

November 14, 2025

To,
Listing Operation Department
BSE Limited
P.J. Towers, Dalal Street,
Mumbai – 400001

Listing Compliance Department
The National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block, Bandra-Kurla Complex,
Bandra (E) Mumbai – 400051

Scrip Code: **544119**

Symbol: **RPTECH**

Sub.: Transcript of Earnings Conference Call held on Monday, November 10, 2025

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, we submit herewith the transcript of the Earnings Conference Call held on Monday, November 10, 2025 at 10:00 a.m. (IST) for the Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2025.

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

You are requested to kindly take the same on record.

FOR RASHI PERIPHERALS LIMITED

KRISHNA KUMAR CHOUDHARY
Chairman & Whole-Time Director
DIN: 00215919

Encl.: As above

Rashi Peripherals Limited

Regd. Office: Ariisto House, 5th Floor, Corner of Telli Galli, Andheri (East), Mumbai, Maharashtra – 400069, India

• Tel: +91-22-6177 1771 | Fax +91-22-61771999 • www.rptechindia.com • investors@rptechindia.com | CIN: L30007MH1989PLC051039

Rashi Peripherals Limited
Q2 and H1 FY'26 Earnings Conference Call
November 10, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY'26 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. Please note that this conference is being recorded.

Before we begin, please note that this conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

On the call today, we have Mr. Kapal Pansari – Managing Director, Mr. 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 gone by, following which we will open the forum for Q&A.

I now hand the conference over to Kapal Pansari. Thank you and over to you, sir.

Kapal Pansari: Good morning, everyone. We welcome you to the second quarter earnings call. Hope you have had the chance to go through our results, press release, and investor presentation which are available on the exchange and our website.

As we navigate the digital frontier, the global PC market is roaring back to life, with Q2 2025 shipments surging 8% to 10% year over year propelled by inexorable Windows 10 sunset and easing tariff headwinds. In India, this renaissance is even more electric. Quarter 2 shipments climbed 6% to 3.6 million units, with notebooks fueled by enterprise AI adoption and Windows 11 refreshes, leading an 8% charge. Government initiatives such as Digital India and Make in India are accelerating domestic hardware manufacturing and digital adoption across education, governance, healthcare, and enterprise sectors. The Indian IT hardware market continues to grow at 10% to 12% annually, driven by rising laptop penetration, smart city projects, and expanding data center infrastructure. For our ICT distribution networks, this signals an era of premium hardware demand and genuine solutions. We are poised to capture this momentum, delivering scalable solutions that empower India's creators and gamers. The future is not just computing, it is computing smarter. As a leading value-added distributor, PC components, and embedded devices, Rashi Peripherals is playing a pivotal role in this transformation, bridging global innovation with India's rapidly evolving digital ecosystem. By empowering OEMs, channel partners, and enterprises with integrated, energy-efficient, and AI-ready solutions, we remain committed to strengthening the backbone of India's connected future. In order to strengthen our nationwide coverage and serve customers' demand seamlessly, we have expanded our distribution network with commencement of two new branches in Maharashtra. We are also delighted to announce our ESOP program for our employees, fostering a culture of ownership and rewarding our talented team for driving our shared success. This initiative strengthens our bond and propels future growth.

Before inviting Mr. Rajesh Goenka to speak, I am pleased to share that Rashi Peripherals has been recognized by two prestigious awards, NCN's Best National Level Value-Added Distributor of 2025, and Digital Terminal's Most Trusted National Distributor of ICT Solutions in India.

With that, I now hand over to our CEO – Mr. Rajesh Goenka, to share further updates about the company.

Rajesh Goenka:

Thank you, Kapal Pansari ji. I extend a warm welcome to all stakeholders on today's call as we discuss our business and operational highlights for the quarter and the half year.

Let me begin by sharing some of the key highlights of Q2 FY'26:

We continue to strengthen our position in the market with new brand alliances, welcoming Dell Commercial Technologies business and an Indian startup named Teachmint Technologies to our portfolio. Our PC business maintained strong momentum, growing at 2x the market rate, reflecting our consistent execution and customer focus and expansion. We also had a very active industry presence participating in the prestigious Electronica Embedded Exhibition in Bangalore, which provided a great platform to showcase our embedded products and solutions and engage with potential OEMs and customers.

Another proud achievement was the successful completion of India's longest-running Channel Roadshow, covering 50 cities, engaging 4,000-plus small partners, featuring 300-plus product demonstrations from leading brands. We further expanded our server and storage portfolio, reinforcing our commitment to offering comprehensive ICT solutions to our partners across the length and breadth of the country. Our evolution is marked by an aggressive expansion beyond conventional hardware into the future-ready categories like AI-enabled services, embedded and semiconductor solutions, and comprehensive enterprise and cloud solutions. We are leveraging our robust tech-driven infrastructure, primarily driven on SAP HANA and SAP CRM systems, to optimize our supply chain, ensuring we move with the market velocity. We have consciously invested in strengthening our presence, particularly in tier-3 and tier-4 cities. Our diversified portfolios split across PES and LIT segments make us resilient and position us to capitalize on India's digital transformation journey. Furthermore, our increasing penetration into AI solutions is delivering meaningful results, reinforcing our leadership in this transformative domain. Lastly, we are accelerating the growth of our embedded-slash-semiconductor vertical. We remain focused on leveraging

our extensive distribution network, which now caters to more than 10,000-plus customers in 700-plus towns and cities of India, to ensure sustained value creation for our stakeholders.

To provide further details on our financials for this quarter, I hand over the call to our CFO, Mr. Himanshu Shah.

Himanshu Shah:

Thank you, Rajesh, and a very warm welcome and good morning to all of you, all the investors present on the call. I am delighted to take you through the consolidated financial highlights, especially the cashflow-positive financial highlights for quarter 2 and H1 FY'26.

During quarter 2 FY'26, revenues stood at 41,554 million, up by 12.1% Y-O-Y, and other than project deals it was up by 20% Y-O-Y. EBITDA came in at 1,081 million, an increase of 3.5% Y-O-Y, with an EBITDA margin of 2.6%. PAT for the quarter was 592.2 million, translating into a PAT margin of 1.4%. Adjusted PAT, excluding the extra ordinary items, stood at 664 million, with an increase of 7.4% Y-O-Y.

Talking about H1 FY'26, for the first half of FY'26, revenue was at 73,076.5 million, 8.3% decline on Y-O-Y. However, with the large project deals which we executed last year, excluding those, we are 16% up on our run rate business. EBITDA grew by 12.6% Y-O-Y, up to 2,195.5 million, with an EBITDA margin of 3%. PAT stood at 1,209.2 million, down 3.2% Y-O-Y, with a PAT margin of 1.7%. However, adjusted PAT, excluding extraordinary items, was at 1,281 million, with an increase of 9.7% Y-O-Y. ROE is at 13.33%, ROC is at 15.06% on annualized basis for the H1 FY'26. Working capital days were at 61 days for H1 FY'26. Trade receivables, trade payables, and inventory stood at 46, 44, and 59 days respectively. During the corresponding period last year EBITDA and PAT were inclusive of certain one-off items. Excluding these items, the normalized growth in the current period reflects a strong improvement in underlying business performance, supported by steady demand and operating efficiency. This provides a more accurate view of our year-on-year profitability trajectory. And of course, we have been able to

manage our working capital components well, resulting in a positive cash flow.

Looking at the business mix on a trailing 12-month basis, our PES segment contributed 57% of the revenue, while LIT accounted for 43%. Region-wise, 61% of the revenue came from metro cities and rest from non-metro geographies. The ESOP rollout during the quarter has led to a modest non-cash expense, slightly diluting EPS in the quarter by under 1%. This balanced approach prioritizes talent retention while maintaining our robust financial trajectory.

With this update, I would now like to open the forum for questions and answers. Thank you.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is in the line of Nigel Mascarenhas from Leo Capital. Please go ahead.

Nigel Mascarenhas: Good morning, sir. Thanks for the opportunity. A couple of questions from my end. Firstly, can you please elaborate on the extent of the ESOP cost booked in this quarter versus last year and versus the previous quarter? And what is the likely future run rate?

Himanshu Shah: So, the ESOP expense last year was nil because this has been rolled out. The grant has been given in this quarter. And the accounting treatment of the provisioning of ESOP cost has been done as per Ind-AS wherein this quarter has involved a provisioning of 72.17 million.

Nigel Mascarenhas: Got it. And what is the likely future run rate as well?

Himanshu Shah: So, for up to three years, like for the next four quarters, it will be almost in the same range.

Nigel Mascarenhas: Okay. About 72 million for the next four quarters. Got it. And lastly, what is your growth outlook and margins for the company going ahead?

Rajesh Goenka: Yes. So, as far as the growth is concerned, if you see, exclude the last year, the big project deal. Otherwise, we are growing at a healthy rate of 16%. And particularly, when you compare Q2 to Q2, then our growth is around 20%. So, while we cannot exactly predict, but we have been always maintaining since last few years that our CAGR has been 20% for last 20 years. And our aspiration is always to meet or be near there.

Nigel Mascarenhas: Got it. And margin wise?

Himanshu Shah: So, margin wise, as I mentioned in my highlights also, that H1 results gives a picture of our margin trajectory, which we have been able to deliver in the long run also.

Nigel Mascarenhas: Got it. Thank you, sir. Thank you for answering my question.

Moderator: Thank you very much. The next question is in the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, I wanted to understand regarding our revenue growth, sir. One of our competitors, Sir, Redington, they consider the large deal as a part of their business. But, sir, when we consider a large deal on a consolidated basis, our revenue has grown by like 12%, 13% for this quarter versus our largest peer has grown 16%. So, what is the reason why we are not taking any large deals? Is it based on margin? And, sir, if you could just help us understand on that.

Rajesh Goenka: So, last year, large deal that we got in quarter 1 and part of it in quarter 2, if you recollect, it was close to almost Rs. 1800 crores. So, that we always take it separately because these large deals, there are multiple macro factors of getting those businesses or no. So, therefore, for sake of discussion, we always keep it aside and then discuss so. However, going and second is what we also want to do. These large deals execution should be complete. Our payment cycle, all our obligations also should be complete before we get into another large project. So, I am happy to share with you that all these orders have been very successfully executed and all our obligations are completed.

So, now onwards, obviously, we are open for large projects once again and we have some very strong funnel for Q3 and Q4 and hopefully, we will win some large projects once again.

Madhur Rathi: Got it. Sir, on a net margin front, we have been constantly delivering more than our guided of 1.3% to 1.5%. So, can we expect our net margins to be of 1.5% whether or not we get large deals and our revenue to grow at double digit, excluding the large deals as well?

Himanshu Shah: So, on the margin front, as you rightly mentioned, we have been constantly delivering more and the company continuously strives for optimizing its operational efficiencies and with the dynamics of the customer mix, product mix and the margins flowing from GP to Working Capital discipline, it is a mix of all those factors. So, that is why 1.5% is a safer PAT margin which can be considered for long run.

Madhur Rathi: Got it. And final question, sir, if you could just help us understand on the software division, how is that scaling up and what kind of margin profiles are we currently operating at and where do we see it scaling over the next two to three years?

Rajesh Goenka: So, at this moment, it is very small like a small startup. We are still at the design board. So, it is too premature to speak in detail about it.

Madhur Rathi: Sir, okay. Thank you so much and all the best.

Rajesh Goenka: Thank you.

Moderator: Thank you very much. The next question is from the line of Kunal Mehta from Sunidhi Securities. Please go ahead.

Kunal Mehta: Hi, sir. Very good morning. So, you just mentioned that you are also now ready to take up large projects and I think the last project that we took from Yotta was at a lower margin. So, going ahead, will we be compromising on margins for larger projects or we will be maintaining our gross margin of 5% and EBITDA margin of about 2.5% to 3%?

Rajesh Goenka: Yes, the answer is very simple. We obviously had good learnings of the past deal and we had some challenges as well. So, with those learnings, we will have to tread a little bit carefully. So, I would say that we would take probably a middle path and focus is going to be primarily on ROCE.

Kunal Mehta: Okay. And, sir, taking larger projects, does it maybe deviate the usual business that we have because last year, I think, because of the larger project, has it been that a lot of bandwidth has been gone towards that or it does not affect the usual?

Rajesh Goenka: Not really. It is the exposure. It is the ROCE. From bandwidth perspective, I think we have enough bandwidth to manage the run rate, BAU business and the project business both simultaneously.

Kunal Mehta: Okay. And, sir, I think this quarter, the e-commerce channel percentage is about 17%. Is it higher than usual? Is this something that we are a channel that you are focusing to grow more on?

Rajesh Goenka: Yes. So, as I have been always explaining that there is always a fight between the September quarter and March quarter. September quarter is a consumer quarter. September quarter is an e-commerce quarter and March is a commercial quarter. It is an enterprise quarter. So, therefore, this quarter e-commerce is high. But as we progress in Q3 and Q4, our GT business, regular business will come up again. You know, Diwali time, all the big festivals, BBD, all these festivals are there. So, therefore, it is an every year scenario depending on when the Diwali is there and when these festivals are there. So, it is repetitive in nature on account of festivals.

Himanshu Shah: It is in line with the seasonality applicable to the business.

Kunal Mehta: Okay. And, sir, what is the average lease term on our warehouses and branches? Is it five years?

Himanshu Shah: So, these are long-term leases only. Most of them are long-term leases from three to five years, of course. And when we do capacity expansion, definitely, we then look for, you know, renewing for some other property.

Kunal Mehta: Because I think we just renewed the lease in this quarter or this half year.

Himanshu Shah: Yes. So, these are long-term leases.

Kunal Mehta: Okay. So, can we assume it is like a five year lease?

Himanshu Shah: Yes.

Kunal Mehta: Okay. Thank you, sir.

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

Vinay: Hi, sir. Congratulations on a good set of results. Two questions from my side, sir. One on this ESOP cost. You mentioned 72 million you booked for this quarter. And this is a three-year program. Any target with mind in terms of how these ESOPs will be given? And, you know, like, what could be the yearly run rate on this?

Himanshu Shah: The yearly run rate will be around 200 million for two years. And very small piece getting spill to third year.

Vinay: Okay. Any revenue target, any target on which this will be given? Or is it just on the tenure getting over?

Himanshu Shah: So, it is more of tenure for the employees who have spent, you know, more than five years in the organization. And that is clearly spelled out in our ESOP policy, which is also available in the public forums.

Vinay: Okay. Great. That helps. And there was a sharp jump in inventory this quarter. Any reason for that?

Himanshu Shah: Inventory days are in the range of like 59 days only, which is not a jump, which is normal, you know, days applicable to the industry and this seasonality applicable to the business.

Vinay: Okay. And our cash flow turned positive, this is a great thing for us. Is this sustainable, sir? And anything which we have done for this to kind of turn around so quickly for us?

Himanshu Shah: So, we feel that, you know, if you manage your working capital components well and be sensitized about the movements in that and keep a close track of it, I think we will be able to maintain it. To what extent is the range depends upon, you know, as certain external factors are also affecting the working capital components. It all depends on that.

Vinay: Okay. And one last thing is this new partnership with Dell, what kind of revenue potential can we expect from it and when can we start seeing revenue from that?

Rajesh Goenka: Yes, thank you for asking this question. So, Dell commercial business is already kick-started and in July, August, September quarter also, we booked a very small token revenue. This Q3, we are expecting substantial revenue in this and going forward also. Just to give you a ballpark figure, Dell commercial business, they do to the best of my estimate about \$3 billion in India. So, theoretically, that plus growth is the opportunity for Rashi Peripherals.

Vinay: Okay. That helps, sir. I will just get back in the queue.

Moderator: Thank you very much. The next question is from the line of Aejas Lakhani from Unifi AMC. Please go ahead.

Aejas Lakhani: Hello. Yes. Am I audible?

Moderator: Yes, sir. Yes.

Aejas Lakhani: Hi, team. So, sir, a couple of questions. One, the first one is that the competitive intensity is materially increasing both from listed as well as unlisted peers. So, your thoughts on how it is shaping up?

Rajesh Goenka: Yes. So, with the globalization, more information, the competition definitely with the peers are definitely increasing. But then, because of our inherent

strength of widest product portfolio and the physical presence in 52 cities of India, which we have further expanded to Nanded and Baramati. So, now we have 54 locations. So, plus our prudent working right from the management level, all three is helping us to maintain our consistent growth to H1 to H1. It was excluding the big deal It was 16%. And Q2 to Q2, it is 20%.

Aejas Lakhani: Noted, sir. But, sir, can you, I mean, if you look at companies like Cinex or even, Savex, etcetera, the competitive intensity with which they are participating is on the higher side. Are you seeing that not in your pockets of investments or in your pockets of products? Or is it happening more on the enterprise side? If you could textualize that answer a little bit.

Rajesh Goenka: I think it is happening everywhere. But again, as I said, because of our larger basket of products, larger locations, we are able to mitigate and maintain our growth trajectory.

Aejas Lakhani: Understood. Okay. So, the second question is that, can you just quantify how large is our enterprise segment now become and how is that scale-up taking place?

Rajesh Goenka: So, our enterprise business was about Rs. 1000 crores last year. And, of course, we are having the highest growth in that segment. But again, I just qualify excluding that one big deal.

Aejas Lakhani: Understood. And what is the run rate of that business now that you are seeing?

Rajesh Goenka: In the excess of 30% to 50% growth on a Y-O-Y basis.

Aejas Lakhani: Understood. And sir, what kind of deals are you participating in the enterprise business? Are these more larger deals that because of our network, we are not able to participate in? Could you just call out some more color on the same?

Rajesh Goenka: So, our focus regular as a DNA-wise, our focus is more on SMB kind of deals, especially companies which have employees of 100 to 1000 to 1500

employees. However, selectively, we go for larger project deals also. Like last year, we executed three similar projects. This year, so far, we have not executed any. But we have a very strong pipeline in Q3 and Q4. And I am sure we will win and execute some large projects in these two quarters.

Aejas Lakhani: Understood. And so, since we have been a first mover in the data centers business, can you just call out how is that segment? Are there any tailwinds that you are seeing that you can incrementally participate in?

Rajesh Goenka: Yes. So, data center, I think a lot of work is going on. But there are some capital constraints in this industry, which is now getting eased. So, we will see next two quarters and subsequent years, a lot of data centers coming up. And Rashi, and thank you for highlighting that being the pioneer in this, because of that large deal, we are very strongly well placed with our experience plus our distribution rights or brand alignment that we have with the global vendors.

Aejas Lakhani: Understood. So, sir, is it fair to say that while the tailwinds of data center deals are incrementally there, because of capital constraints, the conversation just said a second ago, you are being far more selective and careful in your evaluation of what you are interested to participate in. Is that understanding correct?

Rajesh Goenka: Absolutely. And our CFO is also a little bit adamant on ROCEs.

Aejas Lakhani: Understood. Okay. So, the next question is that, you know, you have had a certain set of product cohorts like the embedded and the large display format, etcetera, which you alluded to in the past, have a slightly better gross margin mix. So, could you just speak about what is the portfolio as a percentage of sales, which has a slightly better gross margin mix? How is that growing versus the company growth rate and can that help hold or improve the gross margin over this and the next year?

Rajesh Goenka: Yes. So, our embedded slash semiconductor business is doing extremely good. And as I mentioned earlier, we participated in the largest exhibition of India,

which was Electronica. We were the leading exhibitors there. We could display a lot of our solutions and we can see good business also emerging from it. So, run rate, I think the growth is good. However, at this moment, in the overall revenue, the percentage is still small and it will take two to three years to really make a very significant difference in the overall scheme of things.

Aejas Lakhani: Understood. And sir, could you just share what exactly and how are you participating in the software market?

Rajesh Goenka: As I said, this is at the drawing board only at this moment. So, it is too early to mention anything about it.

Aejas Lakhani: Understood. But it will be more, again, distribution of the software products, right? Is that a fair understanding?

Rajesh Goenka: Right now, we are on the drawing board.

Aejas Lakhani: Understood. All right, sir. Thanks so much and all the best.

Rajesh Goenka: Thank you.

Moderator: Thank you very much. The next question is in the line of Bhavin Chheda from Enam Holdings. Please go ahead.

Bhavin Chheda: Yes, congratulations to the management team for the strong growth. Just two, three questions. Sir, one on the Dell commercial business. You said you booked some revenues in quarter two and expect a strong momentum with Dell commercial business having \$3 billion in India. So, can you just guide us how many suppliers would be there who would be doing this Dell commercial business and what kind of market share we would be targeting over the next few years in this? And prior to quarter two, we did not have any kind of Dell commercial business. It is the first time that we are booking revenues in this segment.

Rajesh Goenka: Yes. So, first, I will start answering in reverse . So, yes, Dell commercial business, we started with zero previous quarter and we booked some very small revenue. However, going from this quarter, we have built a separate team and our funnel is also very strong. So, we expect a substantial execution, not only just order booking, within this Q3 and of course, accelerated growth in Q4.

Bhavin Chheda: And depending on, there would be how many distributors who would be doing this business?

Rajesh Goenka: Four.

Bhavin Chheda: There are four distributors in India who are distributing?

Rajesh Goenka: Yes.

Bhavin Chheda: Okay. Second, we see a debt reduction. I think congrats to Himanshu and the team to reduce the debt and bring working capital back under control. So, if I see, I think previous quarter, we had some Rs. 280 crores Yotta receivable for the last year, one big large deal. So, the entire amount has been received and still some receivable spending on that side.

Himanshu Shah: So, happy to inform you that the entire amount has been received against that. Yes, it got delayed, but at the quarter itself, we had collected all the amount

Bhavin Chheda: So, this quarter closing balance sheet now reflects a normal working capital related to our business?

Himanshu Shah: So, these collections of large debtors has helped maintaining our working capital cycle also and the cash flow, resultant is the positive cash flow.

Bhavin Chheda: And as we are obviously seeing a strong growth across most of the distribution companies, partly because of windows 10 transition. So, what kind of trends you saw in the festive season and how long this process will continue and will it be a one-off effect and the growth will taper down after

the transition has happened on the corporate side and all that? What is your outlook on windows 10 transition?

Kapal Pansari:

Yes. So, first of all, what I have in my initial speech while opening, I mentioned that overall globally, as well as in India, there has been a robust uptake in the PC shipments fueled by AI-based laptops and the windows refresh. With more and more AI work process flows, applications that are coming in, these laptops are becoming far more smarter and productive. So, the trend, one of the trends that we saw during these festive period was the premiumization of laptops. Instead of the entry level, there was a significant demand and interest from the customers for mid and higher end segments. Gaming segments continue to be strong and growing, followed by the windows refresh cycle. I think these were the key trends of PC drive that has happened in the country. Whether these are one-off or whether these will continue, I think this is just a start of the transformation for PC industry. More and more adoption will continue to happen because when the transformation happens or the technology upgrade happens, it is not possible for any organization, SMB or enterprise to refresh their entire infrastructure to these new devices. They have to use the PCs that were bought last year and the year before for another one or two years. When the refresh happens, it will happen to these more efficient and premium products going forward. The third information I would like to also highlight, while it is a public information about key components like memory, storage, computing chipsets, etcetera has started to face certain shortages in the market due to this high demand in the AI space, makers of the AI space. The data is increasing, the computing capacity need is increasing for devices. This is not going to be short term. It is going to last for a couple of quarters at least with the way we look at the trends in the market. Therefore, even the expectations on some increase in pricing will also happen.

Bhavin Chheda:

And Kapal is also the rupee depreciation partly helping out in overall increase in prices since lot of our components or the equipments are imported and then sold in India. So probably the rupee depreciation has helped in slightly higher turnover.

- Kapal Pansari:** Yes, So rupee depreciation in the long term cannot be directly attributed to the growth. But if you look at the theoretically the economics, obviously when rupee was 85 to 88, 89, the prices will eventually catch up and there will be some appreciation. But there is no direct correlation in the amount of growth attributed due to rupee depreciation.
- Bhavin Chheda:** Okay. And last one, can we figure out what was the volume growth if at all, if you are mentioning in the number terms on a unit basis in quarter to on a Y-O-Y basis, on units, on volume basis?
- Rajesh Goenka:** Yes, so very good point actually. So our first internal benchmark is unit growth. Then we look at the average selling price growth and then we eventually come with the revenue growth and then the profitability. That is the sequence. So I am happy to share with you that the market in terms of unit wise has grown by about 8%. Our unit growth has been about 16%, 16.5%, Q2 to Q2 and our revenue growth has been about 20%. So that is the map overall. Thank you.
- Bhavin Chheda:** Thanks a lot Rajesh. Thank you and best of luck.
- Rajesh Goenka:** Thank you.
- Moderator:** Thank you very much. The next question is from the line of Kunal Mehta from Sunidhi Securities. Please go ahead.
- Kunal Mehta:** Yes sir, hi. Just two follow-up questions. One is on the debtors factoring. I think now that CFO Sir has got our rating up to AA- which is very commendable. Can we see that we start with debtors factoring which can help us improve our working capital days?
- Himanshu Shah:** Yes, you are right with the credit rating up. The products available are more and we are very cautious about the nitty-gritties of the factoring. And we started testing those things and reaching at a number which is most optimum to our kind of financials. Definitely we will see over a period of time.

Kunal Mehta: Okay. And Sir, on the forward-looking revenue guidance, apart from large projects, can we say that our core business can grow at 15% Y-O-Y? Comfortably?

Himanshu Shah: Yes.

Kunal Mehta: Okay. Thank you, Sir.

Himanshu Shah: Thank you.

Moderator: Thank you very much. The next question is in the line of Vikrant Sahu from RK Advisory. Please go ahead.

Vikrant Sahu: Hello.

Himanshu Shah: Yes, Hi, good morning.

Vikrant Sahu: Yes, very good morning. Thanks for the opportunity. Just I have a question like you have provided details about the inventory write-off and doubtful debt. Can you explain to me how these are important and where we stand in the industry?

Himanshu Shah: So, as far as inventory write-off is concerned, it is actually not write-off, but provision for ageing inventory which we do as a prudent accounting practice. However, the company has not faced any sizeable write-off in the past or material write-off in the past, you may say. As far as provision for doubtful debts is concerned, yes. what I can mention is ours is lowest in the industry and in the range of 0.01% to 0.02% and long run also like 10, 15 years horizon I am talking about. And we continue to keep those things because credit risk is the major risk which we have a mitigation product in our kitty in the form of credit insurance where we enjoy best of the terms from insurance companies also because of our performance on the doubtful debts.

Vikrant Sahu: Okay. One more question I have about the new branches in Baramati and Nanded aligned with your overall expansion strategy in tier 2 and tier 3 markets. How do we align that the new branches?

Rajesh Goenka: So, in our quest to reach to newer customers and newer towns and cities, we explore the viability of opening a branch operation. So, we identified five locations where there is a substantial business opportunity and to start with we have started in Nanded and Baramati and just to update all our investors, all our branch, our profit centers. So, we actively review the P&L of each branch individually. And as you know, Maharashtra as a state and particularly places like Baramati and Nanded as a town, they are expanding rapidly in IT consumption in the home segment and the business segment both is pretty high and that is the reason we have set up these two new locations in Maharashtra.

Vikrant Sahu: Okay. And one more question I have, are there any plans to strengthen digital sales platform or adopt AI driven inventory management systems in future?

Rajesh Goenka: So, Rashi peripherals was one of the first companies to implement SAP almost 20 years back and then we have upgraded our system to SAP HANA. So, our entire ecosystem runs on SAP HANA. All our sales team, 400 plus sales people, they are on SAP CRM. So, they are all hands-on. Along with this, we have Power BI. So, I think we have the entire ecosystem which is digitized and we continuously keep on upgrading our technologies because we realize that one multi-location, second number of products, more than 4,000 products in our portfolio, it is a complex web. So, all the possible tools we use and we are improvising regularly by a core team of IT specialists.

Vikrant Sahu: Okay. Thanks. Yes.

Moderator: Thank you very much. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity once again. Sir, I read somewhere that there are around three crore PCs in India that are still on Windows 10. So, conservatively, how much can we expect to be converted to Windows 11 over the next two to three years? And sir, what is the average selling price for this AI-led PC versus our current realization for PC, if you can help us understand?

Rajesh Goenka: Yes. So, see, Windows Refresh is going to be a continuous process. And in India we typically try to refresh when we get stuck. So, it is not going to be overnight. But what keeps me more excited is the overall digitization, the demand of notebooks, desktops, and all related accessories. And obviously, the overall economy of India is also doing well. So, all these three factors together is increasing the demand. And to further help to increase the revenue, the premiumization of the IT products and solutions, as Kapal mentioned, is helping us to drive little bit higher revenues. To answer your question, a normal PC today in India costs about, a notebook costs about Rs. 40,000, whereas AI PC, on an average, it costs about 75,000 to 80,000 onwards. But then, people who can afford and who have the budgets, they buy these AI PCs only, core ultra PCs only because today the AI consumption or usage may be only 20%. But in next one year, the way, the speed with which it is, the implementation and apps are being developed, the utilization next one year is going to be very high. And typically, when someone buys a laptop, in the commercial space, they use for at least three years. In personal space, people use for more than four to five years. So, it is a wiser thing to buy a AI compatible PC than a regular PC.

Madhur Rathi: Got it. Sir, is it fair to assume that out of, so from what I read is like around six crore PCs are currently in India. So, is it fair to assume that the 50% that have been converted to Windows 11 have been the corporate customer and going forward the three crore whatever needs to be refreshed that will be a much slower cycle than what has happened or how should we look at it?

Rajesh Goenka: Absolutely, only thing is this, three crore and two crore, I cannot quantify because that is very subjective. But yes, the Refresh has primarily started from the corporate sector because obviously, the support is not there. So, there are there are multiple issues of using those notebooks and desktops.

Madhur Rathi: Got it. Sir, this is the final question from my end. Sir, when we see the data centers, most of this business is either enterprise driven or project deals. And sir, we being exclusive NVIDIA distributor, how does this help when NVIDIA is bidding for these contracts, our competitors are bidding for these contracts,

and we are focusing only on deals that are margin accretive. So, how should we look at it when the opportunity is there but because our OEM is also competing in that and our competitors are also competing. So, how should we look at it from Rashi's perspective regarding how can we capture this opportunity and growth other than the NVIDIA, the gaming and your personal requirements?

Rajesh Goenka: Yes. So, in the data segment right now, there is a lot of demand, tendering going on and we have a strong funnel and we are playing strong on that field. As I said earlier, we will look at the ROCE with our past good and some bad learnings also, which we want to correct. So, we are at a strong position and I can tell you very confidently that you will see good results in Q3 and Q4, both.

Madhur Rathi: Got it. Sir, just a final question. Sir, the NVIDIA, as we are one of the sole distributors for NVIDIA, sir, is it, so if I consider Rs. 100 to be the revenue of NVIDIA in India, sir, how much would be enterprise or corporate driven and how much would be the consumer or retail driven? And in retail, are we the only player present in this segment?

Rajesh Goenka: So, first I just want to clarify, we are not the sole or exclusive distribution partner for NVIDIA. We are the oldest distribution partner for NVIDIA, one. Second, NVIDIA products and solutions are sold under the NVIDIA brand through the distribution, one. But the larger business is through the OEMs like ASUS, Dell, HP, Lenovo, Supermicro, all these companies. These companies buy GPUs from NVIDIA directly. They assemble, make the complete servers and solutions and then they provide to distributors like us. So, it is very difficult to really determine what will be the consumer versus commercial ratio of NVIDIA.

Madhur Rathi: Got it. Sir, thank you so much in all the best.

Rajesh Goenka: Thank you.

Moderator: Thank you very much. The next question is in the line of Amit Agicha from HG Hawa. Please go ahead.

Amit Agicha: Yes, good morning and thank you for the opportunity. I hope I am audible clearly.

Rajesh Goenka: Yes, Amit.

Amit Agicha: Yeah. So, the current debt equity ratio which is shown here is 0.49x. Like, what is the targeted comfort range and what are the company's plans to reduce the debt to improve the cash conversion?

Himanshu Shah: So, as the cash positive scenario continues, it will definitely reduce the debt burden on the balance sheet. As far as target debt is concerned, if the business warrants any additional capital or the fund infusion, I would say, capital inflow, definitely we have borrowing capacity in our kitty to utilize the debt and grab the opportunity provided the ROCs and ROEs justify those infusions.

Amit Agicha: What is the current cost or blended cost of interest?

Himanshu Shah: Currently, it is in the range of 7.6% to 7.8%. So, very comfortable.

Amit Agicha: And then the last question is like what are the top risk factors which you assume now like for the coming two quarters or for the coming year?

Rajesh Goenka: I think no major risk factors per se because our economy is doing good. With the tariffs, our impact to India is minimal as such, if you really ask me. Dollar fluctuation, now we are getting used to dollar going up only. So, that also is settled. The only point I could highlight is globally there is a shortage of all the components, particularly CPU, memory, SSD, hard drive, all these components are in shortage primarily because of very high demand of data centers and capacity enhancements have not done. So, that could potentially impact the revenue but the feedback that we have from our vendor suppliers is that they will be able to maintain it. But since you ask this question, it could be a potential risk but unlikely.

Amit Agicha: Thank you, sir. All the best for the future.

Rajesh Goenka: Thank you.

Moderator: Thank you very much, ladies and gentlemen. That was the last question. I would now like to hand the conference over to management for closing comments.

Kapal Pansari: Hi, thank you everyone for this wonderful round of questions and updates about Rashi Peripherals. As a part of closing remarks, I only want to mention that the future of Rashi Peripherals continues to be robust and foundation-led. We participated on the enterprise in a big way. We had some learnings and now we are ready for phase two of our participation in this journey. Our traditional and perennial run rate business continues to be extremely strong foundationally, growing at double digit plus growth. We only request all the participants and our investor community to continue to look for our performances and information that will prove to be a testimonial for our growth and ability to participate in this market. Thank you so very much and have a great day.

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