

May 27, 2025

To,
Listing Operation Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400 001

Listing Compliance Department
The National Stock Exchange of India Limited (NSE)
05th Floor, Exchange Plaza, C-1, Block G, Bandra
Kurla Complex, Bandra (E) Mumbai - 400 051

Scrip Code: **544119**

Symbol: **RPTECH**

Sub.: Transcript of Analysts/Investors Call held on Friday, May 23, 2025

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

Pursuant to Regulation 30 read with clause 15 of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, enclosed herewith the transcript of the Analysts/Investors Earnings call held on Friday, May 23, 2025 at 06:00 p.m. (IST) for the Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2025.

The same will also be uploaded on the website of the Company at www.rptechindia.com/investor.

You are requested to kindly take the same on record.

Thankyou.

Yours faithfully,
FOR RASHI PERIPHERALS LIMITED
(formerly known as Rashi Peripherals Private Limited)

Krishna Kumar Choudhary
Chairman & Whole-Time Director
DIN: 00215919

Encl.: As above

Rashi Peripherals Limited

(Formerly known as Rashi Peripherals Private Limited)

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Rashi Peripherals Limited
Q4 & FY'25 Earnings Conference Call
May 23, 2025

Moderator: Ladies and gentlemen, welcome to the Q4 & FY'25 Conference Call of Rashi Peripherals 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 an operator by pressing '*' then '0' on your touchtone phone. I now hand the conference over to Ms. Savli Mangle from Adfactors PR Investor Relations team for opening remarks.

Thank you and over to you, ma'am.

Savli Mangle: Thank you, Rithuja. Good evening, everyone and a very warm welcome. Thank you for participating in the earnings call of Rashi Peripherals Limited for the 4th Quarter and Financial Year ended March 31st, 2025.

Before we begin, please note that this conference call may contain forward-looking statements about the company which are based on beliefs, opinions and expectations of the company as on the date of this call. Statements are not guarantee of future performance and may involve risks and uncertainties that are difficult to predict. On the call today, we have Mr. Kapal Pansari, Managing Director; Rajesh Goenka, Chief Executive Officer and Mr. Himanshu Shah, Chief Financial Officer.

The management will take us through the operational and financial performance for the quarter and the year gone by, following which we will open the forum for Q&A. I now request Mr. Kapal Pansari to take us through the company's performance. Thank you and over to you, sir.

Kapal Pansari: Thank you. Good evening, everyone. We welcome you all to the earnings call for the 4th Quarter and Full Financial Year ending March 31st 2025. Hope you have had the chance to go through our financial results, earnings release and investor presentation that are available on our website and stock exchange. I have with me today our CEO, Mr. Rajesh Goenka and CFO, Mr. Himanshu Shah, who will discuss operational and financial performance as well as respond to your queries.

The year '24-'25 showed some signs of stability allowing global economics to better align with their potential. The evolving favorable environment fueled a significant 10.8% surge in global

tech spending, primarily driven by strong investments in hardware and software. While IT services growth remains steady at 4.7%, the overall picture signal robust digital adoption.

For Rashi, FY'24 and '25 was significant growth from Strategies perspective. We strategically invested in expanding our portfolio of high-end products and implemented a robust CRM system empowering over 450 users to enhance customer engagement. Furthermore, we extended our geographical presence with the opening of our 52nd branch in Srinagar. These initiatives have collectively driven exceptional growth, significantly outpacing industry averages.

Building on this momentum, our focus for FY'26 is on achieving comprehensive 360 degree growth. I now hand over to our CEO, Rajesh Goenka, who will further dwell into operational update for this quarter and full Financial Year with you. Over to you, Mr. Rajesh.

Rajesh Goenka:

Thank you, Kapal. I extend warm welcome to all the participants on today's call as we delve into the business highlights of the 4th Quarter and especially the entire year. I am excited to announce that we continue to keep the momentum of all-round growth in the financial year '24-'25. We not only achieved double-digit growth, but very importantly excel in each of the verticals as planned. Our successful execution of significant projects for esteemed organizations like NMDC, Reliance alongside strategic expansion into high potential verticals like visual display, quick commerce, and surveillance underscores our proactive and forward thinking approach. We have also made substantial enhancements to our operational infrastructure, including an advanced embedded lab in Bangalore and the establishment of a state-of-art call center in Mumbai. Our recent recognition at NVIDIA GTC 2025 as the best distributor further validates our unwavering commitment to making latest AI technologies available in India.

Looking ahead to FY '25-'26, our strategic focus is on achieving deeper market penetration through the cultivation of stronger channel relationships. We will continue to expand our reach by adding new partners, new customers, more locations to our distribution network. We will continue to innovate in the technology space and especially in the AI space with newer products, technologies and solutions.

With this, thank you so much and with this I pass on to our CFO, Mr. Himanshu Shah.

Himanshu Shah:

Thank you, Rajesh and good evening to all the investors who have joined today's call. I would like to take you through the financial highlights of the 4th Quarter and full year 2025.

On a consolidated basis for Quarter 4, 2025 total income stood at Rs. 29,732 million down by 1% YOY. EBITDA was at Rs. 960 million, up by 30% YOY. And PAT stood at Rs. 527 million higher again by 12.1% as compared to Quarter 4 FY'25.

On a consolidated basis for Financial Year 2025, total income grew by 24.1% to Rs. 137,727 million. EBITDA rose to 17.5% YOY to Rs. 3,609 million. PAT surge 45.8% YOY to Rs. 2,097 million.

Working capital days remained steady at 54 days in 2025, consistent with 24 levels, reflecting our continued operational efficiency. On an annualized basis, ROCE was at 13.1% as of March 31st, 2025, and ROE stood at 12.6% as of March 31st, 2025. If we look at segment-wise segregation on TTM basis, out of our two segments, 61% of our revenue was contributed by PES segment and 39% is contributed by LIT.

When we see it region-wise, 66% of the revenue was contributed by metro cities and the rest 34% was from non-metro.

With this update, we now open the forum for question-and-answers. Thank you so much.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Miloni Mehta from Monarch Capital. Please go ahead.

Miloni Mehta: Thank you for the opportunity. Sir, I wanted to understand a bit on the quarterly EBITDA margin, like what led to the growth and how are we doing this?

Himanshu Shah: See, EBITDA margin essentially flows down from GP margins which is a factor dependent on sales mix. So year-on-year, see the EBITDA margin has grown from, on annual basis it is 2.77 to 2.62, but for quarter it is 2.47, grown to 3.23. That essentially indicates the efficiencies and the sales mix, GP driven by sales mix.

Miloni Mehta: Okay. And sir, secondly, what is the update on the replacement cycle for the laptops that you were expecting? How has the market been on that end?

Rajesh Goenka: Yes, so Microsoft refresh is expected towards the end of the year. So that's where the replacement cycle will begin. And in the next 10 months to 12 months, we are expecting significant refresh happening, especially in the commercial or the corporate segment while in consumer the transition may be a little bit slow.

Miloni Mehta: Okay, so probably from which quarter can we expect the numbers to come in for --

Rajesh Goenka: So the expected is Q3 onwards, it should start the conversion.

Miloni Mehta: Okay, and sir just one last question. Overall, how has the data center deal that we were doing this deal and year-on-year, how do we expect that to move?

Rajesh Goenka: Yes, I think that's a good question. So while data center overall continues to do good, but as far as Rashi is concerned, last financial year we had one single large or rather the largest order of

1,500 crores which we successfully executed. However, in the current scenario, we are not looking at such large data centers coming at one shot. So there would be small, small data centers coming up at multiple locations with multiple users. So therefore, we are looking at small, small opportunities of data centers across India rather than just being concentrated in one customer or one city.

Miloni Mehta: Okay, so actually, sir, in continuation to that question, I wanted to understand that is there a slowdown in the data center because of any impact from the DeepSeek side or any light that you can show on that?

Rajesh Goenka: No, there is no slowdown as such. Only thing is the capacity addition of data centers are now happening in a phased manner. That's the only thing.

Miloni Mehta: Okay, so there is no impact from the DeepSeek side or is there something that we need to be concerned about?

Rajesh Goenka: No, in fact AI mission by government is about to, or I think they have just released orders, large orders to various AI data centers. I think that is going to be the catalyst for AI demand in the country.

Miloni Mehta: Okay, sir. That helps. Thank you.

Moderator: Thank you. The next question is from the line of Vinay Menon from Monarch Capital. Please go ahead.

Vinay Menon: Hi sir, thank you for the opportunity and congratulations on a good set of numbers. Do you think sir what led to this increase in GP margins like any product limits that we have changed and can this be the trend going ahead?

Himanshu Shah: So the trend indicated by the annual numbers rather than a quarter. A quarter can be a mix of sales mix where in the GPs may tend to or maybe sometimes be specific. So more meaningful trend can be drawn from annualized numbers which are in the range applicable to the trade.

Vinay Menon: Okay. But anything with this quarter which, you know, any mix change because which helped the margin because we have after 6-7 quarters we have come to this 3% plus and while other competitors are still near that 2.3-2.5, will we look at the 3% plus going ahead or will we stick to our guidance of that 2.5ish kind of margins?

Himanshu Shah: So 2.5 standard margin is more meaningful to the sector and this 3.23 cannot be taken as a trend applicable.

Vinay Menon: Okay. Great. And sir from the cash flow point of view, our cash flow overall has worsened a little this year. Any reason why, because generally second half of our cash flows are in through,

but any reason why operating cash flows have looked a little worse compared to last year and things of that sort? Because I think our Yotta deal has been completely executed. So we were expecting some improvement there. Has that flown through or will it flow through in near future?

Rajesh Goenka: So what has happened in last H2 since post Diwali, the overall market from business point of view also has been slower than anticipated and concurrently the overall collections also have slowed down. But while saying so, going forward we see market also improving and collections also improving.

Vinay Menon: Okay. So we can expect improvement going ahead in '26-'27?

Rajesh Goenka: Absolutely, yes. In fact, if you remember our January call also, we had indicated that there is a slowdown in the collection especially in the O&D quarter. Subsequently, JFM there has been some improvement but major improvement should come now onwards.

Himanshu Shah: On an annualized basis, the impact on debtors is five days increase in the overall collection cycle.

Vinay Menon: Okay, debtors five days has been increased. And the Yotta deal is completely executed. There's nothing left to...

Rajesh Goenka: Yes.

Himanshu Shah: Part of it is pending.

Vinay Menon: Part of it? How much?

Himanshu Shah: Small pieces pending, yes.

Vinay Menon: And in terms of growth going ahead, you always maintain that double digit growth is what we're looking for. So enterprise, if we don't do these enterprise deals, which you know, Rajesh sir was saying that we are not going to look for these larger deals. So how will that change our overall growth strategies going ahead?

Rajesh Goenka: So I would break our discussion in two parts. One is our regular run rate business and second is our large project business. I think majorly it was Yotta only, which was Rs. 1,500 crores. So our run rate business in last 20 years, we have delivered high double digit growth. And our aspiration and confidence for similar consistency in the coming year is also there. However, on the project business, this Rs. 1,500 crores, whether that will get replicated in the coming year, will it be 1500 or will it be 1000 or 2000? At this moment, it is difficult to predict, but all we can say at this moment that smaller deals, but multiple deals are going on. They are there in our funnel, but it will all be subject to actual implementation.

Vinay Menon: Okay. That is all. Thank you, sir. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Sameer Dosani from ICICI Prudential Asset Management. Please go ahead.

Sameer Dosani: Partly my question has been answered. So core business, like run rate business, what is your guidance, can just reiterate? And secondly, like how to think about working capital? It is at 54 days. Going forward, what should be the range? Because that will determine our ROCE, ROE of our business. So if you can throw some light on that?

Rajesh Goenka: Yes, so I think on the business front as I already explained our run rate business excluding the Rs. 1500 crores rest all the verticals last year we have grown and in the coming year also we have a similar plan of growth.

Himanshu Shah: Working capital, so on working capital cycle, like we have been telling that 54 days is something in our kind of mostly penetrated distribution infrastructure. It's something, demands a cycle of around 50 days to 55 days investment in inventory only. Our debtors and creditors still continue to net off each other in terms of days.

Rajesh Goenka: And there has been a 4 day improvement in the inventory.

Himanshu Shah: Inventory, we have in fact improved by 4 days in current financial year.

Sameer Dosani: Okay. So this run rate business has grown only 8% this year. That can improve next year. That's what we are thinking about.

Himanshu Shah: You are right.

Sameer Dosani: And margin wise, this year we had obviously large deals. I am sure that larger deals come at a lower margin. So should we margins to improve next year from here on?

Himanshu Shah: Larger deals, actually, we ensure that ROE, ROCE are not compromised. So it's not low margin, I would say. I would say it's more of protecting the ROE, ROCE. And that's what we strive to achieve that.

Sameer Dosani: Okay, so ROE, ROCE is something like that?

Himanshu Shah: Larger deals come at lower margin, but at the same time the ROE, ROCE.

Sameer Dosani: But margins can improve right because of that?

Himanshu Shah: Yes. Of course.

Sameer Dosani: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Sankara Narayanan from ithought PMS. Please go ahead.

Sankara Narayanan: Thanks for the opportunity. Sir, my first question is regarding the Q4 revenue for this quarter. So, what led to the decline of 1%? So, I could see that in the past Q4 FY'24, we had a 33% growth. So I do accept that a high base effect would have played, but keeping aside what led to this degrowth or at least we could have seen some 5%-6% growth compared to our base, right? So what led to this growth, sir?

Rajesh Goenka: Thank you so much for answering on my behalf 50% of the question yourself. So one, of course, we had a disadvantage of a very large base of last Q4. Second, as I said earlier, H2, the market has been flattish. consumer market is little bit negative but commercial market was positive so overall it was flattish and third the payment collections also in H2 was slower. So as a result of all these three factors put together, our Q4 to Q4 is flattish but that disadvantage now is gone so April onwards we are back to normal and we are quite optimistic.

Sankara Narayanan: Sir, usually this Q4 is responsible for commercial quarter, right? So, can you give the breakup of this quarter with regards to PES or LIT segment? Or even if you're saying the commercial quarter have performed well, but that's not reflecting our numbers. That's what I'm asking.

Rajesh Goenka: That's why I said the payment cycles also were relatively slower and as a result, the business did not scale up as normally we would anticipate.

Sankara Narayanan: Got it, sir. My last question is regards to the quick commerce segment.

Rajesh Goenka: Sorry, one more point maybe just for clarity. We also, since you, someone mentioned that our data days had gone up. So we also went little bit in the shell, not to further extend our credit.

Sankara Narayanan: Got it, sir. So my second question was on the quick commerce segment. So how that segment is playing sir because it is comparatively high margin segment than the ecommerce. So how it is performing?

Rajesh Goenka: So this is a new avenue. Quick commerce as you know is the blue-eyed boy right now. Everyone wants to do quick commerce. We are using quick commerce for all power grocery usage. But Rashi Peripherals had the first mover advantage where we worked with all these quick commerce companies and currently we are almost doing eight or nine brands we are distributing through them. It seems that this is an additional business that we are getting and the overlap with the regular channel and e-commerce is minimal but it is still I think at an experimental stage especially for IT kind of products, grocery and all of course, I think they will

be super, super successful. But with this first mover advantage, we are very optimistic to have a very high growth on this quick commerce business.

Sankara Narayanan: Got it, sir. Sir, my last question was on our ROE. So currently we are doing a 12.6% ROE and our plans are to increase the ROE slowly to 15% or 16%. So let's say if we are not expecting the kind of growth in the enterprise vertical, so usually it has a high receivables and payables cycles, but overall it will increase our return metrics. So what's our plan on improving our margin profiles from let's say 12% currently to 15% or 16%?

Himanshu Shah: On ROE, as we have taken growth capital last year and the growth capital when it comes into full cycle of the growth and revenues then the ROE will come back to the levels of the standards applicable to the industry which is 17% to 20%. So yes, current levels of 12.6% we expect in 1-2 years to jump to 15% and beyond that when the full capital utilization happens at 12. So as we have taken growth capital this dip is seen in the ROE.

Sankara Narayanan: Got it, sir. And I expect this working capital to remain in the same range?

Himanshu Shah: So, we see some improvement scope in the same by maybe 5%-10%.

Sankara Narayanan: Got it. Thank you, sir. And one my last suggestion for from investment community is to add the brand-wise revenue contribution for each quarter sir like what you have did in Q3 FY'24. From there on you have removed that brand-wise revenue contribution in your presentation, so I request you to kindly add that in your presentation. Thank you, sir.

Moderator: Thank you. The next question is from the line of Hardik Gandhi from HPMG Shares & Securities. Please go ahead.

Hardik Gandhi: Sir, thank you for the opportunity and congrats on the decent set of numbers. So just wanted to have your perspective on the consumer demand in the next upcoming year. Do you see it kicking back given that there is a tax benefit which is given? So do you think there will be a bigger spending from consumer side along with the demand from the corporates?

Rajesh Goenka: So while the income tax advantage may not directly affect the IT business or ICT business, that's more of leisure and easy spending by consumer. But I think considering the overall sentiment; second, overall our economical growth; and third, education, and last but not the least is the enterprise corporate and data center. All this accelerating and third party reports at this moment are indicating double digit growth in the demand per se in the coming year. And I am just back from US from some conference and there also I heard that globally also the PC demand has already started picking up so that's an additional comfort that we get that in the coming year the demand will be at least in double digit higher, higher double digit.

Hardik Gandhi: And for our company, are we expecting similar at least 10% to 15% growth in the topline?

Rajesh Goenka: So our guidance always right from inception has been that our last 20 years history is almost high double digit growth. So our aspiration continues to be the same. Even if you see...

Hardik Gandhi: But sir, high double digit growth can be like 15% growth is a high double digit growth?

Rajesh Goenka: Yes, 15% to 20% growth is our CAGR at this moment is 21% if you see.

Hardik Gandhi: Correct. So that's why I wanted to say these numbers will shifts.

Rajesh Goenka: Good that you corrected me.

Hardik Gandhi: And just a second question. On the margin front so are we providing any services or are we planning to introduce some service which might help better our margin like even selling cloud and getting commission from that or you know just on that service front?

Rajesh Goenka: So currently we do not have revenue from services. Whatever warranty services we do is to support our business and our brand and that is the reason we have a lion share of business in those particular brands. So at this moment, currently there is no plan is the answer.

Himanshu Shah: Sir, the miniscule element of services in our P&L is coming from our subsidiary where we have 51% stake and cloud computing services are being done through that subsidiary, ZNet.

Hardik Gandhi: Understood. But I've seen other companies, they are starting initiatives where they just on a commission basis sell cloud as a service to their clients and to other organizations. So any thoughts plans to start a similar thing because that would just directly add to your bottom line.

Rajesh Goenka: Absolutely, so your feedback, suggestion is noted.

Hardik Gandhi: Okay, understood. Thank you so much. Have a good one.

Moderator: Thank you. The next question is from the line of Rohan Patel from Turtle Capital. Please go ahead.

Rohan Patel: Thanks for the opportunity, sir. I just want to know the characteristic of a new business vertical that's reflected in our financials for FY'25, which is AI-based business. So can you just share some perspective on what are the customers, at what kind of business that is like service oriented or product oriented and what kind of margins do we enjoy and how will this business grow going forward?

Rajesh Goenka: So is your question specific to AI or it's a generic new business question?

Rohan Patel: No, the one you are showing in your presentation as a different vertical.

Rajesh Goenka: Yes, so are you referring to the Yotta server deal again?

Rohan Patel: See, I'm talking about the revenue that shows 1,687 AI data center.

Rajesh Goenka: That's why I'm just reclarifying. Yes, so I think that I have already explained twice in the call that this was one large AI data center order that we successfully have executed. But the current industry trend is not to go for such large units at one go rather than have small small units and keep on adding but at the same time multiple customers are building up small small data centers which they eventually will expand into 2x, 3x, 4x. So therefore right now as against this Rs. 1,500 crore order we are not giving any guidance that whether it will be Rs. 1000 crores or Rs. 1500 or even Rs. 2000 or if not more.

Rohan Patel: Okay, and what kind of margins did we make in this business?

Rajesh Goenka: Yes, the margins obviously are lower, but then the debtors and creditors also are offsetting each other. but percentage margin obviously is lower.

Himanshu Shah: Inventory days are also less in such kind of deals.

Rohan Patel: Okay. And sir, in the last call, you just mentioned that you were like, entering into a different set of business of embedded solution. And you wanted that to be 5% to 10% of your revenue going forward over next 3 to 5? So can you just update us regarding the developments that are happening over there and give a sense about the business it would look like, like what is that business about? What will be our end clients be? What would be that service of products?

Rajesh Goenka: Okay. So our embedded business is shaping pretty well. It is very unique and different business. The skill set and expertise required are also different, unlike our ICT distribution where we are doing almost such a large business. We have created a separate team for it. We've also, as a part of the value add, we have created a laboratory in Bangalore where the design samplings are done, testing are done and when they are ready the prototypes are given to the potential customers to test. Once they test, approve it, then it goes for eventually production. The second point question was who are your customers? So typically different customers, manufacturing customers, automobile customers, they are our potential customers. Some buy directly, some buy indirectly.

Rohan Patel: Okay, and would that be a margin accretive business? I hope that would be because it's a way value added business and that we do currently.

Rajesh Goenka: Yes.

Rohan Patel: So can you just throw a light on what would be like our margin profile, what kind of ROE that business would generate for us?

Rajesh Goenka: You are talking only about embedded business?

Rohan Patel: Embedded, only embedded business.

Rajesh Goenka: So at this moment we are more into an investing stage where we are building capacity, expertise, technical know-how, laboratory investment. But the opportunity is huge. I think more than \$2 billion of semiconductors are already being bought in India. We are just at the tip of iceberg and needless to say that more value add you do in business the margins are higher. So obviously the margins will be higher but at this moment today if you ask me it will be difficult to spill out.

Rohan Patel: Okay and just if you can, you might have done this calculation, what kind of payback period you are expecting from this business?

Rajesh Goenka: So we are already profitable on this business when I said investments I meant from in terms of margins and ROA and ROCEs. So we are already profitable if we look individually only as this business.

Rohan Patel: Okay, so can you just give us like what kind of revenue it has contributed in this financial year for us and what kind of margin, because we are already profiting?

Rajesh Goenka: So this year about Rs. 100 crores plus revenue we have done in this business.

Rohan Patel: And we have already break even and now we are profiting.

Rajesh Goenka: Yes.

Rohan Patel: Okay, and sir when we see historically in your presentation we have done ROE of say 23%-20% before of our capital, IPO money. So why are we targeting 15% ROE where like what has changed that now we are targeting a lower ROE?

Himanshu Shah: It's not targeting lower ROE, it's building up gradually because when you take a growth capital of such a size and the market dynamics and all what are there to grasp the opportunities, it builds gradually. The volume doesn't come so fast.

Kapal Pansari: So once we reach to 15% obviously we will strive for higher but our initial target is to get back to the base ROE of 15% and then build from there onwards.

Moderator: Sorry to interrupt, may I request Mr. Patel to rejoin.

Rohan Patel: Yes, sure. Thanks management for answering all the questions.

Moderator: Thank you. The next question is from the line of Manoj Rajani from Rajani Family Office. Please go ahead.

Manoj Rajani: Hi, sir. Congratulations on a good set of numbers. So just wanted to ask you that, given the tight working capital cycle, which is common in your industry, so what is our plan to maintain this growth and also without adding any debt to the balance sheet?

Rajesh Goenka: So I think Himanshu has already clarified that the industry standard is this and our aspiration also is to maintain something similar or better. There are basically three parts of it. One is the inventory, second is our debtors and third is our creditors. So all these three corners we have to keep a tight watch on this and control while maintaining our aspirational growth of double digit. So if you see last year, inventory has gone down, but debtors have marginally increased. But net, we are still the same. So there is no deterioration even when the market was, the H2 was a little bit slower.

Manoj Rajani: Sir, this, the current level would be a comfortable level for us even in the future?

Rajesh Goenka: Absolutely.

Manoj Rajani: Okay, sir. And what is the range that we are comfortable with if in case it, like such a situation worsens?

Himanshu Shah: So it's 50 to 60 days is the overall range, but we see that the business can go or demand the working capital cycles. Not beyond 60, again, the eyebrows get raised and it gets addressed. We have that standard deviation range of that. Secondly, more important to see here is as long as we are able to net of debtors and creditors in terms of days, we are in the safe zone.

Manoj Rajani: Understood, sir. So, just one last thing, so just wanted to know the, sorry if it has been answered. So what is the proportion of the revenue of top 5 OEM partners? And is there any risk of more concentration in this?

Rajesh Goenka: I don't have the exact data, but I can only generally answer that Rashi peripherals is the least riskiest in terms of product coverage because we have very wide variety of brands and product categories and last but not the least our 52 branches, so we are covered pan India. That is one of the reasons our business has always been consistent and have a consistent growth of 15% to 20% YOY.

Manoj Rajani: Understood sir, so any approximate names that you could take, I mean just top 2 or 3 maybe?

Rajesh Goenka: Yes, the top names I can say is ASUS, Lenovo, Western Digital, Intel these are top names

Manoj Rajani: That's very much helpful, sir, Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Ajay Shantaram Kale, an Individual Investor. Please go ahead.

Ajay Kale: Hi, thanks for the opportunity. My question is, if I see the last year full year, percentage of channel mix vis-à-vis the corporate or enterprise earning and e-commerce, I understand e-commerce is still early day baby or newborn baby, but I just want to know what's the mix and from a revenue point of view and a margin point of view?

Rajesh Goenka: Yes, so our channel mix is 85% and our LFR is 7% and e-commerce is 8%. And we are hovering around the same as we always explain that ICT products are not, they are technology sales and you need consultancy in some form or the other to make the ICT products sales. Therefore, despite all the onslaught of online, the ICT industry is still dependent on the channel community, whom we call as our partners. And that is the reason 85% business is coming from channel community.

Ajay Kale: And my next question is, thanks for that. And how about profitability? What's the profit mix?

Rajesh Goenka: Yes, so I was about to say that and to add to what I already said, that if you work with e-commerce companies the profitability relatively is lower. So that is again one discouragement to... Therefore, and since we are present in 52 cities of India, our first preference goes to the channel business. Of course, we cannot ignore all other forms of business which are e-commerce, LFR, and the new one, quick commerce.

Participant: Okay, thanks. My next question is, what's the revenue mix of PC versus non-PC business of Rashi for the full year basis?

Rajesh Goenka: So broadly, 55% to 45% would be PC versus non-PC business.

Participant: Okay and within this PC business what is the percentage of revenue mix between consumer and commercial?

Rajesh Goenka: That number I don't have off hand to give you. We need to collate the data.

Participant: So the idea is just to understand whether the consumer business is growing or commercial business is growing? So any...

Rajesh Goenka: Yes, I think I have explained already at this moment commercial business growth is far higher than consumer. So for us also, our mainly growth is from commercial segment.

Participant: Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Vinay Menon from Monarch Capital. Please go ahead.

Vinay Menon: So just a couple of things. We are at Rs. 900 crore debt. Now our cash position is also really lower. So will we take any incremental debt like going ahead for growth? That is my first question.

Himanshu Shah: See, as far as working capital cycle, when it is maintained at 54 days or to be more specific, 6-6.5 cycles, so any growth comes or any deviation comes within the year the availment of debt and then it gets normalized along with the collection cycles which happens in the business. So debt requirement will be availed or not availed depends upon growth opportunities coming into the business and what is the combination of the contours of those businesses?

Vinay Menon: Okay. And in terms of, sir, how is it like April-May, like you are almost done with April-May, so how are things looking up? Like have we seen demand increase or improve or anything, any guidelines on how things are looking up now?

Rajesh Goenka: Yes, so I think I again, this also I explained. Our H2 was slower, but this H1 seems to be on track and all third party reports are indicating about 10% demand growth.

Vinay Menon: Okay, and then on NVIDIA chip the release is expected in June-July. So are we expecting some demand from that also since we are the largest distributor for them? So are we expecting some kind of demand from that, I mean '26?

Rajesh Goenka: Yes, so NVIDIA demand continues to expand in consumer, commercial, and data center, all three. And thanks for you to acknowledge that we won the distributor of the year award from NVIDIA.

Vinay Menon: And this pivot from the larger deals to more smaller probably Rs. 200 crores to Rs. 500 crores kind of deals, is it because the margin issue or was it because it's that working capital in H1? What was the reason for this pivoting strategy? So just want to understand.

Rajesh Goenka: What I said was more market, the way the market is growing on and right now, we are not seeing such large 4,000 or 8,000 GPU data centers coming up at this moment. But at the same time, demand is not subdued. We are seeing multiple data centers coming up across other cities as well, simultaneously.

Moderator: Sorry to interrupt, may we request Mr. Menon to please rejoin the queue? We have participants waiting for their turn.

Vinay Menon: I have just one last question, if you're okay?

Rajesh Goenka: Okay.

Vinay Menon: Just one thing, we have 15% ROE, ROCE benchmark, which we want to get back to. So any plans how we're looking towards that? Because that is what the Company has been, like teething

since IPO, the 15% is what you're looking at this year, obviously was a little lower. And obviously that was attributed also to the larger deal. So without this, can we go back to that 15% margin side from the ROE ROCE front?

Himanshu Shah: Yes, it is achievable and 15% is the target what we have said is in short run in next 1 to 2 years' time. Long run definitely remains in the range of 17%-20%.

Vinay Menon: Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Sankara Narayanan from itthought PMS. Please go ahead.

Sankara Narayanan: I just have a follow up question. So what's our current business on our exclusive distribution rights, we do have on the certain products, right? So what's the overall revenue from that right sir?

Rajesh Goenka: Currently our exclusive distribution business is roughly about 20%.

Sankara Narayanan: Got it, sir. By the way it has increased from 15% to 17% to 20% sir, if I'm not wrong.

Rajesh Goenka: Yes, it has marginally increased but I must say that exclusivity and non-exclusivity does not have too much of relevance in this business because it's more demand-supply and the value adds that you bring to the market. Also, maybe I can take this opportunity that majority of the businesses that we are doing, even if we are not exclusive, we have the lion's share in the businesses that we are doing and that is what is more important.

Sankara Narayanan: Got it, sir. And for the products that we have exclusive rights, we do sell at a premium rate sir because we only have the rights in the market. So we have a higher gross margin in the segment sir?

Rajesh Goenka: So this industry is more of a flattish, if not fixed margin. So the scope of earning extra margin even in exclusive is very small. It is not zero, but it is not very big, unlike other industry but the positive side also is that if the exclusive product doesn't get sold then it's not your loss ultimately it will be covered somehow. So it has its own pros and cons, not very high but not very low as well.

Sankara Narayanan: Got it, sir. And regarding our recent news on Satcom Infotech, so what has changed in the plans of the acquisition, sir? What have really changed?

Kapal Pansari: So the SATCOM acquisition, though we announced as a plan to acquire, however, that plan has been terminated. I think the conversation between the two companies did not proceed as per plan and certain expectations decided to end the conversation. So that is not in our radar for next coming foreseeable time.

Sankara Narayanan: Sir, but we do focus on acquiring companies in the business of software reselling because our other competitors also do the same and they have posted good results on software reselling business because it has a huge opportunity in a country like India. So how are we going to capture that growth in our business?

Kapal Pansari: Yes, you are absolutely right and that is one of the reasons why we engaged with this company in the first place. Unfortunately, this transaction is not going through that, but we have not dropped our plan to acquire or penetrate in this segment. Since this is still at the nascent and the drawing board stage and we do not have concrete information or any development to share with all of you. We are just informing that that Satcom takeover acquisition is currently not progressing positively. But our focus for entering the segment remains strong. And we want to do it more based on this learning of this transaction, the way it proceeded, the way it went back or fell apart. We are now redrawing this strategy to ensure that we do not face same issue again in the next engagement that we work with.

Sankara Narayanan: Got it sir, best of luck.

Moderator: Thank you. The next question is from the line of Rohan Patel from Turtle Capital. Please go ahead.

Rohan Patel: Yes, thanks for the follow up opportunity. Sir, can you just give us an insight into what are your plans to improve our cash flow from operations because we have consistently having negative cash flow. So to grow at 10% to 15%, we will certainly need a sufficient level of internal accruals, which we are lacking right now. So it will be dependent all upon our ability to borrow or raise capital which is not a healthy way to grow a business.

Himanshu Shah: So we are trying to find out solutions and implementing those also from the balance sheet like off balance sheet solutions which can help in improving the cash flows, first of all. Second thing, optimizing the working capital cycle, what are the scope I mentioned, that will also help. On funds generated from operations, definitely there is no issues and those things are getting contributed directly or getting flowed back directly into the businesses only. I hope I'm able to answer that.

Rohan Patel: Yes. And just one of the, last time when I got opportunity, I asked about your embedded business. So can you just give some clarity about what kind of products or services we are working on? Like, just to give an insight?

Rajesh Goenka: Yes, so these are basically semiconductor chips, and we have tie-ups with company like, again, NVIDIA, Intel, Elmos, Micron, Western Digital. We buy their chips and these chips are then used to make some solutions. Maybe I can give you an example without naming anything. Today a car has more than 60 different types of chips because nowadays all the cars are totally automated. Right? Again, if I go a little bit one step further. Car headlights for example, again

they are all automated. So in a car headlight there are at least 3 to 4 chips. So these chips are essentially provided by Rashi Peripherals because we have tie up with those companies. But what different we do is these solutions, for example, headlight solutions, sampling we do at our laboratory and then we do business development work with various manufacturers for implementation.

Rohan Patel: Okay, and just if you can provide us with now at 100 crore revenue base, we are profitable. So what kind of margin we are making right now?

Rajesh Goenka: It's obviously higher than the regular ICT margins.

Rohan Patel: Okay, but just a rough ballpark figure if you can give, is it in double digit margins right now? And if so, how will this margin trajectory will be going forward?

Rajesh Goenka: Yes, at this moment I can only say it is definitely higher but the costs are also there at the same time. Once we reach to a good scale, I think that's where we will see and that is why we are putting so much of effort, time and energy in building this business from scratch.

Kapal Pansari: Assigning a range at this level of business is difficult and inferences cannot be drawn. But as Rajeshji said, it is definitely a higher margin.

Rohan Patel: And based on what work you are doing and you might be having conversation with your clients and customers. Can we see this business being 5x the price in next 3 to 4 years?

Rajesh Goenka: So as I said earlier, currently the market size is \$2 billion. \$2 billion means 16,000 crores is the existing market and with so much of more manufacturing happening in India, more automation happen, this market will rapidly grow. So that's the opportunity. Opportunity is very large. We are only at the tip of the iceberg. But I think we are there at the right time at the right place.

Rohan Patel: Okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Kapal Pansari for closing comments.

Kapal Pansari: Thank you, investors. Thank you, shareholders, for participating this call of FY & Q4. As in all the questions, in all your queries, we have answered, one outlook that I want to leave with all of you is that we have now completed with one year of our operation in the listed space in the public domain where a lot of learning, a lot of questions and a lot of deliberations has happened about how we take this company forward in the next coming years. I think the journey has been exciting and we can only share with more confidence that the opportunity this segment of semiconductor of the enterprise and our traditional businesses put together contribute in this digital India of the future will only present more and more opportunities driving growth

and better profitability for all of us put together. Thank you once again for participating this call and wish you have a very great weekend.

Himanshu Shah:

Thank you so much.

Moderator:

Thank you. On behalf of Rashi Peripherals Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.