

**Redington (India) Limited**

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**Redington Gulf eyes buys with \$700-mn turnover**

After diluting a 36 per cent stake to Investcorp Gulf Opportunity Fund Company for Rs.480 crore in its Middle East and Africa (MEA) business, Redington Gulf, part of Chennai-based Redington India, is now eyeing four acquisitions to reach new markets.

The group's key promoter R. Srinivasan said that the target companies would have a turnover of \$600-700 million.

Redington Gulf, headquartered in Dubai, is a leading IT distributor and supply chain solution provider in the Middle East and Africa, distributing over 24 brands of IT and telecom products for global vendors such as HP, Acer, Samsung, Western Digital, Nokia, Cisco and Avaya.

Speaking to Business Standard R. Srinivasan, Managing Director, Redington India Ltd. said that the investor had valued Redington' MEA business at \$272 million. He added, the investment would support Redington Gulf's plan to foray into new markets in Middle East, Turkey, South Africa and other Commonwealth of Independent States (CIS).

"Raising debt or loan from the banks is not a good idea now to increase the capital and to fund the acquisition, so it we decided to dilute the stake," he added.

Redington Gulf is at present a wholly owned subsidiary of Redington India Ltd.(REDIL), the globally distinguished IT distributor listed in India and operating in India, South Asia, the Middle East and Africa..

The proposed target companies would be in the same business which currently Redington MEA is into, said Srinivasan.

Raj Shankar, deputy managing director, Redington India and CEO of Redington Gulf and Overseas operation said that the current market size of the IT hardware market in the Middle East is estimated to be around \$6 billion and its growing 45 per cent year on year. The market offers good potential. He noted, last year Redington's Gulf revenue was over \$1 billion.

Today Redington Gulf is active in 23 markets across the Middle East and Africa with over 580 staff and a network of 14 entities in ten countries. PCs and printers are currently the company's biggest product lines, although mobile phones are growing in significance, particularly in Africa.

Redington India said that currently Redington Gulf contributes 42 per cent of Redington's total turnover which was around Rs.11,000 crore last year. The proposed foray markets got a potential especially countries like Turkey, which is half of the current Indian market, which is around Rs.18,000 crore (only the distribution).

