

August 13, 2024

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 Meet held on 9th August, 2024

Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

Pursuant to Regulation 30 read with clause 15 of Para A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, enclosed herewith the transcript of the Analysts/Investors Meet held on Friday, 9th August, 2024 at 5:00 p.m. (IST); for the Un-Audited Standalone and Consolidated Financial Results for the quarter ended June 30, 2024.

The transcript has been uploaded on the website of the Company at www.rptechindia.com/investor

You are requested to kindly take the same on your record.

Thankyou.

Your faithfully,
For **RASHI PERIPHERALS LIMITED**

Hinal Shah
Company Secretary
& Compliance Officer

Encl.: As above

Rashi Peripherals Limited

(Formerly known as Rashi Peripherals Private Limited)

Regd. Office: Ariisto House, 5th Floor, N S Phadke Road, Andheri East, Mumbai, Maharashtra – 400069, India
• Tel: +91-22-6177 1771 | Fax +91-22-61771999 • www.rptechindia.com | CIN: L30007MH1989PLC051039

Rashi Peripherals Limited
Q1 Financial Year 2025 Conference Call
August 09, 2024

Moderator: Ladies and gentlemen, good day, and welcome to Q1 FY '25 Conference Call of Rashi Peripherals Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need an assistance during the conference call, please signal an operator by pressing “*”, then “0” on your touchtone phone.

This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions, and expectations of the company as on the date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Krishna Kumar Choudhary – Chairman and Whole Time Director, Rashi Peripherals Limited, for “Opening Remark’s. Thank you, and over to you, sir.

Krishna Kumar Choudhary: Thank you. Good evening, everyone, and a warm welcome to all. We are delighted to welcome you all to discuss our performance for the 1st Quarter ended June 30, 2024. This is our second earnings call post listing.

We would like to first brief you about Macro Developments to set up the context. My colleague and our CEO – Mr. Rajesh Goenka, will then share our Operational Updates, followed by our CFO, Mr. Himanshu Shah, who will update you on financial highlights for the quarter. Post that, we will open the forum for Q&A.

Talking about the recent budget which got announced:

We saw a series of transformative policies designed to propel the IT sector to new heights. With enhanced R&D tech incentives, robust support for startups and MSMEs, investments in digital infrastructure, the budget sets a solid foundation for driving innovation, growth, and digitalization. This will have a positive impact on our growth trajectory.

Our extensive service portfolio ensures that both vendors and clients experience exceptional value. Vendors benefit from our extensive reach and business expertise, while clients receive unparalleled support tailored to their needs. This has fostered long-term relationships with

more than 60 brands associating with us for over a decade. Looking forward, our strategy is to broaden our product portfolio and forge new associations with additional brands. We already operate one of the largest distribution networks in the country, with 51 branches spanning 715-odd locations. With a clear vision and a steadfast dedication to excellence, we are well positioned to contribute to the continued success of India's IT industry.

I now hand over to Mr. Rajesh Goenka – the CEO of Rashi Peripherals, to discuss the key initiative taken during the quarter. Rajesh?

Rajesh Goenka:

Thank you, Choudhary Ji. And I think what you mentioned about the tremendous reach that we bring in India, this is consistent with our corporate strategy of increasing our penetration continuously. I am also very happy to share with you that overall Rashi Peripherals have had consistent all-around growth. We have grown in each of the regions. We have grown in both the LIS and PES verticals, both.

Some of the noticeable achievements I would like to summarize is, one is we have an additional order from NMDC, which is again a three-digit crore figure. Another order we have received through a partner for a Tamil Nadu education project, which is again a three-digit figure. So, our projects business continues to thrive and gives us accelerated business opportunity. Then, we have also inaugurated our laboratory as committed on time. The Embedded Laboratory in Bangalore, it is already inaugurated, and now we currently have 18 live demos operation out of the same.

We have also implemented CRM for our sales team. Currently, we have implemented in west, and we are all set to expand to all India. Needless to say that our strategies, which we initiated this year, continue to remain our focus. And some of the key strategies that we are continuing are creating a separate visual display vertical, which we have already created, and the Tamil Nadu order is a part of that strategy only. Then, creating a separate LOEM vertical, because a lot of local manufacturers are coming, so that is also in the process of implementation.

And to cover all this, we continue to invest. And currently we are doing a channel business forum in 40 cities of India. And I want to highlight this that these 40 cities of India are beyond the 51 branches or 51 cities where we have the brand. So, they are basically the 52 to 92 towns of India where our team is doing channel training and channel business forum.

So, all in all, we continue to have consistent momentum with all these initiatives in place.

With this, I hand it over to our CFO, Mr. Himanshu Shah, to describe about the financials.

Himanshu Kumar Shah:

Thank you, Rajesh. And good evening to all the investors, family members, and friends. This is CFO from Rashi Peripherals – Himanshu Shah. I would like to take you through the financial highlights of the 1st Quarter of the Financial Year '24-'25.

On a consolidated basis, we have achieved revenue from operations of Rs. 42,670 million, registering a strong growth of 42% on a quarter-on-quarter basis. That stands at Rs. 550.37 million, which grew by 16.95% on a quarter-to-quarter basis. EBITDA stood at Rs. 905.83 million, which has grown again by 8.23% on a quarter-on-quarter basis. Segment-wise, 59% of our revenue was contributed by PES, and 41% is contributed by LIS.

Very importantly, the working capital for our business has improved to 38 days, and we have been able to maintain a ROCE of 15.17%, which is 1% higher than the last quarter. EPS is, again, an important element of our P&L statement, which has grown by 18%.

Last but not least, CRISIL Ratings has reaffirmed its rating on the bank facilities for the current financial year with an A+ for long term and A1 for short term.

Thank you, everyone. With this, we can now open the forum for questions-and-answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have our first question from the line of Neha Jain, an individual investor. Please go ahead.

Neha Jain: I just have a couple of questions. In the presentation, you had mentioned about inauguration of Embedded Lab in Bangalore in the month of April. I just wanted to check, what will be their revenue contribution from this lab that is coming up and going forward?

Rajesh Goenka: So, this Embedded Lab is a part of our Embedded Vertical, which is also called as the Semiconductor Vertical. And this we started about a few years back. So, this is a value-add for testing these samples for various applications. So, obviously, the lab will directly not give a revenue, but it will help our semiconductor business to scale up faster and provide real value-add to business.

Neha Jain: So, sir, when we say that the semiconductor can grow faster, so can you put a number to that?

Rajesh Goenka: It's very difficult to give a number to that, but the growth in terms of percentage would be at least 3x or 4x of our overall growth.

Neha Jain: And how long do we target this, like 3x to 4x growth, in the span of how many years?

Rajesh Goenka: Yes, in two years' time.

Neha Jain: And sir, if currently at present in Q1 result we see that there is an increase on the revenue side, but the margins are subdued. So, just wanted to understand the reason for that?

Himanshu Kumar Shah: So, Neha, the top line has grown because, as you might be aware, we have declared a large deal, which we declared on the stock exchange in the first week of April, which we have executed during this quarter. Now, this large deal comes with a comparatively lower margin

than the run-rate business. So, the effect of that is visible in the financials. If you have any further detailing to be done, we can connect offline.

Neha Jain: And sir, apart from this new business, what are the other brands that are contributing to the revenue?

Himanshu Kumar Shah: Yes. So, in this current quarter, there are no significant new brands. New brands, it takes a time, they have a longer cycle. So, currently our entire business growth is primarily on account of existing businesses only.

Neha Jain: Any particular brand that has major share of revenue?

Himanshu Kumar Shah: Overall, we have had consistent growth across all products and brand categories. The only thing is this NMDC order is a little bit additional that has accelerated our top-line growth.

Moderator: Thank you. We have our next question from the line of Aejas Lakhani from Unifi Capital. Please go ahead.

Aejas Lakhani: Congratulations on the results. Rajeshji, my first question is, is the entire NMDC data center order booking done for the quarter, or is there any slow-up for next quarter?

Rajesh Goenka: It is already done. And I am happy to share with you, which I already shared, that we have one more small order from NMDC, which we have just received and will be executed soon.

Aejas Lakhani: And, sir, what is the size of the new NMDC order?

Rajesh Goenka: So, it's around Rs. 200 crore to Rs. 300 crore order currently.

Aejas Lakhani: And that will be executed in the subsequent quarter?

Rajesh Goenka: Yes.

Aejas Lakhani: And sir, I mean, could you quantify what is the Tamil Nadu education project order? And when will that be executed?

Rajesh Goenka: Yeah. So, this is, again, a three-digit crore figure in terms of size. And this is basically Tamil Nadu Government education project where LFD and large monitors and PCs are being installed. Again, while we speak, the execution has just started. But Aejas, I just want to clarify what happens is execution is directly proportionate to the availability of the products. So, normally the execution cycles are a little bit longer. But it has already started, the execution has just started.

- Aejas Lakhani:** Got it, sir, to be available. I got what you are trying to say. So, Rajesh, could you quantify what are the margins in the projects business and what is the working capital intensity in these businesses?
- Rajesh Goenka:** So, it is basically for these projects we have to look more from the ROI angle because margin is one factor but do we carry inventory, what credit exposures we take, what support we get back to back, all these three factors together give us an ROI. But yes, it is true that these projects, the overall ROI is a little bit lower than our regular run rate business. Neha asked that question that why top line growth and bottom-line growth there is a gap, and Himanshu explained it appropriately.
- Aejas Lakhani:** Okay. Sir, incrementally, given that you are seeing a lot of these data center opportunities coming your way, you just won NMDC, you get another one from them, Tamil Nadu. Is there any way that you can call out the projects business versus the core business so that we can understand how both facets are moving?
- Himanshu Kumar Shah:** So, within Rashi, we are keeping this both very differently so far so that this is the first time we are talking everything consolidated. Otherwise, as a D&A, we are talking very differently for two reasons. One is it should not cannibalize with each other. And second, we should not get overwhelmed with these large projects. So, there is a very set process, which we are monitoring both independently. And, as I again explained to Neha, that even without the large projects, our growth momentum continues to be in similar lines.
- Aejas Lakhani:** And, sir, then X of the large projects and an associated gross margin with that, what would the core business gross margin have been for the quarter? Core, maybe gross margin and EBITDA if you could quantify.
- Himanshu Kumar Shah:** It's around 5% as it has been in the previous quarters. So, it's the same.
- Rajesh Goenka:** And EBITDA also ranges in the same range.
- Aejas Lakhani:** So, that would then imply that the projects that you have taken are at the similar gross margin range as the existing IT businesses.
- Himanshu Kumar Shah:** No, so what I am talking of is in the same range because this projects business comes with a little lower margin. But the kind of investment, like that Rajeshji mentioned that stock carrying days are much lesser than what is there in run rate business. Credit exposures normally we tend to take, like we tend not to take on our exposures. It is something which helps us in improving the ROEs.
- Aejas Lakhani:** And, sir, now that you have got the rating upgrade, what will be the revised rate of interest that we will be weighing on to combine debt?

- Himanshu Kumar Shah:** So, Aejas, the rating upgrade has happened from A to A+, which means that it is A bracket only. Unless we move to AA bracket, significant interest rate benefit is something which we should look at when we move to AA bracket.
- Aejas Lakhani:** And, sir, what will be the total debt today?
- Himanshu Kumar Shah:** Today, it's in the range of around 600 plus, I would say. Debt equity around 0.44.
- Aejas Lakhani:** Rajeshji, you spoke about what channel business forum, what exactly does that mean and could you explain the contours around it?
- Rajesh Goenka:** Yes, this is one of the biggest channel event brand in the country. We have been now doing this for almost 20 years, every alternate year. Our team from the corporate office and the branch office, they visit the cities. They meet the local partners, customers. And in the evening they have a two-and-a-half hours training program, along with the product display and demo. And normally we do not have drinks, so it's not an evening party. And what we have seen is, with this interaction, with training, with a live demo of the products, and we also give confidence to local customers that Rashi Peripherals will provide these products and solution doorstep in your respective towns. This has helped us in long-term developing the business.
- Aejas Lakhani:** So, you have been doing this kind of market for many years?
- Rajesh Goenka:** Yes. If I remember correctly, this is our 13th CBF which we are doing, and it's basically a market development, newer markets, newer cities, where the IT penetration is relatively lower.
- Moderator:** Thank you. We have our next question from the line of Rohan Mehta, a shareholder. Please go ahead.
- Rohan Mehta:** Sir, I had a few questions, if you could shed some light on any procurement strategy that we have in place when we onboard any brand? And if we have any sense of exclusivity when we tie up any with any brand for distribution?
- Rajesh Goenka:** Rohan, so to answer your question, in distribution it is not procurement, it is more a distribution agreement, and it's a long-term agreement. So, it's not like one-time purchase where we negotiate the price and then we buy. It's sustainable, over a period of time circulates. So, normally our purchases are not negotiated, it's a mutual agreement with the vendor, and it goes on a rotation basis. And what was your second question?
- Rohan Mehta:** Sir, in terms of procurement strategy and if we have an exclusivity concept with any of the brands that we work with.
- Rajesh Goenka:** So, roughly 15% to 17% of our gross revenue comes from either exclusive product or exclusive region or exclusive customer base. It could be a combination of all three.

- Rohan Mehta:** And typically our agreements with the brand, the duration of the agreement would be, on average, how long?
- Rajesh Goenka:** So, all the agreements vary from one year to five years. But normally in the industry, not only for Rashi Peripherals, but agreement terminations are also almost negligible, like we are now working with various vendors for 20 or 25 years, and it gets auto renewable.
- Rohan Mehta:** So, client stickiness is very good, sir?
- Rajesh Goenka:** Yes.
- Rohan Mehta:** And, sir, do we see any difference in the margins that we get between the two verticals of personal computing versus lifestyle and IT? Or if you look at the margins with respect to individual brands also, if you could throw some light on that.
- Rajesh Goenka:** So, obviously PES and LIT both have little bit different margin structure even though if you see the overall gross margin is just about 5%, so there is not too much of variation. But at Rashi Peripherals, we try to balance both the business to sustain our gross margin objectives.
- Rohan Mehta:** And, sir, speaking of numbers, any visibility on how the ROCE and ROE would look like in the current financial year, any movement on that front?
- Himanshu Kumar Shah:** So, Rohan, on ROC and ROE numbers, if you see last year February we had this capital raise. So, definitely to get to the normalcy and the capital raise to get fully deployed and generate its volume of business is not a one-year proposition, so we will have to wait till it reaches to normalcy. So, this year maybe it will look like the range which we have delivered.
- Rohan Mehta:** Correct. And lastly, sir, if you could talk a little bit about our strategy in terms of expanding branch, our branch network. Over the next maybe three to four years, if we have any ballpark range of target number of branches that you want to open? And any criteria that we have in terms of when and where to open a branch?
- Rajesh Goenka:** Yes, so we continuously strive to expand our customer base. And to increase our customer base, one of the ways is to expand branch network as well. So, currently while we speak, we are doing our basic study, analysis, and viability, and we are hopeful for having few more branches in the coming year.
- Rohan Mehta:** Sir just one last question, do we actually see client concentration as a risk in the sense that if we have any two or three clients that account for a large share of our revenue?
- Rajesh Goenka:** Again, I think, at Rashi Peripherals, because of our widest product range and because of our widest reach, our dependency on one or two or three clients is the least. To the best of my

knowledge, if we exclude online and LFR, then we do not have a single customer which controls even 10% of our business, it is much lesser actually.

Moderator: Thank you the next question is from the line of Manira from Investo investor investment. Please go ahead.

Manira: Sir, what are your measures to bring down your inventory days?

Himanshu Kumar Shah: So, Manira, inventory days, we see a scope of improvement of around 10% from the existing level which we continuously work upon it, we continuously track the inventory and align with the market demand and the kind of supply times which are required. So, effectively, in long run, you can see the optimum level is at 90% of what we are currently operating at.

Manira: And if you may highlight which are the top brands that contribute to your revenue?

Rajesh Goenka: So, our leading brand currently is Asus. Lenovo is the second largest. Western Digital is the third-largest, and so on so forth. But we have a pretty long tail, so our dependency on one brand or one product is the least in the industry.

Moderator: Thank you. We have our next question from the line of Sanjay Shah from KSA Securities. Please go ahead.

Sanjay Shah: Sir, my question was regarding the future prospects and trajectory for our business and our company. Since we have grown so well and we have around 60 global technology brands under our net, plus a wider net of customers, reputed customers in India domestically. So, now, how do you see to mitigate the risk in future and grow from here? Are we planning or in a pipeline to add any more global brands, or even some customers with some, and even what about our market share right now in India and how we anticipate that going ahead?

Rajesh Goenka: So, Sanjay, I think I would answer your point very specifically by giving the history that our CAGR for last 20 years has been about 20%. Last three years, our CAGR has been 23%, right? So, that's our background. The same question I was asked five years back, I was asked 10 years back, and I was also asked about 15 years back. So, that's one history. Now looking positively at the future, there are two, three things happening. One is digitization. Everything is going digital. So, the consumption of ICT products and solutions continue to grow on a macro level. So, therefore, the industry will continue to grow and all third-party reports that we have gone through indicate a double-digit growth in next few years.

Second, newer product categories and solutions, like for example, data centers, the order that we just executed, it was never in our radar five years back. But right now it came and we have a substantial business play in that segment. Similarly, we have started a semiconductor vertical three years back. Similarly, last year or just recently we have started a visual vertical. Visual

means displays, displays that you see not only in our homes, offices but even at airports, highways, education institutes.

And the latest vertical that we have started is LOEM. India now is going for manufacturing. So, when you go for manufacturing, the manufacturers will require the components to be sourced locally. So, that's where Rashi Peripherals will play an important role. So, all this, coupled with some more things coming in next few years, we are very optimistic to sustain our growth momentum.

Moderator: The next question is from the line of Rushabh Shah, an individual investor. Please go ahead.

Rushabh Shah: I had two specific questions. Are you planning to enter any new product segments?

Rajesh Goenka: Yes. So, it's part of our strategy. And as I mentioned when I mentioned about the visual vertical, so visual vertical, we were earlier doing LG, and now currently we are also doing ViewSonic. So, it's a process within the organization. Newer verticals, newer products, newer technology. It's in our DNA, and we will continue to do that in coming times as well.

Rushabh Shah: And the second question was with regards to the foreign exchange fluctuation. So, what strategies are in place to manage these foreign exchange fluctuations for the import of our products?

Krishna Kumar Choudhary: So, yes, I think this is a question we almost get at every call. And it's a very valid question from an investor point of view. Almost 40% products are being imported. And the pricing is normally kept at the current level, plus something which is going to cover our future hedging cost, right? Number one. Number two, the inventory what we carry, the pricing of inventory is being evaluated every week. And based on the current exchange rate, the prices are taken care of. So, it's an auto hedge. The third thing that we also hedge as part of our imports vis-a-vis our payment due date. So, altogether everything is taken care of to my future exchange rate.

Himanshu Kumar Shah: It's a combination of partial hedging and partial inbuilt business parameters where we get natural protection.

Moderator: Thank you. We have our next question from the line of Manoj from KSA Securities. Please go ahead.

Manoj Jethwa: Sir, this is Manoj Jethwa here from KSA Securities. Sir, my concern is that we are working on a very wafer-thin margin as we are the distributors for the 60 technology partners. So, in future if any some challenges come, so how are we protected against that? This is one question from my side, sir.

Himanshu Kumar Shah: So, Manoj ji, if you see, we have the widest portfolio of products like 60 brands and the portfolio for distribution itself is a risk mitigation proposition, first of all. Second, dependency

of one brand is not more than 23%, 25%. And there also we have different strategies or long-term relationships in place wherein there's no visibility of any such risk getting popped up. Thirdly, our engagement with the brands and the penetration into the geography wherein we have largest network of distribution provides us that upper edge to mitigate the risk which you are foreseeing or trying to find a solution to it.

Manoj Jethwa: And my second question is relating to the artificial intelligence, because many of the products in ICT or LIS things and all that, right now artificial is getting embedded in most of the products. So, do you see it would be a good volume-wise also and margin-wise also we may have some good margins on those products if we distribute such products?

Rajesh Goenka: So, this is the question closest to my heart. AI, everyone is talking of AI. And it is true that AI implementation, the pace of the implementation is amazing, but it's also a fact that it is just at the start point right now. So, while we speak, we have started receiving few laptops which are AI-enabled, there are few solutions which are AI-enabled. And the large project order that we have executed is again basically AI data center. So, while we are very optimistic and we see the big business opportunity coming our way, but it will have its own gestation period, and we are actively engaged in this field as well.

Manoj Jethwa: My last question would be our present and future synergies as for the data centers, artificial intelligence data centers in relation to NVIDIA Company, could you add some color on that?

Rajesh Goenka: So, we are one of the oldest and the largest distribution partners for NVIDIA now for many, many years. And we hope to continue to work with all these technology companies to bring the solutions to Indian consumer and enterprise.

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

Bhavin Chheda: Congrats to the entire team for a record quarter and execution of such a large order in a single quarter. A few questions, sir, if we can get a gross debt number and cash number as on June 30?

Himanshu Kumar Shah: Sorry?

Bhavin Chheda: Gross borrowing number and a cash and investment number.

Himanshu Kumar Shah: We can share those offline, it's not part of the results which we have, and we can discuss it later.

Bhavin Chheda: Largely, the net debt has remained flat quarter-on-quarter or has it declined, increased? I think March '24 it was Rs. 523 crores like that, so largely it's a declined, increased, or a trend if you can give?

Himanshu Kumar Shah: Working capital gap if you see, has increased a little bit with increased level of activity. So, the balance sheet items, we can take it up offline.

Bhavin Chheda: Okay, no problem. Sir another is, as you mentioned, again, two large orders coming with me as part of the projects business. And, again, last part of the same would be executed in quarter two. So, the margin trend, again, as compared to the historic margins, would optically look low? Particularly because NMDC already has low margins, but what about the Tamil Nadu order, that's a normal part of the business, which is a normalized margin, or do you think that also has a low-margin component in that?

Rajesh Goenka: Bhavin, I do not think we have that luxury of these Rs. 100 crores or Rs. 200 crores projects at large margins. There, the margins are always tight. So, it is going to be in the similar range as well. And margin pressure will continue to be there. But as I said earlier, ROIs is what we should look at, and ROIs are, of course, lower than our regular business for sure.

Bhavin Chheda: Sure. And sir, if you can give a trend in the 1st Quarter, and maybe again in July and August, which is something of your key product segment, how particularly the industry is growing and you yourself are growing in terms of desktop, laptops, drives, a few of the product segments you want to highlight, what are the trends emerging and growth rates happening there?

Rajesh Goenka: So, I think, overall, if I go by the third-party reports, then they indicate that the market was either flat or some part of the market was negative in the last quarter. But at Rashi Peripherals, by the virtue of the variety of products and solutions we have, by virtue of the reach in a number of cities and our number of customers, which has both actually grown, which has resulted in a decent growth for us.

To answer your specific questions, basically what we have done is we have increased our market share because of our penetration. So, as a result, I would say, in 80% of the product categories we have had growth, barring one or two exceptions, like for example, solid-state drive, that market there is a major price crash happened globally. So, that market is actually a little bit de-growth. Second, a bit of component market, which is again not an organized market, so there also there is some de-growth. But other than that, almost all product categories, we have had a double-digit growth.

Bhavin Chheda: So, except for these two, largely you are having a double-digit growth across your category. And that too basically has been driven by more penetration, more distribution network, and slightly higher market share from your competitors. Again, most of the products also you have been the only distributor or the top distributor. So, very difficult to get incremental market share, so penetration has led to more market share?

Rajesh Goenka: Yes, so 20% business, as I said earlier is like, I would say 17%, 18% business is exclusive. Rest 80%, 82% business is non-exclusive business. So, there is obviously a scope to get market share

as well. But I think penetration coverage is one of the prime key areas for us in having this growth.

Moderator: Thank you. Thank you. We have our next question from the line of Forum, an individual investor. Please go ahead.

Participant: I have two questions. Are there any add-on benefits to create separate vertical for visual display business?

Rajesh Goenka: Is there any additional benefit for? We missed your word.

Participant: Benefits to create separate verticals for visual display business?

Rajesh Goenka: Yes, definitely. Because if you have a separate vertical, you have separate team, then they are trained to manage that respective business. And then there is more focus and attention. And, therefore, you tend to get higher success. And that has been our strategy. I cannot comment about others, but that's our strategy.

Participant: The other question is, are there any margin difference in different distribution channels?

Rajesh Goenka: Yes, amongst the channel, LFR and online, margin percentage varies.

Moderator: Thank you. The next question is from the line of Neha Jain, a shareholder. Please go ahead.

Neha Jain: I just wanted to check what is the split between the metro and non-metro? And how do we see it going further?

Rajesh Goenka: So, I think, Neha, to answer your question, to be very specific, we have 60:40 metro versus non-metro ratio. And depending on the season and depending on the project, this keeps on varying. Of course, currently this quarter because of the large one or two projects, the metro seems to be higher. But I am sure in July, August, September, which is Q2, which is more a consumer quarter, again, it will come back to around 60:40. And that's what we think is realistic.

Himanshu Kumar Shah: So, it's an annualized basis, Miss, it will be 60:40 is what we feel.

Neha Jain: Okay, sure. And so just one last question about the mobile distribution segment. As we are aware that the competitor already has good presence in this segment, so can you expect any such move from our company?

Rajesh Goenka: So, we take pride in saying that we are probably the only one and unique distribution company which is committed to ICT. So, we are an IT distribution company. However, while saying so, even during the IPO stage, we were asked these questions many times. And we said that,

considering the overall margin and the opportunities, we will evaluate as and when it comes. But, currently, in the ICT, you can see our growth almost 40% plus. We have enough on our plate while we speak today, you will never know what comes opportunities tomorrow.

Moderator: Thank you. Ladies and gentlemen, that would be the last question for today, and I now hand the conference over to Mr. Rajesh Goenka, CEO of Rashi Peripherals Limited, for closing comments. Thank you, and over to you, sir.

Rajesh Goenka: Thank you so much, all our investors, family, and friends. It was good to talk to you. I hope we are able to give you some vision for Rashi Peripherals. And, on behalf of myself, I also want to thank Adfactors and our entire management team sitting here and helping us to answer your queries. Thank you so much, all of you.

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