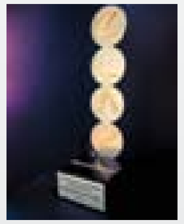

Middle East and Africa

1. Dubai Customs – Pillars of Strength
2. SanDisk – Out Standing Performance in Business Growth 2012 for UAE
3. VAR Magazine MEA – Retail Segment Distributor of the Year
4. VAR Magazine MEA – After Sales Service of the year
5. DISTREE Middle East – Middle East Retail Academy (MERA): 2013 Award
6. Microsoft – Best New Distributor for the Gulf for FY 12-13
7. Microsoft – Best Distributor across WECA for FY 12-13
8. Lenovo MEA – Outstanding Distributor KSA
9. Lenovo MEA – Outstanding Consumer Distributor Gulf
10. HP – HP PPS Distribution Partner MEMA Award
11. Avaya – Distributor of the Year
12. Canon – B2C Performance Award OPP (Best Canon Printer distributor for Middle East)
13. HP – HP FY13 Top Growth Distribution Award
14. HP – Top Distributor – Printing Hardware -2013
15. HP – Top Distributor – Supplies 2013
16. HP – Over All Best Distributor HP PPS 2013
17. SanDisk – Outstanding Performance Award
18. VAR Magazine – Value Added Distributor of the Year
19. Channel Middle East Awards – IT Distributor of the Year
20. Dell – Distributor of the Year 2013
21. VAR Choice of Channel Award Ceremony – Champion Distributor of the Year











Registered Office:
Redington (India) Limited
SPL Guindy House
95, Mount Road, Guindy, Chennai - 600 032
CIN : L52599TN1961PLC028758
Tel : + 91 44 4224 3353 / 3028 7901
Fax : +91 44 2225 3799
www.redingtonindia.com

REDINGTON

REDINGTON (INDIA) LIMITED

Regd. Office: SPL Guindy House, 95, Mount Road, Guindy, Chennai- 600 032
CIN : L52599TN1961PLC028758
Website : www.redingtonindia.com , Email id : investors@redington.co.in
Phone No.: 044 42243353, Fax No.: 044 22253799

ATTENDANCE SLIP

Twenty First Annual General Meeting - 31st July 2014

Name & Address:
(including Joint Holders, if any)

Registered Folio No:

DP Id Client ID:
(Applicable to investors holding
Shares in demat form)

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 Twenty First Annual General Meeting of the Company at the Mini Hall, Narada Gana Sabha, No. 314 (Old No. 254), T.T.K Road, Alwarpet, Chennai- 600 018 on Thursday, the 31st July 2014 at 10.30 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.

EVOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD

The e-voting facility will be available during the following period

Commencement of E-voting	End of E-voting
21st July, 2014 (9:00 am)	23rd July 2014 (5:00 pm)

Note: Please refer to the instructions forming integral part of the notice for the Annual General Meeting.

REDINGTON (INDIA) LIMITED

Regd. Office: SPL Guindy House, 95, Mount Road, Guindy, Chennai 600 032
CIN : L52599TN1961PLC028758
Website : www.redingtonindia.com
Email id : investors@redington.co.in
Phone No.: 044 42243353
Fax No.: 044 22253799

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): ____________________

Registered address: ____________________

____

E-mail Id: ____________________

Folio No/ Client Id: ____________________

DP ID: ____________________

I/We, being the member(s) of ____________________ shares of the above named company, hereby appoint

Name: ____________________

Address: ____________________

____

E-mail Id: ____________________

Signature: ____________________

or failing him / her

Name: ____________________

Address: ____________________

____

E-mail Id: ____________________

Signature: ____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty first Annual General Meeting of the Company, to be held on Thursday, the 31st July 2014 at 10.30. a.m. at the Mini Hall, Narada Gana Sabha, No. 314 (Old No. 254), T.T.K Road, Alwarpet, Chennai-600 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Adoption of Financial Statements for the year ended 31st March 2014.
Declaration of Dividend on the Equity Shares
Re-appointment of Mr. Lin Tai-Yang, who retires by rotation.
Re-appointment of Mr. Nainesh Jaisingh, who retires by rotation.
Appointment of M /s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors.
Appointment of Prof. J. Ramachandran as an Independent Director
Appointment of Mr. V. S. Hariharan as an Independent Director
Appointment of Mr. Keith WF Bradley as an Independent Director
Alteration in Articles of Association

Signed this ______ day of ____________________ 2014.

₹ 1/-
Revenue
Stamp

____________________ ____________________

Signature of Member Signature of Proxy holder(s)

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

Information related to Standalone Audit Report

for the Financial Year ended March 31, 2014

FORM A

1.	Name of the Company:	Redington (India) Limited
2.	Annual Standalone financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Matter of Emphasis (Annexure enclosed)
4.	Frequency of observation	Appeared first time
5.	To be signed by-	
	Managing Director	R. Srinivasan
	Audit Committee Chairman	
	Chief Financial Officer	
	Statutory Auditor	Refer our Audit Report dated May 30, 2014 on the standalone financial statements of the Company For Deloitte Haskins & Sells Chartered Accountants (Registration No.008072S) B Ramaratnam Partner (Membership No.21209)

Place: Chennai

Date: May 30, 2014

Information related to Standalone Audit Report of Redington (India) Limited for the Financial Year ended March 31, 2014

Annexure to FORM A

The Company has received tax demand of Rs. 129 Crores (besides interest of Rs. 78 Crores) for Assessment Year 2009-10 mainly on account of tax on Capital Gain arising from Transfer of Company's investment in a overseas subsidiary to another overseas step-down subsidiary in November 2008.

The Company has preferred an appeal against the said demand before the Income Tax Appellate Tribunal (ITAT), Chennai. Based on eminent tax counsel's opinion, the management is hopeful of successfully contesting the demand in appeal; accordingly no provision towards the disputed tax claim is presently considered necessary.

Statutory Auditor's opinion is not qualified in respect of this matter.

Place: Chennai
Date: May 30, 2014

Information related to Consolidated Audit Report

for the Financial Year ended March 31, 2014

FORM A

1.	Name of the Company:	Redington (India) Limited
2.	Annual Consolidated financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Matter of Emphasis. (Annexure enclosed)
4.	Frequency of observation	Appeared first time
5.	To be signed by-	
	Managing Director	R. Srinivasan
	Audit Committee Chairman	
	Chief Financial Officer	
	Statutory Auditor	Refer our Audit Report dated May 30, 2014 on the consolidated financial statements of the Company For Deloitte Haskins & Sells Chartered Accountants (Registration No.008072S) B Ramaratnam Partner (Membership No.21209)

Place: Chennai
Date: May 30, 2014

Information related to Consolidated Audit Report of Redington (India) Limited for the Financial Year ended March 31, 2014

Annexure to FORM A

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