



NEWJAISA TECHNOLOGIES LIMITED

(Newjaisa Technologies Private Limited)

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To,
National Stock Exchange of India Limited (“NSE Emerge”).
Exchange Plaza, Plot No. C/1, G- Block,
Bandra –Kurla Complex, Bandra (East),
Mumbai-400051

Scrip Code: NEWJAISA

Sub: Transcript of the Post Earnings Conference Call held on November 20, 2024.

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to submit herewith the Transcript of analysts / investors Earnings Conference Call conducted on November 20, 2024 to discuss the Company’s performance for the half year ended September 30, 2024.

The above-mentioned Transcript is also available on the Company's website.

Thanking you.

For Newjaisa Technologies Limited
(Formerly known as Newjaisa Technologies Private Limited)

Vishesh Handa
Managing Director
DIN: 07842847



NEWJAISA TECHNOLOGIES LIMITED

H1 FY25

POST EARNINGS CONFERENCE CALL

November 20, 2024 2:00 PM IST

Management Team

Mr. Vishesh Handa - CEO/Co-Founder

Mr. Ashish Nirmal - CFO

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the H1 FY '25 Post Earnings Conference Call of NewJaisa Technologies Limited. Today on the call from the management team, we have with us, Mr. Vishesh Handa, CEO and Co-Founder and Mr. Ashish Nirmal, CFO. As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the half year that went by with the plan and vision for the coming year; post which, we will open the floor for Q&A. Over to you, Vishesh.

Vishesh Handa:

Thanks so much, Vinay. So, I'm Vishesh Handa. I'm CEO and Co-Founder for NewJaisa Technologies. Thank you all for joining, for the H1 results and the discussions. So, without further ado, I'd like to get started.

I do understand there might be, like, few folks, who might be new to our business. So, what I'll do, I'll quickly give a primer, but we'll try to spend more time, in terms of, like, how H1 went for us.

So, moving on. Right. So largely, we are into electronics refurbishing. We are an electronics refurbishing company, focusing on the personal computer category. We have been in this business for the last four years. Right? So, this is our fourth year running for us. Our business model is largely we take these assets from corporates.

We have our own in-house manufacturing or refurbishing facility in Bangalore. Right. So, we run the refurbishing here and then we directly sell it to the end customers. Largely, our end customers. So we are online first company, largely to online channels. So, we have been selling these personal computers and focusing on India as a market. So, that's what, like, our business model is.

So moving on. So, as you can see on the screen, so one of our goals is to operate in the recycling or the reverse supply chain and to it. That is directly buying from the corporates doing the refurbishing and directly, providing those to the customer. The traditional structure there has been a lot of players, in the overall, like the supply chain. One of our regions is how to make the supply chain much more agile and do away with the other players, who are involved as such.

In terms of product lines, we deal in laptop, desktop and also on like a personal computer, AiO products. In terms of customer categories, as it covered corporate students and other professionals, we have various tie-ups with the various on the various segments as such. We talked about the products.

So, yeah, I mean, just for the folks, who are joining it for the first time, I mean, just from the perspective of the market, it's a very large market. In India, they're in the link. PC penetration is only 13%. It's growing very rapidly. Right. So, that's a market that we are, like, trying to, cater to as such.

Overall, I mean, through like various estimates, it's, like, a pretty large \$2.5 billion of a market, which is available in India for us to cater to. So, now coming to H1 highlights. So, before we look at the numbers, I would like to talk about the various initiatives that team has been doing in the various departments and the progress that we have made.

Starting with the sales department, we saw as per the expected lines, we saw reasonable growth on our top line on H1-to-H1 basis, we grew by almost 28% to 30%. We ended the top line at around ₹32 Cr for H1 this year as compared to ₹27 Cr last year. Other developments on the sales side, I think we have been very clear in terms of our sales strategy that we want to continue to diversify our sales channel. As we initiated the business, we were heavily online or e-commerce platform focused company.

If you, for example, look at our numbers in terms of channel breakup, right. So, I mean, in the first year of operation, almost 91%, among the online also, right, 91% of the sales were coming through the e-commerce platform. So, we have been very focused in terms of building diversified sales channel.

We have been marketing our own website. We have been developing offline sales channel and that pattern of being able to diversify the channels continues. So in H1, we drove almost 31% to our offline. And like out of 69% also, some part of that sales comes through our owned assets as such.

So, other key aspect is, like, as we all know, H2 remains a significant half for us, because the Diwali sales and all the festivities in India, comes in H2. Right? Having said that, the actual Diwali sales did start in the last four days to five days of September. I'm very happy to update

that these were on the expected lines. The first five days of the sales that actually were in the end of the September.

These were on the expected line on a per-day basis. We were clocking ₹1 Cr plus, which was on the expected lines as such. In terms of marketing, as we just discussed, I think key focus of the company is to, a, diversify, b, continue to invest on building our brand. As a company, we continue to be online first. Right?

So, most of our marketing efforts went on our website development improvement and also in building our other online, social media presence, performance marketing. We are very keenly investing on these efforts. At the same time, we are, like, tracking in terms of how each of these investments are providing us ROI. And I think the results, we are, like, particularly, satisfied with the kind of the growth and the kind of the returns that we are seeing through this channel. I mean, if I were to talk about just our own website on a six-monthly basis, it has grown 100% plus.

So that's a significant contribution on the marketing front. In terms of operations, key focus on the operations has been a, to build more efficiency. Right? And at that same time, continue to add to scale. Three significant contributions that I would like to share with the our investors is a, we have added one more facility, which is of 8,000 SFT. This facility will be largely -- so we are, now separating our facility. We have now the current facility, which is, more than 45,000 SFT, is now dedicated just for the laptop production. The new facility will be focusing on the desktop production as such. Additionally, we have added like basic recycling ability in the new facility.

We have already got a CFE certification. These are some of the certifications that are required for us to qualify not only as a refurbishment, but also as a recycler. We are waiting for our CFO certification, which is provided by the Central Government and we're expecting to receive that in the next one to two months as such.

So, yes. I mean, on the operations, two focus; one was capacity expansion and much more focus, that's where we segregated, the facility by product line, so that we can like, be able to manage our profitability by product line and have a better focus on that. Second, key focus on the operation side is that the theme is how do we make it much more efficient, for us both to the human contribution and the overall cycle time are the two significant factors, on which we are working. As we

will look at the various numbers, you will see that, our headcount, for example.

Let me just, like, cover that. So, though from H1, H2 of last year to this year, right, we have pretty much on the headcount basis, we have tried to be flat. So, if you look at our headcount from 400, we have been flat at 400. Though we have been able to produce more units largely driven through the efficiency efforts that we are driving right now.

So, that's on the operations. Talking on the HR, two significant, like the milestones that I want to share with the group. As you can see from this picture that one of the goals of the company is to be an end-to-end play in the supply chain.

And in that part, as you can see, as of now, almost, like, 25% of our buy buybacks were directly from the corporate. 75% were being driven through recyclers. One significant role that we wanted to blow close was head of ITAD. So, we are close on that role. The expectation is to build that as in vertical, so that we continue to buy directly from the core corporate and take that ratio direct purchase from corporate from current 25% to hopefully the year-end goal is up to 40%. Right?

So, we have closed on that particular, like, senior position. We have in terms of, like, sales channel diversification, during IPO also and other subsequent meetings as we have been sharing with the group, that we want to build direct offline sales channels with college, with SMEs, college and schools.

So, we closed on that particular position. We have a person dedicated to our direct engagements with colleges now and that has already started giving us some great results in terms of top-line contribution as such.

Moving on, on the finance side. As many of you would be aware, we closed the preferential round and that was closed in September. So, this will hit like -- so in H2 is so just before the end of H1, we closed on the preferential round. It was a ₹30 Cr of, like, raise that we have done. Largely, this raise we have done to support our, like, scaling of the manufacturing, IT investments and also the brand building exercise that we want to continue.

So, on the finance side, we just like closed on an IPO round. In terms of channel diversification, as we talked about school, colleges, also the SME as a channel, one of the key requirements in that particular channel is for having the financial options available, which can make like

options of leasing to SMEs. At the same time, making it available for them at a lower EMI. We have closed a very strategic, like, partnership, with H1 of the largest NBFCs player in this particular domain. So, it will also help us in terms of our managing our like credit line as and when required, to give this assets to SMEs on either lease or EMI. And I think we have been able to get pretty favourable terms, which we are happy that we'll be able to pass on to our respective SME customers. So, these were like two or three key significant milestones on the finance side of the things.

Coming to the numbers. So, I talked about like the top line. So, we did ₹34 Cr. I'll look at the financials. Before that, in terms of unit sales, we have done 25,350 units. And the folks, who are joining us for the first time, just want to call out if you look at on a year-on-year basis also. Typically, H2 is always like 60% of the overall growth for us, 60% to 65% depending on year-on-year basis. Because all the festive seasons, right, from Diwali to New Year to republic sales. We are a consumer-focused company and that's how it pretty much stands out.

This is, like, one slider just to give you guys a bit of a deep dive on what, because there are a couple of questions, where it's last time also on our marketing strategy. So, as you can see, just from April to October, we have three times growth in terms of active users and the new user acquisition on our own platform. We are very categorical that we want the growth to be driven by brand recognition.

That's where I think for us, the organic growth, like, looking at that parameter through organic lens is equally important, right, which you can see in the chart too, that it is almost like 8 to 10x recognition, which we are giving. That indirectly means that people are able to associate now to at a very minute scale. I do understand with the brand as such.

Additionally, because of these kind of an association of brand recognition, we are seeing a significant, almost double the increase in terms of non-assisted sales. So, these are the sales, where the customer has their brand reliability and directly purchases from a website and no telecaller or telesale person is available for their sales.

That definitely helps in our overall bottom-line assets. In terms of competitive positioning, I do agree that we were a late starter in terms of building our brand recognition. You can already see Ali like results of that and pretty much in terms of organic search, we are already ahead of any other major players in India as such.

Now, coming to this I covered, as you can see the channel split continues towards the channel diversification and more towards our own channel, which we strongly believe in long term, is going to be much more beneficial for us. In terms of product mix, yes, we saw an, like, slightly uptick in terms of more desktops as compared to the laptops. That's kind of a buckling of the trend that we have been seeing for the last four years. One of the reasons for that is, it's a twofold. One is definitely on the retail side. Also, we pushed more of desktops. Right? Secondly, some of our large offline orders, as we talked about college, schools and universities, were more desktop focused. So that's the reason you see some slight deviation over there.

Coming to the half-yearly income statement. So, as you can see on an H1-to-H1 one basis, we saw a 29% to 30% of growth in terms of like top-line margin. Our gross margins, we are able to sustain at the levels that were required. Right? As you can see, I mean, though the employee cost looks like significantly higher, but if you compare it from H2 of last year, right; in that sense, we have actually reduced some of our employee cost. We are also pivoting on more of intern hiring strategy. Right?

So, for example, if you look at last year H2, our employee cost was around 650 plus. Right? Or it was touching 700. Some of the savings there largely is in terms of the reorganisation of the kind of the employees. Right? Pivoting more like this and driving more of ERP and IT integration and so on and so forth.

One, like, in terms of business update, just one more aspect that I wanted to cover was our investment on the IT infrastructure continues and we have been continuously rolling out new features, these are the reasons you are seeing some of these efficiency improvements that are showcasing. So that's in terms of -- so the margins pretty much remains on the similar lines. I will also like to take this opportunity to just talk about the opportunities and equally the challenges, that we foresee in the medium term.

In terms of opportunity, definitely, I think channel diversification, that's a very, exciting space. We are very excited about it. We do hope to, like, make our engagement with college universities much more meaningful, deeper and a lot of growth to be coming from these particular segments as such.

At the same time, in terms of challenges, one of the things or the patterns that we are seeing subsequently basis our last four years of

experiences, when on one hand, as there is a much more recognition of refurbished products by mainstream customer, that does also mean that a lot of, like, small scale players will continue to come, especially on ecommerce platforms. Right?

So, we definitely do see increase in competition that is coming on the ecommerce platforms from smaller players. The way we look at it is definitely, it's a validation of the changing patterns, right, in terms of consumption patterns in India. But at the same time, what we have seen is in these platforms, largely, it's a quality that makes a long-term play. Right? So, definitely, I think we will continue to see lot of like competition coming in. Our focus continues in delivering quality products, which will help us to differentiate in the long term.

So, moving on. Right? So, these are like FY '20 -- so these are, like, the numbers, which I'm assuming most of us would be aware, but I can reinforce those. Like, on an average, we have been able to see on a year-on-year, significant, like, reasonable growth on the top line and also on our, like, PAT assets. Right? And we do foresee like we expect to maintain a similar kind of a momentum for future.

With that, I would -- so once again, thanks so much for joining this call and really appreciate our investors. Well, I'd like to open the floor for Q&A.

Question-and-Answer Session

Moderator: Thank you, sir. We'll take the first question from the line of Vijal Shah. Vijal, you can go ahead, please.

Vijal Shah: Yeah. Hi, Vishesh. Thanks a lot for this call and opportunity.

Vishesh Handa: Thank you.

Vijal Shah: Yeah. I have a few questions. Number one, see, can you just give us some idea with respect to the finance deal, which you talked about you entered into with an NBFC? Can we give some more colour on that?

Vishesh Handa: NBFC. Yeah. So Vijal, largely, it is about -- and like, so we were looking at having a product option, where to the SMEs, we can give these assets either on lease or on a long-term EMI basis.

Vijal Shah: Okay.

Vishesh Handa: So, this is like an NBFC, who's willing to finance those invoices, so to speak, right, at a reasonable discounted rate. Right? So, the whole idea is with this kind of an offering in place, for the SMEs, we want to convert this from a capital expenditure, like, one time, right, to more of an operating expenditure. Right? So, it's a zero recourse. Right? So, it's a stake. The liability will be on us. Right?

Vijal Shah: Okay. So, liability will, I mean, even, let's say, EMI is not paid, you will not be impacted in that case.

Vishesh Handa: No. It says we are more of a facilitator as such.

Vijal Shah: Okay. Yeah.

Vishesh Handa: But the idea is to help them convert CapEx into an OpEx. Right? So, a lot of like SMEs have this issue of one-time spend. Right? So, if you can convert that right? And like, on the business side, we back it up with like a buyback guarantee and stuff like that basis with the appreciation, so that it's a peace of mind for them. So, if they are to descale at any point of time, they can.

Vijal Shah: Got it. So that's one. Secondly, in terms of that recycling license and can you just give us some idea why it is taking so long? I mean, still you are saying it will take two months. Ideally, we should have expected I mean, this should have happened much earlier. So, what is holding it back and how confident are we in this 2 months' timeline?

Vishesh Handa: Sure. So, yeah, Vijal. Again, I think, unfortunately, in this, like, scene, there's, like only so much in our hand. It's just that the process is long. Having said that, let me just like share more things. So, it's like a two-stage process. The first stage is controlled by the state government and they provide a CFE. We have already received a CFE. It's been more than a month for us. Second step is to get a CFO, which comes from the Central Government.

And as I said, I'm giving a stretched timeline, but we are very hopeful. I mean, it's as per, like, all the documentations, which were required has been already submitted. It's like, basis -- it's waiting for the next meeting that is going to happen. I would also like to share, like, few things that I didn't share. In the meanwhile, we have also got our ISO 9001, ISO 14000 certification and like done. Right?

So, along with CFO and ISO certification, NAS certification, which is kind of not mandatory to operate in India, but will be helpful for like a

deal from the global MNC perspective is the R2 certification. So, yes. So, in the last six months, we have been able to get CFE. We have got ISO 9001 certified. We have got ISO 14001 certified. And yes, we are waiting for CFO, it has to come from Central Government. It does unfortunately have a 45 days to 60 days of SLA. Already, some like, more than 30 days have passed. Right? So, we are hoping to close on that, like, pretty fast.

Vijal Shah: Yeah. And since you did an R2 certificate, so how far we are from that?

Vishesh Handa: So as I said, so I think that another maybe three months. Right? So because, that certificate CFO is required and ISO are mandatory. ISO is already in place. CFO will come. Post that, do get R2 certificate, there needs to be processed sustainability. So, we need to showcase that for two months like a sustainable process is running. Right?

Vijal Shah: Okay.

Vishesh Handa: We are looking at the three months kind of a timeline. The process is already on the various required audit stages. It's a three-stage process. Already, first stage has been completed for the same.

Vijal Shah: Okay. And lastly, in terms of your direct procurement from the corporates, so you said that the talent has been already recruited. Is that correct or?

Vishesh Handa: Yes.

Vijal Shah: And so, you are trying to move to around 40% this year. But in the medium term, what would be the target, and how does it help us? Does it help us, in terms of working capital management, or does it help us in terms of...

Vishesh Handa: Right. Yeah. Overall margins, I would assume, Vijal, like, I think the expectation is, it should help us in terms of better margin management. Right? Because it's like, because you are directly procuring, you are doing away with one of the supply chain optimisation assets. Right? In terms of working capital management, I do not foresee, it doing a direct contribution because typically, these will be, like, larger deals assets. Right? But, yes, I mean, the first focus is, it should give us a better visibility in terms of, like, the inventory that we'll be receiving and should do some, like, a margin contribution assets. Right? But in terms of working capital management, I think, like, there are certain other business models that we are looking at. As and when we finalise and

we feel like, we are comfortable to share those in public forum, we will definitely share those.

Vijal Shah: Okay. I'll join back the queue. Thank you.

Vishesh Handa: Sure.

Moderator: Vishesh, you can stop the screen share.

Vishesh Handa: Okay.

Moderator: We'll take the next question from Ashwin Kritik. Ashwin, you can go ahead.

Ashwin Kritik: Yes.

Vishesh Handa: Hi, Ashwin. How are you?

Ashwin Kritik: Hey. Hi. Hi, Vishesh. So, I just had a question regarding our e-commerce channel. So, from what I understand, it's basically wherein, on the same ASIN that you're selling, you have multiple sellers selling the same product. Right?

Vishesh Handa: Yes.

Ashwin Kritik: And what we're seeing is that even on your top-selling ASINs in refurbished category, I'm seeing, say, certain sellers would say poorer capabilities or poorer sort of capacities, sort of selling the same product that you are also selling and it's affecting in terms of the ratings reviews.

It's also affecting in terms of what pricing that they're selling at and like bringing it down drastically. I just want to understand how are you approaching this issue in terms of either, say, restricting, sellers or having exclusive ASINs or exclusive products that only you are able to sell from the OEM itself. Just want your thought process on how you're going about this.

Vishesh Handa: Sure. So, good question, Ashwin. I mean, you understand the e-commerce, like, pretty detailed assets. Right? So yeah, I think, see, our fundamental strategy remains the same that we'll continue to focus on quality. Right? Yes. There are certain handicaps, in terms of like, the current e-commerce platform, setup that it is a bit challenging to differentiate, right, the way they have, like, set up these platforms. So, I will not be able to go into much of, like, details. But largely, what we

know is that most of the channels, right, they are very quality sensitive. So, they may not like react on a small-term basis. But they do have those filtering, like mechanisms. Right?

And I think the idea is to a, focus on quality. And definitely, I think one of the things, for example, I mean, differentiation is also in a marketplace, right, versus your own branded website. Right? So, I think we are any which way, like, focusing on inculcating that brand as such. Right? And focusing on delivering the quality and collaborating. We don't necessarily believe in restrictive policies as such. And either, we want to influence those. But we know for sure that all the platforms have certain criteria and they focus on both from the customer's success perspective, not only the price point, but also the core quality. Beyond that, unfortunately, I will not be able to discuss more on that.

Ashwin Kritik:

Sure. So, just couple more questions. One aspect of it, the way I look at it is also that, you're in the nascent stages of building up this category by itself. And from what I understand, a lot of the category creation for this also needs to be happening on the back of the marketplaces investing in creating this category.

So, from what I look at it, Amazon is probably a little ahead of the curve in it, in terms of the search volume I see on refurbished compared to normal laptops. And comparatively, Flipkart is way behind in that curve. So, from what I understood in your earlier call, you'd mentioned you're somewhere in talks with Flipkart also to launch the refurbished category.

If you could just talk about primarily, where are you in the Flipkart, where are we in that discussion. And also, how do you in your discussions with the category managers, with the category heads, what are you seeing in terms of how they're approaching building up this category?

Vishesh Handa:

Sure. Right. So, a good question. So yes, definitely, we are in top. Yes. There has been, I would rather say without, like, taking names of specific platforms. Right? So, we are definitely in talks with the major e-commerce platforms beyond Amazon. As a policy, what we have, we will be disclosing as and when we have a concrete, like, agreements in place. But we are in discussion with more than one as such. Some soft launches has been done with among these top two or three players, which you are aware beyond Amazon to test the market. Right?

These engagements would be of various nature as such. Secondly, I think your question on how marketplace or in general, like, other players are looking on this as a category given that it's a very niche category. And I think I mean, those are, like, some of the changes that I've been seeing for the last four years.

So, a, I think forget about the marketplace. I think this is now a category even though OEMs don't want to ignore. So, it's like, becoming a kind of a mainstream. So, everyone wants to understand and ensure that, they are able to provide these kind of an offerings. Right?

The biggest question everyone has is quality. Because like, so I think that's what I think most of the players, who want to be in this from the long-term perspective want to make sure that the customer experience is in place. And it does not like lead to a substandard experience, which might give you a short term like sales, but in the long term will not help the category to grow as such.

So that's the kind of the feedback, where I feel like pretty much, most of the consumer focus to be the OEMs or like, the marketplaces are aligned that yes, I mean, this is, like, for example, if you go to, like, even U.S. marketplace, it's a very mainstream now. So, it is mainstream. It's tough to ignore, but you just cannot go and like, open the floodgates and let the customer experience like support. So, that's the large canvas that I can share with you without going into specifics as such.

Ashwin Kritik:

Sure. Just one more question if I can take that as well. So, just want to understand, one, if I look at just your online sale. As a percentage of your online sales, what is the amount that we're spending on marketing, like performance marketing or directly, on the platform itself? And if where that number is and correspondingly, where do you want to take it? Because from considering the ASP that you're operating at and the competition that you have, I'm assuming your ROAs and everything should be considerably good, where incremental spend on marketing is continually going to not, like, sort of taper off and give you a negative incremental return. So, just want to understand, like, where you are and how you are approaching that, particularly for performance marketing.

Vishesh Handa:

Sure. Right. Yeah. So, yes, I mean, as you said, so usually, even as of now, right, I mean, though we do spend on, like other marketing, but we look at it as a on a base of rewards only. I mean, so it's not like we have put like budget for brand, which we are, like, just ignoring. Right? I think the thumb rule, whichever, like, we have been using as a company is that, in terms of marketing or sales spend, right, we are

going to be channel-agnostic. So, whatever is our net returns, let's say, on the existing platform, be it Amazon or others, we have to operate it within the similar margins. So, beyond that, I would not like to share, like, the exact. But I think if like, probably you understand the market so you know, like, where those numbers are. And that's very significant, if you would like, like, given that we are, like, a no unknown like, relatively unknown brand. Right? So, that's very, like, promising, ROAs for us.

As you rightly mentioned, I think as more brand recognition happens, more of organic, like, sales happen. Right? So, as you saw, like, we have a telesales like team, who assist or hand holds you, in case, like, once you are like interested in the product. But that support is not required enough 50% of the cases. It was only earlier; it was not required 25% of the cases. Right?

So yes, as we continue to like, grow, I think our return on investment will continue to be positively influenced. Larger team, which we have is that I think, as of now, we are just not splurging money in terms of brand building assets. We are very cognisant in terms of, like, what are the returns that we get against it.

In terms of marketing team, the budget and the mandate is very clear that like, we are a supply constrained company still. Right? So, you have to operate within what, like, the budget we are spending on other e-commerce platform. It cannot be over and above that. Will it in future help us to be below the same? I think that's what the goal is eventually. Right?

Ashwin Kritik: Sure. Thanks. Thanks a lot for taking all my questions. Good luck.

Vishesh Handa: Thank you.

Moderator: Thank you, Ashwin. We'll take the next question from the line of Vijay Kumar. Vijay, you can unmute and go ahead please.

Vijay Kumar: Actually, I'll go on next. Okay.

Vishesh Handa: Okay. Who else is there?

Moderator: Sure. Thank you. We'll take the next question from the chat line from Raghav Agarwal. Raghav, you can unmute and ask your question. Raghav, you can unmute and ask your question, please.

- Raghav Agarwal:** Sir, I just want to understand.
- Moderator:** Your voice is, breaking a bit.
- Raghav Agarwal:** Let me actually get back in the queue and we'll make a rewind of it. I'm so sorry about this. You can move on to the next participant.
- Moderator:** Sure. So, we'll take the next question from Amit Agicha. Amit, you can unmute and go ahead, please.
- Amit Agicha:** Good afternoon.
- Vishesh Handa:** Hi.
- Amit Agicha:** Thank you for the opportunity. Like, could you provide the updates on any corporate partnerships and new product categories under consideration? And like, I would also like to know, like, what are the present market share and what are the company trying to do to improve the market share in the refurbished electronics?
- Vishesh Handa:** Sure. Right. So yes, in terms of, partnership, as I just talked about, like, on the finance side of the things, we have just, like, then done a partnership with one of the NBFCs. Right? Another major partnership, which we are, like, right now, like, one of the main things that we are doing in a partnership is within kind of an NGO, who are focused on education for school students. So, we have just closed a large deal. I think maybe, we'll be able to tell about that more in the next, like, for earnings. Right? Because that's not included in this. Right?
- So, that partnership looks like very promising. So, they have the content. We have the hardware. Right? So, we will be executing one such large project in Himachal Pradesh for them, in hectares of 3,000 units etc. So, that's another partnership that we have closed. We have closed couple of like, franchisee deals again, person on school and colleges, as such. Right? And at the same time, on the purchase side, there are three or four like, agreements or partnerships. As we said, we have just started, like, a month back on the same, which are on and on, like, is the discussions are going on. So hopefully, by the next, like, H2 discussion, you should be able to hear about that. Right?
- Your second question was on, in terms of product line expansion. So, H1 itself, we started dealing with MacBooks. So, we have started selling MacBooks. In terms of margins, they are much better. In terms of scale, of course, they're not as big as Windows. Right? So, as we'll continue

to invest, like, get more deeper into MacBook and bring it much more mainstream on our platform as such.

And definitely, in H2, the focus is just to be there and maybe, next year, then we are looking at other product lines that includes your tablets and other more. Like, we'll start with tablets and then we'll look at other product lines. In terms of market share, I think one of the challenges, right now is, like, a very highly unorganised sector. Right?

So, even my sense is that given our scale of the overall refurbished PC category, right, I mean, we might not be even more than, like 5% to 10% if you include an organised sector also. Okay. Right? If you look at online channels as such or online-centric organised player, I would assume that, we are among the top two as such. But yes, in market share, that so if you look at refurbished personal computing devices, right, I mean, we won't be more than 5% to 10% as of now. I think that answers, Amit, all your questions.

- Amit Agicha:** Yeah. That was helpful and all the best for the future. Thank you.
- Vishesh Handa:** Thank you so much, Amit.
- Moderator:** Thank you, Amit. We'll take the next question from the line of Anupama Pillai.
- Anupama Pillai:** Yeah.
- Vishesh Handa:** Hi.
- Anupama Pillai:** Just wanted few bookkeeping questions actually. Could you give us the split for desktops and laptops unit sales?
- Vishesh Handa:** So, total 26K. Right?
- Anupama Pillai:** Right.
- Vishesh Handa:** Just a second. I think, like...
- Moderator:** There's a lot of disturbance in your background. Stay on mute.
- Anupama Pillai:** Yeah. One second.

- Vishesh Handa:** Yeah. So, almost 50-50 it was. I'm just checking right now. Right? So, desktop was 49%, and yeah, you can take it 50%. Right? Yeah. So, half and half.
- Anupama Pillai:** Even the unit sales, you're saying, but it's...
- Vishesh Handa:** Yeah. This is unit sales only, not the GMV.
- Anupama Pillai:** Okay. So, like how much will be the ASP? What will be?
- Vishesh Handa:** Yeah. So ASP, typically, for a desktop is like 199. Right? And for this, it's around 13.5. Right?
- Anupama Pillai:** Right. Okay. 13.5. Okay. Because in your like, the market sizing present slide, you had taken 20K, right, for each unit. So, are we like hoping that this will consolidate over the next five years to that range, 20K, 25K?
- Vishesh Handa:** Yeah. I think 20, so my expectation is we want to operate around 15K even in the long term. So yes, unfortunately, like that market sizing, like, that's a third-party data. Right? So it's not like...
- Anupama Pillai:** Okay. But we will be in a 15K range you want.
- Vishesh Handa:** Yeah. For the laptops, we want to operate, like, around 15 or, like, there. Right? And for the desktops, usually, what we do we are doing is we are doing a lot of bundle product like AiOs and stuff.
- Anupama Pillai:** Right.
- Vishesh Handa:** But the baseline remains there. So like, blended may come to around 10, 10.5. Overall, I think the blended will be around 12 or 12.5 is what we are looking at it.
- Anupama Pillai:** Okay. And you had also mentioned the units per day as 400. So that is the capacity right now. Right? So, what will be the capacity utilisation, like, around 200, 150 units per day?
- Vishesh Handa:** Yes. Right now around 250-ish. Right? So again, so there's a difference between gross production and net. Right? Because there are customer returns and stuff like that. Right?
- Anupama Pillai:** Right.

- Vishesh Handa:** Yeah. So, the gross production will be in the range of 250 right now.
- Anupama Pillai:** Okay.
- Vishesh Handa:** And 400, so yeah, I mean, in terms of fixed asset capacity, we have a 400.
- Anupama Pillai:** Okay.
- Vishesh Handa:** But definitely, I mean, we have to add on employee cost, which we'll eventually do.
- Anupama Pillai:** Yeah. So, how do you see this number evolving the 400 over the next five years?
- Vishesh Handa:** Yeah. I mean, I think, like so as a company, I think, that's like the kind of the mandate, like, we are working with. Right? I mean, continue to layer on the kind of the growth that you've seen for the past four years. Right? So hopefully, we should be able to maintain the similar momentum over the next three years to four years. Right? So approximately, like 30% to 40% of a year-on-year growth is what we are like, have been able to deliver.
- Anupama Pillai:** Right. Okay. And, what is your guidance on employee growth? Like, if you are expecting 30% on top line then employee?
- Vishesh Handa:** Yeah. So, as I was mentioning, if you compare it from H2 to H1 itself, right, for a similar top line, right, I mean, like, we are better top line. Our employee growth remain, like, same. Right? Rather the employee cost came down, because of the employee mix that we changed. Right?
- Anupama Pillai:** Right.
- Vishesh Handa:** So, we will I think, like, per-person, imp like, product efficiency improvement is one of the focus. And definitely, next three years, like, every year, we want to see a progressive 10% to 15% kind of an improvement in that. In terms of employee cost, not necessarily, overall this. Right? So, I mean yeah. And there's sufficient opportunity. That's where we continue to implement on, like, IT side of the things. Right? So, we do expect year-on-year, we should continue to see this improvement. We have already seen this year, if you compare the overall employee headcount cost. That was a mix of efficiency improvements and also the restructuring of the headcount, using more of it. Yeah.

- Anupama Pillai:** So, this 400 employees does not include the interns, the part-time employees. Right?
- Vishesh Handa:** That's, like, all inclusive. Right?
- Anupama Pillai:** All inclusive. Okay.
- Vishesh Handa:** All inclusive. Yeah. But they have landed cost structure changes, right, because of internship. Yeah.
- Anupama Pillai:** Right. Okay. And so, do you see the metric of unit per employee if you want to see their efficiency? So, I think currently, they're doing three units per day type.
- Vishesh Handa:** Sorry.
- Anupama Pillai:** Per-week type, I think. Or how do you see it?
- Vishesh Handa:** Yeah. I mean, so we are at around 0.5 to 0.75. Right? So see, I mean, we compare that by the -- that's on a per-day basis. Right?
- Anupama Pillai:** Per day basis, okay.
- Vishesh Handa:** And we look at an operational employee base, because I think, otherwise, it becomes very ambiguous. Right? Because you have sales, you have, like, indirect overhead assets. Right? So, our operations, we are targeting 0.75 to a kind of productivity on a quarterly basis.
- Anupama Pillai:** Right. Okay. Thank you. Thank you for answering my questions.
- Vishesh Handa:** Thank you.
- Ashish Nirmal:** Thanks, Anupama.
- Moderator:** I would like to address a few questions from the chat. There's a question from P Krishnan. One of his questions is just a second. When the capacity has expanded in H2 FY '24, there does not seem to be a corresponding increase in revenue. What is the reason behind that?
- Vishesh Handa:** Okay. So, I think on the year-on-year basis, I think, as a quarter always, like, H2 to H1. Right? If you as a thumb rule, we take it for H1 is as good as H2. We are pretty much on track. Because you will see, like, jump coming in the H2. Right? So yes, I mean, the investments were

made in last year H2 in terms of getting to the new facility, adding up the headcount assets. Right? But if you compare, for example, on a H1-to-H1 basis, it's a 30% growth. Right? So usually, H1 will continue to be a slightly, lower quarter and like, or in a half, as compared to an H2. Right?

So, for us, yes, it's a 30% growth any which way. Right? On a H2-to-H1 basis, it might not be, like, the right metric to look, because of Diwali and all the bumper sales actually come in H2 as such. Right?

Moderator: His other question is that last year, the company reported record Diwali sales. This year, something similar wasn't done. You know? Any thoughts on that?

Vishesh Handa: No. So, I just shared the numbers. So, they were on the similar lines. Right? So, I think, like, the first three days, every day, we were rocking ₹1 Cr of outcome, right, which was on an expected line. For us, the more heartening part was, like, our own channel was contributing very, very significantly in that. Right? So yeah, it's aligned as per the last year. Okay?

Moderator: Sure. His other question the management has been guiding for 30% to 40% annual incremental revenue, whereas H2 has been flat. H1 has been flat versus H2. What is the confidence that you have in achieving the growth potential, which can reflect 30%.

Vishesh Handa: You're right. Yeah. So, I think as I mentioned, I think H2 though our plans are on a similar line. Right? Having said that, we do foresee some immediate challenges, be it in terms of e-commerce platforms, right, and so on and so forth. So yes, I mean, immediate term, we do foresee some competitive pressures, because one of our, like, the prime channels, right, is competitive assets. Right? In terms of plan, I think so far, it looks alike or do the same. Right?

Moderator: Okay. There's another question in the chat from Amit Chaudhry.

Vishesh Handa: Yeah.

Moderator: What is the timeline for entering international markets and which regions are being prioritised?

Vishesh Handa: So it's, like two years at least. Right? So, we'll be getting the licenses. But we do not foresee us getting into international market in at least for

the, like, coming at least one and a half years, two years there. Because there's sufficient more opportunities right now in India.

Moderator: I would like to invite Vijay Kumar Buddha from the chat. Vijay, you can go ahead.

Vijay Kumar Buddha: Yeah. Thanks for giving me this opportunity. So, somewhere in your website, I read that, you are also planning to have some, I mean, franchise kind of model, where you allow people to, I mean, set up the NewJaisa stores. So I mean, can you provide some updates on that?

Vishesh Handa: Yeah. So, I think that as we are currently running it more in a pilot basis, we already done two to three franchisee. We are, like, very selective in that sense, because it's also like we are looking into profitability. What does it really mean for our partners and so on and so forth. Right? So yes, I mean, we are looking at that as a channel. But it will be, I think, in for at least for the coming six months also, it is going to be not pilot basis and invite only basis. Right? Depending on, like, what kind of a one-year returns our partners are able to see, then we will be able to like, scale it at a larger scale if it is required.

Vijay Kumar Buddha: Okay. And one more question. In terms of the number of units, what is the contribution in first half and second half? Because, yeah, revenue, we understand. I mean, you mentioned though H2 is heavy. In terms of volumes, so last year, you did 54,000 full-year -- 54,000 change. Now, we have done 25,000. So, what is the incremental amount of units, which we can expect in, I mean, H2?

Ashish Nirmal: So I think, like, usually, even the units follow the similar pattern. Right? Because your ASP, at the same time, yes, I mean, there has been a, like, an impact on the ASP on a year-on-year basis. That's your average selling price per unit. Right? So, that's where if you, like, look at though we have already done, if you look at on a per-unit basis, we have, like, more than 50% growth on an -- if you compare H1 units to like, our H1 units this year. Right? But there wasn't like an asset. Because I mean, as you see that the mix of desktops also increased, right, from last year to this year, which is a lower ASP. That's also one of the reasons you saw an impact on the top line assets. Right? But in terms of overall units, I think we usually see a similar pattern. Right? I mean, H2 should be like, it should be around, like, 55% to 60% of H1 overall.

Vijay Kumar Buddha: And what is the blended average sales price? I mean, mix of laptops, desktops and accessories. Blended average sales price.

- Ashish Nirmal:** H1, the ASP is around 13,000 here. Right?
- Vijay Kumar Buddha:** 13,000. Okay. And then somewhere in our old presentation, you also mentioned that you want to get into some other product lines, maybe refurbished ACs and few other electronic codes. So, any thoughts on that?
- Vishesh Handa:** Probably, we are, like, at least, like, two years away. I think the first focus will be on product line, but on electronics only. Right? So, I think, like, we already started MacBooks. We'll be looking at tablets and then eventually look at mobility. So, right? So that way, right? And these will probably come two years to three years down the line. Right? And someone talked about international. So, I think in terms of prioritisation, that's what it is, like, scale or diversify in terms of electronics product lines, then diversify, like, first in India chain sales channels, then diversify into international markets in electronics. And then you look at, like, other product lines like AC and so on and so forth.
- Vijay Kumar Buddha:** One final question. So, just before the IPO, you were clocking, like, around 86% CAGR or something. So, can we expect to see that kind of run rate going ahead? Is that possible? Or, like, we'll take some time again to, I mean, maybe get to that.
- Vishesh Handa:** Yeah. I think, like I mean, I think, in terms of growth, currently, we are, like -- so, yeah, I mean, we typically don't want to give guidance on the overall growth rates as such. Right? I mean, like, on a year-on-year basis, we are looking at a 20%, 30% kind of a growth. Right?
- Vijay Kumar Buddha:** And this is one thing again, from a purely investment perspective. See, I mean, we have invested in this company and that's the reason we are here that is there. But then see, when you declare the results once in six months and you don't publish any information in between, whenever there is a price correction just like what happened recently, it will become very difficult for us to assess where we are as a company. So, it doesn't give us enough information to put in more money if you want to.
- Vishesh Handa:** Yeah.
- Vijay Kumar Buddha:** So, if we can provide some sort of updates frequently, maybe some sort of unit numbers or at least a quarterly number. Right? So, it would help us to make a choice or decision to whether to invest or not incrementally in this company.

Vishesh Handa: Absolutely. Right. So, I think that's a very fair, like, and we have to receive, like, a similar feedback from other investors. Right? So a, I mean, definitely, we are looking forward to that like, how you can, like, share more information more frequently, especially, like, quarterly. Right? So, is just that, like, so hopefully, by the next financial year, we should have, like, systems and projector in place. Right? That we should be even we want to do that. Right? And it's a very fair expectation as such.

It's just that in terms of, like, prioritisation like, anything linked to IT system infrastructure. Right? Whatever is required in-house credit rating priority first. Right? But like, point well taken, we also want to align to that as soon as possible.

Vijay Kumar Buddha: Okay. Thank you, Vishesh. Yeah.

Vishesh Handa: Thank you so much.

Ashish Nirmal: And you have, like, one last question if you want to take, Vinay, or it's...

Moderator: Let's just take two more people. Right? Those who haven't had a chance to ask a question. We'll take the next question from Jatin Chawla. Jatin, you can go ahead.

Jatin Chawla: Yeah. Hi. Good afternoon and thanks for the opportunity. My first question is, we've seen desktop mix increasing significantly. This is very counterintuitive to what we see around us. So, is that that there's a refurbished market is shifting towards desktops, or because of higher competition in laptops, we as a company have moved more towards desktops?

Vishesh Handa: I think, yeah. I mean, let's say, a, first, it's a valid point; b, I think, see, I feel it's more of an interim pattern that we have seen. Right? As we are discussing about, there were some one-time orders, and also, we are going to school colleges. So, the requirements do differ from channel to channel. Right? So that is the more, I think at a macro level, you will continue to see that the adoption rate of laptops is much higher as compared to desktops. Right?

But for example, if you go to school colleges, desktops, because of the inherent the usage, right, will be higher. Right? So, like yes, this I would rather say, right, that the current deviation that you saw, right, should be kind of an aberration in the overall usage pattern. And it's a more of

a manifestation of current diversification of the sales channel and some sales channel having a preference towards desktops as such.

Jatin Chawla: Got it.

Vishesh Handa: So, retail customers prefer laptops more. But sometimes in SMEs and school colleges, the preference for desktops are more.

Jatin Chawla: Got it. So, one more deduction from the same data is that our laptops, growth YoY is not that great. And given the size of the company and the size of the opportunity, so what is really that is constraining our growth at this stage?

Vishesh Handa: Right. So, yeah. So, I think on the laptop front, yes. I mean, if you compare on a desktop basis, the growth has been -- so one of the key reasons was that, so to be honest, on the operation front, like, we had a -- not, I would say, like, a complete outage, but like lack of productivity for 10 days to 15 days, because of like the ERP upgrades and other operational changes that we are bringing in when we are even shifting to the new premises, like right? So that did reflect upon the output that we were able to generate. Right? So that definitely impacted the laptop production assets. Right? But during the Diwali time, I think we were able to see, like, the similar numbers as they were earlier.

Jatin Chawla: Got it. One more thing was on the working capital side. So that's, again, one area, where investors are keenly looking for what sort of improvement, are we able to deliver on that on a full-year basis. So, what is it that you are targeting in terms of networking capital or debtors for the full year in a number of days.

Vishesh Handa: Yeah. Right. So, I think on a year-on-year basis, though I mean, I'll be very honest. I think that right now, like, the focus is more on like definitely building the efficiency in the operations. Right? So, there are, like, positive levers that will help us in the working capital, which is like the efficiency in the operation. Right? But in the short term, there will be other, like, contract relievers also, because the moment we start going to the contract, like, corporates. Right? We'll have to pick up larger deals. Right?

What does that mean is our inventory holding. So, like, if our production time for the inventory will reduce, maybe in the interim basis, our holding time for the inventory might increase, but that should have a positive influence on the margin assets. Right?

So, I mean, that's the way we are looking at that. We know where we want to be in terms of overall supply chain. We know how much our production cycle should be. Will it have a direct? So, I mean, to be very candid with the investors, maybe in the next five months to months, you might not, like, directly see those impact on the rounded numbers. Because all the positive influence might get covered, because we are going deeper in the supply chain. But in the longer term, I think, we do foresee improvements coming that an overall cash cycle. Right? Because when we directly, like, procure only sell through our channels, then our account receivable should reduce. Right? I mean, the significantly spied account receivable that you see for H1 is largely, because of the four days to five days of sales that happened for the Diwali season, right, in the end of the month. Right?

So, 26th September is when it started. Right? So, I mean, that's like the long answer. So effectively, immediate term by end of the year, you might see similar lines, because we improve the efficiency on one end, but we go deeper in the supply chain making, like, putting pressure on our pockets a little bit. Right?

Jatin Chawla:

Got it. You spoke about employee cost being flat from second half to first half after the efforts that you've taken, it's not visible on the margins, because first half is leaner on top line. So, in the second half, should we expect that once your volumes come back, we should see a positive impact of all the employee cost reduction that you have done on the margins?

Vishesh Handa:

Yeah. I mean, yeah. So, I mean, we are working towards those efficiencies. Right now, I would not like to comment on exact numbers as such.

Jatin Chawla:

No. So, your second half employee cost, will it go up again, or will it remain flat compared to first half? That's the question. Because you...

Vishesh Handa:

Yeah. So, I mean, there will be, like, marginally, we are definitely looking at incrementally increasing it. Right? But at the same time, we are, like, looking at, per-person efficiency to continuously improve at least 8% to 10%. Right? So yes, I mean, you might see it go up. Right? But right. Yeah.

Jatin Chawla:

Good. And just one last bookkeeping question. When I look at the numbers, this year, your depreciation cost seems very high compared to what we have seen in the past. Any particular reason for the sale?

Vishesh Handa: Yeah. I mean, that's for, like, all the capital investment, because post IPO. Right? I mean, we got a new facility. Right? I mean, got the equipments, right. So, our assets, if you see it as correspondingly increased like, to almost, like ₹11 Cr. Right? Now, some number around like that.

So, that was, like, the whole idea of the IPO, right, to build the capital infrastructure. So now, I mean, one of the points that I like, as I said, right, I mean, we added another 8,000, but this whole 45,000 SFTO space that we added. So, we build a lot of infrastructure in that facility.

Jatin Chawla: And that infrastructure should be reflective of you doing more refurbishment work. Right? So, it should reflect in slightly better margins than in that sense.

Vishesh Handa: Absolutely. Yeah. Right. So, I mean, see, in terms of fixed cost, this, like, interest is again support, like at least, like, the subsequent 40%, 50% of growth. All right? So like, as yeah. So, it's a fixed cost. We have a sitting capacity. We have higher than like where we are right now. So, as we continue to scale, it will spread out on a unit economics basis.

Jatin Chawla: Got it. Thank you. Thanks a lot.

Vishesh Handa: Thank you.

Moderator: Thanks, Jatin. There was a question from Raghav, since there was a network issue he has sent it on chat. What is the capacity utilisation? What is the peak revenue we can achieve with this capacity?

Vishesh Handa: Okay. So as I said, I think on a, like, a fixed cost basis, we are around 60%. Right? That's a lower fixed assets. Right? In terms of employee utilisation, we are almost there like 80%, 90% of employee utilisation. Right? In terms of peak revenue, as I said, I think, our like current facility is capable enough to support like, 2x of the numbers from where we like sit. Right?

That does not mean we are seeing in the next six months. That's what we are looking at. Right? But that's the fixed capacity that we have. Right? I will not be able to comment on, like, specifics in terms of growth that we are looking at a year-on-year basis. I think for the last three years to four years, we have been able to maintain a reasonable momentum in that particular range. That's why we are like, the team is aspiring for.

Moderator: Right. And his other question is, can you throw some light on the partnership with educational institutions?

Vishesh Handa: Okay. So, in the sense, like, how okay. Right? So, partnerships, I think, like, there are couple of -- every education institute, they're like different kind of partnerships we are looking at. Again, I would not like to dive into the details given public forum. Right? But largely, we have focus for direct sales for education institute and also focus on the students. This may vary as a transactional partnership to a franchisee to a one, two to three years of longer gestation. Right? So, there are various flavours. So, depending on the institute and the kind of the requirements, we get into these partnerships.

Moderator: Sure. We'll take the last question for the day from Ashwin Kritik. Ashwin, you can go ahead, please.

Ashwin Kritik: Hey. Thanks for taking my follow-up. Just I don't stress on time. Just a couple of questions. First is, I'm seeing that the channel mix of the last H1 being about 60 from marketplace, roughly about 10 from D2C and about 30 from your offline. Just want to see understand string D2C and offline. You have more control on user experience and, like, the onboarding and stuff like that. Just want to see how do you view the mix changing couple of years down the line, or just in terms of how you're approaching, where you want the mix to be in terms of the efforts you're putting in.

Vishesh Handa: Yeah. So, I think, like, down the line, like, two years to three years, definitely, we want to reset like at 33%-33%-33% split, where ecommerce is contributing to 33%. Right? And our own asset, like, online is contributing 33%, and, like, offline of our own asset is contributing 33%. Right? So that's where we want to be in the medium term, I would rather say, not long term. Right? So definitely, I think the focus is continue to, like, have more of owned direct-to-customer channels as such. Right? And that's where most of the effort is going in terms of like, building offline channels to online channels or our own website. Right? So that's the goal.

Ashwin Kritik: Understood. So, just last question. So, you also mentioned about you want to make the sourcing mix changed about 80% from corporates. Just want to understand in this scenario, what does the cycle look like? Or is the bulk of the buying concentrated towards the end of the financial year or during very short periods of time? Then, how does -- what does it happen to your working capital cycle in terms of, does it get stressed in the sense you have very high inventory that you buy at

very specific points in time, and then it gets liquidated over a longer period. What does a steady state working capital days look like once you're into that 40% or say 60%, 70%, 80% sourcing from companies? Right.

Vishesh Handa:

So, yeah, good question. I think so, it's not like, it's very heavily biased. Right? That it's not, yeah, there's a slight, I would say, a flavour of seasonality in it. And typically, March, for example, is a financial year end or December for the MNCs. Right? Where you see, like, for example, probably, like, an incremental 15% to 20% incremental liquidation from corporates per se, right, in these two months. But otherwise, it's like pretty fluid. Right? So, it's not like -- it's like heavily biased like only three months you buy and then you make it for the remaining month. Right? But you definitely see a sense of seasonality at the end of the financial years, because they also have to meet their targets on it so forth.

Having said that, can it be just in time? No. So, when we buy at least, we want to hold on to 15 days to 20 days of inventory because like -- so that we can build the next supply chain, so on and so forth. Right? So, it's not never going to be as nimble as a new supply chain. But at the end of the day, we will have to hold, in our hand before production 15 days to 20 days of inventory. Right? So by that time, we like close another deal so on and so forth. And there will be variations. Right?

So, yes, I mean, to your question, it will put a pressure on the working capital. Because you have to buy bulk and hold for a longer duration, but it should help you in terms of margin play. And as your scale increases, right, your liquidation capability also increases. So that will negate in the long term. Right? But it's not very skewed. It's not like you buy for three months and then make it for nine months.

Ashwin Kritik:

Understood. So, thanks a lot for taking all the questions. That's it from me.

Vishesh Handa:

Thanks.

Moderator:

Thanks. That brings us to the last part of today's call. Vishesh, would you like to give any closing comment before we end this call?

Vishesh Handa:

So thanks, everyone. Really appreciate your participation and your investment. As a company, we are very glad to have a very focused company. We are focused both not in terms of monetary also, but at the same time, bringing sustainability into picture, right and bridging the

digital divide. So, I think beyond the numbers, that's also what is driving us. So again, thanks so much for your investment and faith in us. Thank you so much.

Vinay Pandit:

Thank you, Vishesh. Thanks to the management team for giving us the valuable time and thank you to all the participants, who joined on this call. This brings us to the end of today's conference call. Thank you.

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