

May 11, 2026

**To,**  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor, C-1, Block G, Bandra  
Kurla Complex, Bandra (E), Mumbai 400051  
NSE Symbol - EBGNG

**To,**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001  
Scrip Code – 544455

**Sub: Transcript of Earnings Call with Analysts / Investors pertaining to the Audited Financial Results of the Company for the quarter and year ended March 31, 2026 - Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith is the transcript of the Earnings call with Analysts / Investors held on May 05, 2026, post declaration of the Financial Results for the quarter and year ended March 31, 2026.

The same has also been disseminated on the website of the Company.

We request you to kindly take the above on records.

**FOR GNG ELECTRONICS LIMITED**

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**Sarita Vishwakarma**  
**Company Secretary & Compliance officer**  
**Membership No. A59547**

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**GNG Electronics Limited**

(Formerly known as GNG Electronics Private Limited)

**CIN: L72900MH2006PLC165194**

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“GNG Electronics Limited  
Q4 FY26 Earnings Conference Call”

May 05, 2026



**MANAGEMENT:** **MR. SHARAD KHANDELWAL – FOUNDER AND  
MANAGING DIRECTOR – GNG ELECTRONICS LIMITED**  
**MR. AJAY PANCHOLI – DIRECTOR – GNG  
ELECTRONICS LIMITED**  
**MR. RAAKESH JHUNJHUNWALA – CHIEF FINANCIAL  
OFFICER – GNG ELECTRONICS LIMITED**

**MODERATOR:** **MR. AVINASH KARUMANCHI – MOTILAL OSWAL**

**Moderator:** Ladies and gentlemen, good day and welcome to the GNG Electronics Limited Q4 and FY26 Earnings Conference call. This call may contain forward-looking statements about the company that are based on the belief, opinions and expectations of the company as on date of this call. These statements are not guarantees of future performance and involve risk and uncertainties that are difficult to predict.

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 this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Avinash Karumanchi from Motilal Oswal. Thank you and over to you.

**Avinash Karumanchi:** Thank you, team. Good evening, everyone. On behalf of Motilal Oswal Financial Services, I welcome you to the fourth quarter FY26 Earnings call of GNG Electronics Limited. Joining us on the call today are Mr. Sharad Khandelwal, Founder and Managing Director; Mr. Ajay Pancholi, Director; Mr. Raakesh Jhunjunwala, CFO; and Mr. Rohit Agarwal from the MD's office. Now I hand over the call to Sharad ji for his opening remarks. Over to you, sir.

**Sharad Khandelwal:** Good evening and thank you, everyone. I welcome you to the Q4 and FY26 Earnings call of GNG Electronics. This has been a remarkable year for our company, one in which we have delivered our best ever annual performance, expanded our footprint, deepened our customer relationships and substantially over-delivered on the guidance we set out at the beginning of the year.

I would like to begin by thanking our shareholders, customers, channel partners, suppliers and most importantly, our 2,148 colleagues across geographies for their commitment and execution that made this performance possible. Q4 FY26 has been a milestone quarter for us. Consolidated revenue grew 43% year-on-year to INR651.7 crore and profit after tax nearly tripled to INR42.1 crore.

EBITDA margin for the quarter expanded to 9.8%, an improvement of nearly 307 basis points over Q4 FY25, while PAT margin expanded to 6.5%, which is an improvement of over 323 basis points year-on-year. For the full year FY26, consolidated revenue stood at INR1,891 crore, representing a year-on-year growth of 34%.

EBITDA margin during the same period improved to 10.6%, an expansion of 166 basis points over financial year 2025. And profit after tax grew by 91% to INR132 crore, which translates to PAT margin expansion by 209 basis points, which is a 43% increase from 4.9% to 7%. We have by far exceeded both the original guidance we shared at the start of the year as well as the revised guidance we had communicated in our Q3 earnings call both on revenue growth and on profitability.

Our CFO Raakesh ji will walk you through the detailed numbers shortly, but one thing is very clear: for the full year, we have delivered healthy growth supported by strong demand across both domestic and international markets. Our revenue growth trajectory has remained strong and

more importantly profitability has scaled faster than revenue with improved realizations and stronger margins.

As we had indicated in our previous earnings calls, we continue to see margin expansion driven by better procurement, tighter execution and strategic inventory positioning, which has allowed us to benefit from the prevailing industry dynamics. What is particularly encouraging is not just the growth we are delivering, but the quality of that growth.

Our business continues to remain asset-light but working capital driven, allowing us to scale efficiently without large fixed investments while maintaining flexibility in a dynamic environment. Our margin expansion is also being driven by greater distribution reach we have built across geographies, that is across India and in international markets.

As we move closer to the user and as our products continue to gain greater acceptance, supported by devices that are at par with new in terms of both performance and aesthetics, backed by a reliable and proven warranty, resulting in the combined strength of our product and service offering, making our product and value proposition even more compelling.

This in turn allows us to price our products better, which directly translates into a stronger margin profile. We continue to expand our global footprint. As of the end of financial year 2026, we now supply to 46 countries, up from 38 countries at the start of the year. Our customer-facing reach has grown to 4,895 touch points across enterprises, institutions, distributors and channel partners, compared with 4,154 at the beginning of the year.

Our supplier base has expanded meaningfully as well, providing us with deeper, more diversified sourcing across geographies. To support this growth, we have continued to strengthen our team. Total employee strength has now crossed 2,100, with substantial additions to our engineering, sales and procurement functions through the year.

This investment in talent is what has enabled us to scale our refurbishment capacity, deepen customer engagement and expand our distribution reach without compromise on quality. We have also strengthened our marketing team, which is now actively driving multiple campaigns and programs aimed at expanding and amplifying the Electronics Bazaar proposition to a wider global audience.

Let me share a few specific initiatives. First, on the consumer financing front, we are launching a flagship affordability program, making a premium refurbished laptop available to end customers through our dealers for as low as ₹1,000 per month through structured EMI partnerships with leading consumer finance players in India and similar tie-ups being explored in our international markets.

This program, we believe will meaningfully expand the universe of customers we can reach, particularly first-time computer buyers, students and small businesses. Second, we have continued to invest in deepening our channel engagement through regular on-ground channel partner meets across major cities including recent meets in Thane and Ahmedabad, which we will continue to scale through financial year 2027 to strengthen our distributor and dealer ecosystem. And third, we have rolled out targeted performance digital marketing and influencer-

led campaigns, partnering with renowned tech influencers such as Rajiv Makhni to build category awareness and elevate the Electronics Bazaar brand among consumers and enterprise decision-makers.

Together, these initiatives are translating into greater customer reach, stronger brand recognition and ultimately healthier sales and margins. Also, our teams continue to participate in international trade shows across US and Europe throughout the year to nurture and enhance our business partnerships.

On the distribution side, as covered in our recent press release, we have formalized strategic partnerships with India's leading technology distributors. While the full impact of these partnerships is yet to be seen, the early signs are encouraging and we look forward to scaling these relationships meaningfully over the coming years.

Let me now turn to the broader industry, because the developments over the last 6 months have been truly defining for our segment. As I have been highlighting since our Q2 call, the global PC industry is undergoing a structural shift driven by AI-led memory diversion. Since then, the situation has only intensified and importantly it is no longer a memory-only story.

Storage, processors and other key components are now seeing comparable price escalations. More importantly, there are supply constraints in brand new computers on account of a shortage of critical components. Let me share some specific data points to illustrate the magnitude of this shift.

As I had referenced in our Q3 earnings call, an 8GB DDR5 memory module was priced at USD23.35 on October 1, 2025, rising sharply to USD86.61 by January 1, 2026. As of April 1, 2026, the same module is priced at approximately USD120, more than five times its level just six months ago. The 16GB DDR5 module has followed a similar trajectory from USD54.85 on October 1 to USD189.99 on January 1 and approximately USD210 as of April 1, close to 4x in 6 months. More importantly, again, as I had also mentioned in Q3, this is no longer just a memory phenomenon. The same pattern is now clearly visible across other key components. A 1TB SSD, which was priced at around USD70 on October 1, 2025, rose to USD180 by January 1, 2026, and is now approximately USD249 as of April 1. A 3.5 times increase in six months. A typical high-end processor has risen from USD165 on October 1 to approximately USD240 as of April 1, up roughly 45%, with CPU lead times now stretching in many cases to as much as six months.

The impact of these component price escalations is now flowing directly into the price of new laptops. To give you a sense of the magnitude, a typical entry-level laptop with 8GB RAM and 512GB SSD, which was selling in channel in India for around INR25,500 as on 1st December 2025, rose to approximately INR32,500 by January 1st and is selling today at close to INR40,000, which is an increase of nearly 57% in just six months.

The story is similar in the international market. A comparable laptop which was priced at around USD315 on October 1st rose to USD375 by January and is selling today at approximately USD440. This is an increase of close to 40% in six months. This is the new reality of the new PC

market and it makes the value proposition of credible branded refurbished PCs supplied by Electronics Bazaar stronger than ever before.

Let me mention in good measure that illustrations that have been given are of entry-level brand new computers, while we deal in high-end refurbished computers, and the end user can now buy a premium high-end refurbished computer at a better value than an entry-level brand new computer.

The March 2026 IDC update conveys this opportunity more clearly. According to IDC, global new PC shipments stood at approximately 285 million units in 2025. IDC has further cut its 2026 PC shipment forecast to a decline of around 11%, a further decline from 8.9% that was projected earlier. In absolute numbers, this implies a reduction of roughly 32 million units in 2026 alone.

But the real picture is even more striking. Under normal circumstances, 2026 was expected to be a growth year for PCs because of the AI PC adoption wave. So when you compare the 11% expected fall against the roughly 10% growth that the market would otherwise have delivered, you are looking at a cumulative gap of approximately 55 to 60 million units of computing demand that the new PC market simply will not be able to serve in 2026. I repeat, this is a gap of 55 to 60 million units of computing demand that brand new computers will not be able to fulfil.

This unmet demand is logically finding its way to the refurbished segment and we continue to fully harness this opportunity. The end demand for computing isn't disappearing. As I had said in our Q2 earnings call, by the end of the year, AI would change the landscape of how we do things, and that is exactly what we are seeing playing out today. And we are just scratching the surface of what AI is capable of. AI is making computing more, not less, central to how enterprises, governments, students, and consumers operate.

What is changing is where that computing demand is being met. And in this shift, refurbished PCs, particularly those backed by like-new quality and a credible warranty, represent the most viable and economical alternative. Thank you. I would now like to hand over to our CFO Raakeshji.

**Raakesh Jhunjunwala:** Thank you, Sharadji, and good evening, everyone. I am happy to share that we have closed FY26 with the strongest ever quarterly and annual performance, capping a year of consistent execution, disciplined growth, and a meaningful margin expansion across the board. Let me first walk you through the Q4 numbers.

During the quarter, consolidated revenue grew 43% year-on-year to INR651.7 crore, driven by sustained demand momentum across both our domestic and international markets, particularly the Middle East, the United States, and Europe. Gross profit for the quarter stood at INR125.3 crore, with gross margin expanding to 19.2% from 15.1% in Q4 FY25, a sharp improvement of 414 basis points, reflecting better procurement, sharper inventory positioning, and improved realizations.

EBITDA for Q4 stood at INR64 crore, with EBITDA margin at 9.8% versus 6.75% in Q4 FY25, an improvement of 307 basis points year-on-year. Profit after tax for the quarter nearly tripled

year-on-year to INR42.1 crore, with PAT margin expanding to 6.5% compared to 3.2% in Q4 FY25, an improvement of 323 basis points.

Coming to the full year FY26, consolidated revenue grew 34% year-on-year to INR1,891.1 crore. Gross profit grew to INR380.9 crore, with gross margin expanding by 225 basis points to 20.1%. EBITDA grew to INR200.5 crore, with EBITDA margin improving by 166 basis points to 10.6% versus 8.9% in FY25.

Profit after tax nearly doubled to INR132 crore, a growth of 91% year-on-year, with PAT margin expanding by 209 basis points to 7% up from 4.9% in FY25. We have delivered massive revenue growth in India, with consumption revenue going up from INR345 crore to INR622 crore in FY26, increasing by 80%. Overall, FY26 has been a year of strong all-round performance, with significant revenue growth, meaningful margin expansion, robust capital efficiency, and a stronger balance sheet. We enter FY27 with healthy momentum, a strengthened team, expanded distribution, and structural industry tailwinds that Sharadji has spoken about. Thank you.

**Moderator:** Thank you. We will now begin the question-and-answer session. We'll take our first question from the line of Chandresh Malpani from Niveshaay. Please go ahead.

**Chandresh Malpani:** Yes, thank you so much, sir, for the opportunity and congratulations on this great set of numbers. Sir, my first question is basically on the, you know, volume numbers for this quarter and the average selling price?

**Ajay Pancholi:** Yes, sure. Thanks, Chandresh. So let me give you first the volume number for the full year. The volume number for the full year is about 7,27,000 odd in comparison to 5,90,000 odd. Okay. And broadly, this is again, in terms of revenue the breakup of this is almost 81% in laptops and 19% in other than laptops. Furthermore, to your question in terms of the last quarter, the breakup is about 1,76,000 laptops and 65,000 others. So that basically brings the quarterly number to about 2,41,000. Coming to the ASPs for the quarter just ended, for laptops the ASP is about INR30,000 odd and for others it is about INR19,000 odd. On a blended basis, this number translates to INR27,000. If I were to compare this on a full year basis, on a blended basis, the ASP is about INR26,000 and furthermore for laptops it is about INR28,800 and others it is about INR18,300 odd.

**Chandresh Malpani:** Okay, got it, sir. And basically, if I compare with the Q3 numbers wherever, you know, where we were also keeping elevated inventory levels because of, you know, the reasons that you mentioned in your opening remarks. So why, I mean, the average ASP on a blended basis have gone up by 1,000 rupees, but, you know, the gross margins have not, you know, directionally followed that. So what could be what could be the possible reasons here?

**Ajay Pancholi:** So if you look at, see, basically what happens is in Q4 and we've had this earlier as well, there's always a push of volume over margins. So at many times we need to push that element as well. That having said, if you look at our quarterly Q3 vis-a-vis Q4, the ASPs have increased from almost INR29,000 per laptop to INR30,000 and on a blended basis from INR26,200 to INR27,000. So, the realization is better, but also be mindful of the fact that this quarter, as Sharad

ji mentioned in his opening remarks, has been really transformational as we are building capacities, getting ourselves prepared for the future as we roll over to the next year.

So, there are certain investments, whether it's in terms of people or processes, etc., that get reflected in the numbers as well. So, more importantly, if you look at the corresponding quarter, right, the delta is significant in terms of margins as well. So, you would have to weigh in the overall dynamics on the final outcome.

**Chandresh Malpani:** Okay. No, sir, the you know, what I want to bring out is here because we are, you know, again back to our debt levels of pre-IPO, I mean INR400-odd crore of, you know, borrowings is again at this March balance sheet. So again, our strategy of keeping the higher inventory because as at this year-end we are about INR700-odd crore of inventory. So we are, you know, confident of that strategy, right?

**Ajay Pancholi:** Yes, we are confident of that strategy and just for the wider benefit of people on the call, I'll just address the debt position as well relative to the guidance we had given at the end of the last quarter. I'll also share this in comparison to the March'25 numbers. So, in terms of March' 25, the net debt was about INR383-odd crore. This included a shareholder loan of about INR60-odd crore. If we look at the same number at the end of March'26, the net debt is about INR300-odd crore and this does not include any shareholder loan as it has been paid off. Now, it will be pertinent to note that the same position as of 31st December 2025, the net debt number was INR466 crore. That has gone down to INR300-odd crore. So as against last year, it was INR383 crore, it is now INR300-odd crore.

But yes, you are right, we continue to maintain strategic positions on our inventories and yes, the participation of our shareholders in terms of the IPO as well as the profitability has given us that additional leverage to take that strategic position in terms of how we see the opportunity and how we can juice up the opportunity in terms of our inventory levels and the tailwinds actually are helping us to take that strategic position.

**Chandresh Malpani:** Okay, thank you so much, sir. This was helpful. Yes.

**Sharad Khandelwal:** Let me just add, due to the price increases I mentioned, earlier in memory now in processors and SSDs, the prices of brand-new computers are increasing and we are in a situation where the prices will keep on increasing through the end of 2027. We can call it a stable price increase and it makes it imperative for us to keep elevated levels of inventory for us to be selling them at a better price and maintaining our margins, even increasing the margins. So, we have to buy ahead of the price increase curve and the need of the hour is to keep high levels of inventory. It makes all the more commercial sense for us.

**Moderator:** Thank you. Next question is from the line of Sunil Jain from Nirmal Bang Securities. Please go ahead.

**Sunil Jain:** Yes, thank you very much for the opportunity and congratulations on good numbers, sir. My question again relates to inventory which you are maintaining high, even after having a peak quarter of sales of almost around INR600 crore plus, INR650 crore plus, you still have inventory

very high inventory of over INR700 crore. So, is this likely to continue as you said towards till the end and you will keep on keeping the inventory of almost around four and a half, five month?

**Ajay Pancholi:**

Thanks for your question. Let me address this in a couple of ways. Okay. So, if you look at our inventory levels at the end of last year, that number was about INR490-odd crore. If you look at the same number at the end of 31st December, which is end of Q3, that number was INR683-odd crore. And the same number is INR743 crore now, right? Now, as I think it's very important for you to rely on the market dynamics as to how we are seeing the market dynamics playing out, which is in terms of component prices, memory prices and so on and so forth.

So this inventory positioning helps in the overall strategy going forward because the way we see it, this actually adds substantially to our capability to enhance profitability. Inventory levels at about 740-odd crore as of March end, while you may say that yes, this number is almost 3-4 months of quantum, but we see this as the real opportunity and enhance our profitability going forward.

So this is a strategic thought, you've seen the enhancement in inventory levels at the end of last quarter and this quarter as well and we've given the rationale even then as to why we have strategically brought up this position and all the data points mentioned by Sharadji earlier in terms of how entry-level machines have moved in terms of pricing, how the component pricing has moved, and that really gives us the confidence that these inventory levels will be fruitful from an overall perspective for our business.

**Sunil Jain:**

Apart from this, even the debtor's level which was at around 0.6 in last year has moved up to over one month, means 1.3 per month. So, what is the reason for that?

**Ajay Pancholi:**

Yes, so at the end of December, debtors were at about INR285 crore. That's gone down to INR206 crore as at the end of March. Okay. And this is again, as we've emphasized, if you understand the key moat of this business or the key dynamics of this business, this will be asset-light but working capital driven.

Right, and furthermore to say, as we have added more partners in our distribution strategy, we will need to support our partners even for new machines when the partners sell new machines, they are given credit by the OEMs and that credit is ranging from about 30 to 45 days. And our level of credit is no different from theirs. So, we have to be competitive and place the proposition such that the distribution channel does not see this as a different mechanism and they promote our product also with the same vigor.

**Sharad Khandelwal:**

If I may add, we have gained a level of institutional trust and now there is a successful validation from global distributors who previously handled only new equipment. So, in this segment, credit will be very, very important for us to be able to push an entire distribution channel for refurbished products to be sold in the segment where heretofore new computers were being sold.

As refurbished computers are becoming now a real alternative, refurbished by us with one year to three-year warranty, equal-to-new features with a credible warranty is becoming an alternative, so we have to build this channel for us to reach the end customer and credit is paramount for that to happen.

- Sunil Jain:** So, the conclusion is that the working capital cycle which has elevated in the current year will continue to remain elevated for at least near term?
- Sharad Khandelwal:** Yes, that's correct. The reason being that we are in a situation of extreme shortages because of hyperscalers and shortage of SSD, RAM, and processors. Even the brand-new computer shipments are reducing because of supply crunch and the prices are increasing. So, we have to take strategic stock positioning, also to sell the material to the global tech distributors for us to reach the right business customer.
- Sunil Jain:** And sir, if you can share guidance for next year if possible?
- Sharad Khandelwal:** For next year guidance, we can give at around 25% revenue growth and PAT margin expansion of around 50 basis points.
- Sunil Jain:** PAT level growth?
- Ajay Pancholi:** The PAT level growth, an increment of at least 50 basis points from the current levels. So, this is on the back of almost a 200-basis points PAT margin expansion this year which is substantial growth that we have delivered this year.
- Sunil Jain:** Okay. Great. Thank you very much. I'll come back in the queue.
- Moderator:** Thank you. Next question is from the line of Nishant Sharma from Nuvama Wealth Peg Research. Please go ahead.
- Nishant Sharma:** Thank you for the opportunity and congratulations for great set of numbers. My first question is around on the margins side. We have seen a sequential decline on the margin, partly you alluded that this is because of the investment on capacity builder, people and processes. Just wanted to understand what kind of an impact could be because of these parameters on the margin on a sequential basis? Hello. Am I audible?
- Ajay Pancholi:** Yes. So, the way we should look at it is as the guidance Sharad ji has given. So broadly we are seeing that there will be an improvement from a trajectory perspective, there'll be an improvement quarter-over-quarter going forward. Typically, you have seen that at least in the last Q4 of this year, Q4 of the previous year and earlier periods as well, we've always seen the Q4 margin to be a bit subdued because it runs on the back of substantial volume growth, right. Because that is the period as we've alluded earlier as well, year-end period, strategic purchases or large bulk purchases from customers, etcetera, and hence we have to give that push to the overall ecosystem. So, in terms of quarter-over-quarter, we see you should look at how we've grown historically, we'll add up on top of that over quarters.
- Nishant Sharma:** Okay. And just want to understand basically even in previous quarters we have been broadly very confident in achieving 25% revenue growth trajectory for next couple of years. Am I not audible, please? Sorry. Am I audible now? Sorry.
- Moderator:** Sir, can you please use your handset mode? Yes.

- Nishant Sharma:** Yes. So, I was highlighting asking that historically or last couple of quarters we have been very confident in achieving 25% kind of a revenue growth going forward for next couple of years given the huge industry tailwind that we are seeing. Apart from that, we have also added new distributors in our kitty. So, don't you think that 25% seems to be on a conservative side and given the new distributors coming in, we can easily outpace this number?
- Sharad Khandelwal:** Nishant, Yes, you're right, we like to give conservative estimates.
- Nishant Sharma:** Okay. And last question on around distributor side. When we have added new distributor, what kind of currently they are holding the inventory of refurbished laptop at their distribution kitty or warehouses and vis-a-vis what is their thought process in terms of taking it as a overall inventory at their levels?
- Sharad Khandelwal:** Distributors are very, very excited about this business. Their team, their channel partners are accepting this proposition in a very excited and positive way. And in terms of inventory what they are keeping is between 30 to 45 days of inventory that they usually keep. It's very much required for doing distribution the right way and it is in line with the brand-new inventories that they usually keep. In fact, it may be lower than that.
- Nishant Sharma:** Maybe broadly my question was around in terms of percentage of share. So, suppose they are keeping a 100 new laptops, so what is the kind of number that they are keeping it for refurbished laptop and going forward?
- Sharad Khandelwal:** It's difficult for me to give you a precise number, but it will be a small percentage, but definitely we intend to grow with them and our proportion in their overall kitty, our pie in their overall kitty will increase.
- Nishant Sharma:** And any new distributor partnership that is in line-up?
- Sharad Khandelwal:** Yes, we are in talks with various distribution partners around the world, and as and when they materialize, we will issue the appropriate press release for the same.
- Nishant Sharma:** Sure, I'll sure, I'll follow back.
- Sharad Khandelwal:** I can tell you the discussions are in advanced stages in Europe and in the United States.
- Nishant Sharma:** Okay, that's great, sir. That's great. Once again, many congratulations and I'll fall back in queue. Thank you.
- Moderator:** Thank you. Next question is from the line of Aastha Jain from Pkeday Advisors. Please go ahead.
- Aastha Jain:** Hello. Thank you for the opportunity, sir. My question is with respect to other expenses. Sir, for this year it has increased by 40% on Y-o-Y basis. So can you tell us that what is the reason for increase in other expenses?
- Ajay Pancholi:** Yes. So the other expenses substantially are on account of freight, marketing, and insurance, right. It has increased by almost 37%, one should also look at this number on the back of the revenue line growth as well. Is there an increment of about 7 to 10 basis points more than what

we had anticipated? Possibly yes, especially in the last quarter on account of the increased freight on account of the situation that we are all dealing with from an Asia perspective. But it is pretty much in line. I don't think it is out of whack at all.

**Aastha Jain:** Understood. So my second question is with respect to revenue breakup. I wanted to know can you give us revenue breakup by geography?

**Ajay Pancholi:** Yes. So for the full year, India revenue is about 33 odd percent, UAE is at about 12%, US is 21%, Europe about 20%, and the rest of the world is about 14%. So in a sense, US and Europe put together is at about 41%, India at 33%.

**Aastha Jain:** Got it, sir. Thank you.

**Moderator:** Thank you. Next question is from the line of Paras Chheda from Purple One Vertex Venture LLP. Please go ahead.

**Paras Chheda:** Yes, thank you, sir, for this opportunity and congratulations for the wonderful set of results. Sir, just two queries my end. First thing, sir, due to this Iran war, was there any impact on our operations at Sharjah or sales, etcetera in terms of the supply chain or logistics?

**Sharad Khandelwal:** Yes, hi Paras. Thanks for this question. I was expecting it.

**Paras Chheda:** Yes, because I was really worried about the Sharjah facility actually.

**Sharad Khandelwal:** No, no, but let me assure you that the situation here is quite normal. The government of UAE has handled the situation pretty well, very high rate of interceptions, and our facilities have been up and running every single day. Our shipments happen by air, so those are also uninterrupted.

The blockage that you hear in Strait of Hormuz, we are not impacted by that. And pretty much the life in UAE is as normal as it could be given the circumstances. It is not ideal. I am speaking to you from Sharjah as we speak, so you can imagine, the situation is pretty normal here. But so there's no concern, our facilities are working and shipments are happening.

**Paras Chheda:** Understood, sir. So basically, these shipments by air has been normally as it is since the time it has been operating, is it? Or was it normally through the containers?

**Sharad Khandelwal:** No, we are making the shipment by air. So apart from minor delays, the rest is okay. So let's also understand we keep very good inventory position in Europe and America too.

It's not that we have inventory only in the Middle East. So, we ship the bulk of our inventory to our US office and keep it there and from there it is sold to American and European markets also.

**Paras Chheda:** But procuring your supply parts, etc., was that a challenge or that has also been handled? I mean, we can obviously see the numbers.

**Sharad Khandelwal:** We have not faced any operational challenges on account of this war. There is a ceasefire in place for last 30 days, some minor skirmishes did happen yesterday, but apart from that situation is pretty normal. No operational challenges to us at all whatsoever.

**Paras Chheda:** Oh, that's nice to hear. And secondly, sir, I mean, I just heard about this price rise in the new laptops and the component parts, etcetera. I mean, just I was offhand and, I may be a little bit underestimating it, but in terms of margin expansion for ourselves, the benefit out of this huge tailwind.

The price rise so far for us has been quite nominal. So is there a scope for a significant margin expansion now for this year or this is where things stabilize in terms of margins now?

**Sharad Khandelwal:** No, see, we have given you guidance of 0.5% in terms of PAT expansion. This will be obviously on the back of margin expansion. And we are also making more inroads and trying to establish ourselves as a structural giant in circular economy.

The idea is to gain more acceptance across wider audience of business customers in overall market. But the margin expansion is also part of our strategy, so we'll find the right balance and the margin expansion definitely will also be there apart from top line expansion.

**Paras Chheda:** Right. And sir, just last query my end. In terms of, I mean, inventory I've understood to some extent. Just only one thing, I mean, we have to strategically position high inventory given the situation that is prevailing currently.

But at some point of time, and we'll also be rising on the debt, etcetera. And if there is a cycle disruption, there's some black swan event, is there an inventory sort of risk that we are sitting on or we will be able to manage it?

**Sharad Khandelwal:** No, not quite, because if we have kept strategic position of inventory, they are bought at comfortable prices. We have not bought them at higher prices, let me assure you that. And yes, we are in a situation where we have bought inventory at lower prices.

**Paras Chheda:** Understood, sir. Fair enough. Okay, thank you so much, sir.

**Moderator:** Thank you. Next question is from the line of Hiten Boricha from Sequent Investments. Please go ahead.

**Hiten Boricha:** Yes, thank you for the opportunity, sir. My question is again on the margins. So you mentioned our top line will grow at roughly around 25% or more than 25%. So question I want to understand is what kind of EBITDA margin we are looking because I think the cost will not move parallel with the top line, right? Employee cost and other expense will remain low. So are we looking at like 11%-12% EBITDA margin for this year?

**Ajay Pancholi:** Yes, so if you look at last year our EBITDA margin was below 9%. As we speak, we've grown this to about 10.6% for the full year. The guidance that we have given is enhancement of at least 50 basis points at the PAT level. So it would be fair to assume that at the EBITDA level it will be a shade higher.

So from 10.6% will it be about 11.5% or thereabouts? In order to achieve the guidance, we'll have to deliver that number.

**Hiten Boricha:** Sorry, sir, you mentioned from 10.5 to. You were not audible in between. Sorry.

- Ajay Pancholi:** 10.6% to 11.5% or thereabouts in order for us to deliver at least a 50 basis point PAT expansion.
- Hiten Boricha:** Understood. And sir, my second question is on the finance cost. It has gone up from I think INR9 crore to INR14 and a half crore quarter-on-quarter, which is largely because of the working capital. But you mentioned the prices of the RAMs and inventory it is eventually gradually going to go up in this year also by end of Q4. So are we expecting this run rate INR14-INR15 crore kind of quarterly run rate to go up or is it going to sustain here?
- Ajay Pancholi:** It's likely to sustain. As I guided at the end of last quarter, we had indicated a debt position of about INR450 odd crore, it was INR466 crore which was at the end of December.
- Up to that level we are pretty comfortable. That having been said, as of March end, we've got that number down to about INR300 crore. That is the trajectory we expect going forward.
- Hiten Boricha:** Understood, understood. Okay. Thank you, sir.
- Moderator:** Thank you. We'll take our next question from the line of Raj Sarraf from Finvestors. Please go ahead.
- Raj Sarraf:** Yes, so congratulations on the great set of numbers. Sir, I missed your initial commentary, sorry for that. I just wanted to ask, sir, like the margin compression in the last quarter, and if I can see even the previous year the margin was compressed for Q4. So you mentioned the reason. So can I assume that the margin is going to be slightly above the last -- the concluded quarter starting from the Q1 only?
- Ajay Pancholi:** Yes, it's fair to assume that.
- Raj Sarraf:** Okay, sir. And sir, what is the employee count for our companies and refurbishment capacity and utilization level?
- Ajay Pancholi:** Sorry, I missed the question. Could you repeat?
- Raj Sarraf:** Sir, employee count as of now or if you can just say it as of 31st March 2026 and the refurbishment capacity and utilization percentage, sir.
- Ajay Pancholi:** Okay. Yes, sure. So the way we should look at it is from an employee count our number is about 2,148. Of this about 1,800 is production technician. And also we should look at this that as compared to last year, this number was at about 1,200 odd employees, this has grown to about 2,148.
- And there's a significant addition that has happened in the last three to four months. So the way we see this is that the productivity will improve in the coming quarters on account of the capacities that we have put in place in terms of the people as well as the infrastructure that is required has also been enhanced so that we can grow at a much faster pace. But capacities-wise, it's not a challenge. We are well geared up.
- Raj Sarraf:** So right now, sir, if you can just give a number on how much units per month we can refurbish.

- Sharad Khandelwal:** So if you look at the number for the full year, we've done about 7,27,000 odd, so that will give you a number of about 60,000-61,000 odd, right? From the capacity standpoint, from the people that we have and from the space that we have, we have taken strategic space positions in the UAE as well as in India.
- In Mumbai, we had one facility which we expanded to two and in UAE, we had earlier three, now we have eight. So, from the capacity and the employee perspective, the productivity is going to increase. We can say that we have capacity of doing around 150k units per month.
- Raj Sarraf:** Okay, 150k units per month. Okay. Yes, so and the effect of the West Asia which you just concluded there is no effect as such because we are shipping through air route. So, are we, sir, 100% the old laptops or all the laptops are which are we are taking for refurbishment are taking from air routes only? No water routes involved? 0% water route?
- Sharad Khandelwal:** No. Inward and outward both are by air.
- Raj Sarraf:** Okay. And there is nil effect of West Asia. Just right now we have heard some hostility in last one-two days, so there is no effect on our production site?
- Sharad Khandelwal:** No, obviously not. I am sitting in the UAE only. Yesterday there were I think some seven or eight missile strikes and there is a very good interception rate up to the point of 99.5%. So they are intercepting all the incoming missiles and couple of missiles that are coming are falling in the sea or on the stray land.
- If you see the main road in Dubai, Sheikh Zayed Road, Dubai Mall, Burj Khalifa, they are all proudly standing tall, there is no impact. We don't see any impact of destruction whatsoever on the road, on the surface at all. But yes, when we read that in news, we see a different picture.
- Raj Sarraf:** Okay. So why I am asking this, sir,
- Ajay Pancholi:** We have operated in a very normal manner, even within the peak of the situation, right? So, and we are reasonably certain that if we continue to operate the way we have, we have not seen the impact on the logistics. We've not seen the impact on the production facilities. We've not seen any impact on the people's availability, etc. I think things should be looked at in that context.
- Raj Sarraf:** Okay. So why I am asking this, sir, because our huge facilities lie in this, sir. So, are we planning further to augment our facilities out of UAE anywhere for keeping future in view, sir?
- Sharad Khandelwal:** See, it's a very early situation, it's around two months and five days old. I believe, it's my informed belief, that situation should get normalized very soon. And we don't see a need for moving to any other location or any other place. I think the UAE will remain as safe as ever.
- Raj Sarraf:** Okay, thank you very much. Very much, sir, and just best of luck for next financial year and beyond further. Thank you.
- Moderator:** Thank you. We'll take our next question from the line of Anuj Haria from Inter Globe Services. Please go ahead.

- Anuj Haria:** Hi, thank you for the opportunity. My question was around the average selling price rise. Since you mentioned that there's been a continuous increase in the price of storage, processors, and memories, quarter-on-quarter can we see an increase in the average selling price?
- Like this quarter the average selling price for laptops you mentioned was approximately 30,000. So, let's say in quarter one of this year and quarter two, can we see an increase in the average selling price?
- Ajay Pancholi:** We've seen this trajectory over the last three quarters in terms of the betterment of the realization, right? So, if you were to ask me whether this trajectory will continue, we hope it continues, we'll have to be very dynamic at the same time in pricing and strategy so that we continue to deliver the numbers and not necessarily hold on for the margin itself, right?
- But we anticipate that with the outlook that is there on the key components, the probability of a better realization is reasonably high.
- Anuj Haria:** Got it. And just a follow-up question. So, in the current financial year, do we plan on adding any additional manufacturing facilities and by the end of the year, what is the approximate head count that you see?
- Sharad Khandelwal:** See, at this point of time, we have already taken sufficient space for our refurbishment facility, so we don't envisage the need for any further facility at this point of time. In terms of the manpower count at the end of the year, it is not possible for us to predict, but obviously it will be much more than what we have now.
- Ajay Pancholi :** And to supplement that, we continue to add to the marketing team and the marketing force so that we can penetrate further. As we mentioned that we have significantly built-up capacity in terms of people or technicians, so that will support growth for the immediate year.
- That having been said, we'll be very mindful as to how much we grow depending on the need and as we said earlier as well, whether it's operating capacity, space, or people, we have all of that in place.
- The focus will be significantly on enhanced marketing. While focus is required on every element, marketing will be the higher priority.
- Anuj Haria:** Got it. And just a follow-up question. So in the month of February, we partnered with Ingram and Supertron. So, from February till March or let's say till April end right now, can you just share the amount of revenues that we have generated from these two partners?
- Sharad Khandelwal:** See, we are just scratching the surface with these two partners. The number that we aim to achieve will be much more than what we have done on an average basis. Yes.
- Anuj Haria:** Okay. But can you just share a percentage?
- Sharad Khandelwal:** It's a very, very small percentage. It's a minuscule percentage, I can tell you this.

- Anuj Haria:** Okay. So, we are yet to see the growth from these partnerships, let's say in the coming year, the current year? sorry.
- Sharad Khandelwal:** Yes. That's correct.
- Anuj Haria:** Good. Thank you. That would be all from my end.
- Moderator:** Thank you. Next question is from the line of Preet Jain from Singhvi Financial. Please go ahead.
- Preet Jain:** I wanted to ask that before this financial year, your inventory cost was lower, but now your procured inventory which you are procuring now, that cost will be higher. So going forward, can we assume that margins can decrease also? There are chances if prices fall.
- Sharad Khandelwal:** No, not quite, because the chances of prices falling are not there because of the component prices increasing. Memory is not just used in computers, it is used in EVs, it is used in watches, smartwatches, smart rings, lot of other places it's used.
- SSD shortage is there, so hyperscaler expansion is happening and just remember the people who are funding the hyperscalers are companies like Amazon, Alphabet, Meta, and the likes who are sitting on huge cash piles. So, this is not going down and we don't see any situation and I have in good authority the information, knowledge, and market insight the prices are not going to go down before January 2028.
- In any case, it is not coming back to what it used to be. Even if the prices go down, only thing, it might see a correction, but that is not happening before 2028. But it is not going to come back to what it was, say in November of 2025.
- Preet Jain:** So, sir, currently prices are almost up for five to six times. So even if they fall 20% to 30%, will there be any contraction in margins?
- Ajay Pancholi:** No, that said, you should be mindful that while our realizations are better, even if there's a correction, input cost has not risen that significantly. So, we have been strategic in terms of adding inventory, but our input cost has not increased significantly.
- To your concern on the risk associated with what if the prices go down, would we be impacted on the inward inventory? The answer is no. We are reasonably insulated because of our input cost being reasonably controlled.
- Preet Jain:** Okay. Understood. Thank you.
- Moderator:** Thank you. We'll take our next question from the line of Parikshit Kabra from Pkeday. Please go ahead.
- Parikshit Kabra:** Hi, thank you and congratulations. I want to follow up from the previous question itself. My understanding of why okay, how I am assuming the reason we are building our inventory is because we see that one, of course, the demand is coming, but also, I am guessing that we expect our input inventory, the raw material, the old laptops, will also increase in price over time? If

we don't think that's going to happen, then why would we build up our inventory so aggressively at this point?

**Sharad Khandelwal:** No, you're right, Parikshit, we are also building up inventory because our input cost will also go up.

**Parikshit Kabra:** Right.

**Sharad Khandelwal:** And hence in this situation, we are building in anticipation before any cycle of price increase, we are taking strategic inventory position before that. And that is the reason we are able to sell at a better price. Yes.

**Parikshit Kabra:** Got it. Perfect. And we are planning on using this ability, you know, the strength of our balance sheet to build up this inventory to expand volume rather than necessarily expand margin. That's our strategy for this year. Is that a fair understanding?

**Sharad Khandelwal:** Well, I'll say right balance of both. But this is the time when we can really expand our proposition exponentially. So, I think if we are able to do that, we should do that. Demand isn't the bottleneck in this category, the trust is and trust is exactly what we sell.

**Parikshit Kabra:** Makes sense. So, let's play this out for another year, Sharad ji, but assuming that this cycle goes on let's say not only till Jan 28 but even till Jan 29, and if the growth continues at this speed and as intensive working capital intensive our business is, do you foresee needing to raise capital again this year?

**Sharad Khandelwal:** No, we don't see that situation and we'll continue to monitor our inventory. By 2028 - 2029, we do not see any need for any capital infusion in the company and we will be able to manage on the basis of this and on the basis of cash accruals.

**Parikshit Kabra:** Perfect. So, last question.

**Ajay Pancholi:** Also, be mindful of the fact, one thing, Parikshit, also be mindful of the fact that the equity base is reasonably comfortable, right? That having been said, and on the back of that our debt levels is at about INR300 crore odd. So, there's reasonable headroom available for there being no real visibility in terms of need for equity as we stand.

**Parikshit Kabra:** Got it. So, thank you. The last question I had was the debtor days as someone had raised earlier had risen to about 40 days now and you explained that there are new distributors who require certain level of credit. But should we assume that it will now remain stable at 40-45 days or is there a chance that this can get more?

**Sharad Khandelwal:** No, we intend to maintain them at these levels. We do not want to increase them any further. And the reason why debtor days are at this level is because we are going into a territory which was heretofore only the domain of brand new guys.

**Parikshit Kabra:** Perfect. Understood. Thank you, sir.

**Moderator:** Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Sharad Khandelwal for closing comments. Over to you.

**Sharad Khandelwal:** Yes, thank you. Thanks to all for joining this call. So, we are very excited, the journey that we started last year continues to grow and the tailwinds are now available. These changes are permanent, structural, and fundamental.

This is a new category creation that with all audacity we started not only in India but in the entire international market, insulating us from country risk, channel risk, and other risk. It's finding greater acceptance. The proposition of our equal-to-new computers with warranty is an unbeatable proposition and day by day we intend to capitalize on this.

Demand isn't the bottleneck, trust is, and we are solving for trust. Trust premium is the high margin lever. That's all I can say. So GNG is in a category where the direction is unambiguously clear and the winners are the ones who solve trust and we intend to solve for trust. Thank you all for joining this call.

**Moderator:** Thank you, members of the management team. On behalf of GNG Electronics Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.