



## “Redington Limited”

July 31, 2023

**Management:**

Mr. J. Ramachandran, Chairman  
Mr. Ramaratnam, Independent Director and Chairman of the Audit Committee and CSR Committee  
Mr. Hariharan, Independent Director and Chairman of NRC and SARs Allotment Committee  
Mr. Keith Bradley, Independent Director and Chairman of the Risk Management Committee  
Ms. Anita Belani, Independent Director of the Board  
Ms. Evelyn Chen, Executive Director  
Mr. Rajiv Srivastava, Managing Director  
Mr. SV Krishnan, Whole Time Director and the Global Chief Financial Officer  
Mr. Sriram, Global Chief Commercial Officer  
Mr. Soumitra Das, Global Chief Human Resources Officer  
Mr. Serkan Kutlu, Global Chief Strategy Officer, Turkey  
Mr. Viswanath Pallasena, Chief Executive Officer of Middle Eastern Africa  
Mr. Ramesh Natarajan, Chief Executive Officer, India Distribution Business  
Mr. Serkan Celik, CEO of Arena Bilgisayar, Turkey  
Mr. Malay Shankar, Managing Director, ProConnect Supply Chain Solutions Limited  
Mr. Deepak Puligadda, CEO of Redserv Global Solutions Limited  
Mr. Ravi Shankar, Chief Financial Officer  
Mr. Muthukumarasamy, Company Secretary

**Moderator:**

Dear members, good morning and a warm welcome to the 30th Annual General Meeting of Redington Limited being held through video conferencing. For the smooth conduct of the

meeting, the video audio of all the members will be in mute mode. The audio and video will be opened only to those members who have pre-registered themselves as speakers. Please note that as per the requirements, the proceedings of the annual general meeting will be recorded and be hosted on the website of the company. I now hand over the proceedings to Professor J. Ramachandran, Chairman of Redington Limited. Over to you Chairman sir.

**J. Ramachandran:** Thank you Swapnil. Ladies and gentlemen, very good morning. My name is Ramachandran, I'm the Chairman of the Board of your company. I welcome you all to the 30th Annual General Meeting of Redington Limited. I am attending this office from our registered office in Chennai. Annual General Meeting for the financial year 2022-23 is being held through video conferencing in compliance with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The company has taken all steps to ensure that the members are provided an opportunity to participate in the general meeting and vote electronically. The live webcast of these meetings is being provided. Participation of shareholders through video conferencing is a record for the purpose of quorum as per circulars issued by Ministry of Corporate Affairs in section 103 of the Companies Act. With the requisite quorum being present, I formally declare meeting open. I will now request my colleagues on the board to introduce themselves and also mention their participation location. Ramaratnam.

**Ramaratnam:** Good morning. I am Ramaratnam, Independent Director and Chairman of the Audit Committee and CSR Committee. I am attending this meeting, this AGM from the registered office of the company at Chennai, India.

**J. Ramachandran:** Thank you, Ramratnam. Hariharan?

**Hariharan:** Good morning. I am Hariharan, Independent Director and Chairman of NRC and SAR Allotment Committee. I am attending this AGM from the registered office of the company in Chennai.

**J. Ramachandran:** Thank you Hari. Keith.

**Keith Bradley:** Good morning, I'm Keith Bradley. I'm an Independent Director and Chairman of the Risk Management Committee. And I'm attending this AGM from the registered office in Chennai, India.

**J. Ramachandran:** Thank you, Keith. Anita. Anita, you're on mute. You need to switch on your.

**Anita Belani:** I'm sorry. Good morning, everyone. This is Anita Belani. I'm Independent Director of the Board of Reddington. I'm joining this meeting from Mumbai.

**J. Ramachandran:** Thank you, Anita. Evelyn?

**Evelyn Chen:** Hi, this is Evelyn Chen. Good morning, everyone. I'm Executive Director of the company and I'm attending this AGM from Taiwan.

**J. Ramachandran:** Thank you, Evelyn. Rajiv.

- Rajiv Srivastava:** Good morning. My name is Rajiv Srivastava, Managing Director. I am attending this AGM from my home office in Noida. Thank you.
- J. Ramachandran:** Krishnan?
- SV Krishnan:** Good morning to all. I am SV Krishnan here. I'm the Whole Time Director and the Global Chief Financial Officer. I'm attending this meeting from the registered office in Chennai. Thanks.
- J. Ramachandran:** It's also a practice to get our leadership team to attend these meetings so that you as shareholders get to meet them. So I'm now going to request my colleagues who are the leadership members of the leadership team to introduce themselves. Sriram.
- Sriram:** Morning to everybody. My name is Sriram. I'm the Global Chief Commercial Officer of the company. I'm participating in this AGM from Chennai.
- J. Ramachandran:** Thank you, Shriram. Soumitra.
- Soumitra Das:** Good morning, everybody. My name is Soumitra Das and I'm participating in this AGM from my home office in Bangalore.
- J. Ramachandran:** Thank you, Soumitra. Serkan Kutlu, please.
- Serkan Kutlu:** Good morning. I am Serkan Kutlu, Global Chief Strategy Officer. I'm attending this AGM from Istanbul, Turkey. Thank you.
- J. Ramachandran:** Thank you. Sarkar, Ramesh.
- Ramesh Natarajan:** Good morning, everyone. I'm Ramesh Natarajan here, Chief Executive Officer, India Distribution Business. I'm attending this AGM from the Redington's registered office at Chennai. Thank you.
- J. Ramachandran:** Thank you. Vish. Vish, you're on mute.
- Viswanath Pallasena:** Good morning, everybody. I'm Viswanath Pallasena, Chief Executive Officer of Middle Eastern Africa. I'm attending this AGM from the office in Dubai. Thank you very much.
- J. Ramachandran:** Thank you. Serkan Celik, please.
- Serkan Celik:** Good morning, everyone. This is Serkan Celik. I am the CEO of Arena Bilgisayar in Turkey, and I'm participating to this AGM from Istanbul, Turkey.
- J. Ramachandran:** Cem?
- Cem Borhan:** Good morning, everyone. This is Cem Borhan. I'm the Chief Executive Officer of Redington, Turkey, and I'm attending this AGM from Istanbul, Turkey. Thank you.
- J. Ramachandran:** Malay.

- Malay Shankar:** Good morning. I am Malay Shankar, Managing Director ProConnect Supply Chain Solutions Limited, and I'm attending this AGM from Bangalore.
- J. Ramachandran:** Thank you. Deepak.
- Deepak Puligadda:** Good morning. My name is Deepak Puligadda. I'm the CEO of Redserv Global Solutions Limited. I am attending this meeting from Chennai.
- J. Ramachandran:** Thank you, Deepak. Ravi Shankar.
- Ravi Shankar:** Good morning. I am Ravi Shankar, Chief Financial Officer, joining from registered office, Chennai, India.
- J. Ramachandran:** Muthukumar.
- Muthukumarasamy:** Good morning, everyone. I am Muthukumarasamy, Company Secretary, joining from this meeting from our registered office, Chennai.
- J. Ramachandran:** Thank you, Kumar. I would like to inform members that our Director, David Tu, is unable to attend this meeting today. Yesterday was David's son's wedding, so he's unable to attend to participate in his son's wedding celebrations. We wish David and his family a wonderful time at the wedding. The representatives of the statutory auditors and security auditors of the company are also present at this meeting from their respective locations. The register of directors and key management personnel and their shareholding, the register of members, the register of contracts, and all statutory documents that are required to be made available are available for inspection by the members electronically if they so desire.
- As the meeting is being held through the video conference, the facility for appointment of proxies with the members is not applicable. And hence the inspection of the proxy registry is not possible. I will now request Muthukumarasamy, company secretary to provide general instructions to the members regarding participation in this meeting. Kumar.
- Muthukumarasamy:** Yes sir. In compliance with provisions of section 108 of the company's act, 2013, led with rules 20 of the management and administration rule 2014, the company had provided remote e-voting facility to its members for the businesses proposed in the notice of the Annual General Meeting through National Securities Deposit Delimited, NSDL platform. Remote e-voting commenced on Wednesday, July 26, 2023 at 9 a.m. and ended on Sunday, July 30, 2023 at 5 p.m. The company has appointed Mrs. Bona and associates, practicing committee secretaries, as scrutinizer for conducting the e-voting process in a fair and transparent manner.
- Members who have not cast their votes electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL. Members can click on vote, tap on the video conference screen to complete the voting. The auditors report on the standalone and consolidated financial statements and the secretarial auditors report of the company for the financial year ended March 31, 2023 do not contain any qualification, observations, or comments or other remarks on financial transactions that has an adverse effect on the functioning of the company.

Accordingly, the reports are not required to be read out as per the provisions of the Company's Act 2013. Thank you, Chairman.

**J. Ramachandran:**

Thank you very much, Kumar. Members will remember that it's kind of customary for me to make some remarks at our annual meetings. As you can see, this year we have had a good year as our revenues grew to over INR79,000 crores, which is up from over INR62,700 crores the previous year. Our profits after tax grew to over nearly INR1,400 crores, which is up from about INR1,280 crores last year. And following this good performance, we are seeking your approval for continuing with our policy of declaring 40% of our consolidated profits as dividends.

That ladies and gentlemen, amounts to INR7.2 per share. And members will know that our shares face value is rupees two per share. Like I mentioned in my letter to all of you in the annual report, since the time the company went public, your company has achieved a compound annual growth rate of nearly 15% in revenue and nearly 18% in profits.

Just to jog your memory, in 2007, ladies and gentlemen, we had a revenue of INR8,667 crores. This year, our revenue, as you have noticed, is INR79,519 crores. The profits in 2007 were a shade over INR100 crores, INR102 crores. And this year, our profits are a little shy of INR1,400 crores, INR1,393 crores to be precise. What I'd like to do is reiterate that this growth, ladies and gentlemen, has been achieved without raising any additional equity from you.

A backup the envelope analysis, a calculation tells me that if you as a shareholder invested a million rupees, INR10 lakhs in Redington share in 2007, you would be a millionaire 20 times, nearly 20 times over today, or in a more common parlance, a Crorepati twice over. These AGMs are also platforms for us to reinforce our commitment to you, our commitment to pursue profitable growth.

And as I've explained to you, our profitable growth is anchored on two critical and important pillars. One is an unwavering commitment to excellence. And second, is a strong belief in being relevant in a constantly changing technological and competitive landscape. As we say internally, navigating disruptive change is a way of life for Redingtonians.

The metaphor I constantly employ for describing a company is that of a skilled surfer. As you know, surfers are energized by turbulence and change, and that's what your company and its leadership is all about. And how do I look at the future? I see a lot of change ahead. Technology is once again set to redefine life.

All of us have been very familiar with the conversations about ChatGPT and more broadly generative AI. That will prove to be, if I could borrow Steve Jobs' famous expression, the new bicycle of the mind. It may be good to actually explain what context Steve Jobs talked about this example of bicycle of the mind.

When Jobs was asked about, what would be the likely impact of computing, he saw it this way in the early 80s. He said he had read a scientific report where it is saying, which is the fastest person in this, or animal in this world? And he found that, when they ran a race, the Condor

was the fastest. And then in the next experiment, they put a human on a cycle and to use Jobs' expression, just blew the Condor away. And Jobs thought computing in the early 80s would actually be equivalent to bicycle of the mind.

Today with generative AI, we are the next and a more powerful bicycle of the mind. And that's the kind of an opportunity that awaits us and your company. Similarly, in terms of the markets we participate in, the emerging markets, as you know, India is well on its way to becoming the third largest economy in the world.

The other important markets for your company are Middle East and Africa. Both are slated to be among the fastest growing economies in the world. I, therefore, see limitless opportunities for your company ahead. Let me assure you that, even as we embrace these new opportunities, grow and transform ourselves, some things won't change in Redington.

Our commitment to excellence, our commitment to being relevant, and our commitment to create value for all. I once again, thank you all for giving me this opportunity to address you. It's been a privilege for the last 16 years to be the Chairman of this wonderful institution. I'd also like to thank my colleagues on the Bard for their advice and counsel and the executive management team and all our people for the dedicated service to the company and displaying sustained commitment to our promise of creating value for all. God bless.

Getting back to the business of the day, in compliance with circulars issued by the Ministry of Corporate Affairs and SEBI, the copy of the annual report of the company for the financial year ended March 31, 2023 has been circulated to you on 7th July through electronic mode to the members of the company.

And with your permission, ladies and gentlemen, I shall take them as read. We'll now take up the resolution set forth in the notice. I will open the floor for any questions when members after all the resolutions are tabled. I'd like to draw your attention to the fact that, there are four ordinary business and seven business items scheduled for this meeting. In terms of ordinary business, the first item is the second item or adoption of standalone and consolidated financial statements for the year gone by 2020 to '23.

The Board of Directors approved the standalone and the consolidated financial statements and place the same here for your approval. As mentioned, there are no qualifications or adverse remarks in the statutory auditor's report. Item number three is the declaration of dividend for the financial year, March 31., 2023. Your Board recommends a payment of dividend of INR7.20 per share.

Item number four is the reappointment of David Tu as a Director. David retires by rotation and being eligible offers himself for the reappointment. David has more than 40 years of experience in global IT industry and has expertise in vendor experience, strategy, distribution, talent management, and finance. In terms of special business, which is item number five in the list, the appointment of branch auditor.

The company has a branch office in Singapore as you know. It has appointed as auditors for the branch office in Singapore for the financial year 2023. Considering the evaluation of the

past performance experience and expertise of Deloitte and based on the recommendations of the audit committee, the Board has approved the appointment of Deloitte and Touche as auditors for the branch office for Singapore for the financial year '23- '24.

Subject of course, your approval. Items number six and seven change in the designation of David Tu and Evelyn Chen as non-executive, non-independent Directors. This is in line with the regulatory provisions based on the recommendation of the NRC of the Board, which approved the change of the designation of David and Evelyn as non-executive, non-independent Directors subject to rotation for by the and for approval of the shareholders.

Item number eight is the reappointment of Mr. Ramaratnam, who is the chair of our audit committee. He was appointed as members would remember as an Independent Director in the AGM held on July 30, 2018. Based on the recommendation of the nomination and remuneration committee, the Board recommends reappointment of Ramaratnam as an Independent Director, not liable for rotation for a second term of five years, effective May 21, 2023 till May 20, 2028, both days inclusive. Ramaratnam fulfills the requirements of an Independent Director as laid down by Section 149-6 of the Companies Act and Regulation 60 of the Listing Regulations and the company has received from all necessary declarations and confirmation from it.

In the opinion of the Board and based on its evaluations, Ramaratnam fulfills the conditions specified by the act and the rules made there under and recommends his appointment as an Independent Director of the company and he is independent of the management of the company. Items 9, 10 and 11 relate to the share based employee benefit scheme of 2023 for grant of restricted stock options to eligible employees of the company, subsidiary companies and group companies, including associate companies.

As members would know, an equity-based compensation is considered an integral part of employee compensation today across sectors, enabling alignment of individual goals of the employees with the organizational objectives by participating in the ownership of the company. The company believes that an equity-based compensation plans are an effective tool to reward the talent of the company and the associated entities.

With a view to motivate our employees for the contribution for the growth to create an employee ownership culture and retain them for ensuring sustained growth, your company intends to implement a restricted stock options plan, namely Redington Limited Share-Based Employee Benefit Scheme 2023, or in short, RSV 2023, seeking to cover all eligible employees of the company, subsidiary companies, and group companies.

According to the nomination and termination of the committee, the Board of Directors at the respective meetings held on February 1, 2023, approved the implementation of this plan subject to the approval of members. Having tabled all the resolutions, now I'll open the floor for questions. I believe the company has enabled members to raise questions in two ways. One by emailing questions in advance, and secondly by being a speaker shareholder at this AGM. I now request Swapnil to manage this process. Swapnil.

**Swapnil:**

Thank you, Chairman Sir. Firstly, we will take up questions received through email. Chairman Sir, we have different shareholders sharing their questions with us through email. Every single speaker shareholder has sent the questions in part. So I will read out the entire question for you and then you can go ahead with the entire answer for every each individual. So the first speaker shareholder Mr. Mitesh Mehta has asked his question. His question is what is the actual impact of Apple opening stores in India? Do products sold at Apple stores give any revenue or profits to the company or direct sales may reduce that amount of revenue to the company. How does the Redington distribution channel work in Tier 2 and Tier cities?

Does our company have direct warehouses, distribution centers, or it works on franchise model? Does company have plan to expand to other geography like North America, ASEAN countries, Oceania to achieve our aim of number one distributor of digital products in the world. What is the target here when we plan to achieve it, do we plan to enter other distribution lines like say FMEG appliances or anything of that sort?

What is our target for services businesses, which we plan to grow very aggressively in term of top line and what margins we accept. We expect in same going forward. How many ballpark percentage would also do if for our offices, distribution centers are owned and how many are rented.

**J. Ramachandran:**

Is it over or any more questions for Mitesh Shah...

**Moderator:**

So, this is the question that he had for us. You can go ahead with the answer.

**J. Ramachandran:**

Mitesh, I hope you're attending this meeting. Thank you for all your questions. I'm always delighted when shareholders ask questions because that tells me they're engaged with the company and that's very important for us, right? So, let me try and answer some of your questions. I think you had a question about the impact of Apple opening stores in India. Our assessment is a very positive impact. We don't look at this as a zero-sum game, right? It's an ecosystem argument and what happens in an ecosystem is, when such stimuli is provided by our major vendors and our partners, right, it actually benefits all.

So, our assessment at this point in time is that Apple opening stores in the country is actually good because it will help Apple increase its share. As Apple increases its share, your company's share also will go up. I think you had a question on our distribution. Yes, we do actively have presence in Tier 2, Tier 3 cities. As you know, a while ago, we spun off the entire -- the logistics operation of the company into a separate subsidiary called ProConnect Supply Chains.

So today, the company does not own directly warehouses and distribution centers, it's operated through ProConnect. I think your questions about expanding our footprint into some different geographies and product portfolio. Mitesh, as of now, no. I think we have, like I was explaining to you, we have significant growth opportunities in the current geographies and in current brands and products we participate in. So, as of now, we are not contemplating, expanding our other geographical footprint or our product portfolio. You wanted to target on services, did I get it right, Swapnil?



- Moderator:** Yes.
- J. Ramachandran:** Okay. Yes. I was just explaining to Mitesh that we do operate in fairly turbulent markets. It's going to be very hard to specify a target, like keep on adapting as we go along. As a consequence, it's very hard to give you a guidance on this matter. Yeah, I hope Mitesh that's fine with you. Thank you. Swapnil, the next one, please.
- Moderator:** Thank you, sir. The next question is from Mr. Priyank Kothari. His question is, government has taken a landmark pilot project with top four electronics repair service operators, in the electronics industry in Bangalore, with a vision to make India a global electronics hub for repair. And I understand there has been some movements of electronic goods since then. Is our company playing in role in this development?
- We have an edge and definitely have scope to also become very relevant in this business, if it scales. Are we working in that direction and could you elaborate the opportunity for us? You can answer the question, Chairman sir.
- J. Ramachandran:** Priyank, thank you again. It's a great question. Like I said, we will be relevant, and that's our philosophy. We will look at the opportunities as they emerge and seize them as and when required. And partly, this is also an interesting opportunity for us from a larger objective of being very ESG-friendly enterprise. So, as of now, we are looking at the space and as and when things become clear, we will be – we will participate in these markets. But as of now, we're still watching the opportunity.
- Moderator:** His question continues with the recent news of Tata and Foxconn, etcetera establishing in semiconductor chips in India. Do we see Redington playing any role in this emerging ecosystem? Can we expect that semiconductors and electronics can be a big area for future potential for us?
- J. Ramachandran:** What do you think Priyank? We are closely monitoring these opportunities and spaces as they come along. So, we will, like I said, seize opportunities which they come our way. So, provided they leverage our skill sets, leverage the kind of footprint that we have, we will keep our options open on this. Broadly, we will monitor and come back to you, to shareholders for approval, if we do participate in these spaces. Swani, yeah.
- Moderator:** His question continues. He has got another point here. He's asking, we saw a big growth in the enterprise business and cloud migration. Can you please elaborate this business as I still fail to get a real sense of what exactly we do in this space and how?
- J. Ramachandran:** Priyank, I'm impressed. It's a great question. For me to answer that question, I think we need to have an offline conversation. It's not going to be easy to provide a very detailed explanation to give you a sense of how we are leveraging this opportunity, but you are aware that this is the way the world is going and to give you a why don't we have an offline conversation, because it's going to take a lot of time to explain this, how we are positioning ourselves for the cloud opportunity.
- Rajiv Srivastava:** Maybe Prof, we can just, because it's an important one, if it is okay, I can just chip in a bit.

**J. Ramachandran:** Sure, go ahead.

**Rajiv Srivastava:** Okay. I think, Priyank, you know that the industry is shifting towards new ways of consumption models. And as organizations are accelerating their own digital transformation initiatives, the enterprise technology products and cloud are becoming the fastest growing segments of the market and business globally are shifting to this. A significant amount of our own growth is leveraged to these businesses.

So, as the industry business is moving towards cloud, your question is to what do we do in cloud? What does Redington do in cloud? First is, we do a few things together with our partners. First is, we provide infrastructure products, compute, networks, storage, software, security, all these products which go into creation of a data center. And that makes cloud possible. In the absence of data center, you have no cloud. These products create data center, cloud becomes possible.

Then we provide advisory services, migration services, transition services that will allow organizations to deploy these applications and start using the cloud. Now, once you've got the cloud constructed, we facilitated subscription services so that it allows you to use and pay for what you use, rather than just buy it off just like that, in a very capital-intensive model. So, it allows you to run your infrastructure in a very opex model.

And then we provide security services to ensure that your applications, your data, even though it resides in the cloud data center, it's still secure the way you would want it to be. And then we allow you to manage this whole entire infrastructure and applications over the entire lifecycle of the USA.

So, it's a very complex and a comprehensive capability that we as Redington are providing in the cloud world. And like Prof said, it's much more detailed and deep than that, so we can talk about it differently. But this in a nutshell, from creation of the cloud, to facilitating consumption, making it secure, and ensuring the lifecycle management is the whole space that we play in.

**J. Ramachandran:** Thank you Rajiv.

**Moderator:** Chairman sir the question continues from Priyank. As he is asking us, we saw a big growth – okay in our Annual Report, we have mentioned from traditional distributor. We have become a technology aggregator and comprehensive solution provider. Can you please elaborate and give with some case study or some client example for us to get a real idea what do you mean by this, what it was early and what it is now. This would also definitely improve our gross and operating margins as we shift our strategy. Can you give some sense that what kind of margins can we now enjoy with this new strategy?

**J. Ramachandran:** Another great question, Priyank. Another great question which deserves a great offline answer. But let me try and give you a quick sense of it and then perhaps ask Rajiv to elaborate more on this as well. If you really look at our journey, it's actually how do you enable access to technology? How do we bridge the information asymmetry between those who create technology and those who consume technology, right?

And over the years, this complexity has gone up, right? Rajiv just now talked about security. You didn't talk about security when you first bought your laptop, right? So the world is dramatically changing from traditional distribution in the sense of making the products valuable to a more complex solutions to be given to customers. So this journey is what the industry has gone through and so has your company gone through. The power of technology is it democratizes.

It democratizes access to information, knowledge, as a consequence, humankind can make progress. And that's where your company participates. In terms of operating margins and all, definitely, of course, as you add more value to the customers, the customers tend to pay you more. So to better describe what we do is what we have defined ourselves in the annual report as you read. Rajiv, you want to add more to it?

**Rajiv Sirvastava:**

Yeah, I can do that, Prof. Thanks so much. And I think that's a great, it's a fantastic question and talks to exactly the way the world of technology consumption is changing right now. Just so you know, I think the companies earlier would go and buy a bunch of servers and they would then go and buy some security products or they would buy some access, like a PC or a printer to manage their infrastructure activities.

Now, suddenly, the world shifted to becoming hybrid. When you say hybrid, it's something which you do within the company, and a lot that you do of the cloud. So it's hybrid in that sense where your applications are distributed. When you play this out now, so earlier you would buy a pure server which will reside within your premise and run applications of that. Now you buy a server to run applications within your premise and some applications running somewhere else, you don't know where they are.

Now this whole bill of material now becomes amazingly complex. Because you need server, you need storage, you need network, you need applications, you need software, you need cybersecurity on top of that, you need some edge computing. So the bill of material has become very complex. No one single partner today, or no one single brand, or no one single vendor like an HP, IBM, Dell, anyone, can really cater to the entire bill of material from a customer. So what you now need to do is from providing individual products, now you need to aggregate a whole range of solutions for the customer.

And that's what is meant by becoming a technology aggregator. Redington, by virtue of its relationships with more than 290 brands across the world, which is the best in the world, can put together the most complex of technology solutions that a customer can ever need. And since we wanted to make it real for you, let me give you an example. You go to a bank, you go to an HDFC bank, for instance, and the bank says, look, I need to do a solution for just automating my branches. And they go and do that by linking through a network and a security solution through the branches.

But then they say we need to do a check-truncation solution. Now, which is a much more secure, much more enabled solution and that runs in the branch. And then they say we want to do a mail messaging solution or a marketing solution, marketing automation, and that marketing automation solution sits in the cloud. So think of it, these three solutions, which are

so, so diverse, one simple linking a branch, second linking a check truncation, which is again within the bank, and the third, which is marketing automation, which is on the cloud. When you have to combine all of these three, that's a complex thing.

It requires aggregating the various kinds of technologies into one single solution and deploying that. So it's becoming complex. And that's the reason why companies like us, when we play like a pure play technology aggregator and then go ahead and implement the solutions for the customers, it becomes that much more value addition for our customers.

To your point, will the operating margins go up? And I think Prabh answered it brilliantly. They will over time as you add more capabilities, they will become better and better as you go forward. But that's the way in which, or direction in which the world is evolving.

**J. Ramachandran:** Thanks, Rajiv. Swapnil.

**Moderator:** Thank you, sir. He continues to ask us, we have talked about investing in cloud computing, AI, IoT, cybersecurity, 5G, etc. We are predominantly a hardware distributor company in my knowledge. So I fail to understand the context of this investment in new technologies. Why do we need to invest in them? And where do we see the impact coming in? What would we be doing in this space?

**J. Ramachandran:** Great question. Again, I think Rajiv explained to a great length which way the world is moving, right? So if you go back and look at it and reflect on this, we are primarily an IT distribution company. Should we be distributing mobile products is a question. If we didn't seize the opportunity of providing mobile products 20 years ago, third of our business won't be existing today.

So as opportunities come by Priyank, we will seize them. Of course, we'll evaluate them. We'll build the requisite capabilities to them. And then make sure that it's a profitable opportunity for which we can exploit as a company. So we will exercise our mind before we get into any of these spaces. Yeah. Swapnil.

**Moderator:** He continues to ask, our cloud solutions that we provide are private cloud to the enterprises competing with AWS, Azure, etcetera. Can you please explain the Cloud Quarks platform in detail? Any case study or live example would be helpful. What is our vision for solar and cloud business in next five years? How big can we expect this business to become?

And what would be a normalized working capital days as of now, as COVID effect is out? Our WC capital requirements has also increased. Could you let us know what would be the WC requirement going forward?

**J. Ramachandran:** Priyank, you must visit us or be present in person. It would be good to explain all these things to you in person. So I invite you to come and spend some time with us. Quickly to give you some sense of each of the items that you asked about. All our solutions are public cloud. And we work in along with AWS, Azure and Google. We compliment them. And think of Cloud Clocks as a digital platform which enables our channel partners to onboard subscription services on one digital platform itself.

That's what Cloud Cloux is all about. Data essentially enhances the experience with an on-demand reporting and analytics to gain insights into cloud service consumption. What's the patterns like and so on. What's the next question Swapnil? Solar and cloud, exactly the same. We will seize opportunities, Priyank. We saw the opportunity coming with respect to solar a while ago, and we have since grown that business, but we watch each of the initiatives of this kind very carefully and calibrate our growth and expectations of these businesses as they unfold.

The COVID normalization of working capital, we suspect we're close to the normalized situation right now. But of course, this will keep changing with the marketing mix and the product mix that we have. If we have more mobility solutions growth, the working capital tends to come down. But if you have more complex solutions with the kind which Rajiv was explaining to you, the likelihood to be go up. But broadly you can say a thumb rule would be around 40 days. Swapnil.

**Moderator:** Thank you, sir. We have our next shareholder, Mr. Munnalal Sabu, asking the question for us. His question is, it is found that auditors have remarked in 22, 23 accounts that revised statements filed with banks regarding stocks, etcetera are telling with the books. Why original statements filed with lenders are not telling?

**J. Ramachandran:** I think it's a very standard accounting practice, nothing to worry about it.

**SV Krishnan:** So these are basically, I mean, first we submit the provisional details with the bank. And once if the audit gets completed, then the final statement is submitted. In this case, there was a small difference between what was initially submitted as a provisional statement and what was later submitted after the audit got done and it was complied with. That's what the auditors also have remarked in their report.

**J. Ramachandran:** Nothing to worry about it, Mr. Sabu. It's a very routine practice to make sure that we are reconciling all the numbers correctly. Swapnil.

**Moderator:** Thank you, sir. We will move to round two, where we will have speaker shareholders ask this question. Before we go live with the Q&A, there are some points to your convenience. Members are requested to keep their questions brief and specific. Kindly turn on your video when you're projected on the broadcast screen, kindly unmute yourself and proceed to ask the question. Please mention your name and the location from where you're joining. Each shareholder will have two minutes for their questions. Once you have asked your question, you will be aligned back to the other list then you can continue to watch the proceedings.

Now we request our first speaker shareholder, Mr. Keshav Garg. Mr. Garg, we have sent you a prompt. Please accept, and you can continue with the question. Yes, Mr. Garg. Please go ahead with your questions.

**Keshav Garg:** Thank you for providing me this opportunity. So I have already sent my list of questions, but I'll quickly repeat them. Sir, what is the outlook for FY '24 in terms of top line and bottom line? Sir, who is the third largest player in domestic IT distribution industry after Ingram

Micro and Redington? And sir, what would be our approximate market share in the domestic market?

Sir, are we present in all the segments that Ingram Micro is present in? So there is something known as advanced solution and specialty segment that they are operating in. So I am trying to understand whether we are also present in this segment?

Sir, also say Ingram Micro has got exclusivity contracts with some vendors. So do we also have similar exclusivity contracts? Sir, also, so they are doing 2.9% operating margin, whereas we are doing 2.5% operating margin. So what is the reason for the same?

Sir, my other question was, you have already replied that whether the Apple setting up its own retail stores and increasing online penetration, especially in the mobile segment. So lastly, sir, I wanted to request you for a -- firstly, I wanted to thank the Board for the -- very healthy dividends that the shareholders have been receiving. Sir, but instead of that, if you could do a share buyback, so it will be EPS accretive. Sir that will be of a permanent benefit to the company, whereas in dividend, once the cash goes out of the company, that's the end of it.

And lastly, sir, kindly put this AGM video on YouTube so that other shareholders can also refer to it in future. So thank you very much and best of luck to you.

**J. Ramachandran:**

Thank you, Mr. Garg, I really appreciate your participation. Your question on guidance of top line and bottom line, I'm sorry, I will not be able to give you a guidance on this because that's not our practice at all, but be rest assured like we have in the last 16 years since we went public, we will be at it. We will grow the company, we will take it down a profitable path, we will do our best of ability to manage the company very well.

In terms of who's the third distributor, the challenge in this space, Keshav, is that except for Redington, others are all unlisted. Right, so we really don't know precisely what is the kind of numbers that they have? So for us to be able to stand up here and persuasively tell you this is exactly the state of affairs. So it's very hard for me to comment on that because I don't know for certain. Yes, we do of course track, but in a public platform, it's hard for me to go back and say this is what it is. Right?

Comparative strategies, we talked about it, right? How do we bridge the gaps between those who aspire for steady our technology versus those who make those states of their technology? We elaborately explained in our annual report, how do we then accelerate people who are traditionally considered laggards to mimic the early adopters as fast as they can so they get a competitive advantage. I think, the one way to think about our competitive advantage is when we help our customers to win, we win. So our entire strategy is to help our customers win.

Yeah. Again, on the Ingram Micro, can't tell you, but Rajiv, any additions or any comments on the advanced solution and speciality segment?

**Rajiv Sirvastava:**

Actually, different companies have different pivots to themselves in the market. Ingram does some advanced solutions here, not in India, but they do it globally though. And that may be their vantage point for their business growth. But we're not doing that. But, from -- I might

want to add a bit on the competitive strategy that the company follows, if that is okay with you.

**J. Ramachandran:** Yeah, let's go ahead and make it brief. Yeah.

**Rajiv Sirvastava:** Yeah. Okay. I think that's a very significant and important point, because it's important for you to get, as the owners of a company, where are we headed and how we are headed in that direction. We got a very crisp four pillar approach and strategy to the market right now. The first is our positioning in the ecosystem. Our positioning in the ecosystem is all about bringing innovation faster to the market. So we eliminate or reduce technology friction, which is the gap between innovation of technology and its actual usage. So we try and reduce that. So our positioning is about bringing innovation faster to the market.

The second is of redefining our partnerships. We have such an important focus on all the vendors, all the brands that we carry, the independent software vendors, Tier 2 and Tier 3 alliances that we've got across the whole country. So that's the second pillar.

The third is providing a best in class experience for all. Now, these experiences are digital. These are personalized. These are customer choice experiences, which are close to customers and close to partners.

And the fourth pillar of our strategy is about building the best operating model, which is globally consistent and locally relevant. So we do in India what makes sense for India, but we overlay a fabric of global consistency on top of that. And all the initiatives that the company is taking is with the objective of supporting the above four and the two foundational building blocks, and I must give you those because they are critical.

One is people and organization. We really, really feel proud about the kind of people that we got, the culture that we've created over time. Our culture and people practices are really, really helpful for running the company and we hire the hiring the best talent as well. So that's on the people front.

And the second is -- second dimension of foundational building block is about operational excellence. Excellence which -- operational excellence, which allows us to be efficient, allows us to be optimized, and allows us to deliver best experience to every single individual, every single SMB, and every single large enterprise customer. That's the whole strategy, yeah.

**J. Ramachandran:** Thank you, Rajiv. On the question of dividends, Keshav, we take your advice. We'll definitely explore the opportunities of how do we look at buyback in the future. Yeah. Thank you. Thank you. Does it answer your questions, Keshav?

**Moderator:** Chairman, sir, Mr. Garg would not be able to speak as he is only able to hear it.

**J. Ramachandran:** Okay. Gaurav?

**Moderator:** Yes. We will move to our next speaker, Mr. Gaurav Rozatkar. Mr. Rozatkar, we have sent you a prompt. Please accept the prompt. You can unmute your audio and video. Mr. Rozatkar, please go ahead.

**Gaurav Rozatkar:** So, first of all, very good morning to one and all present over here. Thank you so much for giving me this opportunity to take my suggestions into consideration. My name is Gaurav Liladhar Rozatkar. I'm joining this meeting from my residence in Pune, Maharashtra.

My question is that as we are looking that today technology is changing faster than ever. Various kind of companies are taking best as possible. So how we are looking as a company, Redington to give our clients and the services which they need and how to like, how to make for that I want to ask a question and with this I also wanted to tell the company to continue doing their CSR work as much as best as possible as it is the need of humanity, where money can be made again-and-again, profit and loss will be which is very important for the generations to come. Thank you so much.

**J. Ramachandran:** Thank you, Gaurav. I really appreciate it. And I think we subscribe to the philosophy that you said, right? Humanity matters and we will make sure that we do. We will continue to make sure that we provide humanity the privilege, we'll privilege humanity over every other action of ours, in terms of how do we negotiate the technological changes. Like I said, that energizes us and we have in the past done it. And let me assure you, we'll continue to do it in the future as well. Swapnil?

**Moderator:** Thank you, Chairman Sir. We had another speaker, shareholder Mr. Vaibhav Jain. He had also pre-registered. However, he has not joined the meeting. So we will take, so we will consider Mr. Gaurav Rozatkar as our last speaker shareholder. Over to you, Chairman Sir, for the proceedings.

**J. Ramachandran:** Thank you very much all of you for participating in this meeting. I would now request members who need to any additional clarifications to contact the Secretary Department for any other information that you may require. The results of the votes cast through remote e-voting and the Scrutinizers' reports will be intimated at the Stock Exchange and published on the website of the company on the NSDL website within two working days from the conclusion of the AGM today. The shareholders can view the results from these websites.

Members may note that a period of 30 minutes would be available for e-voting on the NSDL platform after which the meeting will stand closed. I'd like to thank NSDL, VISA Events, the Secretarial team, IT and Marketing Team of Redington for the smooth conduct of this AGM. I declare this proceedings closed. Thank you very much for participating in this meeting. I look forward to meeting you next year. Thank you, God bless.