

Deloitte Haskins & Sells

Chartered Accountants
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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF REDINGTON (INDIA) LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Results of **REDINGTON (INDIA) LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") and its share of loss of its Associate for the quarter ended June 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of forty eight Direct and step-down subsidiaries of the Company as detailed in the Annexure to this Auditors' report.
4. We did not review the interim financial results of forty six Direct and step-down subsidiaries included in the Consolidated Unaudited Results, whose interim financial results reflect total revenues of Rs. 346,377 lakhs and profit after tax of Rs. 3,000 lakhs for the quarter ended June 30, 2013, as considered in the Consolidated Unaudited Results.

These interim results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these Direct and step-down subsidiaries is based solely on the reports of the other auditors.

5. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter Ended June 30, 2013 of the Statement, from the details furnished by the Registrar / Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No.008072S)

B. Ramaratnam

B. Ramaratnam
Partner

(Membership No.21209)

Chennai, August 2, 2013



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Annexure as referred in paragraph 3 in the Independent Auditors' Report dated August 2, 2013

The Statement includes the results of the following entities:

A. Direct Subsidiaries:

- a) Redington International Mauritius Limited
- b) Redington Distribution Pte. Limited
- c) Easyaccess Financial Services Limited
- d) Nook Micro Distribution Limited
- e) Cadensworth (India) Limited
- f) ProConnect Supply Chain Solutions Limited
- g) Ensure Support Services (India) Limited

B. Step-down Subsidiaries

- h) Redington International Holdings Limited
- i) Redington Gulf FZE
- j) Redington Turkey Holdings S.A.R.L.
- k) Redington Egypt Ltd
- l) Redington Nigeria Ltd
- m) Redington Gulf & Co. LLC
- n) Redington Kenya Ltd
- o) Cadensworth FZE
- p) Redington Middle East LLC
- q) Redington Arabia Limited
- r) Redington Africa Distribution FZE
- s) Redington Qatar WLL
- t) Redington Bahrain SPC
- u) Redington Qatar distribution WLL
- v) Redington Limited
- w) Redington Kenya EPZ Ltd
- x) Africa Joint technical Services
- y) Redington Uganda Ltd
- z) RGF Private Trust Company Limited
- aa) Cadensworth UAE LLC
- bb) Redington Tanzania Limited
- cc) Redington Morocco Limited
- dd) Redington Angola ADA
- ee) Ensure IT services PTY LTD
- ff) Redington Gulf FZE
- gg) Arena Bilgisayar Sanayi Ve Ticaret Anonim Şirketi
- hh) Arena International FZE
- ii) Redington Bangladesh Limited
- jj) Redington SL Private Limited



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- kk) Redington Rwanda Limited
- ll) Redington Kazakhstan LLP
- mm) Ensure Gulf FZE
- nn) Ensure Technical Services (PTY) LTD
- oo) Ensure Middle East Trading LLC
- pp) Ensure Solutions Nigeria Limited
- qq) Ensure Technical Services Kenya Limited
- rr) Ensure Services Uganda Limited
- ss) Ensure Technical Services Tanzania Limited
- tt) Sensonet Teknoloji Elelektronik Ve Bilisim Hizmetleri Sanayi Ve Ticaret Limited
Sirketi
- uu) Ensure Supply Chains Logistics LLC, Dubai
- vv) Ensure Ghana Limited, Ghana



Part I
Statement of Unaudited Consolidated / Standalone results for the quarter ended June 30, 2013

₹ in Lakhs

Particulars	Consolidated				Standalone			
	Unaudited		Unaudited		Unaudited		Unaudited	
	3 Months Ended	3 Months Ended	3 Months Ended	3 Months Ended	3 Months Ended	3 Months Ended	3 Months Ended	
1. Income from operations								
(a) Net Sales / Income from Operations	602,009	680,773	537,153	2,416,445	255,347	274,474	244,121	1,040,949
(b) Other Operating Income	3	5	10	21	2	3	10	18
Total Income from operations	602,012	680,778	537,163	2,416,466	255,349	274,477	244,131	1,040,967
(2) Expenses								
(a) Purchase of stock-in-trade	607,970	609,919	556,680	2,299,122	243,713	238,018	236,058	977,628
(b) Changes in inventories of stock-in-trade	(42,413)	30,082	(51,659)	(25,317)	(3,127)	20,032	(5,491)	4,513
(c) Employee benefits expense	9,478	9,169	8,051	34,816	2,504	2,412	2,436	10,209
(d) Depreciation and amortisation expense	830	952	887	3,787	240	244	254	1,000
(e) Other expenses	13,955	13,316	9,826	44,124	6,522	5,569	4,114	18,825
Total Expenses	589,820	663,438	523,785	2,356,532	249,852	266,275	237,371	1,012,175
3. Profit from Operations before other Income and finance costs (1-2)	12,192	17,340	13,378	59,934	5,497	8,202	6,760	28,792
(4) Other Income								
(a) Dividend from Subsidiaries	1,142	2,072	612	4,572	1,510	-	2,137	2,137
(b) Others	13,334	19,412	13,990	64,506	501	624	563	2,351
(5) Profit before Finance costs (3+4)	14,476	21,484	14,612	70,050	1,511	624	2,700	4,488
(6) Finance costs	4,278	4,799	4,394	18,265	1,943	2,087	2,072	8,386
(7) Profit after Finance costs and before Tax (5-6)	9,056	14,613	9,596	46,241	5,565	6,739	7,388	24,894
(8) Tax Expense	2,701	3,480	2,786	11,507	1,433	2,348	1,873	7,757
(9) Profit after Tax (7-8)	6,355	11,133	6,810	34,734	4,132	4,391	5,515	17,137
(10) Share of loss of Associate	-	-	(3)	(3)	-	-	-	-
(11) Minority interest	(270)	(650)	(462)	(2,420)	-	-	-	-
(12) Net Profit after taxes, minority interest and share of loss of associate (9+10+11)	6,085	10,483	6,345	32,311	4,132	4,391	5,515	17,137
(13) Paid up equity share capital (Face Value - ₹2/- per share)	7,986	7,983	7,980	7,983	7,986	7,983	7,980	7,983
(14). Reserve excluding Revaluation Reserves (NIL) as per balance sheet of previous accounting year	-	-	-	156,085	-	-	-	98,564
(15) Earnings per share - (Face Value - ₹2/- per share) (not annualized for the quarters)								
(a) Basic	1.52	2.63	1.59	8.10	1.04	1.10	1.38	4.29
(b) Diluted	1.52	2.62	1.59	8.08	1.03	1.10	1.38	4.29

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Part II
Select Information for the quarter Ended June 30, 2013

Particulars	3 months Ended			Previous Year Ended March 31, 2013 (Audited)
	June 30, 2013	March 31, 2013	June 30, 2012	
A Particulars of Shareholding				
(1) Public Shareholding				
- Number of Shares	315,250,268	315,125,268	314,963,393	315,125,268
- Percentage of shareholding	79	79	79	79
(2) Promoters and Promoter Group Shareholding				
a) Pledged / Encumbered	NIL	NIL	NIL	NIL
b) Non Encumbered	84,027,302	84,027,302	84,027,302	84,027,302
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100
- Percentage of shares (as a % of the total share capital of the company)	21	21	21	21

Particulars	3 months ended June 30, 2013		
	June 30, 2013	March 31, 2013 (Refer Note 9(ii))	June 30, 2012
B INVESTOR COMPLAINTS			
Pending at the beginning of the quarter			
Received during the quarter			
Disposed of during the quarter			
Remaining unresolved at the end of the quarter			
	NIL	NIL	NIL
	NIL	NIL	NIL
	NIL	NIL	NIL

Segment wise Revenue, Results and Capital employed along with the quarterly results

Particulars	Unaudited				Previous Year Ended March 31, 2013 (Audited)
	3 months Ended			As at	
	June 30, 2013	March 31, 2013 (Refer Note 9(ii))	June 30, 2012		
Segment Revenue (net sales / income)					
India	272,858	294,463	251,900	1,093,969	
Overseas	333,261	387,156	287,018	1,329,273	
Total	606,119	681,619	538,918	2,423,242	
Less: Inter Segment Revenue	4,107	841	1,755	6,776	
Net sales / Income from operations	602,012	680,778	537,163	2,416,466	
Segment Results (Profit before tax and interest)					
India	7,775	10,389	8,845	37,346	
Overseas	5,559	9,023	5,145	27,160	
Total	13,334	19,412	13,990	64,506	
Less: Interest	4,278	4,799	4,394	18,265	
Total Profit before tax	9,056	14,613	9,596	46,241	
	As at				
Capital Employed (Segment Assets minus Segment Liabilities)					
India	81,125	79,758	73,451	79,758	
Overseas	104,504	92,517	81,132	92,517	
Total	185,629	172,275	154,583	172,275	

For Redington (India) Limited

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Place: Chennai
Date: August 2, 2013

R Srinivasan
Managing Director

Notes

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 2, 2013.
2. The Company and its forty eight subsidiaries (including step-down subsidiaries) operate in India, South Asia, Middle East, Turkey and Africa. The Company and its subsidiaries operate mainly in Information Technology distribution business besides supply chain business, after sales service of Information Technology and other products and financial services.
3. During the current quarter, the following subsidiaries were incorporated:-
 - i) Ensure Supply Chain Logistics LLC, Dubai
 - ii) Ensure Ghana Limited, Ghana
 - iii) Ensure Support Services (India) Limited, Chennai.
4. The Board of Directors in their meeting held on August 2, 2013 decided to transfer the business of after sales support service to the aforesaid newly formed wholly owned subsidiary Ensure Support Services (India) Limited.
5. Redington International Holdings Limited got merged with Redington International Mauritius Limited on July 10, 2013.
6. Out of 2,335,973 options granted by Redington (India) Limited ("the Company") under ESOP scheme, 541,489 options lapsed, of which 485,355 options were reissued. 290,071 options were outstanding and to be exercised as on June 30, 2013.

25,000 options granted to a Director in earlier years were exercised during the quarter and accordingly 125,000 equity shares of ₹ 2/- each were allotted at a premium of ₹ 31 per share on June 28, 2013. The premium of ₹ 38.75 Lakhs is credited to Securities Premium account.
7. Tax expense comprises of income tax and deferred tax.
8. The income tax officer has sought to bring to taxation the imputed profits on transfer of the Company's investment in overseas step-down subsidiary to another overseas step-down subsidiary in November 2008 without consideration, leading to a potential demand of ₹138 crores excluding interest. The company has made a representation on this to the Dispute Resolution Panel. Based on the tax counsel's opinion, management is hopeful of successfully contending demand, if any is raised in this regard.
9. (i) The figures of the previous periods have been regrouped where necessary to conform to classification of the current quarter.

(ii) Figures for the Quarter ended March 31, 2013, are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2013 and the published year-to-date figures upto the third Quarter ended December 31, 2012.
10. A Limited Review of the quarterly financial results of the Company and one of its Indian subsidiaries and the consolidated results of the Company has been carried out by the statutory auditors. A similar review of the financial results of overseas subsidiaries and other Indian subsidiaries and associate has been conducted by respective statutory auditors.
11. The Standalone financial results of the Company for the quarter ended June 30, 2013 has been filed with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and are available in Company's website www.redingtonindia.com.

For Redington (India) Limited

R. Srinivasan

R Srinivasan
Managing Director

Place: Chennai
Date: August 2, 2013

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