

**Redington (India) Limited**

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27<sup>th</sup> May 2016

The National Stock Exchange of India  
Exchange Plaza  
Bandra-Kurla Complex,  
Bandra (E), Mumbai-400 051.

Dear Sir/Madam,

**Sub: Q4FY16/FY16 - Earnings Conference Call Transcript**

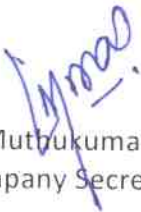
This has reference to our letter dated 18<sup>th</sup> May 2016 intimating the details of Investor/Analyst call on the Audited Financial results for the quarter and year ended 31<sup>st</sup> March 2016 scheduled on 24<sup>th</sup> May 2016.

In this regard, we are enclosing herewith the transcript of Earnings Conference Call hosted on 24<sup>th</sup> May 2016. The same is also available in the company's website [www.redingtonindia.com](http://www.redingtonindia.com).

Please acknowledge the receipt of our communication.

Thanking you.

Very Truly Yours,



M. Muthukumarasamy  
Company Secretary

CC: The Bombay Stock Exchange Ltd.,  
Floor 25, P.J Towers, Dalal Street,  
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“Redington (India) Limited Q4FY16/FY16 Earnings Conference Call”

**May 24, 2016**



**MANAGEMENT:**      **MR. RAJ SHANKAR – MANAGING DIRECTOR, REDINGTON (INDIA) LIMITED**  
**MR. S.V. KRISHNAN – CHIEF FINANCIAL OFFICER, REDINGTON (INDIA) LIMITED**  
**MR. S. JAYARAMAN – VICE PRESIDENT, TREASURY, REDINGTON (INDIA) LIMITED**

**MODERATOR:**      **MR. ROHIT GUPTA – RESEARCH ASSOCIATE, ICICI SECURITIES LIMITED**

Redington (India) Limited  
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**Moderator:** Ladies and Gentlemen, Good Day and Welcome to the Redington Q4FY16 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal for an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rohit Gupta from ICICI Securities. Thank you and over to you, Sir.

**Rohit Gupta:** Thank you, Ali. Good Afternoon, Ladies and Gentlemen. On behalf of ICICI Securities, I welcome you all to the Q4FY16 Earnings Conference Call of Redington. We have with us today Mr. Raj Shankar -- the Managing Director; Mr. S.V. Krishnan – Chief Financial Officer; Mr. S. Jayaraman – Vice President, Treasury.

I would now like to hand over the call to Mr. Raj Shankar for his "Opening Remarks", post which we can open the floor for "Q&A". Over to you, sir.

**Raj Shankar:** Thank you. Good Evening to Everyone. Welcome to Redington's Q4 and the Full Year FY16 Earnings Conference Call.

Let me begin by giving you a few business highlights for the quarter: Our revenue in Q4 grew by 27.6% and our profits after tax grew by 12.2%. If you look at the full-year, our revenue grew by 12.2% and our profit after tax grew by 10.1%. Now, I hasten to add here that if you look at both India and as well as our Overseas markets, I am pleased to share that both the theatres have shown a very strong growth in top and bottom line. For example, the Overseas markets in Q4 have grown by 40% and our profit after tax has grown by 15.5%, similarly in India, our revenue grew by 9.3% for the quarter with an 8.2% profit after tax.

Now, it is very pleasing to note that for each of the quarters during FY16, both in India as well as the Overseas markets have grown sequentially as well as year-on-year, for example, the Overseas markets have grown by 5.6%, 12.5%, 9.1% and 12.2% from profit after tax point of view for every quarter, similarly, if you look at the revenue we have again grown both year-on-year as well as sequentially as in 5.5% in Q1, 8% in Q2, 6.7% in Q3 and 27.6% in Q4.

When we look at by vertical, both verticals as in IT as well as Mobility have grown well; IT contributed to 75% of the total revenue, Mobility contributed to 23%, with 2% coming from Services. There has been an exceptionally good performance in our Logistics business, i.e., ProConnect for the quarter the revenue grew by 49.5%, the profit after tax grew by 63.8%, likewise, when you look at the full year, the contribution from Redington to the ProConnect business is 47% for the quarter while 53% comes from third-party customers. On the ProConnect for the full year, the revenue grew by 45% and the profit after tax grew by 59%.

The top-five vendors have contributed to about 57% of the total revenue on a consolidated basis, namely HP, Apple, Lenovo, Samsung and Dell. The Apple business for us has done very well on account of the fact that the contract for iPhone has got extended now to UAE and Nigeria. The growth for the quarter for Apple has been 7% as far as India is concerned and for the quarter on a consolidated basis Apple has grown by 114%, similarly, if you look at Apple, for the full year has grown by 31% year-on-year. In this I am pleased to share that the iPhone business for the quarter grew by 5.4%, the Mac business grew by 10.6% for the quarter and 34.5% for the full year.

The other noticeable improvement has been on the working capital where for Q4 we have managed to reduce the working capital by 2-days compared to Q4 of FY15 to 48-days and as compared to the previous quarter which is Q3 we have reduced by 12-days. This reduction has happened across both inventory and receivables and also a little bit of higher number on the creditors.

I would like to clarify that in spite of a very strong growth, especially overseas on the top line, the bottom line growth has not been commensurate, largely on account of the Smartphone business. Our experience has been that the IT business lends itself to a much higher margin though the working capital consumption is higher as opposed to Smartphone which typically tends to be a little margin low but tends to be working capital interesting. However, both for the quarter and more importantly for the full year, we had a serious detrimental impact on the working capital on the Smartphone, especially when the new product introduction which happened in October-November-December did not receive a strong sales as we experienced in OND of 2014. So, this resulted in the margins being a little lower compared to the previous period while the working capital consumption on a full year has gone up from 53-days to 57-days. So, this is one of the reasons why you would see the ROE and also the ROCE showing a bit of a downward trend.

When you look at from a market perspective, as far as overseas is concerned, the three main markets continue to be doing well which is the United Arab Emirates, Turkey and the Kingdom of Saudi Arabia. As far as India is concerned, the IT business both on the PC part of the business which we call the 'volume distribution' as well as the Enterprise business has shown good traction.

With these, I will stop for now and open the floor for Questions.

**Moderator:** Thank you very much. Ladies and Gentlemen, we will now begin the Question-and-Answer Session. We will take the first question from the line of Priya Rohira from Axis Capital. Please go ahead.

**Priya Rohira:** Thank you so much. Congratulations on the very good set of numbers to the Management team and thanks for the very elaborate presentation. My first question relates to the

overseas operations. We have shown a phenomenal growth and if I were to just read into what Linkplus would have done in Q3 into Q4, clearly the growth rate seems to be higher than 35%. If you could throw some light over there if the calculation is correct and also on the sustainability of this growth rate? The second question is more on a market share in Apple. Just wanted to understand where we stand right now? The third is could you share the contribution on how the Indian IT business has grown YoY and do you see any improvement in the market environment?

**Raj Shankar:**

With regard to the overseas business, the Linkplus contribution to the revenue would have been in the vicinity of about 3%. So in effect if overseas has grown by 40%. So as you correctly imagined, that the growth minus of Linkplus would still have been in the vicinity of about (+37%). Now, the reason why it has grown pretty strongly in Q4 is the Apple effect. The fact that we got the contract in our Q3 and Q4 was the first full quarter where we had the full effect of the iPhone business both in United Arab Emirates and in Nigeria. Since we did not have the previous year, obviously, has shown very high growth. Notwithstanding the growth in Apple business, if you eliminate Apple, from this total growth, the overseas would have still grown by 22% or 21% for Q4. So the first point I want to submit is that while there was a very strong tailwind because of Apple, iPhone, both in UAE and Nigeria, minus of Apple, the business has still grown by 21-22%. To your next question on IT in India, IT has grown by close to about 10.5-11%...I will get you the precise number. As far as the environment is concerned, while so far we have not seen any big investment in IT infrastructure by the government and by the large enterprises, but we think in the balance period of the year especially in the second half of the year, one should start to see reasonably big investment in IT infrastructure which should give us certain propensity for growth. I do not know if, Priya, I would have answered all your three questions.

**Priya Rohira:**

Just one question on the Apple side on the market share. You mentioned that Apple grew around 7% YoY in fourth quarter. If I look at the presentation, Apple contribution was 18% among the vendor concentration and then it moved to 10. So somewhere in the line it was indicated it should be YoY negative because Brightstar got appointed last Q4 whereas your numbers are showing 7% growth. So just want to reconcile over there actually.

**Raj Shankar:**

So the first is while I will get back to you with details but just to put things in perspective, Priya, the Apple contribution in Q4 of FY'15 was 10% and that has increased to 18%.

**Priya Rohira:**

Just on the market share where do we stand today and I guess it should be stabilizing now, right? We have not heard any distributors being appointed from that perspective, so ideally our market share should stabilize at this point of time, let us say, whatever 30%-odd?

**Raj Shankar:**

Absolutely, you are right, Priya. In fact, we are today one of the leading distributors for Apple, When you look at Apple in totality that is iPhone, the Mac, and the iPad, I think we are very

clearly leading in India. Though on iPhone, you are right, that our share would be amongst the top.

**Moderator:** Thank you. The next question is from the line of Pranav Kshatriya from Edelweiss Securities. Please go ahead.

**Pranav Kshatriya:** I have three questions: Firstly, can you give some sense of color on the growth ex-Apple in the overseas business according to the geography, where are you seeing the stronger growth – is it Middle East or Africa or Turkey or Singapore? Secondly, you alluded to increase in working capital days because of stocking up inventory in Smartphone businesses. So how should we see this going ahead – is it one-time and should it normalize to 53 or less than 50-days in coming years? Last question is one of the research agencies have indicated that the Smartphone shipment in India has declined in Q1CY16 that too on a declining base in Q4CY15. So how are you seeing this environment panning out?

**Raj Shankar:** Let me take the first question first with regard to growth ex-Apple. So as I mentioned to you, while overseas has grown for the quarter by 40%, ex-Apple is about 21-22%. So this is point #1. With regard to the markets, the stronger growth has come from Middle East and as well as from South Asia which is Singapore. In Middle East, the market that has really done very well for us is the United Arab Emirates as well as the GCC countries of Qatar, Kuwait, Oman and Bahrain. These markers did very well for us. If that partly answers with regard to the growth ex-Apple, with regard to the second question on working capital, yes, you are right, compared to last year, that is FY'15, our working capital was 53-days which grew to 57-days in FY'16. Though I would like to also clarify that the first three quarters of FY'16 was certainly bad from a working capital perspective, in other words, the working capital deployment had run up more than we would have liked. But the good news is just to again clarify in Q1 we had net of 58-days, Q2 was net of 57-days, Q3 was net of 60-days which particularly in Q4 we manage to beat it down to 48-days. However, going forward, we plan to reduce this working capital by 2-days during FY'17. So, that is from a working capital perspective.

**Pranav Kshatriya:** You said it will come down to 55-days from 57-days or it will go down from 48-days base to 46-days?

**Raj Shankar:** It will come down from 57 to 55, in fact, we are planning to bring it down further but what I would tell you at this stage is 55. The next point is with regard to Smartphone. Yes, Smartphone if you look at it for the quarter, globally has not grown, and some of the top vendors like Apple and Samsung as you would know have de-grown their Smartphone business. However, as far as India is concerned, if the statistics is anything to go by, the Smartphone is expected to increase from last year of 108 million units to in the vicinity of about 130 million units for a full year. So as far as India is concerned, there is still a growth expected on the Smartphone product category. Now, it is yet to be seen at the moment you

have amongst the top five companies like Samsung, Micromax, Intex, Lava, Karbonn, etc., there is a mix of both Indian and some global companies, but we think that in the current year the growth in Smartphone product category, especially in India, is poised for a big growth and we would like to participate in that growth opportunity.

**Pranav Kshatriya:** LYF Reliance brand has picked up quite drastically in terms of shipment. Do you have any sort of a tie up in terms of distribution with them?

**Raj Shankar:** We have an ongoing discussion with them, but on a side note, just so that you are also able to see how we are doing on the Smartphone, in India, for the quarter we grew the Smartphone business by 44% in unit terms and for overseas we grew by 26% for the quarter. So the good news is I think both in India and outside India, we are clearly participating in this product category and for us there is only a big growth opportunity because our bouquet in terms of the smartphone is still work in progress, we have a few brands in India and we have a few big brands outside India and as we build this portfolio we only see a good headroom for growth going forward. Thank you.

**Moderator:** Thank you. The next question is from the line of Nimit Shah from ICICI Securities. Please go ahead.

**Nimit Shah:** Good afternoon Sir. Congratulations on a good set of number. Regarding Apple's extension in UAE and Nigeria, do we intend to add further geographies in that market and other portfolios as well or it is only restricted to iPhone as of now?

**Raj Shankar:** On the first point whether we plan to participate in other geographies, yes, there is another geography for which there is an RFP which is currently being conducted, and we are certainly bidding for that and hopefully by next quarter we will know the outcome. As far as the product line up is concerned, for UAE at the moment it is limited to iPhone, but as far as Nigeria is concerned, we have iPhone and iPad and we are in discussion for the inclusion of Mac.

**Nimit Shah:** In UAE and Nigeria or in Middle East, who would be the other distributors for Apple products and what would be their market share currently?

**Raj Shankar:** As a distributor, in UAE, we are the only one, but I also must add here that there are some of the operators who have direct access to Apple, #1, there are also a couple of large retailers who also have direct access with Apple, but barring these from a distribution standpoint, we are playing that particular market exclusively, not contractually though.

**Nimit Shah:** So before we got signed up, there was no distributor for Apple products in those markets?

- Raj Shankar:** There was and they had done an RFP because they felt that the business opportunity in UAE was much more and as you can imagine a good part of the market was also being addressed through grey, so they wanted to make sure that the legitimate business should happen through the legitimate distributor, hence they have gone about this and I am pleased to share even though it has been a short period that we have been able to bring down the grey business and convert that into a legitimate business.
- Nimit Shah:** Sir, in terms of profitability, in terms of contractual agreements, would it be similar with the Indian business in terms of Apple business or the margins profile would be different over there?
- Raj Shankar:** The margin structure may not be very different, but as you can imagine in different markets, people operate at different price points and different margin depending upon what is the local taxes in those markets, what are the other duties. So there are other reasons why the margins and hence the profitability could be different in different markets. Though structurally it may not make a difference between these two, no material difference between India and these markets.
- Nimit Shah:** Your thoughts about Apple opening their own stores in India, how do you see that impacting our business though it could be on a smaller scale, but what is your views on that?
- Raj Shankar:** To us we read it as an opportunity rather than a threat. The reason I say that is wherever Apple has opened their own stores, their whole idea is not so much to try to appropriate the sales in those counters, it is more to create an experience what they call the consumer experience where they will allow people to come in, touch and feel their products and then use it, play with it, get comfortable with it, etc., and creating what I would call a fan club. So, to that extent, in fact, they will only be taking market share from some of the other competitors but overall our experience tells us wherever there is an apple store, it actually brings about a higher level of interest and sales velocity which obviously would benefit a distributor like Redington.
- Moderator:** Thank you. The next question is from the line of Ashwin Balasubramaniam from HSBC Asset Management. Please go ahead.
- A Balasubramaniam:** Basically my question is with regard to if I look at your standalone numbers, the inventory still appears to get quite elevated level while of course in the consolidated numbers as you have mentioned the inventory days have come down. So, just wanted to understand if there are any products which is sort of causing this? One other question which I had was more at a general level; so you talked about buildup of inventory over the first three quarters as such. So just wanted to know in your sort of agreements with the OEM suppliers, would there be clauses built stock obsolescence or anything of that kind because let us say new version of



the same products is being launched or something of that kind then would you have some compensatory sort of arrangement in place?

**Raj Shankar:**

I will let my colleague, Krishnan, answer one part of that question. But, just to give you an overall sense, what really happened to us is we did not see the PC market decline so significantly, particularly in the first three quarters of our financial year FY'16. To give you a sense, the overall market during FY'16 for India de-grew by close to about 11-12% and outside India de-grew by close to 31%. If you look at for the quarter, that is JFM '16 the overall industry de-growth in India was 8% whereas we grew by 6%, similarly, Overseas PC market de-grew by 28% whereas we grew by 10%. So the point I want to make is that even though we have done well for the quarter but in the first three quarters when the de-growth was very conspicuous, we had planned assuming there would be a growth and since overall the market de-grew therefore we were saddled with inventory and this had a negative effect to working capital. Now, to your other question, "Whether vendors as a part of our contractual agreements with them would support us in the event of stock obsolescence and all of that?" The answer is absolutely yes. Just once again give you a correct perspective; we have a policy of making a provision towards ageing inventory because technology products do get obsolete and therefore this would be a good reflection on what is the quality of inventory and how current is this inventory. So for the various age brackets of the inventory, we have different provisioning norms and therefore if you look at for FY'16, our provision towards stock obsolescence was 0.05% and this is purely a flat number that is applied or a formula that is applied. So you can imagine at 0.05% which is the provision it shows that the inventory has been fairly healthy, but this is towards the end of the year. But during the three quarters, particularly Q1, Q2, Q3, the situation was quite different. But to give you the answer, yes, we get protected as far as the obsolescence risk is concerned.

**S.V. Krishnan:**

On the first point, in terms of the inventory days, if you compare the 50-days for Q4 this year as well as Q4 of last year, yes, there is increase in India by about 12-days, but there is a corresponding increase in the AP creditor by 11-days and hence if you see the net working capital days is still at 50 both in Q4 of last year and Q4 of current year.

**Moderator:**

Thank you. The next question is from the line of Pranav Kshatriya from Edelweiss Securities. Please go ahead.

**Pranav Kshatriya:**

Sir, can you give us a breakup in India and Overseas business what is the contribution of IT and non-IT respectively?

**Raj Shankar:**

As far as India is concerned for the quarter, which is Q4 of FY'16, 68% of the revenue came from IT, 30% from non-IT and 2% from Services. As far as overseas is concerned, the split is 76%, 23% and 1% between IT, non-IT and Services and hence the consolidated picture for the quarter is 73%, 25% and 2% respectively for IT, non-IT and Services.

**Pranav Kshatriya:** Sir, India growth has been slightly below par. In FY'17 how do you see the growth for both of them? Same thing for overseas, how do you see the sustainability of the growth in that business?

**Raj Shankar:** The first point is for last year the growth Overseas for the full year has been close to 19% as opposed to close to about 3% on revenue from India standpoint. Now, in the period going forward, we think the opportunity to grow is more focused on India, whether it is IT, whether it is Mobility, whether it is the ProConnect that is the Logistics business as also some of the other initiatives that we plan as far as India is concerned. So, in the medium to long term, you will clearly see India start to race ahead and start to show some strong growth, this is true both of top and bottom line. As far as Overseas is concerned, while the growth has been good thus far, we want to make sure that we finally grow it at a pace that we are able to manage the risk and then give a risk adjusted profit. So to that extent, we want to moderate our growth Overseas but we want to accelerate our growth in India.

**Pranav Kshatriya:** Low growth in FY'16 and to some extent in FY'15 as well, do you attribute it to lower Enterprise spent and you see that picking up going forward or what exactly has gone wrong in FY'16 which will correct going forward in FY'17 onwards?

**Raj Shankar:** As I mentioned earlier, first I want to take PC as a product category which you will agree is in one sense a barometer to the IT business and if you look at PC, I mentioned to you that for the quarter the market de-grew by 8% whilst we grew by 6%, similarly if you look at from an Enterprise perspective and the government perspective, the Enterprise business and the Government business did not show growth because there was no major investment in IT infrastructure. But we are seeing that to change, as I already mentioned in my call earlier today, where probably in the second half of this year we should start to see investments happening both by the government as well as the large enterprises and this is certainly going to accelerate the growth. So first, we see growth in Enterprise business in FY'17 and beyond. So the next three to five years we see a very strong healthy growth on the IT vertical. On the Smartphone, because of the fact that we are today playing the market with a few opportunities and we are now very aggressively pursuing brand acquisition and as this plays out we expect the Smartphone business to also show strong traction in terms of growth because as a product category in India there is still a lot of growth in this category and we want to appropriate that growth. So overall I do see both on IT as well as on Mobility a strong growth in the medium to long term in India.

**Pranav Kshatriya:** If I look at the return on equity has been trending down and so is the case with return on capital employed. Is it more because of increasing the pressure from the vendor to reduce margins or what exactly is driving the same? If the growth in Indian business returns, do you expect the return on equity or return on capital employed profile to inch up from the current level?

**Raj Shankar:** So the first point I want to mention is as I alluded to it earlier, the first is the business mix between IT and Mobility. If the bigger contribution is from Smartphones/Mobility, it does have a negative effect on the margin though it does have a positive effect on working capital in relation to IT. As I mentioned in the case of IT, it is the other way around where it is margin interesting, especially as we continue to scale and grow our Enterprise business but it tends to be working capital high. Now, in the way forward, as IT business continues to grow and we are extremely bullish about the growth in the medium to long term as I mentioned, so I see a very good propensity for our margin to grow in the way forward largely on account of the growth in Enterprise business. To a certain extent, this could get nullified or marginalized by the growth in Smartphone. But overall the return on the capital employed and the return on equity in India tends to be much better compared to Overseas and hence if you see what I mentioned to an earlier question, that we plan to accelerate our growth in India and therefore the way forward you would see that once again we will start to grow the return on capital employed and the return on equity and at the same time Overseas business we plan to moderate.

**Moderator:** Thank you. The next question is from the line of Tejas Sheth from Reliance Mutual Fund. Please go ahead.

**Tejas Sheth:** Just wanted to understand the gross margins in this quarter have been quite low even YoY basis and QoQ basis. What would you attribute that to?

**Raj Shankar:** Sometimes in lighter vein, I feel when we do a very good job in terms of scaling up the business, capturing value and that is particularly on the back of Smartphone and Apple, we think that we are doing a good job but on the other hand, the very nature of that product category is such that the margin tends to be lower compared to IT and therefore to that extent you see a bit of depression on the overall margin. So the way I want you to read it very clearly is we are very clearly a margin focused company, we do not buy revenue compromising margins, but at the same time there are certain product categories which do not lend itself to a much higher margin and that is the reason why you are seeing a bit of depression. But if you look at it on a different note, that is if you look at it on four quarter basis, I think I already mentioned this earlier today if you look at it on a profitability basis, our profits in FY'16 grew year-on-year, grew sequentially and you can imagine this cannot be possible unless we are very mindful of growing the margin and appropriating that value. So just for the benefit of everyone and also specific to you, our Q1, Q2, Q3, Q4 we grew 5.6%, 12.5%, 9.1%, 12.2% and at the same time we grew from Rs.81 Crores, Rs.97 Crores, Rs.110 Crores and the highest profit in any quarter of Rs.137 Crores in Q4.

**Tejas Sheth:** Inventory days in FY'16 have increased by 6-days which you obviously highlighted because of the slowdown in PC market. But going ahead, you are only saying that FY'17 you see only reduction of 2-days in overall working capital. Are you liberal because I think the reduction

could be much more considering that if you monetize the current inventory and hence days would normalize to early-30s or mid-30s?

**Raj Shankar:**

You can be rest assured, yes, we are extremely mindful and I never shied away from saying. While there are lots of positives in terms of what we have been able to deliver this quarter and thus far, if there is one area that we want to improve and we will improve, it is the working capital. "So is there a scope to reduce more than 2-days?" The answer is "Yes". Internally, as a company we measure everyone and compensate everyone with two parameters – one of which is return on capital employed. So if people do not bring their working capital down and do not deliver on the ROCE, then obviously they are not laughing their way to the bank. So you can be rest assured, we are very laser focused on this point. The reason why I was mentioning two days was only because I was tending to be a little cautious. Because as the IT business on the Enterprise side scales up and starts to really accelerate, I see that the credit period is one which normally tends to be longer unlike the typical SMB business where we would give 30 and 45-days of credit, in the case of Enterprise business, the credit period tends to be of a longer cycle purely because the time that it takes to implement a solution and then to collect the money even though we are not one directly doing it to the end customer, tends to be longer. So it is only keeping that in mind that I was giving a cautious number. But be rest assured, we will bend backwards to make sure that we are able to bring this working capital down.

**Moderator:**

Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

**Raj Shankar:**

Thank you. I would once again like to thank everyone for your questions. I am extremely pleased once again to share with you that our Q4 was extremely strong in terms of both top and bottom line, we grew as you know 27.6% on revenue and 12.2% on the profit, we also through up cash during this particular quarter, close to about Rs.600 Crores, our working capital got reduced compared to the previous quarter by almost 12-days and compared to the previous year by 2-days, all theatres of India as well as outside India grew and grew considerably both on top and bottom line, even though some of the product categories have seen a decline and a de-growth, I am pleased that Redington continues to win in the marketplace and lead and grow in all the categories, every business whether it is the volume distribution, value and services, all have grown both for the quarter and for the year and very importantly ProConnect which was a very big initiative for us which we invested three years ago has grown extremely well both on top and bottom line and poised for much bigger growth going forward.

My last closing comment will be in the medium to long-term, you are going to see our India business accelerate very well both on top and bottom line, while moderating our business

outside India and this should help us overall to improve the return on capital employed and the return on equity. Thank you once again for your interest in Redington.

**Moderator:** Thank you very much. Ladies and Gentlemen, on behalf of ICICI Securities that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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*(This document has been edited for readability purposes)*