August 11, 2026

To,

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

Scrip Code: **544119**

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

Symbol: **RPTECH**

Sub.: Transcript of Analysts/ Investor Earnings Call held on Wednesday, August 5, 2026

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 5, 2026 at 10:00 a.m. (IST) for the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2026.

The same is 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**

ARVIND
BAJORIA

Arvind Bajoria
Company Secretary and Compliance Officer

Encl.: As above

“Rashi Peripherals Limited Q1 FY '27 Earnings Conference Call”

August 05, 2026

MANAGEMENT: **MR. KAPAL PANSARI – MANAGING DIRECTOR – RASHI PERIPHERALS LIMITED**
MR. RAJESH GOENKA –DIRECTOR & CEO– RASHI PERIPHERALS LIMITED
MR. HIMANSHU SHAH – CHIEF FINANCIAL OFFICER – RASHI PERIPHERALS LIMITED

MODERATOR: **MR. VINAY MENON – MONARCH NETWORTH CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Rashi Peripherals Limited Q1 FY '27 Earnings Conference Call.

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.

I now hand the conference over to Mr. Vinay Menon from Monarch Capital. Thank you and over to you, Mr. Meron.

Vinay Menon: Thank you. Good morning, everyone.

Today on the call, we have Mr. Kapal Pansari, Managing Director and Promoter of the Company; Mr. Rajesh Goenka, Director and CEO; and Mr. Himanshu Shah, CFO of the Company.

I hand over the call to you, sir. Thank you.

Kapal Pansari: Thank you, Vinay. Good morning, everyone, and a warm welcome to our earnings call for the 1st Quarter of Fiscal Year 2026-27. Thank you for your time and your continued interest in Rashi Peripherals Limited.

I will be covering four things today: The industry background, our performance for the quarter, the progress on our strategies, and how we see the road ahead.

We are in one of the most consequential periods our industry has seen in over a decade, unfolding almost exactly as we described in the previous calls. Three forces are converging at once. First, the multi-year PC refresh cycle. The move away from Windows 10 has triggered a sustained hardware replacement wave across enterprise and commercial users. A multi-year cycle, not a one-quarter bump with real room still to run.

The second is the AI PC inflection. AI-capable devices are rising share of every shipment and carry higher average selling price as well. As AI spreads to the edge devices, the incentive to refresh towards these machines is only accelerating.

And the third, the defining feature of this year, a fundamental shift in component economics. AI data center demand has relocated the world's memory capacity towards high-bandwidth memories, creating a sustained shortage of conventional DRAM and NAND flash along with firm rising prices. Independent forecasts expect this to persist through 2028 as well.

What does this mean in practice? The unit shipments could be under some pressure, but the value of the market is rising, because pricing is firm and moving up. The advantage flows decisively to players with scale, deep OEM relationship, disciplined inventory and balance sheet strength to secure the supply. The players would take share when others cannot get product. That is Rashi. And beneath the cycle sits a far larger structural story.

The Indian ITC distribution opportunity is over 1.5 lakh crore with PC penetration still only in the mid-teens. As digitization deepens into tier 2, 3 and 4 India, the runway is enormous. This is a multi-year opportunity and we have built this company to capture it.

Now, let me turn how that translates into our numbers. This was, on multi-measures, our strongest quarter yet. On a consolidated basis, revenue grew 61.9% year-on-year to Rs 5,100 crores, with EBITDA growing 50% to Rs 155 crores and PAT growing at 69.5% to Rs 105 crores with diluted EPS of Rs 15.25. But growth isn't alone the measure of a well-run business.

So, we would like you to note that we delivered the highest annualized ROCE and ROE since our listing at approximately 19.5% and 19.8%. That is the number to hold on to. We are not chasing top-line in a good cycle. We are converting it into a profitable, capital-efficient growth. That rests on disciplined working capital staying tight at around 56 days and our operating leverage is visible. Profits grew faster than revenue because as prices rise, our absolute margin grows while our cost base stays broadly stable.

Now the part that I am most energized to share. Over several quarters, we have laid out a vision built on three strategic pillars. This quarter, we moved decisively from intent to execution on every one.

Our pillar number one is our core engine of personal computing, enterprise, lifestyle and component economics. This powerhouse funds everything else and it fired on all cylinders. The refresh cycle, robust enterprise demand and firm pricing all in our favor visible in our near 62% top-line growth. We are deepening it further by adding solutions to strengthen our AI and high-performance computing portfolio and open two new branches in Udaipur and Dhule, extending our reach into the C and D class cities where penetration is the lowest. Reach, relationships and execution remains the bedrock on which everything else is built.

Our pillar number two is our ambition to evolve from a pure distributor into an integrated solution partner, and this quarter we acted, announcing a strategic acquisition of a majority stake in VDA Infosolutions, a well-established pan-India system integrator with a strong enterprise clientele.

What makes it compelling is the shape of the business, the capabilities of service and renewal that it involves. The services that it provides are enterprise implementation, consulting, managed services, cyber security, cloud and data protection. The nature of revenue streams that are sticky and annuity like with long clientele tenures. This is forward integration in action. It moves us up the value chain and shifts the quality and durability of our earnings and we have structured it so that the founders retain a meaningful stake through a staged mechanism protecting alignment and continuity.

Our pillar number three, which is a high growth vertical with semiconductor at its center. This is our single most important long term value leveler. And this quarter, we took a defining step by announcing a joint venture with Restar Corporation. It is a leading Japanese semiconductor and technology company, structured a 74% Rashi and 26% Restar focused on advanced image sensing solutions for industrial and automotive applications.

It pairs Restar's semiconductor technology, supplier relationships and application know-how with our pan-India distribution reach and execution. It also includes direct skill transfer from Japanese design expert who will train our engineers backing our 50 plus local engineering hires over next two years.

Our first step in semiconductor back in 2021 is beginning to take shape. As India moves towards a $150 billion semiconductor market by 2030, this is a business that will structurally become a growing source of our future ROCE and ROEs.

I would like to summarize that to bring it together, a record quarter of growth, a record quarter on returns and a decisive execution on all three strategic pillars. Our direction is clear and consistent. Scale the core and build share. Expand margins by integrating up the value chain. And build tomorrow's high growth business today leading with semiconductors. Step by step we are moving Rashi from a distributor to a trusted integrated solution partner that enables technology adoption in India.

We are to be realistic about the environment as well. Pricing is elevated, and there may be pockets of consumer affordability pressures in the second half. But our diversification across two strong verticals, our disciplined balance sheet and channel financing tool gives us real resilience to our share gains and richer mix will carry us through whenever the cycle normalizes.

We will always give you an honest read of the cycle in good times and challenging ones alike. With the industry in a genuine super cycle, stronger balance sheet, brand relationship and execution track record, we are confident of delivering not just continued above industry growth but a meaningful differentiated quality of earnings over the coming years.

With that, I hand over to our CFO, Himanshu Shah, for detailed financials after which we along with our CEO, Rajesh Goenka, will be happy to take your questions. Thank you.

Himanshu Shah: Thank you, Kapal, and good morning, everyone. It is my privilege to present our financial results for the quarter ended June 2026. And I want to begin by stating this plainly. We have just delivered the strongest quarter in the history of this company. Not incrementally stronger, meaningfully decisive, stronger across every metric that matters to you.

On a consolidated basis, revenue from operations stood at Rs. 5,102 crores, up 62% rounded off year-on-year. EBITDA grew 55% to INR 173 crores and EBITDA margins at 3.38%. Profit after tax surged 69% to INR 105 crores delivering a PAT margin of 2.05%. Profit before tax grew 73% to INR 139 crores with PBT margins expanding to 2.72%.

On a standalone basis, the performance is equally compelling. Revenue came in at INR 4,832 crores, up 58% year-on-year. EBITDA grew 50% to INR 164 crores with margins of 3.38%. PAT increased 65% to Rs. 97 crores at a margin of 2.01%. And PBT grew 65% to INR 130 crores at a 2.69% margin.

These are not numbers we stumbled into. They are the outcome of a strategy that is working, a team that is executing and a market that is responding. And this quarter marks new all-time highs on topline, EBITDA, PAT and annualized ROCE, all four simultaneously.

What makes this quarter especially noteworthy is not just the scale of growth; it is the quality of growth. We grew the topline aggressively while simultaneously sharpening our balance sheet discipline. Inventory days tightened to 55 days, debtors' days stood at 41, creditors' days stood at 40, and overall working capital days improved year-on-year to 56 days. For a business growing at this pace, the kind of working capital efficiency is a real differentiator. And it reflects the maturity of our operations.

To summarise, on a consolidated basis, INR 5,102 crores in revenue, INR 173 crores in EBITDA and INR 105 crores in PAT. On a standalone basis, INR 4,832 crores in revenue, INR 164 crores in EBITDA and INR 97 crores in PAT. All-time highs across every key metric. This is not a peak; it is a foundation.

With that, I am delighted to hand it back to the moderator and open the floor for your questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Amit Khetan with Laburnum Capital. Please go ahead.

Amit Khetan: So, my first question is on the demand side, right? When we look at some of the global distributors who are listed abroad, all of them are reporting strong numbers. However, their growth in Asia-Pacific is particularly strong and they haven't raised the overall sort of guidance. So, I am just trying to understand, is there something that we are seeing different in India in terms of demand tailwinds and how sort of sustainable is that?

Rajesh Goenka: So, Amit, to give you perspective, third-party reports indicate that there will be a reduction of about, I think my voice is echoing.

So, I will repeat my answer, Mr. Amit Khetan. So, all third-party reports indicate that there will be a reduction in the total size of the market by about 10% unit-wise. However, prices continue to rise due to the shortage of particularly memory, hard drive and CPU. So, the price trend continues to be on the uptrend. As a result of which, you can see that price increase is offsetting the quantity drop that is happening.

So, to answer your question, what is going to be the trend in near future, at least in Q2, this trend seems to be continuing. The price uptrend continues. We are expecting similar trend to continue in the entire this financial year although the trajectory, there may be a little bit slowdown comparatively.

Amit Khetan: My question is more relating to why is the demand so much higher in India relative to the rest of the world. So, the factors that you outlined are sort of common globally, right? But why is demand in India so much higher than say the West?

Rajesh Goenka: So, I think the first and foremost in India, because of the overall economic situation, which is extremely good. Second, high focus on digitization. Third, very high focus on education. These are the three fundamental reasons for higher PC demand and then related accessories and then related data centers, which is triggering the growth.

So, if you see our GDP and economic situation also is immune, almost immune to the global shocks that are happening. So, therefore, we have been continuing and we will continue to reap the benefits of growing demand on the overall perspective along with consistent price increase as well.

Amit Khetan: If you look at our overall business, could you give some sense of the split between the consumer segment versus, say, the commercial and the enterprise segment? Just a rough split of how much in terms of end customer, where does the products go?

Rajesh Goenka: So, Rashi Peripherals is a B2B company. So, we do not sell directly to end customers. We always sell through partners. So, we have a general sense of consumer versus commercial. So, my general sense would be that about 30%-35% of the business is consumer centric. Balance 60-65% is commercial, which is split between SMB and enterprise.

But I must also add that consumer there is still slowdown because of the affordability. The laptop prices, for example, has already become 2x as compared to the last year. But for commercial applications, they don't have an option. So, they continue to buy.

In fact, they are preponing the buying to mitigate the expected price gains. There are only some exceptions where some large companies have increased their refresh cycle from 3 years to 4 years or 4 years to 5 years, but that impact is not very much. So, we are seeing a significant growth on the commercial segment.

Moderator: Next question comes from the line of Bhavin Chheda with Enam Holdings. Please go ahead.

Bhavin Chheda: Good morning, team, and congratulations to the entire team for record numbers and also along with the record numbers, maintaining a very strong balance sheet. So, that was a very positive outcome of despite strong numbers, the balance sheet has been under control.

So, a couple of questions. First on the growth part, your result shows that there has been a sharp increase in inventory, which also indicates that we are heading for record Quarter 2 or Quarter 3 also because obviously, we will stock goods when there is a strong demand. So, my question was, how much of this quarter the overall growth momentum is captured in 60%-62% growth? How much is the volume price growth there?

And as you mentioned in your opening comments, the prices of memory, hard drives, CPUs are still increasing. So, how much of the price growth got captured in this quarter and how much is going to get captured in Quarter 2?

Rajesh Goenka: So, Bhavin brother, I will try to answer point to point. So, first and foremost, if I look at the breakup of our 60% growth on April-May-June versus April-May-June, broadly speaking, 30%-35% has come from the price increase. 5% to 10% has come because of addition of new products and new brands. And the balance 20%-25% has come by increasing the quantity.

Here, in the commercial segment, the market size also marginally has grown. So, we have taken that advantage. But I must also add that because of our widest reach across 57 towns of India and because of our widest portfolio, we continue to gain market share. So, 10% business is accounted for improved market share as well. So, this was the past quarter.

In the expected quarter, the demand, I think, will continue the same way without too much of hiccups. July-August-September traditionally has been a very high quarter. In the previous calls, I have always mentioned that there is a fight between JAS and JFM quarters which should be highest. Sometimes, July-August-September is highest. Sometimes, JFM is highest.

This time, consumer sentiments are pretty high. And the feedback that we get especially from LFR and online is that demand should be good. And the fear of further price increase also will trigger the buying. So, we are very optimistic that similar trend will continue in July-August-September also.

The only big gap could be that price increase now is not going to be as fast as the previous quarter. So, that delta will come. But otherwise, we are on a dream run for the coming quarter as well.

Bhavin Chheda: That's great to hear. And my second and last question. Obviously, as Kapal also said, we are pivoting to integrated technology partner. And recently, we have done a couple of acquisitions plus JVs and all that. So, can you give some insights on that? How revenue contribution from these new ventures will flow in whether second half, current year, next year? How we should look at this new pivot over next two to three years?

Kapal Pansari: So, I will answer that question, Bhavin. I think the way to look at it is that it is too early to comment. But to start with the acquisition that we have done, approximately 5% of our revenue portfolio will come from these integrated services and value-added solutions.

To give you a precise outlook on how should we look at it, I think we will still have to wait for another quarter. In Q2, we will have our numbers much more presentable and update on the direction that these acquisitions are going to take.

Similarly, on the semiconductor side, again, this is a JV that we formed as a step-down subsidiary of Rashi Peripherals Limited. And that step-down subsidiary will form a JV with the Japanese Restar Corporation. The moment we do that, the numbers are also going to come back reported with the Quarter 2 financial. So, you will have a far better picture.

The only point I can say is semiconductor is growing almost double digits, sometimes in excess also. And this will continue to accelerate. To give you a perspective, our semiconductor revenue has already crossed 70% of the entire year's revenue that we did last year. So, there is significant momentum on that side as well.

Moderator: Next question comes from the line of Hitesh Goel from Aurigin Capital. Please go ahead.

Hitesh Goel: First of all, congratulations on a very good set of results. And what was encouraging also that working capital did actually come down despite a very strong quarter.

Sir, I wanted to get a sense on the VDA bit also, if you can give us some sense, how was the quarter? How do you see the outlook for next year? And what are the plans for next 2-3 years? And get some sense of it.

Rajesh Goenka: So, on the VDA, it is a very strategic acquisition of 67% stake in the first year. Our core objective is to improve our capabilities in terms of design, pre-sales, post-sales, and managed services.

We are not looking at this moment on the top line. But just to give you previous financial year, they did INR 850 crores. In this current financial year, obviously, there will be a substantial growth plan.

But VDA will bring value creation to all our stakeholders in next 2 to 3 years' time. And we are working in that direction at this moment.

Hitesh Goel: And sir, my second question would be on the supply constraints, right? So, we are hearing from the market that there are supply constraints in terms of because of pricing and also global AI demand. There is supply constraint on the chips and all which is coming. Do you think that can also impact volumes in the second half?

Rajesh Goenka: Yes. So, there is a potential risk, yes. But at the same time, now Rashi Peripherals is in the industry for more than 30 years. We have good relationships and business agreements with all the global companies including NVIDIA, Intel, AMD, all these companies. So, so far, we have been able to get good allocation. And coupled with the price increase, we are at an advantageous situation. So, I do not see too much of a challenge. But yes, this is an orange alert for us. We track it on a weekly basis.

Hitesh Goel: And sir, for a final question, can you give the revenue from the Dell business in this quarter?

Rajesh Goenka: So, roughly about 5% business has come from the new Dell commercial business in the past quarter, previous quarter.

Hitesh Goel: And can you remind me what was your target for FY '27 in Dell?

Rajesh Goenka: We are above the target as far as numbers are concerned. That is what I can say that.

Moderator: Next question comes from the line of Ayush Chabria with Shravas Capital. Please go ahead.

Ayush Chabria: If you could just give us some sense on how the inventory is on your channel partners, it would be great. Just trying to understand how things are going on that side of the business as well.

Rajesh Goenka: So, I think Bhavin also mentioned that we have a high inventory and which also means that July, August, September sales will be good. So, which is exactly the right.

But I just want to also clarify that our current inventory at our level also is actually not high. Basically, we take as in days of inventory vis-a-vis the sales. So, when I compared to the sales versus the inventory, actually the days of inventory are marginally going down.

As far as T2 partners and our customer's inventory are concerned, definitely there is a built-up in inventory across all the channels because all our T2 partners are trying to make double-digit margin. So, they are selling slowly. But it is not a concern because if they decide not to earn extra margin and then sell, probably they can sell it very easily.

So, to give a fair opportunity because in IT industry, earning extra margin especially at T2 level is not very common. This is an opportunity. So, we think that as long as they are able to circulate the money properly and on time, let them earn money.

So, yes, inventory is high but it is not a very big concern because there is a good demand currently and in the near future also demand will continue.

Ayush Chabria: Also, if you could just give us your thoughts on let's say the commercial side of the business, right? What do you think about refurbished as an opportunity?

I know you guys are definitely not going to that, but I am just trying to understand. Is that a threat in terms of prices going up because refurbished costs one-third of the actual price? So, do you think near term, do you see any kind of threat from that end as well because commercial would be readily available to shift to that kind of a thing? Just your thoughts on this.

Rajesh Goenka: So, overall PC TAM in India is about 15 to 16 million PCs per year. And refurbished, some people say, it is half a million; some people say 1 million. So, even I assume that the PC TAM is about 1 million; it is not very significant. I will not say insignificant; it is not very significant to worry about.

And second, to get refurbished products also within India is not easy. So, I know a lot of refurbished players are there who are trying to source products. That availability is also not easy because now the refresh cycle of most enterprises have been increased from 3 to 4 or 4 to 5.

So, while yes, there definitely will be upswing on the refurbished PC, but it will not make too much of an impact on the larger scheme of things. So, we are not too much worried about it.

Ayush Chabria: And one last question, if you would just split the top line growth between volume and value, it will be great.

Rajesh Goenka: So, in terms of unit wise, we have grown by about 20%. Overall, actually when the reported numbers you see there is a dip in the numbers, but that is only because there is a memory brand called SanDisk where we have a major unit dip. But if I keep that in side, the unit growth is 20% and balance growth is coming from the ASP increase. So, that I mentioned in my first answer that we have improved our market share also by about 10%.

Moderator: Next question comes from the line of Nishita Shanklesha with Sapphire Capital. Please go ahead.

Nishita Shanklesha: So, I just wanted some clarification. You mentioned that our Semicon revenue has already crossed 70% of the entire revenue that we did for FY '26. So, does that mean that in Semicon segment we have a revenue of around INR 11,000 crores?

Kapal Pansari: So, let me please clarify that it has the revenue of Semiconductor portfolio compared to FY '26 in first quarter has grown by 70%. It is not that our overall revenue 70% is Semicon now.

Nishita Shanklesha: And you mentioned that Q2 is generally very good for us. So, can we expect a similar growth like 60% growth or better growth in Q2 year-on-year?

Rajesh Goenka: Yes. So, as I said, I have already indicated that Q1 we have grown by 60%. Q2 also similar trend will be there. The only correction will happen on the speed of the price increase. Price increase speed should be half. So, that much detrimental growth could happen. But we are on a very strong footing as far as Q2 is concerned.

Moderator: Next question comes from the line of Raman KV with Sequent Investments. Please go ahead.

Raman KV: Thank you for allowing me to ask the question and congratulations on good set of numbers. I have two questions. One is on the Semicon JV part. Semiconductor JV with the Japanese company. Can you explain what are we trying to, like, under this JV, what are we trying to sell, and what kind of product are we planning to create the business of this JV?

Rajesh Goenka: So, Raman, I will explain to you. So, basically, we are forming a joint venture company which will be named as Rashi Restar Semiconductor Solutions Private Limited. This is a joint venture company with Restar Japan.

Restar is a $4 billion Tokyo Exchange listed semiconductor distribution company. They are basically into design distribution of semiconductor solutions. So, our existing embedded business, which Kapal just mentioned, will move to this joint venture company. And then Rastar will buy 26% stake in this company for JV.

By virtue of this JV, the advantage that will come to Rashi are mainly two. One, we will get all the products and solutions that are distributed by Restar in Japan and world over. But that is always subject to the OEM manufacturer contract.

And second, we will get access to all the Japanese manufacturers in India. So, far, in our embedded vertical, we have all the Indian manufacturers as our customers, but we don't have a single Japanese manufacturer as a customer.

So, it is a dual benefit for Rashi Peripherals. One, we get newer products and lines from various suppliers which will expand our offerings. And second, we will get Japanese customers. And third, Restar is heavily focused on design services. They have more than 200 engineers on their roles. So, by virtue of that, they will appoint a design engineer who will help us train our people and if required, we will send them to Tokyo as well. So, these are the three advantages of having this joint venture company.

Raman KV: Just a follow-up here. When you say design solution with respect to semiconductor, can you just elaborate what you mean by that?

Rajesh Goenka: So, for example, I will give you our example because it will be premature for me to give Restar example. Right now, the electric cars that are made in India by the Indian automobile companies, I am not at the liberty to name them. The headlights that they use, use chips and the basic initial design done in our laboratory in Bangalore.

So, similar kind of design for automobile applications, for robotic applications, etc., they will help us to design those in India for local manufacturing. So, this will also trigger and help us to penetrate more into the Indian manufacturing sector and also help accelerate Make in India initiative of the government.

Raman KV: My second question is with respect to the refurbishment business. Can you just point out what percent of our total revenue is a refurbishment business wherein we can refurbish?

Rajesh Goenka: Currently, it is none. Currently, refurbish business is none. But yes, someone already asked earlier. I think Shanklesha already asked and there are a lot of people asking when will you start refurbish business. So, fingers crossed at this moment.

Raman KV: So, is there any timeline wherein you are aiming to start a refurbishment business?

Rajesh Goenka: No, that is why I said fingers crossed.

Moderator: Next question comes from the line of Aejas Lakhani with Unifi AMC. Please go ahead.

Aejas Lakhani: Congratulations to the management team on a stellar performance and credit goes to all of you. Sir, my question, and I missed the opening. So, forgive me if I am repeating this question. But sir, the Yotta deal really demonstrated your ability to execute a large AI infrastructure development, right? A deployment, sorry.

So, how are you thinking about similar opportunities going forward? Is the pipeline for large deals expanding? Do you intend to actively pursue them as a strategic lever or driver? Should we expect more of large deals in '27 and onwards?

Rajesh Goenka: So, I think very good question, very close to my heart. And thank you for acknowledging that Rashi Peripherals – RP TECH created that capability of delivering and executing such large kind of AI data center projects. So, yes, it is there on our radar.

The current pipeline as you must be also seeing in the newspapers, there are so many AI data center projects announced by the big groups across the length and breadth of the country. We are all there in those projects also.

However, at this moment, particularly in April, May, June quarter, I would say that we did not go all out on this front because we were already having a 60% growth. We were in the need of working capital, building up inventory as well. So, we did not go aggressively for this. But if need be, we decide then in the coming quarters, we can always win basis our credentials and reach.

And last but not the least, yes, there is a good pipeline of these projects, which will continue to be there for next three quarters at least.

Aejas Lakhani: Rajeshji, I wanted to follow that up. See, sir, there are lots of advantages of being an early mover. You are that and you are very cautious in the way you approach that deal and sort of stitched in the semantics.

So, just wanted to get a sense that, and I am sure that you are getting a lot of opportunity. So, I am just trying to understand that, is it that again you are trying to find a deal where you can protect yourself fairly well like how you did and therefore, participate in only such kind of opportunities because you are being selective about participating in deals or is it that capital is still a little bit of a constraint?

I thought that post the IPO, the balance sheet expansion would have sort of helped us, which of course it has. But is it that you are finding the stretching of the balance sheet and you are having to basically decide between the run rate business and participating in large deals? What is the trade-off? I am just trying to gain more insight here.

Rajesh Goenka: Absolutely, you are spot on. You answered yourself. Obviously, we want to run or prioritize where ROIs or margins are higher. So, run rate business obviously gives a higher margin and which is evident from our results and we have also grown 62%.

Our debt ratio is also around 0.5 and once we take these kind of projects, our ratio also will go at least 2x. So, we have to be little bit careful. So, therefore, we are prioritizing but we are there in the race and we have strong credentials. So, if need be, we can always pick it up.

Aejas Lakhani: And I just want to ask you one other maybe more strategic question that by not participating in that deal because it is coming at probably a higher working capital intensity, stretching and your ROIs are probably a little lower than the core business, what is it that we stand to lose?

Because yes, there is a short-term trade-off that you are making, but is there a long-term larger ecosystem that gets missed out unless you participate in those deals actively? Could you just give me some color on this?

Rajesh Goenka: So, basically by not giving the, I am not saying reprioritization, but by not giving the first priority in April, May, June quarter, we don't stand to lose anything. At the same time, I must also say that in these deals also there are small component buyings are there. There we are already present.

So, in almost all these deals, some smaller INR 20 crores, INR 50 crores, INR 70 crores supply is already there. So, it is not that we are not there. It is only that we have not prioritized to do INR 500 crores or INR 1000 crores of deals just basically because of our 60% momentum, because of our working capital preference towards run rate business giving us high ROCE.

But we are there everywhere. So, if we decide, we can always take it in JAS quarter itself, and you will see some of them. If you are trying to ask, you will see some of them.

Moderator: Next question comes from the line of Vivek Tulshan with New Mark Capital. Please go ahead.

Vivek Tulshan: Hi, just one question on the gross margin. This seems to be slightly lower than what we have been doing for the past few quarters. So, is it that because of component prices and product prices going up, there is some impact on percentage margin or this is a mixed issue?

Himanshu Shah: Gross margin basically is outcome of the product mix. So, LIT and PES two segments are there. PES share has increased which is of comparatively low margin as compared to the LIT. So, one is the outcome of that.

Second, last year first quarter, we had a subsidiary which we hived off in first quarter where the revenue gets into the GP, but the cost which is service cost is shown in the other expenses category because of accounting standards. So, that is the impact. Otherwise, these margins are normal as applicable to industry and the product mix which was achieved in this quarter.

Vivek Tulshan: Got it, Himanshu. And the second question was on the net debt. Could you tell me the net debt figure for end of June?

Himanshu Shah: Rs. 1,285 crores.

Moderator: Next question comes from the line of Aasim from DAM Capital. Please go ahead.

Aasim: So, on your earlier comment on channel inventory that they were selling slowly to make double-digit margins, I think one thing would be that they are being opportunistic because they expect prices to go up. So, that is why they are sitting on inventory. But I just wanted to know that is there another read between the lines here that there is an actual shortage of laptops and that is why the channel doesn't want to sell laptops today ASAP because you said that they can sell it quite easily even today.

Because if they sell it today at, say, X rate, next quarter or maybe in the next few weeks, the prices will be up, but they won't have enough laptops to sell. So, is there a laptop shortage also to read between the lines over here on the ground?

Rajesh Goenka: Yes. So, in general, see price is always a function of supply. So, when the price rise is happening, that means at the backend, first and foremost, component shortage is there. Second, laptop shortage is also there.

So, obviously, there is a general shortage. But I can only say that in terms of component, there is a huge shortage. But in terms of complete laptops, if we are able to pay price, then at least India, we are able to manage the inventory.

Aasim: . Sorry, when you say if you are able to pay a price, are you also saying that the higher end laptops are more available than the lower end ones? That is also, I mean, basically the supply is a problem more of the lower end versus the higher end. Is that also a way to look at it?

Rajesh Goenka: Yes. So, entry level laptops, there is almost 50% shortage. But if I go for medium and premium notebooks, if we are able to accept the price, then so far availability is not a concern.

But what is happening is the prices are going up month over month. So, our T2 partners are holding inventory. Say, for example, if they have bought at, say, 100 in July, but they already have an inventory, which they have bought at Rs. 80 somewhere in April or May, which they are selling right now. So, that cascading chain is going on. But from demand side, especially on the commercial, there is no issue at all.

Moderator: Mr. Aasim, please rejoin the queue for more questions. Next question comes from the line of Madhur Rathi with Counter-Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, I just wanted to understand on the data center deals, how are they panning out? And as you mentioned to the previous participants, because the hyperscalers won't be our target market, it would be either some tier 2 or someone new to the data center market or some other kitty in the hyperscaler business. So, how is that panning out and how should we see that business moving for Rashi over the next two years?

And a sub-question would be with VDA consolidation, how should we see Rashi bidding for these integrated distribute plus manage kind of services for these data center projects?

Kapal Pansari: So, a very good point, Madhur. Rashi is obviously, like Rajesh mentioned earlier, I would like to rephrase them in my own words, is that Rashi continues to play a pivotal role in the data center opportunities.

However, instead of going behind the large project, we are going behind those neo-clouds, smaller cloud service providers, niche operators who are giving AI-based solutions in their data centers, where the run rates also happen on a regular cycle.

So, we have continued to participate with NVIDIA, with Supermicro and with other OEMs to participate meaningfully. Now, with VDA coming on board, it is a little few quarters away where we start integrating the opportunities and bidding for these projects. Currently, they will run independently between each other until we have a strategy to bid for the projects together.

So, as of now, I do not have any guidance to give that in next few quarters it will run anything together. It will have independent operating strategies for the time being.

Madhur Rathi: Sir, that is from my end.

Moderator: Next question comes from the line of Bijal Shah with RTL Investments. Please go ahead.

Bijal Shah: It is very clear from your commentary that F'27 would be a spectacular year because of multiple tailwinds. But as these tailwinds ease out through the year, how do you think of F'28?

Historically, such strong years are followed by flat revenue decline or you are generally able to maintain the 20% growth rate which you have demonstrated for 30 years. So, that is the only question I have.

Rajesh Goenka: So, Bijal, I repeat the same sentence that last 20 years we have given 20% CAGR despite the ups and downs of the industry. So, that is the base on which we continue to work even if that percentage value when we convert on 16,000 to 20% of 16,000 is always 3,000 crores. So, that is the base value.

Second, the acquisition of VDA, the joint venture company with Restar, these are all strategies of short-term and long-term value creation in terms of top line and bottom line. And that is why we are investing and we are working on this.

So, the entire management is very alert. While we are taking advantage of this current situation, but we also want to have a sustained growth in the coming years, and we are very alert and sacrosanct with it. So, do not have an iota of doubt on our past 20 years and next few years as well.

Bijal Shah: That is very reassuring.

Moderator: Next question comes from the line of Yash Sidhani with Integrity Ventures. Please go ahead.

Yash Sidhani: Just a question on some contingent liabilities that are there in our books since long. I think there are some GST matters which are there. Just wanted to check the basis of that, is there a chance of getting a big hit in this liability? And what are the latest updates on this matter?

Himanshu Shah: So, yes, these contingent liabilities are in the nature of reconciliatory show-cause notices which we receive. And as per applicable accounting guidelines and the governance guidelines, yes, we prudently show it as contingent liability. However, the history or the immediate history suggests that these kind of show-cause notices have got, like certain show-cause notices which have got closed, have got closed in less than 1% of the total liability shown or demanded in the show-cause notice.

So, again, as I mentioned, it is reconciliatory nature of show-cause notices which when company provides the, I am typically talking about GST where the volumes are looking high. So, it gets closed once the reconciliation is submitted to the authorities.

Yash Sidhani: And are we expecting closure of these matters like within immediate future?

Himanshu Shah: Since the business is of continuous nature, these kind of tax authorities, like we are subject to normal scrutinies on the orders from the tax authorities which are most welcome. And we close it as and when it comes in due course of time. Law takes its own course to and time to close these demands. But we have not ended up paying any or ended up incurring any significant liability against these historically also.

Moderator: Mr. Sidhani, please rejoin the queue for more questions. The next question comes from the line of Siddhartha Grover with Equirus PMS. Please go ahead.

Siddhartha Grover: Two questions. First, on the semiconductor side, so if you could give us some numbers around...

Two questions. First on the semiconductor and the embedded piece. So, if you could tell us what is the kind of revenue and profitability that that division is running? And how much money will Restar put in, in the JV for the 26% stake?

Himanshu Shah: So, let me answer the second question first. As far as money to be put in by Restar in the JV will depend upon the fair market valuation of the business at the time of entering into the SPA. So, to comment on that number now, it will be a premature estimation.

Rajesh Goenka: Yes. And to answer your first question, so we are targeting in next three years maximum, we are targeting a revenue of more than US$100 million under the JV.

Siddhartha Grover: And this JV comes with a higher margin profile than the co-distribution business?

Rajesh Goenka: Absolutely.

Moderator: Mr. Grover, please rejoin the queue for more questions. The next question comes from the line of Jatin Chawla with RTL Investments. Please go ahead.

Jatin Chawla: My question again is on the Restar side. So, with the JV, what is the kind of addressable TAM that you will have in India?

Rajesh Goenka: So, the third party report which is there in our press release also says that Government of India expects by 2030 that total TAM will be US$150 billion. So, earlier by 2030, India demand for semiconductor was $100 billion. Now they have revised to $150 billion by 2030.

Jatin Chawla: And out of this, how much will be addressable by the JV?

Rajesh Goenka: So, as we said addressability, it is too premature to say. But what I have already said that in next three years' time, our aspiration is to do at least $100 million of business in the JV.

And that is the very baseline considering the opportunity we have. But once we set up the entire operations and when we are on the road, then we will scale our numbers. At this juncture, we want to be very conservative and give only minimum guidance.

Jatin Chawla: One more question. When I look at your growth numbers and even Reddington, there was 60% growth and you said you have gained kind of 10% from market share. So, are there smaller players from whom you are gaining market share or where are you gaining this market share from?

Rajesh Goenka: So, I cannot talk for others, but I can only tell you that apple-to-apple comparison is not valid because we are there present only in stock and sell and second commercial business. We are not there in software and services business. We are not there in mobile business. We are not there in logistics business.

But when I compare even apple-to-apple, then it is very clearly evident that we have internal data that we have gained some market share across the industry, which may be a one distributor or two distributors or three distributors. We cannot, we don't know that.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Kapal Pansari: Thank you all for your engagement and for thoughtful questions this morning. Let me leave you with three thoughts again as we close.

First on the environment, we are in one of the most opportune periods of industry and that has ever seen over a decade. Yes, pricing is elevated, but for a distributor of our scale, this is a tailwind, not a headwind. There are messages from global technology brand of improved supplies this quarter, but yet to be seen in action. We intend to keep converting that advantage into profitable growth exactly as we did this quarter.

Second on our direction, this quarter was not just about a record top line and record returns, though we are proud of both. It was about proof of execution on our strategy. And the third on our commitment, every number we reported today reflect the trust of our shareholders, the partnership of 80 plus global brands and the loyalty of 10,000 plus channel partners.

Coupled with the effort of our RPTECH family, we remain firmly committed to profitable, capital efficient, sustained growth and to be transparent with you at every step in the way, whether in good cycles or in challenging ones. We are optimistic about the year ahead and we look forward to updating you on our continued progress next quarter.

Thank you once again for your time, your trust and your confidence in Rashi Peripherals.

Rajesh Goenka: Thank you so much.

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