

May 20, 2026

To,

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

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

Scrip Code: **544119**

Symbol: **RPTECH**

Sub.: Transcript of Analysts/Investors Call held on Friday, May 15, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of Analysts/Investors Earnings concall held on Friday, May 15, 2026 at 10:00 p.m. (IST) for the Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2026.

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

You are requested to take the same on record.

Yours faithfully,
FOR RASHI PERIPHERALS LIMITED

Arvind Bajoria
Company Secretary and Compliance Officer

Encl.: As above

Rashi Peripherals Limited

(Formerly known as Rashi Peripherals Private Limited)

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“Rashi Peripherals Limited
Q4 FY26 Earnings Conference Call”

May 15, 2026



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

MODERATOR: **MR. KARAN KAMDAR – CHOICE EQUITY BROKING**

Moderator: Ladies and gentlemen, good day and welcome to Rashi Peripherals Limited Q4 FY26 Earnings Conference Call hosted by Choice Equity Broking Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Kamdar from Choice Equity Broking. Thank you, and over to you, sir.

Karan Kamdar: Thank you. Good morning, everyone. On behalf of the management team of Rashi Peripherals Limited, I welcome you to the Q4 and Full Year FY26 Earnings Conference Call. Joining us today to discuss the company's performance, we have from the management team, Mr. Kapal Pansari, Managing Director; Mr. Rajesh Goenka, CEO & Whole time Director; and Mr. Himanshu Shah, Chief Financial Officer.

Before we begin, we must remind you that the discussion on today's call may include certain forward-looking statements that may involve known and unknown risks, uncertainties and other factors and thus must be viewed in conjunction with the risks that the company faces. Future results, performance or achievements may differ significantly from what is expressed and implied by such forward-looking statements.

I now request Mr. Kapal Pansari to take us through the company's business outlook and financial highlights, after which, we will open the floor for Q&A. Over to you, sir. Thank you.

Kapal Pansari: Thank you, Choice Equity Broking, for hosting this call. On behalf of the entire Rashi Peripherals team, I want to thank our shareholders, analysts, partners and well-wishers who have made this time to be with us this morning. To give you a backdrop of the industry, FY '26 has been without exaggeration, the most consequential year for Indian ICT distribution industry in over a decade.

Three structural forces converged at the same time and they will continue to define our sector for the next 3 to 4 years. First, India crossed a generational PC milestone. According to IDC, India's traditional PC market shipped a record 15.9 million units in calendar year of 2025, growing at about 10.2% year-on-year, the strongest ever year, surpassing even the pandemic peaks of 2021 and 2022.

Second, the AI PC inflection is real and accelerating. AI-enabled notebooks grew 129% year-on-year in calendar 2025. Gartner projects AI PCs will cross 50% of all PC shipments globally in calendar year 2026, with India tracking that curve very closely. The Windows 10 end of support in October 2025 has triggered a multiyear refresh cycle. This is not a 1-quarter tailwind. It is a structural multiyear upgrade super cycle.

And the third, component economics turned in distributors favor with memory DRAM, NAND, GPU processors all have sustained pricing firmness through FY '26, driven by AI data center

demand absorbing global capacities. For a distributor of its scale, deep OEM relationships and inventory discipline, this environment rewards execution.

IDC has flagged that calendar year 2026 may see a temporary dip of 5% to 10% in PC shipments as the component cost works through the system. We read this not as a headwind, but as a normalizing year after a record run and one where disciplined distributors with strong working capital and balance sheets will continue to take share.

Where does Rashi stand in this industry is that this ICT industry marks almost about INR1.5 lakh crores-plus opportunity with roughly 70% concentrated among top players. With India's PC penetration sits at just about 15% to 20%, there is enough room for runway to digitize as the penetration deepens into Tier 2, Tier 3 and Tier 4 markets.

With our strategic initiatives that has been built on Rashi's strong ICT distribution driven by high volume, anchored on reach relationship and execution, we are now positioned to look forward from here on. Our focus will be on three key pillars. One is expand our high-margin and high-growth verticals.

The second is to evaluate margin expansions in the entire value chain. And the third is to continue to focus on our core engines of personal computing enterprise and our existing business. That will fuel the growth for these Rashi's transformation. We remain confident that with the Indian ICT distribution market growing structurally.

With our balance sheet brand relationships and execution track record. Rashi is positioned to deliver not just continued above industry average growth, but a meaningful differential earning quality for over next 3 to 5 years. I now hand over the call to Rajesh Goenka for his opening speech.

Rajesh Goenka:

Thank you, Kapal. Good morning, everyone. Let me take you briefly through the operational highlights of Rashi Peripherals. During the quarter, demand conditions remained healthy across key categories, supported by enterprise refresh demand, improving traction on AI-ready devices and higher channel procurement as the price uptrend continues.

We continue to maintain strong execution momentum and benefited from our strong distribution network of 55 city branch offices with 10,000-plus customers in 700-plus towns of India. We continue to be the leading value-added distributors for various AI solutions, including the recently launched NVIDIA DGX Spark, which brings affordability to SMB and corporates and developers, which can help these customers to develop Agentic AI solutions, inferencing and run local LLMs in their office premise.

We further strengthened our market presence through strategic partnerships and brand additions across multiple technology segments. Our partnership with Dell Technologies enhanced our commercial portfolio, especially on the server and the storage space, while our association with Teachmint Technologies enabled us to expand into AI-powered classroom and digital learning solutions.

In addition, we supported the India launch of Oura health rings, strengthening our presence in the premium health tech and lifestyle technology segment. We also continue to evaluate selective opportunities in emerging technology areas, including the semiconductor ecosystem as a part of our long-term growth strategy.

As part of our expansion strategy, we continue to add our infrastructure by adding 3 new branches, namely in Nanded, Baramati and Solapur in Maharashtra, which now totals to 55 branch operations, by far the largest and unprecedented, further deepening our reach across the C and D-class cities.

We also conducted an 8-city AI Bootcamp, engaging about 2,500 developers and 300-plus CXOs focused on AI infrastructure and real-world enterprise use cases, reflecting our commitment to accelerating AI live adoption across industries. Finally, we remain committed to building a strong workplace culture and are proud to have been recognized as a Great Place to Work for, for the fifth consecutive time. Thank you so much.

Now I hand over to our CFO, Mr. Himanshu Shah, to take over the financial performance for the period under review.

Himanshu Shah:

Thank you, Rajesh, and good morning to everyone. I'll now take you through the financial performance of the period under review. Our consolidated performance for the fourth quarter of financial year 2026 revenue from operations increased by 51% year-on-year to INR4,489 crores. EBITDA increased by 41% year-on-year with EBITDA margins at 2.95%. Profit after tax was INR87 crores, registering a growth of 65% year-on-year with PAT margins of 1.93%.

For the financial year 2026, consolidated revenue from operations grew 15% year-on-year to INR15,827 crores. EBITDA increased by 53% to INR459 crores with EBITDA margin expanding by 72 bps to 2.90%. Profit after tax rose 35% year-on-year to INR282 crores with PAT margins at 1.78%.

In terms of segmental performance for the period under review, PES which constitutes around 58% of our business and LIT contributed 42%. Our cash flows for the period as compared to the outflows in the earlier years, we generated a healthy operating cash flow of INR514 crores for the period.

On the working capital front, we continued to maintain disciplined control across key parameters while supporting business growth and higher procurement activity during the year. Inventory days stood at 56 days, reflecting calibrated inventory management to ensure product availability across key categories. Debtors were at 46 days, in line with higher business volumes and continued expansion across channels.

Our creditor days stood at 44 days, reflecting balanced vendor management and procurement planning. Consequently, working capital remained well managed at 58 days, aligned with the operating requirements of the business. I'm also glad to inform you that the ROCE on an

annualized basis has crossed 16%, and for the quarter, it was 19%-plus. With this, I would like to hand it back to the moderator open up for question-and-answer session. Thank you so much.

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

Miloni Mehta: Hi, sir congratulations on a great set of numbers. Sir, how much was the top line growth driven by pricing versus volume? And moving ahead, after this exceptional growth, what would be the normalized growth that we see for FY '27 onwards? And secondly, I just want to understand about the semiconductor and AI-led business. From when can it meaningfully alter the overall margins like over near term and how much can it benefit us?

Rajesh Goenka: Okay. Miloni, I think you have asked three questions. I'll try to answer one by one. So first, your question is about the impact of the price on our top line. So as a clarification, the price increase predominantly has started from second half of the financial year. So first half of the year, the price increase impact was miniscule.

But at the same time, second half, there was a substantial impact. So H1, whatever growth we had was primarily on account of larger unit sales and more customers. H2, roughly on an average basis, if I see, the growth has been about 46%, 47% H2-to-H2. I would account half of it or at least 20%, 22% growth because of the increase in the price.

So that's the answer to your first question. Second question on the upcoming trajectory, so we always maintain that Rashi Peripherals has continued to deliver 20% CAGR for last 20 years. So even if with this year's overall performance of 15%, and if I exclude the 1 AI project that we did last year, then our growth is 31%, but then our average continues to be 20% CAGR.

So we are very confident to maintain our trajectory of 20% CAGR in the coming year as well. And your third question was about semiconductor, I'm happy to share with all of you that our semiconductor business, we have had 131% growth on a year-to-year basis. It is trending well, although the base is small, but it is building very strong. And we are having, as I said, 131% growth last year. But yes, considering the overall size of INR15,800 crores, semiconductor meaningful impact to our top line and bottom line is a few years away. Yes. Miloni, I have answered all your three points.

Miloni Mehta: Okay, sir. Okay. And any like margin impact due to the semiconductor or currently, it's not that significant. So like by when do we expect again a few years from now?

Rajesh Goenka: Yes, it is a few years from now because our overall size of the company is INR15,800 crores, and semiconductor business is relatively newer baby. So in a few years, we'll have to wait. But we have a very strong wicket with 131% growth.

Moderator: Next question is from the line of Vinay Menon from Monarch Capital.

Vinay Menon: A couple of questions. One, you mentioned AI PC growing. I just wanted to understand that what would you define to be an AI PC because there are multiple differentiations in the market.

So are you talking about a PC that has a NPU? Or is it specifically is there anything which you look at to categorize it as an AI PC?

Rajesh Goenka: Absolutely. So a PC or a laptop which predominantly has an NPU is identified as an AI PC. But at the same time, higher -- high-end processors with GPUs also are identified as AI PCs, which can take AI workloads. To give you some idea, currently around 25% of the PCs and notebooks sold in the country are AI PCs, but this is only accelerating. And next 1 to 2 years, we see multiple growth in this particular segment, which will also drive the average selling price of the notebook further up.

Vinay Menon: Okay. That helps. And just to talk on the overall PC refresh cycle, we saw some kind of a delay because of these price hikes. So are you seeing that demand come in Q4? Or you think that will be more in H1 or H2 of '27?

Rajesh Goenka: So this is a very good question, Vinay. When the price hike cycle started, around Q3 and early Q4, a lot of large corporate ISVs extended their refresh cycle from 3 years to 4 years and 4 years to 5 years. But then the way the price increase is happening, now the -- my observation is the trend is reversing, that now everyone is realizing that if I delay the purchase by 1 year, I may have to pay another 30% or 40% more price.

So it is better to refresh it right now rather than waiting for one. And that is the reason, as Kapal mentioned, last year, we had a record of 15.9 million PCs sold. So now you're getting reversed of the refresh cycle and it looks like that refresh cycle will continue to be normal as in previous years.

Vinay Menon: Okay. That helps, sir. And one last thing on the semiconductor thing. How much we have understood that in semiconductor, the number of the working capital cycle is a little stretched and you see 100-plus odd days there. So just want to understand that what would be our working capital there? And is it stretching our working capital a bit? And will it do that in maybe a few years once the scale is there?

Rajesh Goenka: So while the working capital is higher, but at the same time, the gross margins are also substantially higher. So in terms of ROCE, if we look at it, then it is higher than our regular business. So it is not a cause of worry. And at the same time, at this moment, we do not require too much of working capital because the size in the overall scheme of things is still very small.

Moderator: Next question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, I wanted to understand what has led to your LIT segment has seen a decent growth this year. So if you could help us understand what was the price growth here and what was the volume growth here. And where do we see this segment going forward?

Rajesh Goenka: Yes. So first of all, let me just clarify that the good thing for Rashi Peripherals particularly is that we have a very wide range of products and solutions. So we are not dependent on either on LIT or PES because LIT contributes to 42% of our total gross revenue and PES contributes to 58%. So that means there is a very good balance. And I also am happy to share with you that in

the LIT category, we have grown on a year-to-year basis at the rate of 24%. And in the PES category, we have grown at 37%, which is obvious because of the higher H2 PC demand and because of the higher ASPs.

Madhur Rathi: Right. And sir, LIT is a better gross margin product. So if you could help us understand, can we expect the further -- if this mix in business increases, can you expect a further gross margin improvement? And second question would be, sir, where are you on a software side of business, the software and hyperscaler side of business? With so much data center and new cloud companies coming out, so if you could help us understand on that?

Rajesh Goenka: Yes. So LIT, we continue to grow almost 2x of the industry. LIT, one, Rashi Peripherals market share is very high. And second, in that category, the growth is also not as PES. But we continue to beat the market. And as I said, we continue to grow at 2x. Whereas PES, because of the PC refresh, because of the price going up, the natural growth opportunity is there.

So we will continue to have growth momentum in both the categories, but to me, it does not appear that LIT will be able to take over or come closer to PES. So that's one. And the second question was on your hyperscalers. So if you remember, last year, that was '2024- '25, we had the privilege of executing India's first and the largest AI data center very successfully.

Last year, we have not done consciously a meaningful business in that segment because we already had a hyper growth of 37% if I just remove that project order. But this year, we plan to have growth both in regular business plus in project business, and we are in the race to win some of the AI data center projects as we speak.

Madhur Rathi: And sir, do we see our working inventory days coming down with Make in India initiatives of this hardware component that is moving to India a lot faster, similar to seen in the mobile ecosystem, do we see our inventory days coming down maybe over the next 2 to 3 years because of this shift?

Rajesh Goenka: Yes. So theoretically, there should be some impact of inventory days correction as the Make in India grows. But the real fact right now is that Make in India is still very limited. And second, excluding the project, we've had a 31% growth on a Y-o-Y basis. So when you are having 30% growth in regular business, then you need to continuously buy inventory and keep inventory. So these two factors right now are not enabling us to reduce the inventory days. But going forward, yes, there is a good chance in scope of improving the inventory days.

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

Hitesh Goel: Thanks for taking my questions and congrats to the management for a very good set of numbers. Sir, on Dell part, can you give us numbers what is part of revenues in Dell in absolute revenue this quarter and last quarter, just to see the trajectory?

Rajesh Goenka: Hitesh, I'm not at the privilege to give the specific numbers brand-wise because even as per our agreement, we cannot disclose. But only thing I can indicate to you that last year, we started midway and we have tested waters. Good thing is that we are doing their entire products and

solution groups right from their PCs to laptops to servers, storage, monitors everything. And to give you an indication, it should be a double-digit share in our overall top line.

- Hitesh Goel:** In fourth quarter, you're saying?
- Rajesh Goenka:** No, I'm talking on the entire year.
- Hitesh Goel:** Okay. So because of the trajectory, I think it came in second quarter only last year, right?
- Rajesh Goenka:** Correct, yes. Right now it is at low single digit. But on a Y-o-Y basis, next financial year, we think that it should be close to double-digit share.
- Hitesh Goel:** Okay. And sir, you also alluded to margin expansion in FY '27. Can you explain? I didn't get this. How will you increase the margin in this hyperinflation environment? So can you just give us some sense there?
- Kapal Pansari:** Yes. So there are two thoughts -- two points to this. The margin expansion business that we are trying to talk about is how do we create a better value chain and value proposition for the organization. Typically, when you expand into semiconductor, enterprise businesses, these businesses are not of just supply chain but we are solution-driven economics. So when you provide solutions, whether it is related to services, whether it is related to design-led sales strategy, they always give you a potential to earn higher margins. And that expansion will drive our higher margin portfolios.
- Hitesh Goel:** So this is more of a strategy for 2, 3 years, not like FY '27?
- Kapal Pansari:** Absolutely.
- Hitesh Goel:** Okay. Got it, sir. Thank you and all the best.
- Moderator:** Thank you. Next question is from the line of Tushar Khandelwal from Nexus Equity. Please go ahead.
- Tushar Khandelwal:** Sure. Congratulations on a good set of numbers. Sir, my question is from like next year and year forward, what would be the split between lifestyle and enterprise segments? And if you can give me the volume numbers, volume and price growth, where what will be the share of volume growth and price growth?
- Rajesh Goenka:** Yes. So as I explained already, our last year lifestyle growth, LIT growth is 24% and PES growth is 37%. So I think similar ratio will continue in the next year also, again, because in LIT we have a higher market share. That is one. As far as the price increase is concerned, LIT, there is no major price increases happening. It is routine price increase only. The price increase is happening and is expected to further increase in the PES category only. And that increase, now onwards, it is expected on an average should be another 20%.
- Moderator:** Next question is from the line of Aejas from Unifi Mutual Fund.

Aejas: Congratulations on a very strong execution, really speaks about how the organization is set up and is delivering at scale and size. Two questions from my side. First is, team, could you call out that from whatever is available publicly, we are hearing about a lot of these incremental data center opportunities that is coming in the country?

Can you just articulate how we should understand FY '27 and '28 and your ability to participate in deals that like you have done with the first data center deal? How do you intend to participate in them? Because we understand that there is a certain capital requirements for such deals and they are definitely accretive. But given the capital requirement of these deals and your learnings from the first deal, how should we really understand how RP Tech can participate in them?

Rajesh Goenka: So Aejas, I think, again, this is a very relevant question in this prevailing time. So before I answer your point, I just want to take this opportunity to share with all our investor community that Rashi Peripherals was the first company to execute a INR2,000 crores, 512-server, 4,000 GPU AI data center at Yotta very successfully, which included installation as well.

We are, again, the only distribution company in India, which has this kind of expertise of doing basic predesign, ordering, logistics and installation. So that's the first one that I want to give you confidence to you, Aejas, on this. Now there are multiple AI-related data center and non-AI data center projects are going on in the country, primarily because of the data sovereignty, primarily because there is a major push from the PMO office.

We are there in almost all the projects and we are discussing, they are at various stages of discussions. But then as you rightly mentioned, the size could be very big. Right now, as I speak, there are funnels of almost INR20,000 crores, INR25,000 crores which are under consideration. I'm not very sure whether they can get finalized or no. Rashi will pick up proportionate to our capacity amongst these opportunities and obviously not run after everything because they are, one, capital intensive, and second, the margins are also lower on this front. But then we are there in this in the forefront.

Aejas: Understood. So Rajesh ji, I hear you. But could you give me some incremental color on your thought process? Because participating in these deals is relevant because of your ability to stitch things together, right? So it gives you a certain visibility and the presence. And these are fast-moving items and they're growing quickly.

But again, like you mentioned, it's capital consuming with slightly lower margins. So how will you make that trade-off between participating in a deal or continuing to use that capital in your regular business, per se? So how do you make these decisions? That's what I'm trying to get a sense of?

Rajesh Goenka: Yes. So while we, first of all, do not compromise on our regular run rate business, where we continue to aspire to have 15% to 20% growth and then over and above, I think we currently post-IPO, we have the capacity to pick up these kind of projects subject to ROIs. So if there is an opportunity where we have a decent ROI, then we can pick up these projects as an add-on this without compromising our regular run rate growth of 20% Y-o-Y.

- Aejas:** Okay. And could you, team, just call out that -- I mean, broadly this year from the INR15,800 crores of revenue, what's been the cut between the large deals including maybe the spillover of the data center, the enterprise segment and the core distribution business? Could you just give some revenue cuts or color around them? And second, just lastly, could you speak about how the enterprise side of the segment is doing for you?
- Rajesh Goenka:** Yes. So last year, we did not do any AI large deals. They were all small deals to the tune of INR5 crores, INR10 crores, INR15 crores only. So our 15% growth is without any large deals. And therefore, I said, if I remove the last to last year Yotta deal, then we have a growth of 31%. And to answer your question on the enterprise piece, we are having a very high growth on the enterprise piece, which is non-AI, particularly driven by NVIDIA solutions. One example I shared during my speech about the NVIDIA DGX Spark and so on and so forth. So there, of course, we are having a high growth and the market also is growing exponentially. And third, now the price is also very strong uptrend. All three are in our favour.
- Aejas:** Understood team. Thanks and all the best.
- Moderator:** Thank you. Next question is from the line of Sumukh from Korman Capital. Please go ahead.
- Sumukh:** Hi, team, can you hear me?
- Rajesh Goenka:** Yes.
- Sumukh:** Sir, my question is on the partnership with the ST Finserv. So how does this impact your working capital days going forward? And what percentage of your revenue would be coming under this supply deal? And who will be bearing the credit risk on this?
- Himanshu Shah:** So ST Finserv is a channel finance program which we have onboarded and it is a normal term finance program without any recourse to us. It is basically to enable the channel partner fraternity to have capacities to buy more without affecting the credit risk.
- Sumukh:** Okay. So this should actually bring down your working capital, right, because my guess is this is borne by you currently?
- Himanshu Shah:** No. The cost -- if we draw the money early, then only it is borne by us, which we normally don't do. And it is -- the credit cost or the funding cost is borne by channel partners. So it has no recourse, no cost to us, no impact to us and no cost to us.
- Sumukh:** Okay. And on the semiconductor business, sir, who are your predominant customers so far on this line?
- Rajesh Goenka:** All the large manufacturers in the automobile space, robotics space, IoT space, they are all our customers.
- Sumukh:** Sir, any exposure to hyperscaler?

Rajesh Goenka: Hyperscaler is more not on the embedded side, semiconductor side, but that is more on the server storage side?

Moderator: Next question is from the line of Nishita from Sapphire Capital Partners.

Nishita: Sir, am I audible?

Moderator: Yes.

Nishita: I just had a question on your project business. So you mentioned that if we would have excluded the FY '25 large deals that we did in project, so our growth would have been 31%. So how much, if you can -- like how much revenue did we did in FY '26 from the project business, if you can say? And how is that going to grow going forward? How much revenue do we see from projects in FY '27?

Rajesh Goenka: So just a clarification. You have misunderstood. When I said 131%, that is only in our semiconductor business. As far as project business is concerned, in '24-'25, we did INR2,000 crores of project business. However, consciously in '25-'26, we did not do any substantial project business. But in '26-'27 plan, yes, we have plans to get into project business subject to viability and ROI.

Nishita: Okay. And on margin front, do we get better margins in budget?

Rajesh Goenka: Definitely, no. And that is why I said that subject to ROI and feasibility, we will try to win some project orders. That's the last word I added. That's the reason.

Moderator: Next follow-up question is from the line of Madhur Rathi from Counter Cyclical.

Madhur Rathi: Sir, I wanted to understand on the hyperscaler business. Sir, are there any plans to sell that server storage? That's what Redington does because it seems that, that is a very big business and these hyperscalers like generally don't take a lot of distributors, so two or three distributors at nature. So is there any plan to get into that business? Or how should I look at that?

Rajesh Goenka: So as I said, Madhur, earlier that '24-'25, we did the largest order ourselves. And Rashi Peripherals is uniquely placed and has the expertise of doing presales, sales, execution, installation and post-installation support also. So therefore, we have the core strength to cater to these hyperscalers.

But at the same time, yes, in the year '25-'26, we have not picked up any substantial order because non-project, our business was already growing at 31% on a Y-o-Y basis. And especially if you see Q3 and Q4, our business grew by 42% and 51%, mainly. So our focus, attention, our capital was more deployed there. So I want to reclarify, that we are very much capable. We have the experience to do this kind of business and we are looking for opportunities in the coming year.

Madhur Rathi: Right. And sir, you also created one semiconductor subsidiary. So if you could help us plan for that?

- Kapal Pansari:** So the semiconductor subsidiary is created to give a higher focus and more optimized operations in this category. So therefore, we created the subsidiary to transition from within the group company into the subsidiary so that partnerships, alliances, team structures and even customer acquisitions can be accelerated.
- Moderator:** Next follow-up question is from the line of Vinay Menon from Monarch Capital.
- Vinay Menon:** Just a couple of things. One is this AI Bootcamp, which you have mentioned. If you can give some color on that, what would it add to our business that would be helpful?
- Rajesh Goenka:** Yes. So basically, these AI Bootcamps, we do along with our vendor, suppliers, all the big AI vendor suppliers I cannot just name in this forum. We invite developers. We invite CXOs. We give them the use case live experiences how they can use various products and solutions that we have to develop agentic AI solutions, how they can do rendering, all these training programs we do. And this indirectly then gets into a BOQ or inquiry state, which eventually gets into order. But it's more of seeding and training program, which has a very long lead cycle, usually 6 months to a year.
- Vinay Menon:** Okay. And one thing for Himanshu sir. Like what could be -- like Q4 working capital, what was there? And what could be the time going ahead because of all these disruption in segments? Will we see any impact from that?
- Himanshu Shah:** So the lead time and the delivery times have not affected too much because of the so-called disruption of shipments because our shipments are not routed to the affected routes. Secondly, working capital, there's a miniscule shift because of the change in debtors days to 4 days. Creditors and inventory days set off each other in terms of incremental working capital.
- Vinay Menon:** Okay. So we can expect this rate for FY '27 as well or any improvement expected?
- Himanshu Shah:** Yes, we can expect around same range.
- Moderator:** The next question is from the line of the Deepak Lalwani from Unifi Capital.
- Deepak Lalwani:** Sir, I had a question on the future volume growth of the company. So today, we are benefiting from both price and volume. You said that people are stocking up in the fear of further price hikes. So I want to understand how sustainable -- what should be the sustainable volume growth for the company in FY '27? And the drivers for this volume growth, if you can explain how the secondary demand for your products are looking like, both in LIT and PES, if you can give a macro picture of how the demand is really shaping up on ground, that will really help?
- Kapal Pansari:** Thanks, Deepak. Let me answer your query for the first part. For the secondary sales, I'll let Rajesh to answer. Please to see that currently, the industry is an upswing and super cycle of the adoption, price rise and availability. When these things are happening, there is a natural tendency to prepone the buying, build up inventory to sustain the price hikes so that there is an immediate and near-term advantage that we can take from these cycles.

With AI applications growing, the demand for refresh towards AI PCs will also accelerate as the acceleration for the applications continues to grow. And in this scenario, we are also trying to increase the working capital of inventories, so that those opportunities can be expanded. While from a demand perspective, we do not see any softness at this point in time.

While the predictions, obviously, the affordability will come into picture, but we do not see any demand slowing down in the current economics and the scheme of things that we operate upon. However, to answer you that in case, you should not only just go by what we are saying. In fact, you should look at companies like Intel, AMD, SK Hynix, Samsung, Micron, SanDisks of the world, Western Digital.

Please study these companies, and you'll realize the demand cycle is only growing and there is no anticipation of softening of the prices as well. This has never happened in the history of any economic cycle or any distribution or IT hardware industry. And therefore, we say that is a super cycle and the most opportune time for the industry. At any given point in time, the softness, we are here to stay, and we'll be the first person to come and tell you about what is the industry cycle looks like. When it comes to the secondary PC cycle and the demand at the Tier 2 level, I'll let Rajesh to answer that question.

Rajesh Goenka:

So Deepak, I just want to clarify once again that for -- which I've already said and I repeat, that Rashi Peripherals' dependency on one product, one brand is minuscule. So LIT business, 42% of our business comes from LIT. That business continues as in the past. There is no major variation in the demand or there is no major impact even on the pricing.

There is a regular -- so this 42% of our business is unaffected. The remaining 58% business, which is PES, there, there is a major price increase impact that is coming in, and there could be a potential shortage in supply also which should come. But our guestimate says and IDC also says that on an entire year basis, unit-wise, the market size could degrow by 5% to 10%.

So even if I assume that the market size of this 58% of the Rashi's revenue degrows by 10%, but the price itself will grow by about 20%, 25%. So net, we will continue to have 10% to 15% growth on an as-is where basis without any doing any change. But as we continue our momentum, with our penetration in newer geographies, newer customers and increasing our market share, we will be able to maintain our momentum even in this PES category.

And coming to your point on secondary demand of consumer and commercial, we think that commercial demand will continue to be strong because of our overall economic situation of the country. But in the consumer, there could be a softness in the H2 of this financial year because of the affordability.

Today, a laptop a year back was easily available at INR30,000, INR35,000. Today, you can't even get a laptop at INR50,000. But another 15%, 20% price rise in 6 months could make laptop to INR70,000, which could impact the affordability of the consumer. So in H2, there could be some softness on the consumer demand. But that also can be offset.

So I am very optimistic. We are already discussing with various vendors and suppliers to have longer EMI schemes. If the current EMI schemes are 6 months or 12 months, maybe we can have a 24 months and 36 months EMI interest-free schemes, which will trigger the demand. So while there is some softness could happen in H2, but otherwise, there is nothing much to worry about.

Moderator: The next question is from the line of Dheeraj Kumar Reddy from AlphaSqr.

Dheeraj Kumar Reddy: There are a couple of questions from my side. What is the aspiration in terms of PAT margins? I mean, I know already we have really expanded quite well in the last 1, 2 years. But because we are in a super cycle like you mentioned, in the next 2, 3 years, like how do you see the PAT margins expanding? And what is the aspiration of the management?

Himanshu Shah: So distribution industry has got very finely defined margins and we continue to operate in that. So around the range of 1.5 to 1.75 is the range applicable to this industry. Unless the product mix or the customer mix changes, to a greater extent, we can expect some shift. Otherwise, this is the range which we generally advise.

Rajesh Goenka: And I would just quickly like to add that if this is a super cycle, then we think that this super cycle will continue for another year or 2. And we are very bullish and optimistic on this.

Dheeraj Kumar Reddy: Got it. Sir, also on the data center deals which you just mentioned, which the company will start to pick up, what is the typical margin structure, like if you can reiterate? And how do you see -- what is the kind of potential probably in the next 1 to 2 years, probably in the next 2 to 3 years, if you want to take a medium-term view? Like what is the extent of revenues Rashi can probably take up?

Rajesh Goenka: So margins, I cannot say this because, at the end of the day, it is an ROI, what are the commercial terms, what is the margin, what is the delivery terms, and it varies from project to project. But all I can share from India perspective, that as we speak currently, there are funnels doing more than INR20,000 crores. Funnels are there.

Funnels does not always mean that they will get converted into orders and that does not always mean that everything will come to Rashi Peripherals. But that's the funnel that is building up. And this funnel will only be increasing in the next 2 years further as AI adoption increases more.

Moderator: Next question is from the line of Vaibhav Gupta from Bowhead Investment Advisors.

Vaibhav Gupta: Congrats on a great set of numbers. Sir, I just wanted to understand, with the current price hike environment, what is the impact on margins? Is there any negative impact? Or are they more or less intact?

Himanshu Shah: See, margins are intact with the price rise. And in fact, the overall profiling has a little bit better only and which is evidenced of the numbers delivered and declared. As far as expectations from price hikes, on the margin front, as I mentioned, the distribution industry has got very finely

defined margins, and we continue to improve it with the operating leverages and volumes, which we again announced.

Rajesh Goenka: So what Himanshu is trying to say is that Rashi Peripherals earns as a percentage of margin. So when the price hike happens, on the percentage basis, absolute value also grows. While on the selling side, the value does not go to that extent. Our fixed costs and our people and operating cost remains the same. So we have an operating leverage advantage.

Vaibhav Gupta: Understood, sir. And when we see gross margins of Q4 '25 versus Q4 '26, how should we see it? Like there is a slight deterioration in margin, gross margin?

Himanshu Shah: It's not deterioration. We have some slow-moving inventory, I would say. We have taken additional charge on that and brought down the value of the slow-moving inventory as a prudent accounting practices.

Vaibhav Gupta: Understood, sir.

Moderator: Thank you. Next question is from the line of Karan Kamdar from Choice Equity Broking.

Karan Kamdar: Sir, I understand you have a very large distribution network and I believe it's one of the largest ones in this space. So could you help me understand how the distribution network is our business? And what kind of benefits and do we extend to our channel partners and branch managers?

Rajesh Goenka: Can we take this question off-line? This is overall business cycle discussion, which needs 15 minutes. So if you don't mind, can we take it offline?

Karan Kamdar: Sure, sure. No problem.

Rajesh Goenka: And I would also suggest you to go through our investor presentation. There is a dedicated slide on our distribution structure of GT, MT, LFR and online.

Moderator: Thank you very much. As there are no further questions, I'll now hand the conference over to the management for closing comments.

Kapal Pansari: Yes. Thank you, Karan. To our shareholders, thank you for your continued trust. To our 82 brand partners, thank you for choosing Rashi Peripherals as a distribution partner in India. To our 10,000-plus customers and partners across 700 towns of India, you are why this business exists. And to our family of 1,500-plus colleagues, every number that we're reporting today is a result of your work. Thank you so much, and looking forward to FY '26-'27 with all of you.

Rajesh Goenka: Thank you.

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