

February 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 Unaudited Financial Results of the Company for the quarter ended December 31, 2025- 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 February 05, 2026, post declaration of the Unaudited Financial Results for the quarter ended December 31, 2025.

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  
Q3 & 9M FY26 Earnings Conference Call”

February 05, 2026



**MANAGEMENT:** **MR. SHARAD KHANDELWAL – FOUNDER AND  
MANAGING DIRECTOR**  
**MR. AJAY PANCHOLI – DIRECTOR**  
**MR. RAAKESH JHUNJHUNWALA – CHIEF FINANCIAL  
OFFICER**  
**MR. ROHIT AGGARWAL – MANAGING DIRECTOR'S  
OFFICE**

**MODERATOR:** **MR. AVINASH KARUMANCHI – MOTILAL OSWAL  
FINANCIAL SERVICES LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the GNG Electronics Limited Q3 and 9 Months FY26 Earnings Conference Call. This call may contain forward-looking statements about the company that are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not guarantees of future performance and involve risks 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, sir.

**Avinash Karumanchi:** Thank you, Dorwin. Good evening, everyone. On behalf of Motilal Oswal Financial Services, I welcome you to Q3 FY26 Earnings Call of GNG Electronics. Joining us on the call today are Mr. Sharad Khandelwal, Founder and Managing Director, Mr. Ajay Pancholi, Director, Mr. Raakesh Jhunjhunwala, CFO, and Mr. Rohit Agarwal from MD's Office.

I'll now 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 third earnings call of GNG Electronics.

Q3 FY26 has been another strong quarter for us. The business delivered robust growth along with a clear improvement in profitability. Revenue grew by 40.3% year-on-year and profit after tax more than doubled compared to the same period last year. This performance reflects consistent execution across sourcing, refurbishment, and sales, and it builds on the momentum we've been seeing over the past several quarters.

What's particularly encouraging is not just how fast we are growing, but how well we are growing. As volumes have scaled, margins have improved and profitability has grown faster than revenues. This clearly demonstrates the operating leverage inherent in our business model.

**Let me now share a few updates on the broader industry.**

The global technology landscape continues to evolve in a way that is increasingly favourable for the refurbished PC segment. Over the past few quarters, rising memory and storage prices have begun to materially impact both the cost structure and availability of new PCs.

Some of you may recall that during our roadshows in July last year, I mentioned that by the end of 2025, AI adoption and real-world use cases would be meaningfully higher. That expectation has clearly played out. As AI adoption accelerates, investments in AI infrastructure have surged. A growing share of global memory manufacturing capacity, especially High Bandwidth Memory (HBM), is now being diverted towards AI and data centers.

This shift has tightened supply for conventional DRAM and storage used in new PCs and prices have risen sharply as a result. To put this into perspective, as DDR5 8GB RAM prices increased from \$23.35 on 1st October 2025 to \$86.61 by 1st January 2026, nearly a 270% increase. Similarly, DDR5 16GB RAM prices rose from \$54.85 to \$189.99 over the same period, a 3.4x increase. These are substantial increases and will inevitably flow through to the pricing of brand-new PCs globally.

According to IDC, global new PC shipments stood at about 284.7 million units in 2025. Against this backdrop, IDC estimates that shipments in 2026 could decline by up to 8.9% due to memory shortages and rising prices. This environment is naturally driving higher acceptance and penetration of refurbished PCs driven by affordability and availability.

Adding to this, IDC also notes that nearly a quarter of global PC shipments come from manufacturers outside the top five brands. Many of these players are likely to face significant challenges in accessing memory even at elevated prices. This could lead not only to higher prices, but also to outright supply shortages in new PCs, further accelerating demand for refurbished systems.

We are already seeing the impact. New PC prices have increased by roughly 20% so far and we expect further increases ahead. This is clearly shifting customer preference towards refurbished PCs and expanding the total addressable market for our industry. We fully intend to capitalize on these favourable tailwinds.

As a result, refurbished PCs are playing an increasingly important role in meeting global computing demand, especially for enterprises and institutions that value faster deployment, reliable performance and cost efficiency. Customers are increasingly recognizing that refurbished systems can meet their needs without compromise.

We've seen similar transitions in other industries as well. In mature automotive markets, used car sales are more than twice the volume of new car sales. In smartphones, refurbished devices have grown from a niche segment to a meaningful share of global shipments. The PC market is now following a similar trajectory as devices become more expensive, technologically stable, and longer lasting.

Against this backdrop, our focus at GNG has remained very clear: secure supplies well in advance, execute refurbishment efficiently, and ensure continuity for customers across geographies. This disciplined execution has enabled us to consistently meet demand even as market dynamics continue to evolve.

Overall, our quarter 3 performance reflects the strength of our execution in a changing industry landscape and positions us well as customer demand patterns continue to shift.

**Let me now turn to some company-specific updates.**

One of the most important developments has been the continued validation of our model. Devices refurbished by GNG deliver an experience that is as good as new, both in terms of performance and aesthetics, at roughly one-third the price of a new device. This is backed by a

credible and proven warranty of up to 3 years. This powerful combination of quality assurance and affordability continues to resonate strongly with customers and is driving both top-line growth and margin expansion.

Our warranty framework is now well-established and remains unparalleled in the industry: 3 years in India and 1-year across international markets. This has significantly strengthened customer confidence, which is reflected in higher repeat orders and wider deployment of refurbished systems for long-term use. I would like to mention that we pioneered this concept of extended warranty to increase reliability in computers refurbished by us.

On the international front, we continue to expand both geographically and in terms of depth. Today we supply to 44 countries supported by more than 4,745 customer touchpoints across enterprises, institutions, distributors, and channel partners. As this footprint grows, repeat business is increasing, reinforcing the growing acceptance of both refurbished computing and Electronics Bazaar brand globally.

We've also initiated targeted digital outreach programs, particularly in the US and are extending similar efforts in India. These initiatives are helping improve brand visibility, deepen customer engagement, and strengthen our sales pipeline.

To support this growth, we've continued to invest in our people. During the quarter, we strengthened our senior leadership, middle management, and engineering teams, ensuring that the organization remains well-equipped to scale sustainably.

I would also like to highlight that nearly 100% of our sales are now under our own brand, Electronics Bazaar. This reduces dependence on external brands strengthens customer recall, reinforces trust, and supports long-term value creation. I'm happy to report that devices refurbished by Electronics Bazaar carry specific premium and distinct positioning in the market.

Finally, given the ongoing memory shortages and rising prices of new PCs, we believe it is critical to maintain elevated inventory levels. This ensures continuity of supply for our customers and is essential for sustaining both sales growth and margin expansion during this period of structural supply constraints.

In summary, we believe we are well-positioned to navigate the current environment and to continue delivering strong high-quality growth in the quarters ahead.

I would like to hand over now to our CFO, Raakesh ji, to speak on the performance of quarter 3. Thank you all very much.

**Raakesh Jhunjunwala:** Thank you, Sharad ji. Good evening, everyone.

Happy to inform you all, we have had a stellar quarter. Q3 FY'26 reflects another quarter of consistent execution and disciplined growth for GNG Electronics with a clear improvement in profitability alongside strong revenue expansion.

During the quarter, consolidated revenue increased to INR4,872.2 million, representing a year-on-year growth of 40.3%. Growth remained broad-based, driven by steady demand and continued traction across both domestic and international markets, particularly Middle East, the United States and Europe.

Operating performance continued to improve as EBITDA for the quarter stood at INR545.7 million, with EBITDA margin expanding to 11.2% from 9.2% in Q3 FY'25, translating into a strong 200 bps increase. This improvement reflects efficient cost absorption and disciplined execution as the business scaled.

Profit after tax has more than doubled to INR 386.9 million in Q3 FY'26, while revenues grew by 40.3% year-on-year, supported by margin expansion and operating leverage. PAT margin for the quarter stood at 7.9% compared to 5.5% in Q3 FY'25.

On a YTD basis, we have delivered 30% year-on-year revenue growth along with a 157 bps improvement in PAT margin, reflecting the strength and scalability of our business model. Thank you.

**Moderator:**

Thank you. I now hand the conference over to Mr. Ajay Pancholi. Over to you, sir.

**Ajay Pancholi:**

Hi, good evening, everyone. Thanks once again and welcome to the conference call for this quarter update. I would like to highlight a few important points for your consideration.

First being that today we supply to over 44 countries which was about 38 countries at the beginning of last year. So that has expanded our outreach and acceptability of our products across different geographies.

Second aspect worth highlighting is on the distribution front. We are now supported by over 4,745 customer touchpoints across enterprises, institutions, distributors, and channel partners which was about 4,150 at the beginning of the year.

Third, just from a capacity perspective or a throughput perspective, it's important to highlight our employee strength has increased to just about 1,900, which was about 1,194 at the beginning of the year and which was around 1,500 at the beginning of the quarter.

So importantly, it's worthwhile to highlight that we've added over 600 engineers and also substantial strength has been added to the sales and marketing team. So this lays the foundation for the growth that we have delivered and which we envisage to deliver over the next couple of quarters and going forward.

The fourth important point I would want to highlight is related party transactions. We currently have no related party transactions within the group other than the sales that happens to our 100% subsidiary. The reason why I'm highlighting this is that this was one of the important points during the time of our IPO and hence for your consideration I'm highlighting this aspect.

And the fifth point which I would want to add is on the warranty cost, the treatment and provisioning norms that we are thinking of the way forward. The warranty cost is accounted for

as part of cost of goods sold and is therefore already factored in our reported gross margins. As indicated earlier, the warranty cost has been in the range of 10 to 12 basis points and which we account for on a regular basis in our P&L. Warranty costs continue to remain structurally low supported by our in-house refurbishment processes, quality controls, and post-sales service framework. Additionally, as a matter of prudence and conservative accounting approach, the company has made a cumulative provision of INR 1.3 crores over and above actual warranty costs incurred to date in our P&L. So, this is an incremental provision that we are taking and we will continue to enhance this provision over a period of time as the scale continues to grow.

On this note, I would want to hand it over to Sharadji who would want to make few incremental important updates for your consideration. Over to you, Sharadji.

**Sharad Khandelwal:**

I would like to make a statement on our sales channel augmentation. In furtherance to our objective to strengthen distribution, reach and to make our products available across the length and breadth of India including Tier 2, Tier 3 cities, and emerging towns, we have entered into two separate strategic partnerships with leading technology distributors.

We have partnered with one of the world's largest technology distributors and the second largest distributor in India, and separately partnered with fifth largest technology distributor in India. While we continue to scale our existing channels, these partnerships significantly enhance our ability to address the growing demand for value-driven and eco-conscious technology solutions from large enterprises, SMEs, education institutions, and other consumer segments.

Importantly, the fact that these two distributors, who have traditionally been focused primarily on the distribution of brand new computers will now also distribute our refurbished products, demonstrates the increasing acceptance, scalability, and long-term potential of the refurbishment industry in general and Electronics Bazaar, GNG Electronics in particular.

We have consistently maintained a strategy of non-dependence on any single customer or channel and these additions further strengthen the resilience of our distribution model while enabling deeper market penetration. As you can imagine, distributors of this scale and reputation partner only with the companies that have strong credibility, proven processes and an established track record.

We believe the decision to partner with us independently is a strong validation of our product quality, warranty framework and overall value proposition. We are honored to partner with both these very large distributors and look forward to scaling these relationships meaningfully over the coming years.

The secondary reuse market, including refurbished market, is growing rapidly across the globe and reliable, good quality devices are much in demand and will continue to keep increasing.

I would like to speak on the guidance. As a result of the industry dynamics that I spoke in the beginning of this call and the execution momentum we are seeing, the company has strong visibility on growth. While we had earlier guided for approximately 25% year-on-year revenue growth, we are revising it upward to 28% to 30% along with an improvement in profitability of

around 150 to 200 basis points compared to the earlier guidance of approximately 75 basis points for the whole year.

We remain focused on disciplined execution, prudent decision making and closely monitoring market conditions as they evolve. Our objective continues to be building a resilient business that can deliver consistent growth and profitability across cycles. Thank you all very much.

**Moderator:** Thank you. We will now begin the question-and-answer session. Our first question comes from the line of Manish Ostwal from Nirmal Bang Securities Private Limited. Please go ahead.

**Manish Ostwal:** Yes sir, thank you for the opportunity and congratulations on good set of numbers, very strong set of numbers basically. So sir, can you tell us the total volume growth in the business in nine month versus last year nine month?

**Ajay Pancholi:** Yes, sure. So the volume for this quarter was about 1,86,000 units which was spread across laptops and others in the proportion of 83% and 17%. To be precise, the number was 1,40,000 odd laptops and other products being about 46,000 odd. This was for the quarter ended December 31st.

The same for the nine months is a number of 4,87,500 odd units, which is a breakup of about 3,58,000 laptops and others being 1,29,000 odd. The revenue proportion being about 81% and 19% odd percent. The same is in terms of revenue share, so long as it pertains to number of units, the breakup is about 76% and 24% for the quarter ended and the same being 73% and 27% for the nine months period.

**Manish Ostwal:** And same period last year the nine month data, the volume growth in the business?

**Moderator:** Manish, sorry to interrupt, but your line wasn't clear. May I request you to please repeat your question? Sorry, sir, you're breaking up in between. I'm not able to hear anything at the moment. Please check the device.

**Manish Ostwal:** Am I audible?

**Moderator:** Yes. This is better. Please go ahead.

**Manish Ostwal:** My question is, what is the total volume growth in nine months?

**Ajay Pancholi:** Volume growth has increased from 4,01,000 to 4,88,000 in terms of total units in the nine month period.

**Manish Ostwal:** Secondly sir, is there any impact of the labor code in our business? Because I have seen notes, but there is no provision, so there is no impact in our business?

**Ajay Pancholi:** No, there is no impact of labor code in our business.

**Manish Ostwal:** And last is the net debt figure on 31st December 2025? That's it from my side. Thank you.

**Ajay Pancholi:** Yes, the net debt number for 31st December is about average, the net debt is about INR466 odd crores.

**Manish Ostwal:** Thank you.

**Moderator:** Our next question comes from the line of Pritesh from Lucky Investments. Please go ahead.

**Pritesh:** Yes, hello sir. Sir, this rising inventory and memory prices, now is it a part of your margin or there is scope for further improvement in margin? Then in your opening comments you mentioned that there will be a continuously elevated inventory level. So what should be then the interest cost assumption that one should take while forecasting?

Because you initially had a plan of repayment of debt but I think you have continuously maintained higher inventory, so maybe some thoughts there on the interest cost should be guided for. And third is, these distributor partnerships that you're referring to, my guess is the number one and the number two, names we know.

So what happens to your revenue or volume growth incrementally based on these partnerships? Do we see acceleration from this 30% top line growth that you have guided for this year or otherwise? These are my three questions.

**Sharad Khandelwal:** Thank you Pritesh. Your first question was on the margin expansion. As you must have noted that we have revised upward our margin guidance for this year from 75 basis points to 150-200 basis points. This is on the back of superior execution, long tail to long tail strategy, also strategic stock positioning that elevated stock positioning, higher inventory is the need of the hour because we have to secure supplies in anticipation of demand.

Prices are going to rise for an extended period of time as we have seen, and there is no clear indication that this situation will abate anytime sooner. The AI investments are for real and they are long term, around US \$7 trillion investments are going in data center and AI infrastructure across the world. We all know that we are using AI in our daily lives and multiple AIs are being used for multiple tasks.

While one search engine will give in a similar IP setting same result, the AI will give different set of results in the same setting for different people. So, personalized queries, personalized results require bigger processing, longer processing, and this will continue to grow. So that means we will have to keep higher inventory. the strategic positioning of inventory is also going to help us in increasing our margins, apart from stock positioning. Your question was around...

**Pritesh:** So, sir, on the first question, do you see margins further expanding from this 11% -11.5%. I am taking 11.5% because I think you said INR1.3 crores was extra warranty cost provided in the quarter my guess is, so I'm just taking 11.5% as a reference?

So do you see a case where these memory prices and you know whatever price hikes that you're talking about takes up your margin further, based on the inventory positioning that you take? So, 11.5% rises further as we move next year, that's the assumption we should take?

- Sharad Khandelwal:** Yes. As a prudence, I would like to mention that we have again given conservative guidance and we remain totally rooted in the business, on the ground. We are on the job and our goal is to increase margins. If your question is around, is there a possibility and we have the environment available for the same, the answer is positive. Yes.
- Pritesh:** Okay, so directionally the margins can go up further, that's the conclusion. Okay.
- Sharad Khandelwal:** Yes, but I would like to be conservative at this point of time.
- Pritesh:** Okay sir.
- Sharad Khandelwal:** Things look good overall.
- Pritesh:** On the interest cost side, do you see reduction or do you see with the growth the debt on your balance sheet continues to stay what it is?
- Sharad Khandelwal:** Pritesh, because of our vendor network across the world, we are able to secure good quality of material that is required for refurbishment and sales. But during the current situation, it makes business sense to keep higher inventory which requires higher investment, hence interest cost will be there and likely to be there.
- But this interest cost will be more than offset by the expanded margins. So we are mindful of that, that around 9%-10% per annum interest cost, the better margin realization is more than offsetting that interest cost. And you had asked the third question was around the distribution partnerships.
- Pritesh:** Distributor partnership and growth. So does it mean that you grow faster than this 30% now because of these distributor partnerships?
- Sharad Khandelwal:** Well, let me tell you this 30% growth is not on the back of the new relationships that we have just announced. This will be on top of that.
- Pritesh:** Oh, that's what my question.
- Sharad Khandelwal:** Which means it can go up further, but as you know us, we always try to give conservative guidance.
- Pritesh:** Correct. Ajay was trying to ask answer on interest, so absolute interest stays what it is when you grow or absolute interest rises from this number?
- Ajay Pancholi:** Sure Pritesh. I'll address that question in detail. So last year our total interest cost or finance cost was about INR38.35 odd crores. In our Q2 guidance quarterly we had indicated a total interest cost saving of about INR10 to INR12 crores for this year on account of the repayment. As the opportunity has unfolded, in Q3 our finance cost is about INR 9 crores as against what we had estimated it is higher by about INR4-INR4.5 crores in this quarter.
- How has this played out? This is played out, is basically we have had an EBITDA increase of about INR 22.57 odd crores in the three months, so I'll rather focus on three months as against

the six months period. So as against the INR4 to INR4.5 crores of incremental interest that we have paid, we have seen a significant enhancement in our EBITDA contribution. So we should look at it from that perspective.

From an overall across the full year perspective as well, as we mentioned that our inventory and working capital has been elevated on account of the overall opportunity that has been provided by the markets, we anticipate that in the current quarter as well, interest levels - there won't be a reduction, but that having said, from where we stand, we anticipate that the full year finance cost will remain more or less same as was in the last financial year.

**Pritesh:** But when you grow on this particular base next year and maybe year after, so what happens to your debt and the interest cost?

**Ajay Pancholi:** So, I think it would be important to highlight that the industry is dynamic, the underlying dynamics are quite positive at this point of time for us. I think, we would want to be guarded in terms of how we take this forward in terms of our inventory levels, in terms of our overall working capital, in terms of how our partnerships have scaled up, what they provide as an opportunity going forward, so we'll be guarded.

So the guidance also which Sharadji has given is for the current year. We would want to actually come back to the wider audience including you at the end of next quarter or at the end of the full year and give you a guidance for the full year as well. Please bear in mind that the markets have been increasingly dynamic and the opportunity is continuing to unfold and that is a very live situation.

So, while Sharadji mentioned the aspect of memory prices going up by almost 250% to 350%, this is actually a week-over-week there's been a transformational change in terms of how memory prices have changed. And the way we would want to guide you on the growth going forward, we would want to restrain ourselves on giving guidance for the next year.

At this point of time, we would want to address that at the end of next quarter. We want to see what has happened to the memory prices over the last three months, we've actually seen what has happened in the last three months. You actually see the results which have turned out to be way positive than what we ourselves have estimated. We would want to actually continue to perform and give you incremental guidance at the end of next quarter and full year.

**Pritesh:** Okay sir, thank you very much and all the best to you. Thank you very much.

**Ajay Pancholi:** Thank you Pritesh.

**Moderator:** Our next question is from the line of Sunil Jain from Nirmal Bang Securities. Please go ahead.

**Sunil Jain:** Congratulations sir on good set of numbers. Sir, my question is more related to one data question, that is how much is your gross debt? And the second question relate to more of a memory prices?

You had seen lot many years when the memory price may be going up. You said that this time it is more sustainable and higher. So what could be the factor which can influence these memory prices coming back to a normal level?

**Ajay Pancholi:**

Sure, thanks. I'll address the first part of the question, I'll request Sharadji to address the second part of the question. The gross debt is INR557 crores, and the net debt is the quarter end net debt is INR466 odd crores. That's the first part of your answer to the first part of your question. Sharadji over to you.

**Sharad Khandelwal:**

Yes, Hi Sunilji. Your question around memory prices I've seen in the past, but they were more event based. Like in 1999 when a massive earthquake happened in Taiwan, the memory prices went up but when the situation stabilized and the production in the factories came back to shape, the memory prices came back to the normal levels.

This time across it is more fundamental. It is driven by heavy AI investments and that is not a bubble that is AI we all are using, it is being used across the spectrum, it is being used in the organizations and in our day-to-day lives. The investments are going continuously going up, and we have just spoken about memory, but the processing speed is not just function of memory, it is a function of storage and also the processors. Those are also likely to rise going forward.

Secondly, when these prices will stabilize, obviously the enhanced demand will lead to enhanced production capacities, but this will not happen overnight, as you know. We see memory prices coming back to shape by end of 2027. But this current situation, as we have seen, the brand new prices have already gone up from 8th December till 7th of January. We have done the plotting, the brand new computer prices have gone up by 20% across the board. This is creating a bigger space for the refurbishment industry. Now, in case of computer core i3, in some time will not be available less than INR35,000-INR37,000 or INR40,000 may be, in international market around USD375.

So anything less than INR40,000 or INR37,000 will be available in refurbished segment only and in international anything less than USD375 will only come in refurbished. And we want to deliver a product which is as good as new and with warranty, so we remain in a very, very good space, to give an alternate solution to all kinds of customers. And we have seen that we are getting large orders of desktops and laptops from very large institutional customers across India and international markets.

**Sunil Jain:**

Yes, one more question related to, you are experiencing very good growth at current point of time and maybe continuing in the coming period. But how about the capacity to meet this demand, what are all your plan, you had not mentioned anything in your opening remark about the capacity expansion. Do you have sufficient capacity?

**Sharad Khandelwal:**

No, we have sufficient capacity, we made public announcement some time back, we have taken more space in India, UAE and US. And we continue to hire skilled manpower, skilled people, and we are working in advance for the goal, the business goals that we have.

So capacity expansion is happening. We have now around eight facilities in the UAE from three what we had earlier. And we have now taken one bigger facility adjacent to our existing facility in Navi Mumbai. And we are increasing our space in the US market as well.

**Ajay Pancholi:** And I've already highlighted, Ajay here, I've already highlighted the aspect around the manpower growth and the build-out which was about 1,194 at the beginning of the year which has gone to about 1,900 odd and a substantial part of this is in terms of engineers which essentially leads to the operating performance being, the capacity being put in place for the growth that we have already achieved as well as the future growth that we envisage.

**Sunil Jain:** Great sir, thank you very much.

**Moderator:** Our next question comes from the line of Atul Mehra from Motilal Oswal Asset Management. Please go ahead.

**Atul Mehra:** Yes, hi sir. Good evening and congratulations on the result. Sir, my question is on working capital. Can you confirm the number of days of working capital that we have as of the quarter end, and how does it compare versus the same time last year and the previous quarter?

**Ajay Pancholi:** Yes, thank you. So Atul, to your question on working capital days, the working capital days are in the 120 to 130 day odd range on an overall basis.

Sequential quarter-wise there's actually been an improvement in of a couple of days in the working capital cycle, and in terms of comparable quarter, it's been identical. So, there's no out of whack in terms of the number of days in terms of working capital on an overall basis, whether it be inventory or the overall working capital, it's in the 120 to 130 day odd range.

**Atul Mehra:** Got it. Thanks that's helpful. Secondly, in terms of given the potential and obviously we are tapping global markets, so in terms of given the new distribution tie-ups etcetera, that we have done, what is the what is the potential to grow business in the next say 12 to 24 months time from the perspective of the balance sheet.

And, also if you can talk about any initiatives we are taking to reduce the working capital because as the proportion of global business grows, maybe there is an opportunity to reduce working capital days. So maybe if you can talk about both these elements. Thank you.

**Sharad Khandelwal:** Atul, structurally in terms of growth, meaning that remains robust, our goals are very robust and our proposition, product and warranty has become even more relevant than it was than it was six months ago. And from our execution standpoint, we have seen that the even in the car market the refurbished used car segment has grown significantly during this period and continues to grow.

So our goal will be to continue to grow at similar or higher levels in coming years, coming quarters and coming years. With respect to your working capital question, in international and India market, the intensity of working capital is high at this point of time because of the situation. And it makes lot of business sense to keep higher levels of inventory for our margin expansion and servicing our customers.

Another point to note is that we are converting people who are heretofore selling new computers and there is a large amount of credit that is available in that segment. The people who provide, the solution providers, value added resellers, system integrators and corporate resellers enjoy large credits on the brand new segment.

Now when we have to sell refurbished devices and they have to give it to their corporates in India and international markets, obviously we cannot be less competitive. Because we are pushing, and this will have long-term advantages, it has to be seen more in terms of ROE and ROCE that will remain strong.

Working capital intensity is very high in this business because there is no fixed capital or capital expenditure, working capital or stock and AR is the main growth driver and business driver.

**Atul Mehra:** Absolutely. Thank you, sir. And just one final question is as we approach Q4 in terms of dividend and capital returns, so is there any thought process or dividend policy that we have framed so far or any thinking towards that?

**Sharad Khandelwal:** We'll come back to you on this Atul. At this point of time business requires fuel and we need to grow. I guess, we remain fluid in this and we will keep sharing our thoughts on this.

**Atul Mehra:** Sure sir, thank you very much and wish you all the very best. Thank you.

**Sharad Khandelwal:** Thank you very much.

**Moderator:** Our next question comes from the line of Nikhil Purohit from Fidint Asset Management Company. Please go ahead.

**Nikhil Purohit:** Yes, thanks for the opportunity and congrats on a great, great set of numbers. Sir, firstly our average prices in laptops were around INR26,000-INR27,000 and non-laptops were ranging from INR18,000 to INR22,000 based on the volumes and sales breakup of the past three quarters. So considering the steep rise that has happened in SSDs and RAMs, could you tell us the any revised average prices for the two segments?

**Ajay Pancholi:** Yes, sure. For this quarter our average selling price for ASP for laptops is almost INR28,800 odd. Now the same in the previous quarter was about INR1,000 lower. So there's been an enhancement of almost INR1,000 odd. The same thing if we look at other than laptops, that enhancement has moved from about INR17,900 to about INR18,200. The same number if we were to compare on a nine month basis also, there's been almost INR1,000 odd jump in terms of the realization.

I would want to highlight that this number should be looked at in terms of what's the underlying configuration, right? But I'm giving a sense on an overall basis. So, on an overall basis including laptops and others our average realization is about INR26,200 for the quarter which was about INR25,200 in the corresponding quarter. So we have we have actually seen the richness or goodness realized as well. I think that's that may be worth highlighting.

**Nikhil Purohit:** Got it, but Ajay ji what I'm trying to understand is if our prices ramp up further as they are up 20%, I got about the number, but are we completely passing on the prices to the customers or how is it working? I realized I think Sharadji mentioned that by FY'27 end we are expecting the prices to, like, the increase in cost to sustain. So how are we going to pass on these prices to the customers and how do you see volume getting impacted because of this these elevated prices?

**Sharad Khandelwal:** In terms of pricing being passed on to the customer, obviously our pricing is on the old prices and we are getting advantage of the climate where the prices have gone up in case of brand new and the current used inventory is coming at a higher price. So our margins has increased, that's number one.

Second, your question was around how do we see the growth coming in due to the elevated prices, if I understood it correctly. I think it's a very positive development for us, because the brand new computer prices have increased. Also, I mentioned before that around 20%-25% is unorganized market, not covered by top five brands, where, not only the price, even availability of memory is an issue.

So overall supply is going down and the prices are going up. That creates a huge scope and space for us to sell the product. So people will be buying more refurbished devices anything less than \$375-\$400 will not be available in brand new segment. In India a meaningful computer will not be available less than INR37,000-40,000 rupees and we are seeing that happening playing out in last 45 days.

We are keeping a very close track on these brand new prices, this is giving us much bigger space. Even the institutions in India and across India have started buying refurbished devices which they were not buying it earlier. So it's a net-net very, very positive development for us.

**Nikhil Purohit:** Understood, understood sir. Thanks.

**Moderator:** Sir, sorry to interrupt Nikhil, we request you to please rejoin the queue if you have any further questions. Thank you. Our next question comes from the line of Nitin Shah, an Individual Investor. Please go ahead.

**Nitin Shah:** Yes, so thank you for giving opportunity. So, I would like to know percentage wise, what will be the volumes geography wise, like, we have facility in India, we have three facility in Sharjah, and one facility in US. So what would be the percentage of products from each of this geography?

**Sharad Khandelwal:** From international market, our major markets are UAE, US and Europe. They totally contribute around 40% US, 40% Europe and 20% is Middle East. The primary product segments are obviously laptops and desktops.

**Ajay Pancholi:** This is just to highlight, the proportion that Sharadji mentioned is of our international business. And to your subsequent question which I believe was in terms of....

**Nitin Shah:** Overall product wise from where does it contribute, which territory? I mean India, US or UAE?

- Ajay Pancholi:** As Sharadji mentioned, 40% of international sales is in the USA, 40% in the European region and 20% in the Middle Eastern region.
- Nitin Shah:** Which facility caters, I mean which is the largest facility?
- Ajay Pancholi:** The largest facility as Sharadji mentioned, we have enhanced our facilities, is the UAE. Everything that happens internationally gets processed in the UAE. Right, so all the international operations you should look at it that almost a substantial part of it is in the UAE, followed by India.
- Nitin Shah:** Yes, how much would that contribute in terms of percentage?
- Ajay Pancholi:** So if you look at our international proportion is about almost 60% of our total revenues. So broadly that should give you a guidance.
- Nitin Shah:** UAE would contribute 60% of the total sales, is it?
- Ajay Pancholi:** International would contribute 60%, okay, India is about 40 odd percent.
- Nitin Shah:** No, I understood in terms of sales. I am talking in terms of geography wise, which is contributing the most, is it the UAE facility, is it the US facility?
- Ajay Pancholi:** UAE facility, yes, yes, you are right. It is UAE.
- Moderator:** Sir, sorry to interrupt, we request you to please rejoin the queue if you have further questions.
- Moderator:** Our next question comes from the line of Ajay Nandalwal, an Individual Investor. Please go ahead.
- Ajay Nandalwal:** Thank you for the opportunity and congrats on a great quarter. I have couple of questions. In this environment with higher memory prices and higher new laptop prices, how is our the availability and cost of what we procure, how is that changing?
- Sharad Khandelwal:** The availability because of our relationships we are able to procure material because we buy from plethora of partners which are like leasing companies, corporates, IT asset disposition partners, recyclers. So we continue to get good supplies and we are taking steps proactively to secure large supplies and that is leading to elevated stock positions. At this point of time, we are still enjoying pricing advantages. But the broad trend is on the rising side. But we are a step ahead, so we are buying stock ahead of price increases at every level.
- Ajay Nandalwal:** Understood. Sir second question is on the realizations side. So you said the end market laptop price increase are higher by around 20%. How does that translate into, like, what's the sensitivity of new laptop prices versus your ability to price, and how do you think of the tradeoff between price versus volume?
- Sharad Khandelwal:** Good question. See because IDC has also estimated, if the prices increase on the brand new side, there is an expectation that companies and people will defer their purchases. That will lead to

the demand shift coming in favor of refurbished devices. So for our case, we remain even more competitive when compared to brand new computers.

And since we are an organized player, we give an experience which is as good as new and with reliable warranty and that is why large distributors in India, internationally have joined with us, is because on the back of our credibility. They will not join with anybody else because they also have their reputation to protect. So, it's a very, very good upside, good tailwinds available for us. The refurbished segment per se will grow and we intend to grow faster than the refurbished segment growth.

**Ajay Nandalwal:** Understood. So, sir, am I correct in if I hear you right, are you saying that you want to drive higher volumes, not necessarily use an opportunity to get higher margins? Like you're much more driven by volumes or margins?

**Sharad Khandelwal:** No, we are not going to compromise on margins. We are not going to encounter a situation where we have to compress our margin to deliver numbers.

**Ajay Nandalwal:** You're not having to compress your margin but right now you're making INR5,400 per device, from aggregating over the year.

**Sharad Khandelwal:** I couldn't hear you sir.

**Ajay Nandalwal:** Right now, your gross margins are on INR5,400 per device. Now obviously the end laptop prices are increasing by probably INR10,000 or USD100-plus and more. So how is, so that opens up more -- is the market competitive are there like competitors pricing where there is pricing limit or I am just trying to understand that part like there is clearly a demand pull because of what's happening. Does that give you slightly higher pricing power or you just don't exercise it? Just give some color on that?

**Sharad Khandelwal:** So, we will have to choose a right mix between growth and margin both, and we intend to drive both volume and margin growth.

**Ajay Nandalwal:** Understood. So just one last question ITAD any updates on the ITAD business?

**Sharad Khandelwal:** See we are mostly in the refurbishment segment where we procure and give product, well it's just not a product, it's a warranty and a service and a commitment that the product is reliable and works for good three years. So that's a promise that we give. ITAD is just one portion of recycling business refurbishment business, but we want to remain on the refurbishment piece, where we think we have a very clear advantage and distinct positioning.

**Moderator:** Our next question is from the line of Prateek Choudhary from Saamarthya Capital. Please go ahead.

**Prateek Choudhary:** Sir, in this scenario, where new sales for new laptops will, some of the customers will defer, in terms of us having, I mean, do we see a scenario where we would see something similar playing out in our suppliers and our sourcing as well, where you know there may be a situation that reduced supply is available to us in terms of procurement?

**Sharad Khandelwal:** See we buy from very large range of suppliers across the world. So, we are hedging ourselves against the situation where the deferment of new computer sales can lead to lower disposition, but we are protecting ourselves by buying more and from long list of suppliers, that's very number one. And that is why we are keeping elevated stock.

**Prateek Choudhary:** Okay. Just last, what was your unit volume in Q3 FY'26 your volume was 1,86,000, what was the same number in Q3 FY'25?

**Ajay Pancholi:** In Q3 FY'25, it was 1,43,000.

**Prateek Choudhary:** Okay. And why were your margins so low in Q4 FY'25? Almost 6.8%. Any was there any one-off in that?

**Ajay Pancholi:** The last quarter, there's always a trade-off between margin and volume, right? So, it's a function. So, lot of purchases happen in the last quarter, there are pricing dynamics etc at play, and we also are in the growth business, right? So, there's always a compromise between volume and growth. Right?

So, we take up a call on that basis. But that having said, I think this time, I would just want to limit myself to say that, hopefully this time we should have a better proposition given the specific backdrop which we've discussed at length, in especially.

**Prateek Choudhary:** Okay. Thanks a lot sir. Thank you.

**Ajay Pancholi:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to Mr. Sharad Khandelwal for closing comments. Over to you sir.

**Sharad Khandelwal:** Yes, so thank you all very much for joining this call. This has been a very exciting time after our IPO and the situation we have had good execution across the world, we have enhanced our team, we have enhanced our customers, and as you can see for yourself, the large distributors are joining hands with us and we are honored by that. The situation is very, very positive for us.

This is a good tailwind that is available with us, and we are on our toes and want to take full advantage of the same. We do not see any compression of margin like last year in the Q4 this year because of better execution and better environment. And this business is very exciting business going to grow, it has a both product element as well as service element and very strong credibility. So that presents a very high barriers of entry.

We are not channel dependent, we are not country or geography dependent, and our company, we are quite humbled by the fact that we started in India, and we thought this proposition is valid across the world, and we had the audacity to go to the US and European market which not many people did. And we are thankful to the God that it has got good validation, and we continue to build more upon the same. Thank you all very much, thank you for joining this call. Really appreciate it.

**Moderator:**

Thank you. On behalf of GNG Electronics Limited that concludes this conference. Thank you all for joining us. You may now disconnect your lines.