

August 12, 2025

To,
Listing Operation Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001

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 - 400051

Scrip Code: **544119**

Symbol: **RPTECH**

Sub.: Transcript of Analysts/ Investor Earnings Call held on Wednesday, August 6, 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 Para A 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 Wednesday, August 6, 2025 at 09:30 a.m. (IST) for the Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 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.

Thank you.

FOR RASHI PERIPHERALS LIMITED

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

Encl.: As above

Rashi Peripherals Limited

Q1 FY'26 Earnings Conference Call

August 06, 2025

Moderator: Ladies and gentlemen! Good day and welcome to the Q1 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 call 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 the date of this call. The 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.

With this, I now hand the conference over to Mr. Kapil Pansari for opening remarks. Thank you, and over to you, sir.

Kapal Pansari: Good morning, everyone. We welcome you to the earnings call for the 1st Quarter of the new financial year ended 30th June 2025. We have shared our results, earnings release and investor presentation with the exchange and all are available on our website. Hope you have had the chance to go through the same. To set the context, as an ITC player, PC market remains a dominant driver for growth. However, there is huge potential to increase PC penetration in India. The rising digital demand across the country makes it a highly attractive market, drawing significant investment and strategic focus from global tech players. Leading global PC manufacturers are deepening their investments to capture this high-growth market. Dell has introduced a wide range of AI-powered PCs in India, leveraging a multi-silicon strategy that integrates processors from leading chip makers backed by advanced MPUs, robust security features and sustainable design elements.

In parallel, Lenovo is scaling up its local manufacturing footprint with a goal to produce all its PCs for the Indian market domestically within the next 3 years, including AI GPU servers, aligning with government incentives and solidifying India's role as a global tech manufacturing

hub. Meanwhile, ASUS is tapping into the surging demand for AI, gaming and content creation PCs, projecting a 30% growth in 2025. With a strong presence in Copilot PCs and affordable AI models, the brand is expanding its retail footprint, aiming to strengthen its position in the desktop PC market.

Rashi Peripherals is strategically positioned to leverage this market surge utilizing its extensive distribution network to connect global brands with India's hinterlands. Our robust Q1 FY '26 performance builds on FY '25 strong growth with the devices segment excelling due to heightened demand for personal computing and peripherals.

Our focused efforts to expand AI solutions, penetrations are delivering substantial results, reinforcing our leadership in this transformative domain. By diversifying our brand portfolio, we have captured new market segments, enhancing our offerings and strengthening our role as a leading ICT distributor. This initiative underscores our commitment to driving sustained value and capitalizing on India's dynamic PC market, ensuring we remain at the forefront of this rapidly evolving landscape.

Before I hand over to Mr. Rajesh Goenka, I would just like to inform that we were honored with VAR INDIA Most Promising Partner in India in 2025 and DT Best National Distributor of the Year, which underscores our commitment for all-round growth.

I now hand over to our CEO – Rajesh Goenka, for further update about the company.

Rajesh Goenka:

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

The overall PC market in April and May was flattish, but it gained momentum, especially with the onset of the festivities in August. So, July relatively was better. Microsoft is set to officially end support on Windows 10 in October 2025, which is pushing both individual users and business to upgrade their system. This impending change is seen as a major opportunity for the tech industry, particularly in our country. While the demand for PC and AI hardware will accelerate, much of it is coming from Tier-2 and Tier-3 cities, regions where poor infrastructure and limited warehousing capacities are creating bottlenecks. These issues also extend to after-sales support that is warranty services and that have not scaled in line with the demand, leading to delays and customer dissatisfaction.

At Rashi Peripherals, with our deep expertise and strong presence in 52 cities of India, we are well positioned to gain this advantage. By leveraging advanced technologies in real-time inventory tracking and smart routing, we are already mitigating the logistical and local challenges.

Going forward, we believe close collaboration amongst OEMs, logistics providers and distributors and partners will be key to building a decentralized network of fulfillment and service hubs, ensuring reliable access and support across India next wave of growth market, which is the B and C, D class cities.

Our operational excellence in the fiscal year 2026 is clearly reflected in our improved EBITDA margins, a direct result of optimized processes and careful cost management. The surveillance business, in particular, has been a key growth driver due to rising demand for advanced security solutions. By actively participating in key Channel Business Forums such as CBF 2025, we have significantly enhanced our market visibility. To give you a brief, Channel Business Forum is the largest and the longest running Channel Business Forum. This is the 14th year in last 20 years where we cover 50 cities in just 3 months' time. This has strengthened our partner relationship and helped us identify new business opportunities, especially in the B, C, D class cities. Despite not including project business in our revenue, our core distribution model has demonstrated remarkable resilience and shown 11% growth diversity, achieving a strong top line growth and also PAT growth.

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

Himanshu Shah:

Thank you, Rajesh, and a very August morning to all of you, all the investors present on the call. I would like to take you through the financial highlights for the 1st Quarter FY 2026. On a consolidated basis for quarter 1 FY 2026, revenue stood at INR 31,521 million, a 26% decline Y-o-Y. However, excluding the project deal, if we compare, there is an actual revenue growth and revenue grew by a strong 11.4%.

EBITDA grew by 23% to INR 1,114 million and PAT came in at INR 617 million, up 12.1% compared to quarter 1 FY 2025. There was a significant jump in margin. EBITDA margin expanded by 140 basis points to 3.5% for the quarter and PAT margin rose 70 basis points to 2%.

Looking at the business mix on a trailing 12-months basis, our PES segment contributed 57% of the revenue, while LIT accounted for 43%. Region-wise, 62% of the revenue came from metro cities and rest was from non-metro geographies.

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

Moderator:

Thank you very much. The first question comes from the line of Anuj from Groww Mutual Fund. Please go ahead.

Anuj Kotewar:

Congratulations on excellent quarter. Two questions from my side. First, last quarter, you mentioned there was some problem regarding collections post Diwali. That is one, how is the

scenario now? And secondly, working capital days, if I see in the PPT, it has gone to 73 versus that of 50-55 average we maintain. So, what is the reason for that?

Himanshu Shah: Yes. So, as far as your first question is concerned, the collections, which concerned slowing down has started becoming to normalcy. However, the full effect will get reflected over a period of maybe this quarter. Secondly, the working capital going up is concerned, there are 2 components attributable to this. One is, one sizable debtor's payment, which got delayed in this quarter, which is expected in maybe next 10 to 15 days, and that will normalize. That has an effect of around 8 days. And second is certain businesses where we have gone for availing early payment incentive from brands, there, we have paid inventory on record. So, creditors have come down by 4 to 5 days. So, these 2 components. So, effectively, our investment or the inventory days remain the same. And yes, that is the impact on working capital.

Anuj Kotewar: Yes, sir. So, was there any sizable order in this quarter?

Kapal Pansari: There was no sizable order in this quarter. While last year, we had a very sizable order from the NMDC Yotta for about approximately INR 1,500 crores approximately, whereas this quarter, there was no such order.

Anuj Kotewar: And sir, EBITDA margin for the second consecutive quarter was about 3%. Should this be sustainable? Or how should we look at this going forward?

Himanshu Shah: So, while the EBITDA margin flows down mainly from GP also, the operational efficiencies remain at same level. However, for long-term trends, we would not say that this is maintainable because it is a factor depending upon the customer mix and the sales mix and all that stuff. So, I would like to say that, yes, these are good quarters for us, 2 quarters. However, for -- on a long-term basis, definitely, we don't advise such high range to be maintained.

Anuj Kotewar: Okay. Just one last question. What was the reason for increase in interest cost this quarter?

Himanshu Shah: Again, the working capital investment, which has enhanced by 8 days. The interest is coming out of that.

Moderator: Thank you. The next question comes from the line of Sankaranarayanan from ithoughtPMS. Please go ahead.

Sankaranarayanan S: Congrats, on a good set of numbers. My first question is regarding the large deals. Do you have any large deals in your pipeline? And in this quarter, have you executed any large deals?

Rajesh Goenka: Yes. So, Sankar, thank you for asking this question. So, last year, if you remember, we did those large deals on the AI data center of Yotta. However, in this Q1, April, May, June, we have not done any large deals, and our focus was more on run rate business. But at the same time, I must say that there are multiple opportunities in the country for large deals. But then the

margins and the payment cycles are a little bit extended. So, it is a judgment whether to take it or no or even if to take it, how much to take it. But in April, May, June, we have not picked up any deals. Despite that, if you see our revenue growth has been about 11% if I just remove the NMDC deal on an AMG to AMG basis.

Sankaranarayanan S: Got it, sir. Sir, my second question is that you have been speaking that the government is interested in buying 10,000 GPUs, and we might get that order from any of the system integrators. What is the progress on this, sir?

Rajesh Goenka: Yes. So, this order is likely to get finalized within this quarter, Q2. And it will be available for all of us to grab. But then we as I said earlier, we need to analyze the margins and ROEs before we pick up the order.

Sankaranarayanan S: Got it, sir. Sir, we have improved our EBITDA margin significantly. So, could you please throw some light if there is a significant increase in EBITDA margin that really happened due to the large deals that have happened in last year in quarter 1, so which have other expenses, other operating expenses setting up the large deal in the site. So, that other expenses part is not visible in this quarter. So, is my understanding correct, sir? That's why we have seen an increase in EBITDA margin?

Rajesh Goenka: Yes. One of the reason is, of course, we are not having any large deal in this particular quarter. So, even if you compare our last year Q1 without the large deal, it was 2.68%. And right now, it is at about 3.5%. So, that is one reason. Second, we have done more consistent business and more rotational business and our regular business where the margins are relatively higher. And third very important point is in this particular quarter, if you see our 11% growth that I explained earlier, majority of the growth has come from our regular channel business. The second growth has come from organized retail business. And our online business actually has shown a degrowth. And this is done consciously because the returns on online business is the lowest. So, as a result of an appropriate mix of product and go-to-market business, we have been able to improve our EBITDA margin.

Himanshu Shah: One more thing I would like to add that on your specific question of other expenses line item, the exchange rate at this year-end was favorable as compared to last year.

Moderator: Thank you. The next question comes from the line of Abhishek Kumar from JM Financial. Please go ahead.

Abhishek Kumar: I have 2 questions, both on demand outlook. First, on these large deal, data center or otherwise, our understanding was that, yes, while these large deals might be low in margin, but ROCE profile of these deals should be better than the usual business given low inventory days, etc. Now it seems like you're not as confident as you were earlier and you're talking about judgment. So, I just want to understand what is our stance now? What is the ROCE that you

observed in the large deal that you did last year? And what are some of the parameters you're looking at to evaluate future deals?

Rajesh Goenka: Yes. So, I think I will answer your question in 2 parts. One is our regular run rate business, particularly in the first Q1, the overall market was flattish or about 2% to 3% market grew, whereas we have grown about 11%, so which is almost more than double or triple of the market. But going forward, in Q2, we see this market growing to about 8% to 10%. And at Rashi Peripherals, our endeavor is always to grow at 2x. So, that's for the run rate business. As far as these large deals, particularly in the AI data center, I think your point is very right. In the previous deals, we had the first mover's advantage where we picked up the first deal. So, there, the ROCE was better. But now the competition is hotting up not only amongst the vendor suppliers, but amongst the distribution also. So, at this moment, it appears that the ROCEs are lower, but that does not determine us not to participate in it. We are evaluating each and every deal because there are multiple deals available in this quarter and we may pick up some of them.

Abhishek Kumar: Okay. I mean you mentioned 8% to 10% in normal business, I see in your presentation.

Rajesh Goenka: In Q2.

Abhishek Kumar: In Q2, okay. For the full year, what your presentation mentions is that PC shipment 2025 is projected to grow at 6% and we are already growing at 11%. So, fair to assume that this is the growth rate that we should assume 'X' of any large project deal, etc? And second, related is this 6% growth projection, I mean, will you have any idea, does it include the impact of Microsoft pushing people to upgrade, etc, and therefore, some surge that might happen because of that.

Rajesh Goenka: Yes. This is all taken care, but these are all third-party reports. Some reports indicate 6%, some reports indicate 8%, some reports indicate about 9%. So, the variation is 6% to 9%. That's the third-party report. But the real fact is Q1 market was about 3% growth only, but we grew 11%. In Q2, we expect the market to grow around 9% to 10%. And our endeavor, I'm repeating my statement, we -- our endeavor is always to have 2x of the market growth. So, in summary, annually, if the market grows by 6%, then obviously, we will have minimum 2x growth. If market grows at 9%, we will still have 2x growth. That's our strategy and aspiration.

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

Madhur Rathi: Sir, I wanted to understand this 3.5%, as you mentioned, like these are on the higher end and 2.5% to 2.7%, like you mentioned previously, should be the steady-state margin. So, for the full year, what kind of margin can we expect? And sir, this 3.5%, you mentioned some of the

reasons, but can -- so is the -- what could be the new normal? Has the business dynamics changed? Or we should still think about from 2.5% to 2.7% EBITDA margins?

Himanshu Shah: So, just to mention to your first question, the 2.5% to 2.7% range, which we have been giving is an annualized range only. Second thing, as Rajesh mentioned in his speech also, it's a mix of customers. So, like second quarter, typically, e-commerce goes high, which is of a lower margin, but equivalent sort of ROCE. So, the percentages may get reflected in terms of variation in GP, NP and EBITDA. However, ROCE will not vary, and that's what our focus always remains.

Madhur Rathi: Got it. And sir, one of competitor, Redington, sir, they have mentioned that there has been an increased pressure in the server and storage business because of these OEMs reducing margins as well as OEMs getting direct orders from customers. Sir, so in our business, sir, are we seeing some kind of impact of those terms of trade?

Rajesh Goenka: Yes. So, I think that is predominantly in the large deals only. Run rate business, there is no impact. And that is why particularly in Q1, we went all out for doing run rate business, which actually helped us to improve our margins. Had we also gone for the large deals, then obviously, our margins also could have been impacted. But consciously, in Q1, we chose to prefer the run rate business over the large deals.

Madhur Rathi: Got it. And sir, just a final question from my end. Sir, our cash flow (CFO), sir, because of Q4 and Q2 being dominant, we don't get a true picture of what our CFO could be. So, if you could just give us what was the CFO post the December quarter end or post the Q1 end for the trailing 12 months, sir, it would be very helpful for us to understand our business much better. Sir, if you could have that figure, it would be very helpful. Or if you could just send me on e-mail, that would also work.

Himanshu Shah: Madhur, on transactional things, yes, we can send you separately or we can connect offline to get on to the detailing of the same. However, on the cash flows, I would like to mention that as evident in our presentation also the working capital cycle increased effectively will result in cash flow getting invested.

So, to that extent, yes, cash flows if the debtors or if there is a variation in debtors or the strategic calls on the payment side or paid inventory, there will be impact on cash flows. But those are not long-run impacts basically. It gets normalized within a quarter itself because our credit terms vary from 30 to 45 days only.

Moderator: Thank you. The next question comes from the line of Yash from Unifi Capital. Please go ahead.

Yash Master: Congratulations on a good set of numbers. So, just a couple of questions. So, first on, have we received the full payment from Tamil Nadu government and the Yotta deal? And if not, what is the amount that is yet to be received? And when do you expect to receive it by?

Rajesh Goenka: Yes, we have almost received, very small money is pending, which will come by next week.

Yash Master: Okay. From Tamil Nadu deal or the Yotta?

Rajesh Goenka: Yes. Yes. Tamil Nadu deal. Your question was about the Tamil Nadu deal.

Yash Master: Yes. And on the Yotta deal also, have you received the...

Rajesh Goenka: Yes, majority payment has come. Only a small portion is pending, which is expected any time in next week.

Yash Master: Okay. Okay. And if I exclude we had a one-off deal last quarter in Q1. So, if I exclude the number, we had a good growth of 11%. But as you pointed out last quarter that this large deal could be replaced by a combination of small deals. So, are we seeing that happening? How is the demand environment panning out in the data center deals? And were there any data center deals this quarter, small or big?

Rajesh Goenka: Yes. So, in Q1, there were only 1 or 2 large deals where we decided not to participate. But in Q2, Q3 and Q4, there will be a few large and some small deals also. We have a separate vertical, separate team working on these project businesses. We are evaluating every project orders that are there in the pipeline. And we will take an appropriate decision what to pick up, how much to pick up at the appropriate time. But I must say, I am not trying to give any pessimistic signal. We are very optimistic on this, but careful optimism is what is our current strategy for the large deals around the data center business.

Himanshu Shah: And just to add it on, the compensation of that big deal in the form of other deals was more on an annualized basis. In a quarter, it cannot be replicated.

Yash Master: Yes, I understand that. And just sorry if I am repeating this question, but on the margin front, this quarter, you had 3.5% margin. So, is this margin sustainable going ahead?

Himanshu Shah: So, normally, in our kind of business model, 2.7% to 2.8% is what we normally give, barring some operational efficiencies or the customer mix, which has got favorable in this quarter. On an annualized basis, yes, 2.7%, 2.8% is sustainable in long run.

Kapal Pansari See, right now, we are getting opportunity for the economies of scale that we have delivered on the expansions that we have done 2 years ago. So, definitely, there is some upside that we are enjoying at this point in time. What Himanshu mentioned on a long-term guidance that we give is the range that is mentioned to him. So, it is very difficult to answer your question whether it is sustainable immediately on the long term or not is something that not very easy to answer at this point in time.

Himanshu Shah: Until long-term trends are established in this range.

Yash Master: Okay. So, long term, 2.7% is the guidance that you have given out.

Yash Master: No, no. I was saying so 2.7% is the guidance that you are giving for long term.

Rajesh Goenka: Yes. Yes, that's what Himanshu said.

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

Vinay Menon: Congratulations on a great set of numbers. Just a few questions on the business side. One is that you mentioned that the size of the surveillance business has picked up. So, if you can throw some number to it and any reasons why we are doing well and what could be expected in the future?

Rajesh Goenka: Yes. So, the answer is very simple. Surveillance business is a new business to us. We started this vertical just about a year back. So, when you start a new business, 6 months, 7 months, it takes to kick start. So, that it took its own time to kick start. Now we are, I would still say at 50% of what we can do, but that has started. And second is surveillance market continues to do good from a consumption perspective also because every consumer and corporate both are installing the surveillance cameras and camera systems and DVRs, NVRs and so on and so forth. So, one, of course, demand is up. And second, for us, it's new. So, therefore, percentage growth has no relevance because our base was very, very small on last Q1.

Vinay Menon: Okay. And any numbers, sir, you can throw to on a quarterly basis, what kind of range also what we could be doing from this business that would be helpful.

Rajesh Goenka: I think I am not at the liberty to give the detail of a specific brand, but offline, you can connect either with me or Himanshu Shah, and we can give you some input. But I can only say that it will be on a yearly basis, it will be a 3-digit figure in crores, much more than the 3-digit figure.

Vinay Menon: Okay. Great. And sir, when we say AI solutions, like what all comes under that when we are mentioning that we see traction in AI solutions. So, any particular segment which you're trying to mention there? I just want to have some clarity.

Rajesh Goenka: Yes. So, in AI solutions, there are 2 solutions that we refer to. One is the consumer AI solutions and second is commercial AI solutions. In consumer AI solutions means simple laptops, which are AI-enabled, desktops, which are AI-enabled. Rashi Peripherals has the privilege of having -
- being able to distribute maximum brands and units of AI-enabled laptops and desktops. So, that's one we wanted to mention. On the other side, on the commercial side, again, there are commercial laptops, workstations, servers and then data centers. Again, there, we have a decent role to play, especially in the commercial laptop and workstation space.

As far as server space is concerned, that we have already discussed, it is more deal business. It depends on pick and choose whoever wants to pick and choose. And it is more driven by the pricing structure and the credit days and the inventory than more on the technicalities, especially from the distribution angle.

Vinay Menon: Okay. And sir, we have added 4 brands. If you can mention the name, that would be helpful in this quarter.

Rajesh Goenka: Yes. So, these 4 brands are strategic brands, which may not bring big revenue top line or bottom line currently, but it is very strategic. So, to name a few, name -- the first brand we have started with MSI gaming laptops. It is a Taiwanese company and the world's leading gaming company. So, only in North India, excluding Delhi, we have started MSI gaming laptops. Second, to strengthen our networking business because in our current networking business, we are doing mainly active components. We needed some passive components like cables, all that. So, we have tied up with a brand called Norden. It is a British brand with some local manufacturing in India to support and fill the basket for networking products. Third is Riello. It is an Italian brand in power. They basically manufacture UPS inverters. Again, they have a factory in India, in North India. So, with this, we will be able to supply more of the power equipments, which are made in India. And third and fourth, last but not the least, there is an accessory brand called ALOGIC. It is an Australian brand. Again, they have some manufacturing in India. So, this will complement our leadership position in accessories and peripherals category in the country. So, all these 4 brands are very strategic. It is complementing to our existing business, and we see a good potential in near future for these businesses.

Vinay Menon: Yes. Last question is that we are expecting the refresh cycle to come in H2 for PCs. And any signs that we can see demand.

Rajesh Goenka: I think I got this question, so I can answer, this Windows refresh cycle, I think that is your question in H2.

Vinay Menon: Yes.

Rajesh Goenka: So, see, if you see Q1, the market grew by only about 3%, and we are expecting the market to grow in Q2 by about, say, 10%. So, the average is just about 6% in H1, right? Whereas on the annualized basis, we are still expecting the market to grow by 8% to 10%. That means the H2 market will be about 12% to 14% is what is the expectation. And one of the key driver is going to be this holding of the Windows support. So, yes, it will make an impact. But to be very honest, in our country, while our adoption and discussions are on an accelerated path, but when it comes to spending and upgrading, then our speed is relatively lower. So, yes, adoption will come, but it may be gradual starting from H2 and then subsequently in the next few years.

Moderator: Thank you. The next question comes from the line of Bhavin Chheda from Enam Holdings. Please go ahead.

Bhavin Chheda: Congrats on very good numbers on the overall operation front. Sir, just if I missed the opening part, ex NVIDIA numbers of INR 1,500 crores, you had a strong double-digit growth of 13%, 14% in this quarter. So, what kind of growth we are looking at the entire fiscal?

Rajesh Goenka: Yes. So, I think Bhavin bhai, you heard it rightly. If we just exclude that NMDC deal, then our Q1-to-Q1 growth has been 11.4%, and it is spread across multiple brands, products and across all the regions. And even in from the go-to-market strategy, our channel business has grown the fastest. Organized retail also has grown faster and online business, there is a degrowth. A mix of all this has resulted in improved EBITDA and EBITDA and PAT margins.

Going forward, for the entire year, as I said, and we've been maintaining our stance that our aspiration is to have 2x the growth of the market. So, this year, we are expecting the market to grow. Some reports have given 6%, some reports have given 8%, some reports even have given 9%. So, our aspiration continues to have double-digit growth and 2x the market growth.

Bhavin Chheda: Okay. So, last year, I think there was INR 1,450 crores to INR 1,500 crores due to this NMDC deal. So, any such deals are in the pipeline or -- and you are not assuming any growth rate on that front when you say double digit?

Rajesh Goenka: Yes. So, I explained this. There are multiple deals in the pipeline in Q2, Q3 and Q4. There are a few large deals. There are some midsized deals also. We are evaluating each and every deal with our dedicated team and we will take an appropriate business call to pick up the deal if there is a reasonable ROI. At this moment, it is a little bit very competitive.

Bhavin Chheda: Okay. And can I have a gross debt and net debt numbers as on June 30?

Himanshu Shah: As on...

Bhavin Chheda: June 30, end of the quarter.

Himanshu Shah: June 30, it's INR 1,190 crores.

Bhavin Chheda: Gross debt, okay. Net debt would be.

Himanshu Shah: It's almost same.

Bhavin Chheda: Almost same. Okay.

Moderator: Thank you. The next question comes from the line of Miloni Mehta from Monarch Capital. Please go ahead.

Miloni Mehta: Sir, most of my questions are already answered. I just have one question. What kind of growth do we expect from quick commerce moving ahead?

Rajesh Goenka: Yes. So, I think good question, very close to my heart because this is a new business. At the same time, it is also a very challenging business. As I've explained in previous calls, Rashi Peripherals has the first mover's advantage on quick commerce, especially because we also have the largest infrastructure amongst distribution companies in India. Currently, our aspiration, we are doing close to 10 brands in quick commerce. And you will be surprised to hear that in quick commerce, which is 15 minutes or 20 minutes delivery, there are customers who are buying products like laptops and printers also. Printers is a very bulky product. And to answer your question specifically, this year, we will have more than -- we will double -- more than double our business only on the quick commerce space.

Moderator: Thank you. The next follow-up question comes from the line of Sankaranarayanan from Ithought PMS. Please go ahead.

Sankaranarayanan S: Sir, just a follow-up question. So, how is our embedded vertical segment doing, sir?

Rajesh Goenka: Yes, it is doing extremely well. We have more than 30%, 35% growth on a Q1-to-Q1 basis. In fact, I think 38%, especially because the demand of the automobile, again, has grown. Previous Q4, the market was slow. And then we have some good wins, project wins also in this. So, it's doing extremely well.

Sankaranarayanan S: Sir, in terms of numbers, can you provide?

Rajesh Goenka: We can do that offline, specific numbers. Himanshu Shah can give you the answer.

Moderator: Thank you. The next question comes from the line of Sana, an individual investor. Please go ahead.

Sana: Sir, can you elaborate on the strategic rationale for the disinvestment? Was this a performance-driven decision or a part of broader portfolio alignment strategy? Additionally, how does this affect our future digital or cloud initiatives, if any?

Kapal Pansari: Yes. So, our endeavor to enter into cloud was very clear, and we started with a small investment in a smaller firm so that we can learn how this business has done and how the cloud business is operating. Unfortunately, our expectations from this business was that we will learn cloud and software business and accelerate the growth. Unfortunately, since we could not turn it into profitable over a period of 4 to 5 years of investment, we decided to exit and redraw the strategy on the cloud business. While it is a growing and exponential adoption of cloud strategy -- cloud business in the business, corporates and in the general market environment is increasing. I think it is something that we are continuing to explore how do we expand. And

that is one of the reasons why software distribution business, we have started in a different light altogether. However, it is too small to talk about it at this stage.

Sana: Okay. And sir, one more question I have. Can you please elaborate on the 51% sale of stake in ZNet Technologies, please.

Himanshu Shah: So, that is exactly the disinvestment in the subsidiary. We held 51% shares only. So, entire stake we have sold out.

Moderator: Thank you. The next question comes from the line of Atreya Pal, an individual investor. Please go ahead.

Atreya Pal: There is a line item in the annual report, which is a disputed tax claim of around INR 400 crores, which sits as a contingent liability on our balance sheet. So, can you please explain how that came into being? And what is the risk to our balance sheet over the long term?

Himanshu Shah: So, a. first of all, I would like to say that we are fully compliant on all the laws and these contingent liabilities, which are disclosed in the balance sheet or contingent liability list are normal show notices, which are received from GST department inquiring about the details and reconciliations in the returns being filed and all. And those are replied to the fullest satisfaction of the authorities. And we don't see any concern in future or any risk coming on the balance sheet.

Atreya Pal: My next question is on inventory obsolescence risk. Since we always carry so much inventory on our books, if any of them reduces in price or is not sellable in the market, what is the recourse that distributor like us have.

Kapal Pansari: So, we have minimum risk on inventory obsolescence. Typically, there are 3 types of risk that we factor in for an inventory. First is the technology risk. Second is a competitive risk. And the third one is a refresh cycle of technological risk. What do I mean by all these 3 things is that in case of a technology risk is the technology of the brand did not sell in the market at the perceived value or the adoption of technology failed. In situations like this, brands typically give us sell-through support and we pass on those, reprice it in the market and we sell them.

The second risk that I talked about is the competitive risk where the brand is positioned at a certain price point and the competition of the brand drops the price or is more aggressive. In those situations, the brand reprices it to make it competitive enough in the market and those get sold out.

The third risk is on the new technology that comes, which, therefore, what happens, any new technology comes, the old technology, there is a price drop and the price drop is announced well in advance to us so that the range of these SKUs and different technologies, different price

points continue to operate in the market. And this doesn't usually happen only with us, but it happens to our down tier channel markets also.

This is part of the usual industry practice. So, therefore, we have very minimum risk on inventory. However, for the purpose of accounting practice, we do certain provisioning for inventories above 1 year and 2 years, and that is very normal.

Himanshu Shah: So, actual write-backs, we never experience in the future, any significant. However, as a prudent accounting practice, what Kapal mentioned that we make the provisions.

Moderator: Ladies and gentlemen, we'll take this as the last question for today. I would now like to hand the conference over to Mr. Kapal Pansari for closing comments.

Kapal Pansari: Thank you, everyone, for the wonderful questions. I would like to summarize just by saying that the environment was quite challenging in quarter 1 as we began. However, our team delivered the strong quarter by continuing to focus on our long-term strategy. Our key principles of value-added distribution mindset, maximizing profitability, increasing the value for our shareholders while rewarding our people and team's effort with a strategic outlook and agility on our operations drove these quarter numbers.

We thank you for your confidence in continuing to participate with Rashi Peripherals and in its journey of growth. We look forward to seeing you again in the next quarter while we end the festive quarter of September 2025. Thank you very much once again.

Rajesh Goenka: Thank you so much.

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