



**REDINGTON (INDIA) LIMITED
28th Annual General Meeting**

**August 11, 2021
11.00 AM (IST) – 12.05 PM (IST)**

CORPORATE PARTICIPANTS:

Directors present through Video Conferencing:

Prof. J. Ramachandran – Independent Director, Chairman of the Board (from *Bangalore, India*)
Mr. Tu, Shu-Chuyan – Non-executive Nominee Director (from *Taiwan*)
Mr. Udai Dhawan – Non-executive Nominee Director (from *New Delhi, India*)
Mr. B. Ramaratnam – Independent Director and Chairman of Audit Committee and Stakeholders’ Relationship Committee (from *Bangalore, India*)
Mr. V.S. Hariharan – Independent Director and Chairman of Nomination and Remuneration Committee and Corporate Social Responsibility Committee (from *Singapore*)
Mr. Keith WF Bradley – Independent Director and Chairman of Risk Management Committee (from *Philippines*)
Ms. Anita P Belani – Independent Director (from *Mumbai, India*)
Mr. Raj Shankar – Managing Director (from *Singapore*)
Mr. S. V. Krishnan – Whole time Director and Chief Financial Officer (from *Redington Corporate Office, Chennai*)

Management Team and other Key Managerial Personnel present through Video Conferencing:

Mr. P. S. Neogi – Chief of Staff (from *Redington Corporate Office, Chennai*)
Mr. Ramesh Natarajan – Chief Executive Officer – India Distribution Business (from *Redington Corporate Office, Chennai*)
Mr. M. Muthukumarasamy – Company Secretary and Compliance Officer (from *Redington Corporate Office, Chennai*)

Other Representatives present through Video Conferencing:

Mr. Sethuraman – Partner, M/s. BSR & Co. LLP - Statutory Auditor (from *Chennai, India*)
CS R. Bhuvana – Secretarial Auditor/Scrutinizer (from *Chennai, India*)

- Moderator:** Dear shareholders, good morning and a very warm welcome to the 28th Annual General Meeting of Redington (India) Ltd. through video conference or other audio-visual means. As a reminder, for the smooth conduct of the meeting, the members will be in the mute mode and audio and video will be opened when they speak at the AGM as per the pre-registration. Please note that per the requirements, the proceedings of the annual general meeting will be recorded and available on the website of the Company. I now hand over the proceedings to Prof. J. Ramachandran, Chairman of Redington (India) Ltd. Over to you, sir.
- J. Ramachandran:** Thank You. Ladies and gentlemen, good morning. I am Ramachandran, Chairman & Independent Director. I am attending this AGM from your Company's registered office in Chennai, India. I welcome you all to the 28th Annual General Meeting. The AGM, as you can see being held through video conference in accordance with the general circular issued by the Ministry of Corporate Affairs and SEBI. Before I begin, wish for good health and safety all of the world and our Redington family. I now request my colleague in the Board to introduce themselves and mention the location from where they are joining. Raj?
- Raj Shankar:** Thank you, Prof. Welcome to all the participants. I am Raj Shankar, Vice Chairman & Managing Director, joining this meeting from our office in Singapore. Thank you.
- S. V. Krishnan:** Thank you, Professor. Good morning to you all. I am S. V. Krishnan, Whole-time Director and the Chief Financial Officer joining this meeting from Redington registered office at Chennai. Thank you.
- Ramaratnam:** Good morning, shareholders. I am Ramaratnam, Chartered Accountant, Independent Director, also Chairman of the Audit Committee and Stakeholders Relationships Committee. I am joining the AGM from the registered office at Chennai.
- V. S. Hariharan:** Good morning, everyone. I am V. S. Hariharan, Independent Director & Chair of NRC and CSR Committees. I am attending this AGM from Singapore. Thank you.
- J. Ramachandran:** Keith. We will come back to Keith, Anita?
- Anita Belani:** Good morning, shareholders. This is Anita Belani, Independent Director. I am joining the meeting from my residence in Mumbai.
- Tu Shu Chyuan:** Good morning, everyone. This is Tu Shu-Chyuan, Non-Executive Nominee Director. I am attending this AGM from Taiwan.

- Chen Yi Ju:** Hi, good morning. I am Chen Yi-Ju, Non-Executive Nominee Director. I am attending this meeting from Taiwan.
- J. Ramachandran:** I would also like to take this opportunity introduce to you, Rajiv Srivastava, as you know is inducted to the Board as Joint Managing Director of the Company earlier this year. Rajiv brings significant experience of working in large organization and driving strategic initiatives which have had significant impact on the Company's where he has worked. Rajiv is appointed to the board with effect from April 2, 2021. Please join me in welcoming Rajiv to the Redington family.
- Rajiv Srivastava:** Thanks for the warm welcome Prof. Good morning, everyone. I am Rajiv Srivastava, Joint Managing Director of Redington (India) Ltd. I am attending this AGM from the Redington registered office in Chennai India. Thank you so much.
- J. Ramachandran:** Thank you, Rajiv. Apart from the board members, we also have key executives and senior management and the shareholders present. Neogi ?
- Moderator:** Sir, we are experiencing some connectivity from Mr. Neogi
- J. Ramachandran:** Okay, Ramesh, are you there?
- Ramesh:** I am there. Thank you, Prof. Good morning to everyone. I am Ramesh Natarajan, Chief Executive Officer, India Distribution Business. I am attending this AGM from the Redington's Registered Office, Chennai, India. Thank you.
- J. Ramachandran:** Thank you. Kumar?
- M. Muthukumaraswamy:** Good morning everyone, I am Muthukumarasamy, Company Secretary, joined from Redington India Limited registered office at Chennai, India.
- J. Ramachandran:** Thank you Kumar. Apart from these key executives, we also have Mr. Sethuraman, Statutory auditors, BSR & Co. LLP, with us. Welcome Sethuraman and also Ms. Bhuvana, Secretarial Auditor and Scrutinizer for this meeting. She has also joined this meeting. Welcome Bhuvana. I am told that we have requisite quorum of 95 members who joined the AGM through video conferencing. Participation of members through video conference is being reckoned for the purpose of the quorum as per the circulars issued by MCA and section 103 of the Company's Act 2013. The quorum being present, I call this meeting to order. I now request Muthukumaraswamy, Company Secretary to provide general instructions to the members regarding participation in this meeting. Kumar!

M. Muthukumaraswamy: Good morning to everyone again. Members may note that this annual general meeting is being held through video conference in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. Facility for joining this meeting through video conference or other audio-visual means is made available to the members on a first come first serve basis. The mandated statutory registers have been available for inspection to the member. As the AGM is being held through video conference and the facility for appointment of proxy by the members is not applicable and hence the proxy register for inspection is not available. The deemed venue of the AGM shall be the registered office of the Company. The Company provided remote e-voting facility to all the persons who were members as on August 4, 2021 being the cutoff date to vote on all the resolutions set up in the notice of AGM.

Members who have not yet cast their votes through remote e-voting and who are participating in this meeting have an opportunity to cast their votes during the meeting and 30 minutes after the AGM through the e-voting system provided by NSDL. Members can click on vote tab on the video conference link to avail this feature. The results along with scrutinizer's report shall be submitted to the stock exchanges that is NSE and BSE and will also be placed on the website of the Company. As the meeting is convened through the VC today, resolutions have already been put to vote through remote e-voting and the requirements to propose and second is not applicable. The Company has received request from the few members to register them as speakers at the meeting. Accordingly, the floor will be opened for these members to ask questions to express their views. The moderator will facilitate this session once the Chairman opens the floor for questions and answers. Members are requested to refer to the instruction provided in the notice or appearing on the video conference a page for your seamless participation through video conference. In case, members face any difficulty, they may reach out on the helpline numbers, 18001020990. I repeat, 18001020990. Thank you very much.

J. Ramachandran: Thank you Kumar.

It is my privilege to welcome you all to your Company's 28th Annual general Meeting. Let me first convey our good wishes to all of you. We hope that all of you and the members of your family are safe and healthy, and we pray for your continued good health and happiness. While I and my fellow Directors on the Board of your Company were keen to hold this meeting in person, the Covid crisis compels us to have this meeting in the virtual format.

This is my 15th AGM as your chairman. And I am happy to report to you that despite the challenging circumstances, your company has sustained its track record of achieving industry-leading performance. During the year gone by, revenues grew by over 10% (from over Rs 51500 crores to a shade over Rs 57000 crores) and profits by nearly 50% (up from 515 crores to 756 crores) resulting in cumulative growth rate of over 14% in top line and 15% in bottom-line since going public 14 years ago

in 2007. The stock markets too have (finally) taken notice of the sustained superior performance of your company with the company's share price reaching an all-time high of Rs 358/-. Members would have read the news report that your company is one of the top 5 value creators from the 100 companies that went public in 2007. What enables the company to achieve such sustained superior performance? As explained in the annual report (I hope you have had the opportunity of going through it, if not: I would urge you to do so) there are three R's that define Redington: Resilience to negotiate challenges that are thrown at us; Resetting our Goals and Reimagining our business model as the business landscape changes. The Covid pandemic tested all the three characteristics. When the pandemic hit us all, operations came to a near standstill. Members would recall that the first quarter of the last financial year witnessed a significant de-growth (of over 15% in terms of topline) as compared to last quarter of FY 2020 and the quarter-on-quarter profits went down by over 25%. But the company bounced back over the next three quarters by leveraging all the three R's – Resilience, Resetting and Reimagine. It operationalized them in what we called a 7Cs framework that is again outlined in the annual report of FY 2020. In short, here is what we did:

We put our people first, which enabled us to sharply focus on the well-being of our partners (customers and vendors). We put our partners interests ahead of ours (doing our best to ensure that they are able to run their businesses as efficiently as one could under the circumstances). Towards this we reengineered our processes to privilege cash and to contain our costs but without compromising our ability to seize the growth opportunities that inevitably follow any such disruptive shock. The pandemic was no different. The opportunities did come. And we were ready.

We expected practices such as work from home and buying online during the lockdown to accelerate digitization. The rapid growth in ecommerce being a case in point. While we all were aware that it is possible to sustain most human activities—personal, social, or professional—by embracing digital technologies, the pandemic made it a reality, quite starkly. While clearly all of us would have liked to experience the paradigm change in our way of life in a more orderly and under more humane circumstances, the pandemic forced us to embrace the new digital way of life, quickly. Your company—a pioneer in providing access to leading edge IT & Communication products and solutions from world class vendors—was well positioned to enable its customers/ humankind to embrace the digital way of life. Over the next three quarters we enabled the world to migrate to a more digital way of life in all the 37 markets we operate in the world. Hence the outstanding results.

The existential challenges of the last Financial Year compelled us to take a brief pause in some of the key initiatives that we had planned towards the company's own digital transformation journey. Following the spectacular performance in the year gone by, these initiatives are back on the table. We are embarking on a major investment drive. We expect these initiatives to transform your company's business model, especially the way it engages with its business partners. Our intent is to make Redington a truly Digital Organization where all the major business decisions are guided by Data Analytics and Intelligent Systems & Processes. Along the way we expect to acquire significant technical expertise in Artificial Intelligence & Machine Learning Technologies and plan to leverage it to occupy peak positions in the evolving technology and competitive landscape. I now wish to draw your attention some of the important developments during the year gone by.

You may recall the long-drawn Gift Tax case that was under litigation with the Income Tax Department. Your Company had several independent expert opinions confirming its interpretation of the prevailing

laws and members may recall that the company had won a favorable verdict at the level of the Income Tax Appellate Tribunal. The Income Tax Department, rather belatedly, filed an appeal in the High Court and regrettably, the Honorable Court's decision went against the company. While we were and still are very confident about the merits of our case, we preferred to settle the matter under the government's "Vivad se Viswas" scheme instead of embarking on a path of prolonged litigation.

I am happy to report that our wholly owned subsidiary, ProConnect Supply Chain Solutions was able to successfully restructure its operations and refine its business portfolio. After the significant challenges of FY 19-20, it is now back on track and is pursuing a strategy of profitable growth. The leadership team at ProConnect has drawn up a concrete plan to transform the company into one of the most technologically enabled Supply Chain Solution providers in the industry. I am also happy and proud to inform you about the outstanding service provided by Team ProConnect to its customers during last year. Despite the lockdown imposed by the government to contain the pandemic, the team kept the warehouses operational by obtaining special permissions and ensured that the critical deliveries of its various customers were made, often at great personal risk. Please join me in thanking Team ProConnect for their dedicated service. They deserve a big hand.

As members are aware, Redington today is a board led company, The company has successfully managed the transition from being a promoter-led company following the exit of the promoters and the founding CEO in 2014-2015. Since then both revenues and profits have grown. Under Raj Shankar, who took over as Managing Director, seven years ago revenues are up from a shade under Rs 31,000 crores to a shade over Rs 57,000 crores (CAGR of 11%) and profits are up from Rs 386 crores to Rs 756 crores (CAGR of 12%). The company has now embarked on the next phase of transition— from a de facto co-founder CEO to a professional CEO. As members know Raj Shankar, is the key architect of the company's international operations which during last year contributed 60% to top line and 68% to bottom line and thus can be considered to be a de facto co-founder of the company. Earlier this year, your Board appointed Mr. Rajiv Srivastava as the Joint Managing Director of the Company and inducted him on to the Board. Rajiv will succeed Raj Shankar as the Managing Director. Rajiv brings with him rich leadership experience with stellar technology companies. We believe his knowledge of the technology landscape would be a great asset to the Company as it embarks on its own digital transformation journey. Please join me in giving a warm welcome to Rajiv and wish him the very best of times with your company.

Our responsibility towards our valued shareholders, who have placed their trust in the Company, has always been of paramount importance to your Board of Directors. I feel privileged to report that your Board has recommended a total Dividend pay-out of 60% of the consolidated profits. This amounts to Rs. 11.60 per share and is the highest ever dividend pay-out by the Company. It is our way of saying showing our appreciation of your support at all times and I hope it will reinforce the trust that you have bestowed on us.

Members would have also noted that the Networth of your Company stands at Rs. 4,933.7 crore as on March 31, 2021. With an Earnings per share of Rs. 19.40, your company's book value per share stands at Rs. 126.30. Therefore, as a further reward to our valued shareholders, the Board has also decided to recommend a 1:1 issue of bonus shares. This reflects the confidence that your board has in the company's future.

Your company is proud of the service it renders to the society under the Corporate Social Responsibility program managed by the Redington Foundation. Its initiatives and investments in the areas of Education and Health of the underprivileged sections of the society has, over the years, made a significant impact. During FY 20-21, the Company's CSR team also delivered Covid-19 related support by distributing health and sanitization material, household necessities and groceries to families that were severely impacted by the loss of their livelihood due to the lockdowns. The details of various activities under our CSR initiatives are available in the Annual Report and I would urge you to go through it. I know that it will fill you with a sense of pride and satisfaction.

At an organization level, we are acutely aware of our responsibilities towards Environment, Social & Governance and the Board exercises a strong oversight on the Company's ESG metrics. Your Company is sensitive about its Environmental footprint and all attempts are made to minimize the impact. We take pride in being an organization of equal opportunity for all and offer a safe and socially comfortable working environment to all our employees. Your Board's governance processes include ensuring adherence to all internal, external and statutory compliance norms.

As we look to the future, your Company is poised to take advantage of the opportunities offered by emerging technologies in the Cloud, Digital & Analytics space. Over the last year we have emerged stronger as an organization and have developed immense confidence in our future as a world class technology solution provider.

I wish to close by thanking my fellow Directors on the Board for their guidance, counsel and encouragement. I thank all Redingtonians for the tremendous dedication and commitment they bring to their roles. Last, but not the least, I wish to thank you, our shareholders for your trust in us. God bless you and God bless all Redingtonians.

I now request Kumar to provide the summary of the auditor's report. Kumar.

M. Muthukumaraswamy: Thank you sir. The statutory auditors, BSR and Co. LLP and the secretarial auditor Ms. R. Bhuvana have expressed unqualified opinion in the respective audit for the financial year 2020-2021. There were no qualifications or adverse comments on any of these reports. The statutory auditor's report on standalone financial statement and consolidated financial statement are available on page number starting from 104 and 165 of the annual report. Secretarial auditor report is enclosed at the annexure G to the board's report on page number 59 of the annual report. We take these reports as read. Thank you, sir.

J. Ramachandran: Thank you Kumar. As the notice is already circulated to all the members, I take the notice convening the meeting as read. We now take up the resolutions set forth in the notice. We will open the floor for any questions by members after all the resolutions are tabled. I would like to inform you that there are four ordinary business and four special business items.

Let me first deal with the ordinary business resolutions. Item number 1 and 2 is adoption of standalone and consolidated financial statements. Your

board, ladies and gentlemen has approved the standalone and consolidated financial statements and placed the same here for your approval as required by the Companies Act, 2013. As was mentioned, there are no qualifications or adverse remarks in the auditor's report.

Item number 3 is declaration of dividend for the financial year ended March 31, 2021. Like I mentioned earlier, I consider it truly a privilege to inform you that your board has recommended a total dividend payout of 60% of the consolidated profit 40 %% is to be treated as normal dividend and to mark the exceptionally good year. We recommended declaration special dividend of 20%. The dividend amount per share is Rs. 11.60 per share which includes one-time special dividend of Rs. 4 per equity share. This is the highest ever dividend payout and they are delighted that we were able to express a matter of appreciation of your continued support.

Fourth item is reappointment of David who is retiring by rotation and he is available for reappointment and just to give you a quick background of David, as you know he is serving our board with great distinct for a long time. He is an engineering graduate from the National Chiao Tung University in Taiwan and has a master's degree in Computer Engineering from San Jose University in USA. He is currently the Vice President of Business Development of Synnex Corporation. He has an overall 37 years of work experience in the Global IT industry and more than a decade with Redington as its Board Member. David offers himself for reappointment and same is placed for your approval.

Now, let us move to the item which requires special business approval, item number 5. The Company has a Branch Office in Singapore. The Company has appointed Ernst & Young LLP, Singapore (EY) as auditors for the Branch Office at Singapore for the financial year ended 2021 at the AGM held on August 12, 2020. As the term of EY has expired, it is proposed to reappoint EY as auditors for the branch Singapore for the financial year, 2021-2022.

Item number 6 deals with the appointment of Rajiv Srivastava DIN 03568897 as Director and Joint Managing Director of the Company. The Board, as I informed you earlier, identified Rajiv Srivastava and appointed him as an Additional and Joint Managing Director with effect from April 2, 2021. Further, Mr. Rajiv is appointed for the period of 5 years with effect from April 2, 2021. The terms and conditions are elaborated at the explanatory statement shared as part of the notice to AGM.

I will now take up items number 7 and 8 together because they are intertwined. Number 8, being related to issue of bonus shares. Shareholders will be aware that since listing the Company in 2007, the equity shares that the Company has actively traded on the National Stock

Exchange of India Limited and BSE Limited. As you are aware, the Company has grown multifold and performed significantly well over this period. We gave the reward to the existing shareholders, to encourage greater participation of small investors by increasing the liquidity of the equity shares and to expand the retail shareholder's base, the Board of Directors on their meeting held on July 7, 2021 considered and recommended a bonus issue of one equity share for every existing one equity share. First time, in Redington's history, ladies and gentlemen, the Board has recommended for shareholder's approvals the bonus share. Further, the authorized capital of the Company in INR 85 crores divided into 42.5 crores equity shares of Rs. 2 each. The issue of bonus shares as mentioned above, required increase in capital from Rs. 85 crores to Rs. 170 crores in the corresponding amendments to the existing clause V of the memorandum of association of the Company. The increasing authorized capital is placed for your approval.

We have tabled all your resolutions for approval and our request, if any member desires to ask any specific questions pertaining to any item on the notice he or she may do so now. The Company has enabled you to raise questions in two ways, one by emailing questions in advance and second by speaking at the AGM. I now request the moderator to read out the question and answers received over mail. Moderator!

Moderator:

Thank you very much. We will start with the questions which we have received through email. The first question is from the line of Mr. Muralidharan Boovaragavan from Chennai. The question is, first of all congratulations on the Company's excellent performance and thank you very much for the bonus shares, despite across globe COVID has created serious impact, however, the Company performed really well for the financial year 2021, what do you attribute as a reason for this performance? How do you think the same can be kept intact post COVID scenarios as well?

J. Ramachandran:

Thank you Mr. Muralidharan Boovaragavan. Thank you for your appreciation of our performance. How did we manage to do the outstanding performance, if you heard earlier part of my presentation to you, I described how we managed to do it because by placing emphasis on three major elements, people, partners, processes and we have also outlined a great length in the annual report the Company's philosophy and how we translate the philosophy into an operational framework in the form of 7Cs framework and I will now request Raj to elaborate more on how you managed this outstanding performance in the year gone by. Raj!

Raj Shankar:

Thank you Prof. Really appreciate; it may be a little out of place for me to say this that was a very fine speech from your side and thank you for your generous appreciation. Amongst other things, just want to share with you

that COVID-19 as all of you know had definitely been an unexpected and unpredictable event that has and continues to leave its impact across economies. COVID-19 is something that no one was prepared for and when the lockdown was announced in India and subsequently in some of the other markets that we were operating in, it was quite a challenging situation to understand and navigate. That said, even before this was started, we had prepared 3 scenarios what we internally call the optimistic, the probabilistic and the pessimistic scenario. After a lot of deliberations and in consultation with the board, we decided to probabilistic scenario and then rolled the dice, but alongside that we also decided to tackle this head on by setting out what we would call as Redington's 7Cs playbook which Professor touched upon during this Chairman speech. These 7Cs include cash flow, collection, cost, customer, contract, control and communication. We ensured that there was adequate cash flow and liquid that was needed to ride over this difficult period. Our sales and credit team worked brilliantly day and night to ensure that the collections were made and were reasonably banked. We were very frugal on our cost and with our seamless engagement with our partners and vendors offering all the support that we put from our end and we established very strong internal protocols and controls, be it expenses, purchases, credit, cost, etc. Also note, the reasons for our good performance can surely be attributed to being in the right technology distribution business. We are fortunate to be in the space which has seen a huge influx of opportunity by work by home, learn from home requirements. We saw the multiple devices ownership play out in all of our homes. We saw organizations, having to revamp their IT systems, processes, applications, in order to address and adapt quickly to working virtually. In summary, it has been a wonderful year for us and we credit this success to the strength of our refined approach and processes, the immense growth opportunity and very importantly the deep commitment of our fellow Redingtonians under the able guidance of our esteemed board. Thank you.

Moderator:

Thank you. The next question is from Mr. Mike Sell from UK. Congratulations on a great year, I read your annual report and noted that you are starting on a journey of ESG reporting which is great to see, could I kindly push you to consider the following, setting targets for used environmental impact, although your GHG emission, example transport etc., waste creation, water usage is low, it is not zero, it would be great to set targets to reduce this impact formally, similarly to set targets for greater gender diversity at senior management board level, we recognize that this cannot happen overnight, but perhaps bursary schemes to encourage women to enter the business and setting senior management KPI in line with improving metrics here. Thank you?

J. Ramachandran:

Thank you Mike. You don't have to push us Mike, we are converts. We are big believers in both ESG and in equal opportunity. As you know, we are

not a manufacturing Company, we were a distribution Company, so the kind of footprint we generate in terms of our environmental impact is much less than manufacturing companies, but nevertheless we are conscious of it, as you know being distributor in the IT companies, we do worry about e-waste and we have a robust process of managing the environmental impact of e-waste in our Company that we generate and we have put in place mechanisms to ensure safe handling and proper disposal of e-waste. This is one of our key ESG initiatives. On diversity in the work place, yes, we are conscious about it, we actively are encouraging towards it and you will see as years go by, we will further improve our record on diversity and especially women in our leadership and board positions. Thank you.

Moderator:

Thank you. The next question is from the line of Mr. Balaji Narayanan from Chennai. What are Redington's plan for expansion both in terms of product portfolio as well as new geographies? Where does it see the highest potential for growth?

J. Ramachandran:

That is a wonderful question Balaji, it is a great question. If you go back and look at Redington's journey, we have grown on three axes, one by growing the geography footprint, increase the number of companies we have operated and today as you notice, we work, we are present in 37 markets. The second axis is on products, how do we enhance the product portfolio and if you notice in the last decade, significant growth has come from the addition of mobility to our portfolio, to the original IT distribution portfolio. The third axis comes from growing the number of brands. So, within IT we represent more brands, we tend to sell more and over the years, systematically, we have grown the footprint, the product portfolio as well as the brand portfolio. Where does the next growth engine come from, we will continue to expand on all these axes. The fourth axis you are putting in place is, how do we provide value added services. So, how can you move up the value chain, how do we ensure that our customers does not buy the hardware or other software from us and we also go back and provide them the solutions and services along those lines. So, our directionally growth will come from sustaining our growth momentum in all the three axes of geography products and brands. In addition, we will be adding value added services to it. Anything else you want to add, Raj, to it?

Raj Shankar:

No, I think Prof., you summed it up very nicely, I would have nothing much to say except that we over the years just to supplement your point that where we started with just India about 27 years ago and now we have expanded and positioned ourselves as an emerging market distributor operating in 37 markets in Middle East, South Asia, Africa and Turkey and in terms of brand portfolio as you very nicely said, from one brand 27 years ago, we pride ourselves in being an organization of about 200 plus branch

today, all of them of great global reputation and in terms of product categories, we continuously expand, so absolutely very less to add. Thank you.

Moderator:

Thank you. Now, we will go ahead with the live Q&A. Before we go live with the Q&A, here are some points for your convenience. Members are requested to keep their questions brief and specific. Kindly turn on your video when you are projected on the screen. Kindly unmute yourself and proceed to ask a question. Please mention your name and the location from where you are joining. Each shareholder will have 2 minutes of their time for questions. Once you have asked your questions, you can log off and continue to watch the proceedings. Now we request Ms. Shilpa L to unmute herself and kindly proceed with the question.

Shilpa L:

Thank you. First and foremost, congratulations to the Redington family for this level of consistency in performance and thank you for sharing more about your expansion plans. My question is, on the policy for dividend distribution since there has been a significant increase in the dividend payout, just wanted to know a little bit of that?

J. Ramachandran:

Thank you Shilpa. Our endeavor is to keep our shareholders as much returns as possible on their investments. If you go back and look at our history, we have cumulatively if you have seen between special dividends, dividends, buybacks, we have in the past so far given about 33% of the profits and our policy moving forward would be to further increase it towards 40% of our profits as payout to the shareholders. Having said that, if you notice this year, we have declared 60% of the profit as payout because we have exceptionally good year. So, broadly the policy would be in the range of 40% of the profit we paid out, but with we do have an exceptional year like we did this year, we will reward our shareholders. If you notice this year, we have done both, increase the dividend payout and we also declared a bonus share.

Moderator:

Thank you. The next question is from Mr. Srinath R. on behalf of Janani P. Please go ahead.

Srinath R.

First of all, thanks for all the generous dividend payouts. It is definitely giving more returns than fixed deposits in India. So, thanks for the management for that. My question is regarding. I think already touched upon the geographies the Company is operating on, but specifically US markets, or is there any plans for entering US markets and do you see like kind of any challenges in terms of entering US markets?

J. Ramachandran:

It is a huge challenge Srinath. If you ask me, I not to go to the US market, but US shareholders say where is the return? It got very competitive market and if you go back and look at our own Company's evaluation, Srinath, our philosophy has been very interesting. We have emerged as

what we call an emerging market distribution major. What is our DNA and what is our core competence is actually operated what we call difficult business conditions, whether it is Middle East, Africa and so on and so forth where markets are volatile and so on, while there is competition but the regulatory environment and the institutional environment these markets are much harder. So, we specialize in emerging markets, setting up foot into the advanced market in the world like United States that is highly competitive I think it is some turn away, hopefully we will get there but I don't see it in immediate future.

Moderator:

Thank you. The next question is from the line of Ms. Mascarenhas. Please go ahead.

C. Mascarenhas:

Respected Non-Executive Chairman, Mr. Ramachandra, Vice Chairman & MD Raj Shankar, Joint MD Rajiv Srivastava and my fellow shareholders, other honorable directors who are attending this virtual, what I should say greetings to one and all. My name is Ms. C. Mascarenhas. I am attending from Mumbai. First, I will thank the Company Secretary Mr. Muthu and his team, Divya madam and else for sending the e-annual report and also acceding to my request and giving me this platform to speak, thanks to Chorus. Now, revenue is up, PBT, PAT, EPS is very good and dividend not to miss, 11.60 in these difficult days of COVID and COVID related problem, that mind of giving 4% additional is very good. Our book value has gone up, in fact COVID looks very good for us. That way COVID is blessing it looks for our Company and this capital is also going up and bonus, the reserves are up, bonus 1:1 is very appreciated. Now I come to the award and accolades given on page #17. Congratulations on all those awards and accolades. Also, I will fail in my duty if I don't congratulate or if I don't show my appreciation for page 20 to 25 on the CSR work done by our Company. I will not elaborate because the time is short and I have got another webinar to attend, that is main, such a big Company, ITC, that is why I am talking very fast. We have very good defined mission values, statements and also 3 Rs, namely resilience, reimagining and resetting is equal to my Company Redington, that is what I read the balance sheet of. Now, my questions, queries, how much savings in expenses due to people working from home and other online, travel not there, how much savings are made and then we have 33,950 channel partners in 37 plus markets, leading markets of 235 and 70 plus sales people, how many were affected with COVID and vaccination level? On page #16, why do we have, 41 overseas banks and 18 banks in India? Next question is we have four well-defined vertical namely consumer, IT, enterprise IT, mobility and services, where is our core competence, number #1. Where is the demand for the future, what is the margin level, how will we tackle the technology going obsolete in future? What sort of de-risk?

- J. Ramachandran:** Madam, what is the time? You also have to go to the ITC webinar. So, tell me what is your question, madam?
- C. Mascarenhas:** My question is where we are core competence and supply chain we got one Company, what is the development of that? Why do we need 53 step down subsidiaries? Rest I don't want to ask more. Thank you very much for giving me this opportunity. May be on the mail I may sent something and you can answer me on mail only, my answer. Thank you very much and I wish your Company all the best and may it grow in strength to strength and we will see very great future from this Company, international Company, thank you so much.
- J. Ramachandran:** Thank you for your blessings, ma'am and we hope it will work and have a good time at the ITC webinar. Let us have next question, please?
- Moderator:** The next question is from Mr. Athinarayanan. Please go ahead.
- Athinarayanan:** I have been shareholder for the last 2 years in professionally run Company, sir. Kudos to the Company and management and the team in this pandemic year with all time high performance and thank you for huge dividend and Bonus. Congratulations, sir. I don't have any questions and all the very best in the coming years also.
- J. Ramachandran:** Thank you very much, Athi. It is all the foundation of the people like you who have put this Company where it has taken. Really appreciate it, thank you so much. I will definitely convey your appreciation to all the members of the leadership team. Thank you so much.
- Moderator:** Thank you. The next question is from Mr. Dhilip K. on behalf of Mr. Krishnaswami. Please go ahead.
- Dileep K.** Sir, Professor. Sorry, had a bad connection. I hope you can hear now. Now the quick question on, what is the basis of choosing 1:1 ratio from a bonus perspective, you could have rewarded maybe better as well, being a bit greedy here?
- J. Ramachandran:** Not a bit greedy, more.
- Dileep K.:** Okay. And the second question follow up to that is the share price if I really see the growth have come really during the pandemic, I mean that is what is added to this I mean God forbid we shouldn't have another one year of that sort, but I hope the continuity of the share price increases where the value creation or value asset creation happens for people like us, so I hope that continues as part of that exercise. So, any plans on that one will be nice to know.

J. Ramachandran: I hope so too. The pandemic, God forbid, should not sustain itself or continued and we do not want another such suffering for human kind to go throw. That is proved to be a little bit beneficial to us is corollary to it, but I don't wish for that to happen again to human kind. Your Company would continue to perform well. It continued to perform well for the last 50 years since it went public, we don't need a pandemic to do better. Let me assure you about it that we as a Company are determined to do well in all circumstances, but we don't wish for this pandemic at all and don't wish for such disruptive events to human kind. Now let me, why 1:1 bonus issue. Like I was mentioning in my earlier remarks, we are well poised now to leverage the digital technologies and build a new line of business in terms of adding value to our customers, be it cloud or be it analytics and other such value-added services. So, what that requires significant investments to be made. While the Company had made significant profits, we have distributed over 60% this year. We want to conserve the money to invest in the future of the corporation, so that we will be able to sustain the performance that we have shown. So, the reason for 1:1 bonus share was a reward at the same time preserve capital building for the future. Because next year you come and ask me where is the dividend, so I need to sustain the dividend, isn't that Dhilip?

Dhilip: Yes, indeed.

J. Ramachandran: So, that is where the reason for the 1:1. We are investing in new businesses, we are investing as I mentioned in the value-added services businesses and we have an outstanding leadership team which I also told you further strengthened by having Rajiv on board now. So, be rest assured your board and your leadership team is making your money work very hard.

Dhilip K.: Absolutely. And as I said senior citizens who have invested money, so I am sure that is going to get rewarded to them.

J. Ramachandran: We are very sensitive of it. We appreciate your trust. We are very sensitive to the fact that people have put their life savings into our Company and trusted us with managing their money. As you can see, you must have seen the news report, if you have not seen your news report, I will invite you to the news report in the Hindu Business Line. Couple of days ago, which tracked the 100 companies which went public in 2007. If you have seen the news item, it is very interesting. Currently this year if you notice is again a boom time for public issues, enabled by Zomato. Earlier boom was seen in 2007. And they give some very interesting statistics in that Dhilip, out of the 100 companies which went public in 2007, only 11 have created value more than index and Redington is among the top 5. Be rest assured, we will work very hard. We will not fail, challenges are there in the market place, technology changes, but we will continue to do our very best for you.

Dhilip K. Look forward, sir.

- Moderator:** Thank you. The next question is from Mr. Keshav Garg. Please go ahead.
- Keshav Garg:** Sir, I have a few questions for you. In online mobile phase, through e-com sir, do we get any business over there or are we bypass from them, sir because if you see the online mobile sales increase from 2016, 10% to 55% now. So, basically, are we in a shrinking market or it does not matter to us whether the ultimate sale is made through online or through physical store? Sir, also wanted to understand that what is the experience of companies in our line of business, our counterparts in countries like China or even OECD countries where e-commerce penetration is higher than India? Sir, also wanted to understand sir, in the con-call it was mentioned that our working capital which is very encouragingly had 12 days last year is expected to go up to 35 days eventually. So, basically wanted to understand, sir, so our current existing level of business is around 57 Crores, this turnover we would require additional working capital or for the incremental growth we will require additional working capital? Sir, also wanted to understand that in the past two quarters, quarter 3 and quarter 4, Company is doing some 425 crores EBITDA. So, sir, you saying that this number is broadly sustainable?
- J. Ramachandran:** Are you an analyst?
- Keshav Garg:** I am a shareholder, yes.
- J. Ramachandran:** And also, an analyst, because then I will encourage you to attend our analyst calls, every quarter. Not the kind of questions that you ask, we do engage with that at great length in the analyst calls. Let Muthukumarasamy know your email ID so that we send you also an invitation for the analyst calls, but we will answer your questions now. Any other questions you have?
- Keshav Garg:** Last two questions. Wanted to understand our cloud business, when do you think it can grow big enough to be demerged? And sir, lastly, since we are selling too many electronic items in so many geographies, sir, we must be collecting and are we able to monetize that data, is there an opportunity over there? Sir, that is all. Thank you very much.
- J. Ramachandran:** You remind me Keshav of my class, you know I am a Professor. You remind me of my student asking me all those wondering questions, bunch of great questions. How is cloud doing? Cloud as we said is big part of our future. Cloud you can have two parts to it. One part is to resell, right or help customers migrate from their existing infrastructure to the cloud by selling either Azure of Microsoft or AWS of Amazon, so on and so, that is like a traditional distribution model. The other is to help them, provide them with cloud management services. So, if you look at the last year numbers, the reselling part of it is just over INR 900 crores. Correct me if I am wrong, Raj. And the managed services business is where we are investing for the future. So, if I look at cloud in the future it will grow significantly is our expectation, that is

why we are investing in. Are we going to demerge it, I don't know. We will keep evaluating the opportunities as and when they come in. If required, we will demerge it because it does makes sense at one level to look at cloud as a separate opportunity. But we shall evaluate that time and do the right thing at that time. Second question with respect to, was about the US markets. What did you ask, the other question as about?

Raj Shankar: No, that is he wants to know about the Apple business?

J. Ramachandran: Apple going online and so on, Raj would you want to take a shot at it?

Raj Shankar: Sure. To be very brief, today, we are selling to different go-to-market on it, which is your reseller, large format retailer and dealer etc. Now with this e-commerce this is one more route to market for us. So, today, are these supplies to the e-commerce companies being done by vendors directly? No, it is going through distribution. So, for us we are agnostic to, whether an end consumer buys the product from a brick-and-mortar retail store or whether from an e-commerce platform. For us we are agnostic because we supply to all these different routes to markets. If that answers your question, Mr. Keshav Garg.

Keshav Garg: Sir, just wanted to understand over there also we are supplying or Apple is supplying directly, over there?

Raj Shankar: No, that is what is my point. That we are supplying to these e-commerce companies. So, they buy from us. They are our customer.

Keshav Garg: Sure sir. That point is well taken. Sir, I am trying to understand whether Apple phone I-store that Apple is setting up, so does that bypass this or...?

Raj Shankar: Good. Thank you. On the Apple, on all online stores, it is done directly by Apple. We as distributor have no role to play. But I just want to hasten to add that there is a mistaken notion that the cost at Apple has set up their own online store, there is reduction of business. On the contrary the more online stores that they set up, it creates a wonderful experience for various consumers who go that place, understands, feel the product, but they would still come and buy from traditional stores. So, the online store is only augmenting our business. It is complementing our business; it is not competing with our business. Thank you.

J. Ramachandran: Let me just add to that Keshav, if you notice, Apple's market share by going online gets further fillip to it. As Apple gain, we gain. So, the more initiatives Apple takes in the market to improve its footprint and its market share the better off here for Redington.

- Keshav Garg:** Sir, last two quarters we did INR 425 crores EBITDA, so sir broadly you think it is sustainable number going forward?
- J. Ramachandran:** What do you think, Keshav?
- Keshav Garg:** Sir, I think with your efforts it is very much possible.
- J. Ramachandran:** We will keep at it, but as you know the spike which comes after a disruptive shock is a sharp spike. Our effort is to sustain that spike but how it unfolds, what I can assure you is effort and strategy. Outcome will follow.
- Moderator:** Thank you. That was the last question. Over to you, Professor.
- J. Ramachandran:** Thank you so much. Thank you, all the shareholders, for all the questions. It is good to have shareholder participation. It energizes at all. It motivates us to do even better. Now we need to move towards the e-voting part of it. As all of you know icon for e-voting is available on the screen which will redirect you to a separate window on the e-voting portal of NSDL. We will continue to be available for the next 30 minutes. Therefore, members who have not cast their vote yet are requested to do so. The board has appointed Ms. Bhuvana, practicing Company secretary as a scrutinizer to supervise the e-voting process. Further, I hereby authorize Muthukumarasamy, the Company Secretary to declare the results of the voting and place the results on the website of the Company at the earliest. The resolutions are said in the notice shall be deemed to be passed today subject to the receipt of requisite number of votes. We have 133 numbers participating today in this Annual General Meeting. I am really grateful to all the shareholders participating from all over the world by the video conference. I now declare the proceedings to be closed. May god bless you all. May god bless all Redingtonians. Thank you very much. I look forward to meet you in next year. Thank you.

The document has been edited for readability purposes and for factual errors. 28th AGM video recording can be viewed from the company's website.