Initiating Coverage

Redington (India) Ltd.

22-March-2021

RETAIL RESEARCH

Redington (India) Ltd.

Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Trading & Distribution	Rs 157.5	Buy on dips to Rs 147 and add on dips to Rs 128	Rs 162	Rs 177	2 quarters

HDFC Scrip Code	REDLTDEQNR
BSE Code	532805
NSE Code	REDINGTON
Bloomberg	REDI: IN
CMP Mar 19, 2021	157.5
Equity Capital (Rs cr)	77.8
Face Value (Rs)	2
Equity Share O/S (cr)	38.91
Market Cap (Rs cr)	6126
Book Value (Rs)	111
Avg. 52 Wk Volumes	852198
52 Week High	201
52 Week Low	60

Share holding Pattern % (Dec, 2020)	
Promoters	-
Institutions	92.9
Non Institutions	7.1
Total	100.0

Fundamental Research Analyst
Kushal Rughani
kushal.rughani@hdfcsec.com

Our Take:

Redington India (Redington) has a strong market position in the IT products distribution within India and in the overseas markets such as Middle East, Turkey and Africa (META) and South Asia (SSA). Company derived 60% of its revenue and 72% of net profit from overseas markets and the balance from domestic market. Redington is a leader in providing end-to-end supply chain solutions for information technology products (computer hardware/software products with enterprise solution products) and consumer and lifestyle products (telecom, digital lifestyle products, entertainment products and digital printing machines) to over 230+ international brands. The company has 75 sales offices, over 215+ warehouses and more than 38,300 partners across 37 countries.

The company is fundamentally well poised to ride business tailwinds and investments in sunrise segments. We expect the company to reap the benefits of: 1) being leading player in the key regions; 2) strong pick up in IT products and mobility sales in the domestic business and 3) strong traction in third party logistics (3PL) business. In FY20, Redington's consolidated revenues grew ~11% yoy supported by healthy double-digit growth in both India and overseas businesses. In terms of segments, mobility segment business grew 26% followed by Services and IT growing by 9% and 2%, respectively. The growth in the mobility segment outpaced the growth in the IT segment on the back of launch of new smartphone models, stable business ecosystem and attractive pricing, and affordability schemes offered by vendors. Operating margin remained at ~2% in the year, partly because of the higher provisioning in ProConnect Supply Chain Solutions Limited (ProConnect) impacted by risky trade advances. Despite low operating margins, PAT margin remained flat owing to reduced finance costs, lower corporate tax rates in India and strong growth in Turkey operations. Service business (~3% of revenue in FY20) focusses on warehousing, logistics and after sales service business, (including cloud services, digital printing and 3D printing). We believe, that the company has a strong moat of debt free cash rich balance sheet (as on Dec-2020) in a highly working capital intensive industry with huge entry barriers. Its strong market positioning has been mainly driven by its proven track record of identifying upcoming businesses and aggressively building scale.

Post-lockdown, demand has revived with the advent of work and learn from home model. Business is well poised for growth, particularly in the short to medium term. Demand is strong for products like PC, laptop and mobiles. Redington has managed the supply chain extremely well in the post lockdown period, resulting in higher efficiencies. Over the last two years, there has been a steady improvement in net working capital days driven by healthy receivable collections, extended credit period negotiated with vendors as well as lower inventory. The reasons behind increase in profitability are i) reduction in the number of distributors for a specific large brand; ii) higher throughput; iii) efficient Working Capital management and iv) cost reduction measures undertaken over the past few quarters.

View & Valuation:

After being hit hard due to the lockdown, Redington has recovered swiftly led by solid demand and superior execution. While working capital days are likely to increase from the current record low levels, efficiency gains are likely to ensure that it remains well below pre-covid level. Management highlighted that margins are likely to inch up gradually as the contribution from strategic and emerging businesses starts scaling up. It is also open to suitable strategic M&A opportunities in the medium term. Gross debt increased to Rs 2,538cr as on March, 2020 from Rs 1,307cr as on March, 2019, while net debt declined to Rs 170cr from Rs 439cr during the same period, supported by incremental cash balances maintained by the company amidst the pandemic-led uncertainties. During 9M FY21, the company had net cash on balance sheet due to better working capital management.

We estimate 8% revenue CAGR led by strong ~10% growth in domestic revenues while overseas business may register ~7% CAGR over FY20-23E. We believe margin should remain in the range of 2-2.2% in the same period. We feel that Redington is poised to grow strongly in the medium term on the back of solid demand. Strong revenue, steady margin along with lower finance cost would lead to 14% PAT CAGR over the same period. Redington trades at 8x FY23E EPS, which is reasonable given healthy return ratios and strong visibility of growth in the coming years. We feel that investors’ can buy the stock on dips to Rs 147 and add more on dips to Rs 128 with base case fair value of Rs 162 (8.3x FY23E EPS) and bull case fair value of Rs 177 (9x FY23E EPS) over the next two quarters.

Redington (India) Ltd.

Financial Summary

Particulars (Rs cr)	Q3 FY21	Q3 FY20	YoY (%)	Q2 FY21	QoQ (%)	FY19	FY20	FY21E	FY22E	FY23E
Total Revenues	16981	14784	14.9	13764	23.4	46,536	51,465	55,237	60,209	65,158
EBITDA	424	298	42.3	289	46.7	898	1022	1203	1295	1439
Depreciation	37	37	-0.8	35	5.7	63	155	151	165	177
Other Income	16	11	45.5	22	-26.6	63	49	77	64	69
Interest Cost	31	44	-29.9	35	-12.2	204	219	172	171	181
Tax	183	72	154.2	65	181.5	139	158	296	286	321
APAT	189	156	21.2	176	7.5	508	515	619	686	764
EPS (Rs)						13.0	13.2	15.9	17.6	19.6
RoE (%)						13.7	12.5	13.6	13.7	13.8
P/E (x)						12.1	12.0	10.0	9.0	8.1
EV/EBITDA (x)						5.4	4.7	4.0	3.7	3.4

(Source: Company, HDFC sec)

Q3FY21 result update

Redington registered 15% yoy growth in revenue led by strong increase in domestic business. Domestic business posted 45% yoy increase at Rs 7593cr while overseas revenue declined 1.5% yoy mainly led by lower business from SSA. SSA revenue declined 29% yoy at Rs 640cr; META revenue grew 1% yoy at Rs 8634cr. Overall EBITDA margin improved 40bps yoy at 2.5% led by cost control measures. Company had done tax provision worth Rs 89cr in the quarter that led to lower growth in net profit. Despite higher tax provisioning, PAT for the quarter grew 21% yoy led by strong domestic revenue and better margin in the quarter. ProConnect Integrated Logistics registered highest quarterly revenue of Rs 137cr, +32% yoy. It reported EBITDA of Rs 13.5cr as against operating loss of Rs 15.3cr, a year ago.

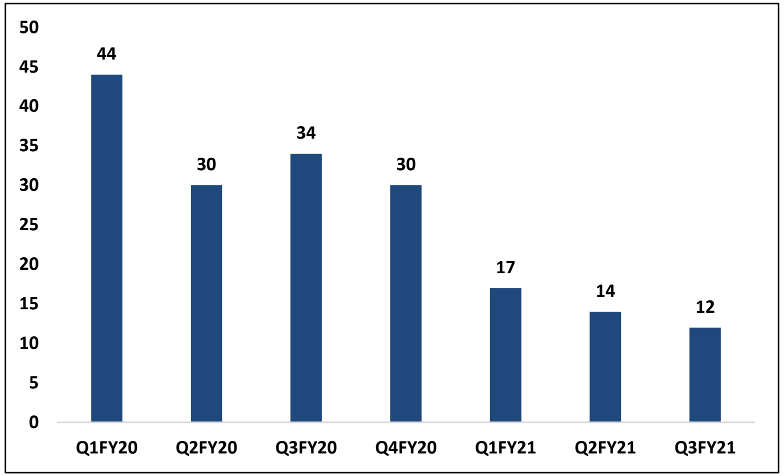
For 9MFY21, the company registered 7% revenue growth led by robust 14% growth from domestic business while overseas business grew 3% yoy at Rs 25,055cr. Overseas operations recorded strong 22% yoy growth in net profit at Rs 328cr while domestic business recorded 1% growth as it also included one off tax related expenses of Rs 89cr.

Recent Triggers

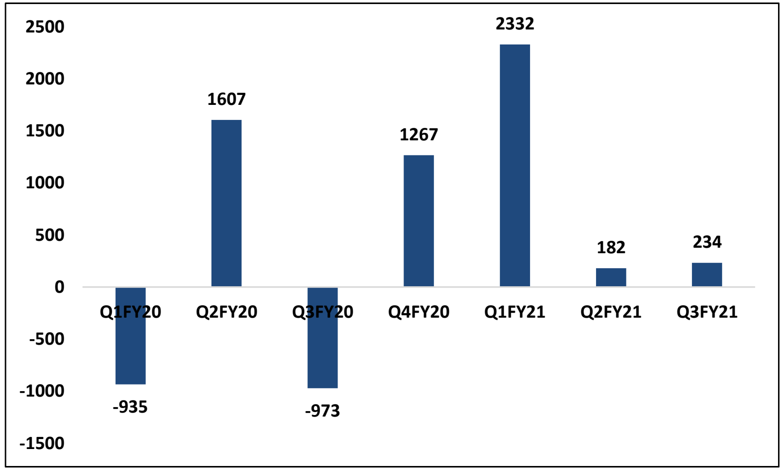
Significant Improvement in Working Capital Cycle

Working Capital (W/C) cycle for domestic business improved significantly from 39 days in Q3FY20 to 11 days in Q3FY21. Overseas W/C cycle also witnessed strong improvement to 12 days vs. 30 days on yoy basis. Even for 9MFY21, W/C cycle witnessed sharp improvement for both the businesses. Overseas cycle improved from 34 days in 9MFY20 to 14 days in 9MFY21 and for domestic business, it has improved from 43 days to 16 days in 9MFY21. Company generated Free Cash Flow (FCF) worth Rs 233cr for Q3FY21 and Rs 2761cr for 9MFY21 which was mainly led by significant improvement in W/C. However, in our view, working capital days will increase from the current record low levels but it will stay below pre-covid levels.

W/C Cycle continues to improve



FCF Trend (Rs cr)



Source: Company, HDFC sec Research

Domestic Business

Consumer & Enterprise Business (Compute, Print, Storage, Security and PC Accessories)

The Indian PC market witnessed an impressive volume growth of 18.1% on yoy basis, shipping over 11 million units, the highest volume recorded in the last 6 years, on the back of Government schemes of free laptops for school & college students. Increasing customer preference for thinner and lighter machines with enhanced mobility features resulted in the highest-ever annual shipments of Notebook PCs, constituting 67.7% of total PC shipments. Demand for Gaming PCs grew by 51.1% yoy Company’s focus on the growing segment of “Thin & Light” Premium Notebooks helped increase its share of the High-value product portfolio. This segment is expected to maintain its growth momentum in the coming years.

Company’s Enterprise Business has emerged as a preferred IT solutions provider for its vendors and its partners. It offers consulting and advisory services across platforms and networks to partners, coupled with implementation and support across Hardware, Software & Cloud assets; as they endeavor to offer solutions and services to meet the end-user’s business needs. With a high degree of competency in the Cloud Solutions and Services space, the company helps customers transition it’s IT Infrastructure from Capex to Opex regime. The growing adoption of software as a service (SaaS) based solutions among the large and SMB segments, the strong emphasis on digital transformation (DX) initiatives, and the customer experience (CX) enhancement, acted as catalysts for the growth of enterprise applications' market in India.

Company is investing, learning and transforming to emerge as an indirect Solution Provider for many Technology Brands in India. We believe that technology practices like Digital Transformation, Cloud Transformation, Hybrid Cloud, Cyber Security, Data Center Modernization, Application Modernization, AI & ML, IoT & Analytics, Enterprise DevOPs & Automation etc., would drive future growth in IT investments.

Mobility Business

India replaced the USA to become the second-largest smartphones market in 2019. It was propelled by mid-tier segment products with enhanced features. The Average Selling Price grew 5.5% yoy to about Rs 12,300. Online channel continued to expand its share on the back of the new launches, discounts, cash-back and other schemes. However, retail outlets remain the largest channel for mobile phone distribution in India and the most significant Go-To-Market (GTM) channel for long-term success for any brand in India.

Company enjoys a very strong growth in the Mobility segment on the back of the successful launch of new smartphone models and stable business ecosystem. Going forward, the demand for smartphones are expected to remain strong, fuelled by attractive pricing strategy as well as affordability schemes from key vendors. An extended period of social distancing would bring added utility to smartphones, such as online schooling for kids, virtual meetings for executives, etc. These applications are expected to persuade the consumer to upgrade to a new smartphone with added features, memory and storage capacity. Domestic business contributed to 40% of overall revenue and 28% of PAT in 9MFY21.

On Mobility in India, mobility industry is expected to grow at 11% in 2021 and with Redington catering to mid to mid-high segment smartphone, company expects great opportunity going forward in this segment. Company expects to deliver higher than industry growth going forward. The recent growth in mobility segment has been led by Xiaomi.

Overseas Operations

Redington's Overseas operations are carried out through its wholly-owned subsidiaries; Redington International Mauritius Limited, Mauritius (RIML) for addressing the Middle East, Turkey, Africa (META) region and Redington Distribution Pte Limited, Singapore (RDPL), which addresses the South Asian region comprising of Sri Lanka, Bangladesh, Nepal and Maldives. META operations contribute majority share of revenue and net profits for the company. Redington has been the pre-eminent Distributor of Technology Products & Solutions in the META region for over a decade and is the leading partner for its vendors in all the markets where it operates in.

Growth in META Enterprise Business during FY20 resulted from significant spends in IT infrastructure in most of the markets that Redington operates in. However, impact of Covid-19, and a sharp decline in oil prices, resulted in slowing down of IT investments and consequently, lowering of demand for Enterprise products and services during FY21. However, with Covid-19 situation slowly comes in control and oil prices have seen steady rise since last 6 months, we believe overseas business growth would bounce back from FY22 onwards.

Redington has consistently delivered high double-digit growth across all metrics in the META operations over the past 5 years and is the foundation for the consistent and unbroken growth record in consolidated revenues, EBITDA & PAT. Bangladesh market saw revenue growth from infrastructure and software-related products, mainly on account of business from verticals like Government, Telecom and BFSI. Company also gained revenue opportunities due to new brand relationship with vendors like Oracle & Dell/EMC. Overseas Business contributed to 60% of revenue and 72% of PAT in 9MFY21.

Leading market position in distribution of IT and mobility products

Redington India is a leading distributor of IT and mobility products across the geographies of its operations, namely India, the Middle East, Turkey and Africa. Around 63% and 73% of revenues and profits, respectively were generated from overseas operations in FY20. It is supported by its well-established relationships with OEMs, early mover advantage and a strong distribution network (38,300+ active channel partners, 80+ sales offices, 235+ warehouses, and catering to 37 markets), the company is the market leader in the Middle East and Africa and its step-down subsidiary, Arena is one of the largest players in Turkey. In India, it is a major distributor garnering a significant share of IT distribution business along with M/s Ingram Micro India Private Limited. The active rejig of brand and products portfolio in line with the changing demand trends helps Redington in sustaining its leading market position. It has strong relationships with leading vendors such as HP, Dell, Samsung Lenovo, Cisco and Microsoft in the IT products business, and has over time consolidated its position as a leading distributor for these vendors. In the mobility business too, Redington remains a leading distributor for smartphones. It has tie-ups with leading brands such as Apple, Google and Samsung, which has enabled it to grow its mobility products business at a rapid pace.

Laptop has seen a pent up demand during COVID period driven by work from home and online learning. There seems to structural change with continuous growth in demand in laptops and it is expected to remain strong for next 2-3 years. In laptop, especially consumer side of business is expected to show double digit growth.

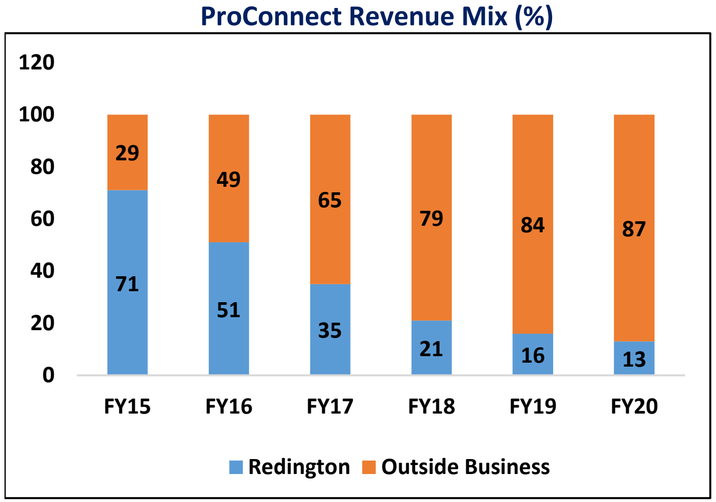
Tie-ups with leading vendors across IT, mobility and electronics space

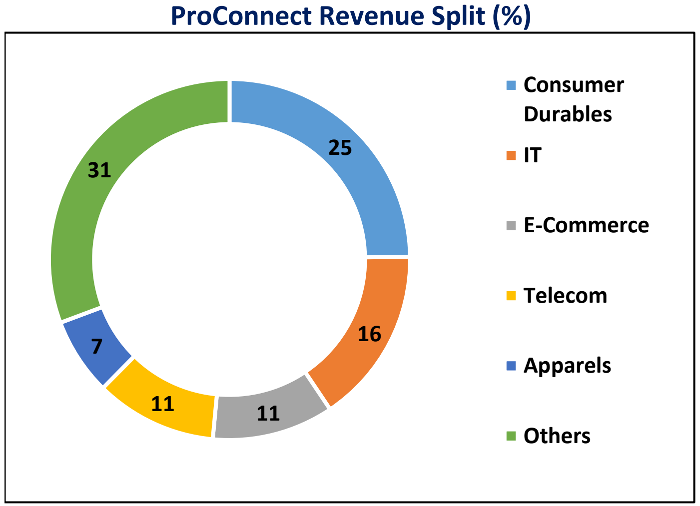
Redington India has over 200 vendors across domestic and overseas markets. Its key vendors—Apple, HP, Dell, Lenovo and Samsung - collectively added ~62% of revenues in FY20. The share of Apple among the vendors is the highest at 29% in FY20, supported by the growth in Apple product sales in India. The well-established relationships with vendors aids in getting an extended credit period, which reduces its working capital intensity. Further, comprehensive contracts with vendors de-risk the company from product and technology obsolescence.

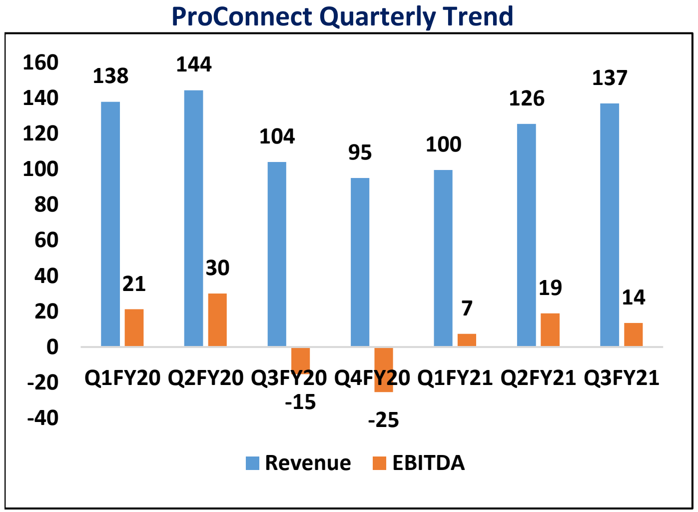
Distribution Business Model

BUSINESS		INDIA	MIDDLE EAST	AFRICA	TURKEY	SINGAPORE	SOUTH ASIA
DISTRIBUTION	Redington arena LINK PLUS						

Redington (India) Ltd.







Source: Company, HDFC sec Research

Strong focus on high growth margin accretive ProConnect business

Redington is been constantly in the process of transforming itself from being a mere distributor to emerging a supply chain consolidator and eventually become an end-to-end service provider. The company has been building its services portfolio mainly led by Pro-Connect, which is a wholly owned Subsidiary of Redington. It provides integrated third party Logistics services through its Pan-India presence spread across 155+ warehouses with 6.7mn Sq.ft. in operation and serving 195+ customers across 12+ Industries and 20,200+ Pincodes. ProConnect registered highest quarterly revenue of Rs 137cr along with 10% EBITDA margin in Q3FY21. Redington India sold its computer repair and peripheral business (Ensure Support Services) to Accel for Rs 31cr. Ensure had registered revenue of Rs 106cr in FY20.

Better risk management practices

Redington India has followed strong risk management practices that have enabled it to mitigate risks inherent in the distribution business. These include risks arising from vendor concentration, product obsolescence, volatility in exchange rates, and credit risks. The company has a diversified vendor base with regard to distribution of products and that reduces the revenue concentration risk from a single vendor. Company follows healthy foreign exchange risk mitigation practices such as 100 percent hedging on exchange rates, which helps minimise foreign currency fluctuation risks. The better conversion cycle and its strong relationship with its vendors also ensures limited risk arising from product obsolescence. Most of the receivables (about 75% in domestic business and about 95% in Middle East region) are credit insured to mitigate default risk. Company also has a robust management information system, which helps keep track of the credit history of its channel partners. This will be further enhanced with implementation of SAP across all its business locations. Furthermore, the company also maintains sizeable cash as a contingency measure to ensure continuation of operations, especially in volatile international markets.

Strong credit appraisal and recovery systems

Company has robust internal control and risk management systems that insulate its business from the possible risks of price movement, technological obsolescence, etc. through contractual arrangements with vendors. Company maintains strong credit assessment norms and provisioning policies to minimise credit risks.

Low profit margins; working capital intensive nature of business

As inherent in the nature of distribution business, the company's profit margins remain very low. Operating and net margins were low at 2% and 1.0%, respectively in FY20. The margins are not expected to see significant change or may expand gradually with the scaling up of the margin-accretive new product segments. The company's working capital intensity is high because of stocking requirements, given its wide reach, scale and credit sales, as inherent in the distribution business. Nevertheless, with tighter control on credit terms and inventory holding, there has been a steady reduction in working capital days in last two years.

Key Risks

Its revenue is majorly driven by success of its top-five brands, which contribute ~60% of overall revenues. As such, any loss of major vendor or significant reduction in business could materially impact revenues.

With a large share of business generated from overseas operations, Redington remains exposed to geopolitical and forex risks because of its presence in some countries with a history of political instability. However, proactive measures and strong risk management practices led by control on working capital and cost optimisation measures have helped limit the impact to a large extent. In the overseas business, the key markets are South Asia, Middle East, Turkey, Africa (META) and CIS region.

Redington sells its products to small and large format retailers giving them credit period of 30-60 days. Though the company partly manages risks through credit insurance and factoring, inability or unwillingness to repay by some key channel partners/retailers, could adversely affect its profitability.

Rising sales through e-commerce platforms remains a threat. However Company doesn't envisage the growing demand of e-commerce as a threat on its traditional business. But sees it as an opportunity aiding the overall demand for its traditional distribution. E-Commerce for the company is thus another sales channel. Company has a strong relationship with the technology brands in IT for hardware, servers, storage, printers etc. Majority of supply to e-commerce is through distributors only.

Company Background

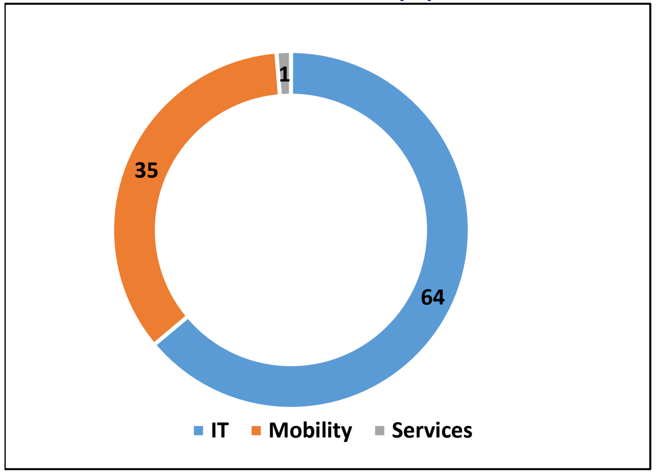
Redington India commenced its business operations in 1993 as distributor for HP Printers in India and slowly started foraying into distribution of other PC components. From being a single brand distributor in 1993, the company has established partnerships with more than 220 leading global brands spread across 37 emerging markets.

Company is a leading distributor of IT and mobility products and a provider of supply chain management solutions and support services in India, the Middle East, Turkey and Africa (META). Company procures IT and mobility products from vendors, handles distribution logistics, sells the same to resellers and dealers. The company has periodically added new products to its portfolio and continues to provide ancillary services like after-sales, third-party logistics through the subsidiary companies. Currently, Redington has three automated distribution centres (ADCs)—in Chennai and Kolkata in India and in Dubai. Company derived 60% of its revenue and 72% of net profit from overseas markets and the balance from domestic market.

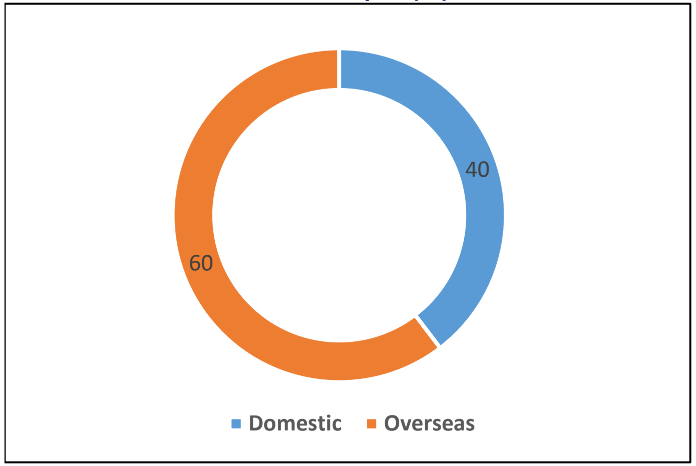
The offerings include PC, Notebooks, Tablets, Printing Solutions, Servers, Storage, Software, Networking Solutions, Security Solutions, Smart Phones and Cloud. Besides India and Turkey, operations span across markets in South Asia, the Middle East and Africa. As a premier distributor for 200+ global technology vendors, the company has a network of > 38,300 channel partners.

Redington (India) Ltd.

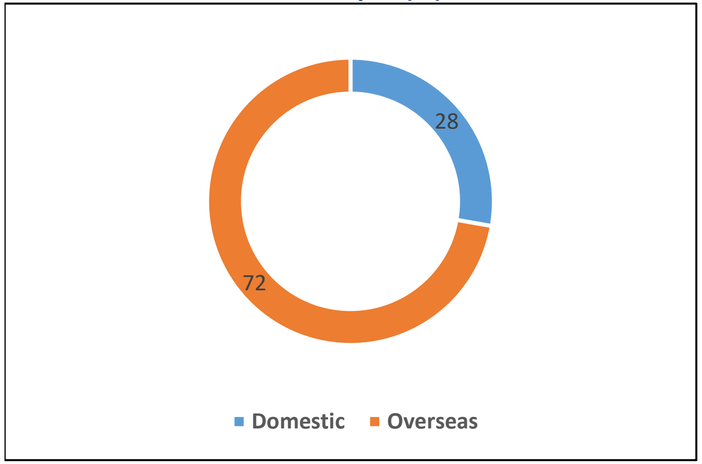
Revenue Mix (%)



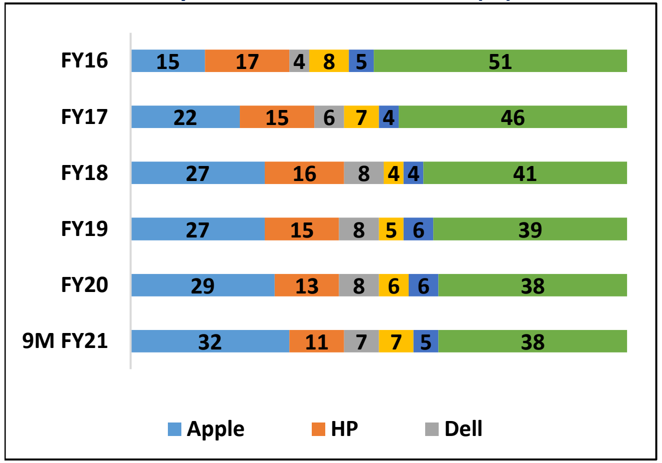
Revenue Split (%)



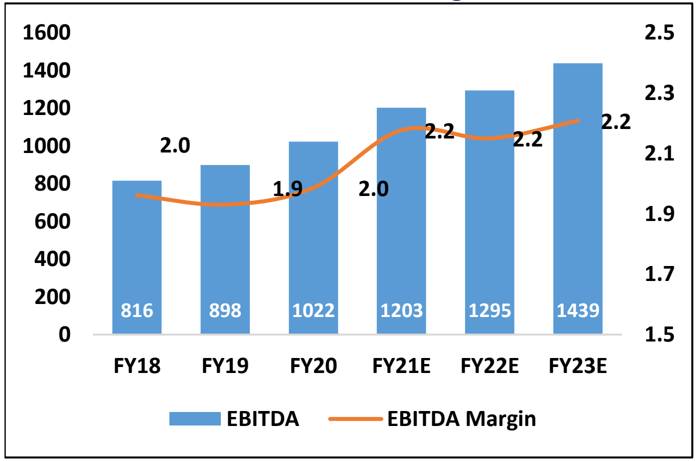
Net Profit Split (%)



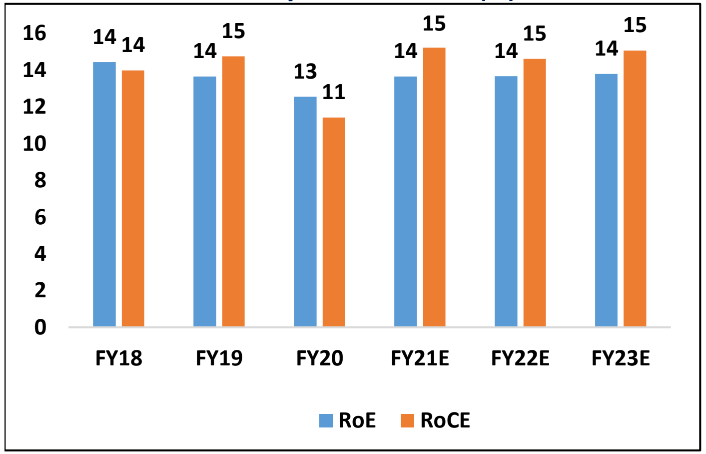
Top Vendors Business Mix (%)



EBITDA and EBITDA margin trend



Healthy Return Ratios (%)



Source: Company, HDFC sec Research

RETAIL RESEARCH

Redington (India) Ltd.

Financials (Consolidated)

Income Statement

(Rs Cr)	FY19	FY20	FY21E	FY22E	FY23E
Total Income	**46536**	**51465**	**55237**	**60209**	**65158**
Growth (%)	11.9	8	7.3	9	8.2
Operating Expenses	45638	50443	54035	58914	63719
EBITDA	**898**	**1022**	**1203**	**1295**	**1439**
Growth (%)	10	14	18	8	11
EBITDA Margin (%)	**1.9**	**2**	**2.2**	**2.2**	**2.2**
Depreciation	63	155	151	165	177
EBIT	835	867	1052	1130	1261
Other Income	63	49	77	64	69
Interest expenses	204	219	172	171	181
PBT	623	692	956	1021	1148
Tax	139	158	296	286	321
RPAT	**508**	**515**	**619**	**686**	**764**
Growth (%)	5.4	1.5	20.3	10.7	11.3
EPS	13	13.2	15.9	17.6	19.6

Balance Sheet

As at March	FY19	FY20	FY21E	FY22E	FY23E
SOURCE OF FUNDS					
Share Capital	77.8	77.8	77.8	77.8	77.8
Reserves	3828	4231	4697	5191	5732
Shareholders' Funds	**3906**	**4309**	**4775**	**5269**	**5810**
Long Term Debt	25	165	97	77	47
Net Deferred Taxes	-144	-173	-173	-173	-173
Long Term Provisions & Others	104	125	138	151	159
Minority Interest	345	381	412	447	485
Total Source of Funds	**4235**	**4807**	**5248**	**5771**	**6327**
APPLICATION OF FUNDS					
Net Block	225	404	488	391	315
Intangible Assets	267	322	284	256	229
Long Term Loans & Advances	115	99	107	114	121
Total Non-Current Assets	**607**	**824**	**878**	**760**	**665**
Inventories	3859	3673	3329	4091	4481
Trade Receivables	6279	7032	4843	7093	8033
Short term Loans & Advances	44	2	6	8	10
Cash & Equivalents	878	2378	3557	3190	3248
Other Current Assets	603	570	598	664	744
Total Current Assets	**11668**	**13654**	**12154**	**14890**	**16373**
Short-Term Borrowings	1283	2610	1488	1785	1875
Trade Payables	5905	6275	5437	7183	7872
Other Current Liab & Provisions	835	765	834	878	922
Short-Term Provisions	18	21	25	33	43
Total Current Liabilities	**8040**	**9672**	**7784**	**9880**	**10712**
Net Current Assets	3628	3983	4370	5010	5662
Total Application of Funds	**4235**	**4807**	**5248**	**5771**	**6327**

Source: Company, HDFC sec Research

Redington (India) Ltd.

Cash Flow Statement

(Rs Cr)	FY19	FY20	FY21E	FY22E	FY23E
Reported PBT	623	692	956	1021	1148
Non-operating & EO items	-63	-49	-77	-64	-69
Interest Expenses	204	219	172	171	181
Depreciation	63	155	151	165	177
Others	155	110	0	0	0
Working Capital Change	251	-5	613	-983	-580
Tax Paid	-139	-158	-296	-286	-321
OPERATING CASH FLOW (a)	**1095**	**965**	**1518**	**23**	**536**
Capex	-73	-95	-50	-100	-130
Free Cash Flow	624	1911	1468	-77	406
Investments	-109	-13	-8	-8	-7
Non-operating income	63	49	77	64	69
INVESTING CASH FLOW (b)	**-119**	**-59**	**19**	**-44**	**-68**
Debt Issuance / (Repaid)	-165	1135	-56	-6	-22
Interest Expenses	-204	-219	-172	-171	-181
FCFE	462	1856	1240	-254	202
Share Capital Issuance/MI	-16	37	31	34	38
Dividend/Buyback	-253	-360	-161	-204	-244
FINANCING CASH FLOW (c)	**-639**	**593**	**-358**	**-346**	**-410**
NET CASH FLOW (a+b+c)	337	1498	1179	-367	58

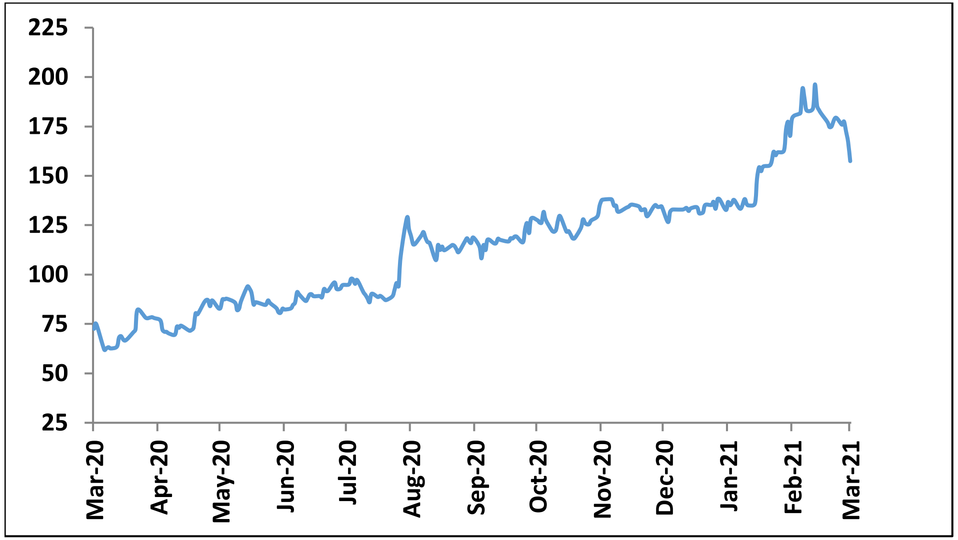
Source: Company, HDFC sec Research

Key Ratios

	FY19	FY20	FY21E	FY22E	FY23E
Profitability (%)					
EBITDA Margin	1.93	1.99	2.18	2.15	2.21
EBIT Margin	1.79	1.68	1.9	1.88	1.94
APAT Margin	1.04	1.04	1.19	1.22	1.27
RoE	13.7	12.5	13.6	13.7	13.8
RoCE	14.7	11.4	15.2	14.6	15.1
Solvency Ratio					
Net Debt/EBITDA (x)	0.5	0.4	-1.6	-1	-0.9
D/E	0.3	0.6	0.3	0.4	0.3
Net D/E	0.1	0.1	-0.4	-0.3	-0.2
PER SHARE DATA					
EPS	13	13.2	15.9	17.6	19.6
CEPS	14.7	17.2	19.8	21.9	24.2
BV	100	111	123	135	149
Dividend	3.3	4.3	4	5	6
Turnover Ratios (days)					
Debtor days	49	50	32	43	45
Inventory days	27	27	22	25	25
Creditors days	48	46	37	45	46
VALUATION					
P/E	12.1	12	10	9	8.1
P/BV	1.6	1.4	1.3	1.2	1.1
EV/EBITDA	5.4	4.7	4	3.7	3.4
EV / Revenues	0.1	0.1	0.1	0.1	0.1
Dividend Yield (%)	2.1	2.7	2.5	3.2	3.8
Dividend Payout	25.3	32.5	25.1	28.4	30.6

Redington (India) Ltd.

One Year Price Chart



Disclosure:
I, Kushal Rughani, MBA author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. HSL has no material adverse disciplinary history as on the date of publication of this report. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.
Research Analyst or his relative or HDFC Securities Ltd. does not have any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate does not have any material conflict of interest.

Any holding in stock - No
HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:
This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.
This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.
Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.
This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.
HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.
HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.
HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report.
HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from t date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.
HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.
Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.
HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066 Compliance Officer: Binkle R. Oza Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

SEBI Registration No.: INZ000186937 (NSE, BSE, MSEI, MCX) |NSE Trading Member Code: 11094 | BSE Clearing Number: 393 | MSEI Trading Member Code: 30000 | MCX Member Code: 56015 | IN-DP-372-2018 (CDSL, NSDL) | CDSL DP ID: 12086700 | NSDL DP ID: IN304279 | AMFI RegNo.ARN -13549 | PFRDA Reg. No - POP 11092018 | IRDA Corporate Agent Licence No.CA0062 | Research Analyst Reg. No. INH000002475 | Investment Adviser: INA000011538 | CIN-U67120MH2000PLC152193

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.