



“New Jaisa Technologies Limited  
H1 FY2024 Results Conference Call”

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**ANALYST: MR. KAUSHAL SHINDE – KIRIN ADVISORS PRIVATE LIMITED**

**MANAGEMENT: MR. VISHESH HANDA – CHIEF EXECUTIVE OFFICER – NEW JAISA TECHNOLOGIES LIMITED**

**MR. ASHISH NIRMAL - CHIEF FINANCIAL OFFICER - NEWJAISA TECHNOLOGIES LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to H1 FY2024 Results Conference Call of New Jaisa Technologies Limited hosted by Kirin Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kaushal Shinde from Kirin Advisors. Thank you and over to you Sir!

**Kaushal Shinde:** Thank you. On behalf of Kirin Advisors I welcome you all to New Jaisa Technologies Limited H1 FY2024 concall. From the management side, we have Mr. Vishesh Handa -Chief Executive Officer, and Mr. Ashish Nirmal - Chief Financial Officer. Now I hand over the call to Mr. Vishesh Handa. Over to you Sir!

**Vishesh Handa:** Thank you Kaushal. This is Vishesh here. Hello friends. I extend a warm welcome to all of you for the H1 FY2024 conference call. This is our first conference call post the IPO I addressing you all and before we dwell into the financial performance I would first like to brief you about the business of the company.

New Jaisa Technologies we established in year 2020 and we have been keenly focused on selling refurbished IT electronics directly to the customers. We understand our responsibilities towards the circular economy and a sustainable environment and hence we emphasize on reducing electronic sales. Having this mission we sell high quality refurbished electronics like desktops, laptops, monitors to our customers. As we are selling refurbished products it puts us on an advantageous position by meeting the demand at a lower cost and yet being able to provide high quality electronics to our customers. We provide quality electronics with guarantee. We provide one year warranty to all our customers and we cater to various customer segments, this includes individuals, institutions and SME businesses as well to meet their electronic needs while helping them to save on the overall cost structure. We have been consistently for all the last three years seeing a very strong demand of refurbished products and with our quality service we are really happy to share with everyone that we have been serving almost 19000 cities in India and so far we have sold more than 75000 refurbished units across India. With our vision to reduce the electronic waste and also enhance the electronic life with guaranteed quality and sound service and support the circular economy and contribute towards a sustainable environment. This is one of the trends which we see is not only like is pretty evident globally but also in Asian countries. For example Asian countries has been like seeing an exponential growth in demand for the refurbished products and largely these have been driven by the growing focus on sustainability and the circular economy and refurbished products are the ones who are propelling this particular trend forward and in India to what we witnessed in the last two years is this trend is really become a strong momentum. Being one of the fastest growing economies the countries drive

for the new opportunities and there is tremendous growth potential in the market for the refurbished items. Major global businesses have started to realize the reuse and recycling have turned into major points of consideration now with most of the big corporates. By encouraging refurbished products in the market the nation will fuel greater progress in the economy even aiming to firmly tackle environmental challenges which have been long being prevalent threat to the life on this planet. India is seeing a stellar uptrend on the refurbished market and the expectation in this market will grow at least double in size by 2025 itself especially now as tech enabled products are leading the list, which is pretty obvious in that sense. The unpredicted demand for reconditioned product has marked an all time high and for example we started our business in COVID and we have seen this global COVID-led pandemic has led to an exponential increase in work from home culture and hence the increase in demand of such products by the retail customers and also from most of the companies. Also we want to call out that typically we are able to provide the high quality products just as good as new at a price range which is markedly at 30 to 40% discount from a new product.

Now let me take some minutes to talk about our financial performance for the first half which is H1 FY2024. Continuing on our three years of growth momentum our H1 FY2024 we continued with a similar momentum our topline grew by 86% comparing it on H1 FY2023 to FY2024 basis, which worked as per our growth plan trajectory. In terms of our gross margin we saw even better improvement which stood at around 92% year-on-year improvement. We reported an EBITDA of 4.06 Crores for H1 FY2024 with a topline sales of 26.75 Crores so our EBITDA on year-on-year H1 to H1 comparison basis almost increased by 50%. Most of these growths are largely driven by the huge uptick in the demand that we continue to see in the market. We reported a 39% of rise in our net profit and our net profit stood at 2.90 Crores for this particular H1 FY which is at 25% year-on-year growth. In terms of earnings per share we reported 2.45 earnings per share for this particular H1. Just to call out on a couple of things as in terms of finance as I highlighted topline grew at a very robust pace of 86% and at the same time in terms of gross margin we saw even a better improvement which stood at almost 92%. Key reason for the better improvement in the gross margin is our improvement in the operational efficiency or reduction in terms of the spares that we use which we were able to derive through our better operational being able to repair more parts than to replace them. In terms of the slight dip which was in terms of our EBITDA and PAT this has been in line with our expectations and the plan, so we saw approximately 3.5 or 4% drop in PAT. The three key factors driving that one was increase in the employee cost, employee cost increase contributed to approximately 3% of the margin impact. This is aligned with our plan.

I am also very glad to share that at the end of the last financial year our headcount stood at approximately 250 employees, H1 FY2024 ending we had an employee base of 555. We continue to increase our employee base to cater to the large demand and to expand our

operations to be able to cater to that, so this is as per the plan line that we proactively hired more people and being slightly labor intensive like business it does take the full like ramp plan which eventually showcases on the margin. Second key factor that there was 0.8 impact because of the financial cost this was again intentional because for us H2 is a very significant or the key cycle in terms of financial year that is where the Diwali season and other things come and we always ramp up our inventory to get prepared for H2 and that in turn reflects on our increase in the financial cost as well, so these were the two key reasons where we saw a dip in our EBITDA and largely to summarize I think these are the investments that we are making for the long-term growth that we are envisaging as such.

Couple of other key proceedings or the highlights for H1 FY2024 which I like to share with the group, in October our new facility which has 35000 SFT space which can cater to almost 550 to 600 new employees has become fully operational. While we are also maintaining our old facility which is of 18000 SFT space and can cater to 300 employees so this place has been fully made operational in the month of October just before the Diwali season and helped us to cater to the Diwali demand. Other key proceedings for H1 were we continue to look at different channels that can help us in robust growth of our revenue stream. Two things that we want to call out are that we continue to engage with schools and colleges. We have been able to close on two significant deals with two pretty large colleges and one with a very large NGO. We strongly believe that the value proposition that we are providing is very strong especially for the education sector and we continue to see lot of interest coming from this particular sector and we are pretty delighted to have started this large engagements with them. Another significant aspect to share is as the company we call ourselves as technology driven and we continue to invest in technology heavily. In a month we will be rolling out our ERP 4.0 it is the next version of ERP. We strongly believe that it will further help us to A scale our operations and significantly improve our operational efficiency at the same time help us to build better financial control in that regard. Also, as we prepare for the scale we have been to close on like the important leadership position in H1, Ashish has joined as CFO, Sharad Somani who comes with 22 years of experience from Western Union has joined as CSO/CMO and Mr. Bhaskar who also has 30 years of experience in the technology front has joined as Chief Technology Officer. With a strong team and our capex showing good result we strongly believe that we are now in a good position to scale the business at the momentum that we have been able to continue for the last three years.

Of course, I would like to express my sincere gratitude to all the significant stakeholders who have shown faith in our business and have continued to support us. We are very confident that with these growing macroeconomic factors and our ability to put the right team and the investments in place we will be able to continue at a significant pace. Sincere thanks to each one of you. Now I request the operator to open the floor for questions and answers.

**Moderator:** Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press “\*” and “1” on their touchtone phone. If you wish to remove yourself from the question que, you may press “\*” and “2”. Participants are requested to use handsets while asking a question. Ladies and Gentle, we will wait for a moment while the question que assembles. The first question is from the line of Devvrat Himatsinghka from Augmenta Asset Manager. Please go ahead.

**Devvrat Himatsinghka:** Hi Vishesh fantastic performance. Really happy to see what you guys have done and how you are building up the team. Just have a couple of questions one is if you can just shed some light because from whatever I understood the challenge going forward for us is procurement what are we going to be doing to solve this issue and the second thing is on a macro front most of the refurbishing is done at places like Dubai and Bangkok how do you see the shifting to India and why would they shift to India like if you can throw some light on this, these are my questions?

**Vishesh Handa:** Thanks Devvrat for your kind words. I think those are good questions, taking the first question with respect to how do we ensure that we are able to procure depending on the demands that we are seeing. Couple of things that I want to call out is that A we have been cautiously working on that front so key things that we want to share is one of the key things that we continue to track is how many of our purchases are happening directly from the corporate front and I am happy to share that even in H1 we continuously keep seeing that our trend continues to improve so where our purchases from the corporate stood at around 15 to 18% in last year now it is somewhere around 22 to 25%. Key factors I think what will drive and another significant development that I want to share is that we are also closing on the leadership position who will help us directly procure from the corporate so our strategy here will continue to work with the top corporates in India and build that continuous supply of the assets. Looking at the India’s macroeconomic picture for the purchases at the end of the day corporates are consuming around 50 lakh to 60 lakh assets every year so that is the kind of number that we are talking about that should ideally be coming out in a churn of circular economy in every three to four years of churn, so macroeconomically we feel there is a significant opportunity in terms of the numbers being available there so when we look at purchase we look at direct purchase from the corporates working with OEMs, looking at the leading companies when these assets comes out of it and we are continuously working with them in terms of securing this pipeline at a much more strategic level. As you rightly mentioned Dubai, Sharjah these are currently the hubs for refurbishment for a global supply chain perspective with developed nations being the feeders and the developing nations being the consumers. We feel India can strongly like play a role. I think it plays on all the two or three aspects one definitely we all know in terms of human cost so labor cost in India is significantly almost at 30% price point as compared to these particular areas and refurbishing like a industry has almost a three years labor elasticity as compared to assembling a new

laptop. So for example I am pretty sure if you compare our employee cost percentage of the overall cost structure versus a company making new laptops it is on a higher side so this industry inherently is labor intensive which we strongly feel it gives an edge to India. Second key factor again is in terms of skilled labor force so I think at the end day even in these places source of the skilled labor force continues to be India. So in that regard what I feel is we have a large resource pool for skilled labor force. Third key aspect that we strongly believe is our investment in technology to build it as a scalable solution, so besides the cost advantage we feel that the technology that we are investing and the processes that we are investing will make us ready to not only be able to lower the cost just because of the human factor or labor factor but also build that platform to do these things at scale. Having said that as of today there are certain government regulation challenges to directly get used assets into India, there has been a FTP policy change Foreign Trade Policy change in this particular financial year where government has allowed on a pilot basis for the used assets to be brought into India, refurbished in India but has to be sold outside the country. We personally believe that this is a landmark pilot and we do actively look forward to work in tandem with government to see how this can be taken forward. We feel that if we are able to get those regulations in place India should ideally be the right place to become a global center of excellence for refurbishing as such for the kind of technological competencies that this country provides and also for the cost advantage as a country that we provide.

**Devvrat Himatsinghka:** Thank you and one last question sorry. If OEMs were to come and do this themselves do you think would they end up doing it say for example would an HP or Dell could they do this in-house or would they outsource like just want to address what your research on this entire thing?

**Vishesh Handa:** I think whatever discussions we have with the OEM I think the whole DNA of repair and refurbishing as a business is very different from a new business so we do definitely look at OEM as more of a collaborative partner because A we are one of the channels that can help facilitate them sell new assets to the corporates because of circular economy and the way we look at it is that definitely OEMs will be looking at competent partners to provide high quality assets to the retail customers than to get into this new whole business largely from the operational complexity perspective and also from the perspective of direct competition with their main product which is a new product as such so they would be more happy to look at exchange offers to drive the sales to the corporate for this, so that is view that we are getting from the markets that if it all it could be potentially down the line it could be more of a co-branding kind of an exercise where they would like to collaborate with a partner who can do justice to their brands then to go so low as such.

**Vishesh Handa:** Got it. Thanks so much Vishesh.

**Moderator:** Thank you. The next question is from the line of Swapnil Kabra from SK Enterprises. Please go ahead.

**Swapnil Kabra:** Sir I just wanted to understand do we have internal aspiration or any kind of guidance you can give with respect to the topline and the margins for this year and the next year?

**Vishesh Handa:** So as a policy we do not give like forward looking guidelines. We have been able to see a strong momentum for the last three years. I think at the macro level we see a continued demand in the market and we will always try to put our best foot forward in terms of being able to cater to that.

**Swapnil Kabra:** Alright Sir and can you also share some EBITDA margins with respect to the different segments you cater to, for example the professionals or the college going students or the B2B side of your business is there any difference in the EBITDA margin here?

**Vishesh Handa:** It is a good question. I think largely the margins remain more or less the same across segment. When it comes to bulk deals like with SME or school, colleges we do see a 1 to 2% basis point difference here or there but largely we do not like differentiate in terms of EBITDA margin when it comes to retail professionals or this so it is pretty much like flat in that sense.

**Swapnil Kabra:** Alright Sir. Sir last question from my side. Sir with respect to the Diwali sale I guess our H2 is heavy compared to H1 so can you share some colour on the H2 part of our business because I guess there was this notification that you put the Diwali record sale this year so can you just some highlight on that part?

**Vishesh Handa:** Absolutely so historically that is what we are seeing typically because of the festive season, Dussehra, Diwali, Christmas followed by New Year and then like your republic day sales. It is typically always a stronger season and also because of our growth momentum on a month-on-month basis, so historically we are seeing that there is a split of anywhere between like say 35-40 to 65-60. between H1 to H2 the kind of ratio so I think this year also whatever trends we see of course this year's Diwali it was as per the expectation of course like the biggest season that we had across all the three years that we have been operating so we are very hopeful that this H2 should continue with a similar trend which we have been seeing in the last three years in terms of H1 to H2 ratio so the similar momentum we are seeing and I think in terms of our ability to cater to that demand already those investments have been put in place to be ready to cater to those demands.

**Swapnil Kabra:** Alright Sir do we see any other months similar to Diwali where you see higher sales for instance 26 January or any other day that you could boost your sale by giving some discount?

**Vishesh Handa:** Yes, we continue to run those campaigns from time-to-time. For example come March, April that becomes student season that is where we see a lot of traction coming from the students. Christmas, New Year typically because of the financial year ending for many of the corporates which are aligned with the global businesses and we continue to build our campaigns around these things. Now we are running a black Friday sales we will be more than happy to bring that to everybody's notice and do consider if you are planning to do certain purchases so yes from time-to-time we do run these campaigns, Christmas, New Year, Independence day, Prime Day by Amazon is a big event as such for us.

**Swapnil Kabra:** Alright Sir. All the best Sir and I will join the queue for more questions.

**Moderator:** Thank you. The next question is from the line of Deepak Chokhani from Trade Capital. Please go ahead.

**Deepak Chokhani:** Hi Vishesh congrats on success of your IPO and to promote such a unique company in a short span of three years. I have two questions I do not need an estimate for this year or next year I can understand about your policy but can we get some broad picture what is your vision for the next three to five years on a big picture basis like I do not how to quantify but let us say 500 Crores topline or where do you want to see the company in the next three to five years?

**Vishesh Handa:** I thank Deepak first of all. Good question Deepak I will try to share our vision for the next three to five years. When it comes to numbers we would like to see that if we are able to continue with the similar momentum that we have built for the last three years for the coming three to five years. In terms of how do we foresee us as a company in the next three to five years or where our vision stays in five years down the line I think we would love to be known as a globally acknowledged like a refurbished company focused on the electronic segment, so the way we look at it is that we love to go deep, build those competencies and then we would like to see if there is an opportunity to leverage these competency at a global level and also look at different product diversification on a similar electronic category as such so that is how like three to five years vision looks like. We should try to become a significant player making a significant contribution in terms of reduction of the e-waste at the same time improving the digital accessibility across globe in next five years so that is one of the visions we are looking at. In terms of concrete numbers as you said we do not prefer to make any forward looking statements but I think we do aspire to continue a strong momentum that the time has built in the last three years. We do understand that there is a huge opportunity in terms of market size and if we continue at a similar momentum also we might still not be in next three to four years even like 4 to 5% of the overall opportunity size as such but yes I would prefer not to give any number guidance as such.



**Deepak Chokhani:** Sure that makes sense. Thanks for that Vishesh. My last question is any other related segment you would like to get in the near future like for example of e-waste or probably apart from the laptops any other products you would like to get into?

**Vishesh Handa:** There are two principles on which we are working that whatever we fix first let us go deep and then go wide. Having said that I think the way we evaluate at different product mix is definitely once we have build those competencies how we can use that competency and a similar supply chain in terms of purchase and customer segment to cater to more products, so having said that yes though we have not like put in place in terms of concrete product lines roadmap but definitely there are many products that will qualify for these criteria. For example we are always looking at IT peripherals that includes like your Wi-Fi and printers and also looking at tablet as a category and so on and so forth so when it comes to product diversification yes at the right opportune time we would continue to look at different product line and add them whenever we feel we are ready to cater to a new product but these are like some of examples that I would like to share in that regard.

**Deepak Chokhani:** Perfect Vishesh. Thank you so much and all the best.

**Moderator:** Thank you. The next question is from the line of Chinmay Rane from Kojin Finvest. Please go ahead.

**Chinmay Rane:** Hi thank you for the opportunity. Sir just wanted to understand like now our total half strength is around 800 plus so with this new facility what can one can project with this half strength of 800 on a topline basis and can we relate it to the number of employees the topline?

**Vishesh Handa:** So thanks for the question. In terms of employee base I think the only thing I want to share here is that there is always a lag in terms of training and getting people to the full speed. Having said that you can say there is always correlation because being a labor intensive business there is correlation between your employee strength and your output that you can produce as such.

**Chinmay Rane:** When you will get fully operational once your staff scale is full you put to the skill set what kind of revenue we can see?

**Vishesh Handa:** With this particular base?

**Chinmay Rane:** Yes with this particular base like now we have recently employed around 550 people having them to the full strength of their capacity what kind of revenue we can expect?

**Vishesh Handa:** So we have an employee to like throughput ratio of almost 0.5 to 0.7 on a daily basis so in terms of topline it will definitely take time and I do not want to make any forward looking

statements as such but we can expect on a daily basis like a product throughput of anywhere 350 to 400 units.

**Chinmay Rane:** Sir regarding to the government policy with regarding to the e-waste is there any particular life has been mentioned for this electronic item of which we have to discard as a refurbishment that is what is helping us to get this refurbishable stock?

**Vishesh Handa:** You were saying that our government policies pushing this refurbishing demand?

**Chinmay Rane:** Basically, is there any useful asset life of an electronic products is mentioned in which we are dealing like computers, laptops, is any regularity things which is there, which has to be sold or it has to be taken out of the full term and then you can do the refurbish?

**Vishesh Handa:** In terms of government policy I think the policies with respect to e-waste policies are already in place. The awareness of these particular policies and also the proactive behavior from the corporates towards sustainability I think two key factors and also I think the cost of implication that are making I feel the corporates much more responsible in terms of what is happening with the electronic players, so I think yes at a macro level may be like 10 years before we did not worry that much about discarding their e-wastes especially corporates but we do see that sustained cautiousness coming in most of the corporates to ensure that e-waste A is handled appropriately and B if it helps in extending of the assets and the government policies has played their role but if you benchmark it against the developed nations I think India still has a long way to go so we are still talking about 40 lakh to 50 lakh assets being consumed by the corporates and I will be surprised if 10% to 15% of them are being judiciously discarded in a responsible way right now so this trend we strongly believe will continue to extend in that regard.

**Chinmay Rane:** That will provide a huge scope for a company like us?

**Vishesh Handa:** Yes absolutely right. Gradually I think across globe you will see these policies from being directional to becoming more of a compliance and as and when that move moves towards that it becomes like a must rather than good to have.

**Chinmay Rane:** Sir my next question is when you source from any OEMs or any corporates is it an obligation thing to sell back to them?

**Vishesh Handa:** No necessarily no. We are a product centric company so in general our first preference is always to own the asset person so we want to like control the end customer experience so yes even if such deals happen we keep them mutually exclusive.

- Chinmay Rane:** Out of our total staff strength of around 800 plus people how many are the engineers working towards refurbishing business and how much are in the sales stores?
- Vishesh Handa:** So our sales stores continue to be very nimble because we are online first company so of today I think our sales stores constitute of probably nine to 10 people only, largely most of the work force cleaning operations, when it comes to sales we are always looking for scalable online first platform driven or direct to like large channels like SME and these so most of them would be like in the operation side and they will be like blue collared along with some technical engineers as such.
- Chinmay Rane:** Sir my last question is like we have served over 19000 cities, so where exactly our phase is concentrated, is it in a particular state or we sell across India?
- Vishesh Handa:** I think as we mentioned in our DRHP also we see a Pan India like demand because we are online company. Having said that because of being based out of South Bengaluru so I think the South is contributing approximately 35% of our overall topline and of course like the East always for any company is the lowest but we see like Pan India demand and I would not attribute the demand of 35% is more of like tyranny of location in the sense so as we continue to build more distributed channels for supply I think demand for the other regions will also like seeing again a pickup but it is very diversified as such. It is like 30% to 33% is from South and approximately some 20% to 25% is from North and 22% from the west so on and so forth. It is pretty diversified in that sense.
- Chinmay Rane:** There would not be any cost on the logistic when we are moving out of the inventory?
- Vishesh Handa:** Yes so I think one good thing in the electronics the high value items is that the way to value ratio is very biased so the overall cost of logistics to the overall value is not that high.
- Chinmay Rane:** Sir my last question I might have missed on your opening remarks, Sir the two factories one is of 80000 square feet and one is our newly opened 35000 square feet so they are both are in the Bengaluru itself or we have in a different one?
- Vishesh Handa:** No both are in Bengaluru. They are almost like co-located in a way but just like three kilometers away from each other. I think our business is also like a business of scale. After a particular point it does make sense to add a different facility as such.
- Chinmay Rane:** Both these facilities are on lease or it is our own facilities?
- Vishesh Handa:** Both are leased.
- Chinmay Rane:** Thank you so much and all the very best for the future. I will come back in the queue.

**Moderator:** Thank you. The next question is from the line of Nikhil Chandak from JM Family Office. Please go ahead.

**Nikhil Chandak:** Thanks. A couple of questions one is as you keep growing more in size and scale how do you manage your working capital that is one, what are the levers to really improve that and would you need to do any kind of future fundraise to kind of fund your working capital, the second one is quite a few articles about how the brands themselves are also getting into the refurbished space so whether it HP, Dell and the articles talking about they are wanting to open stores to focus specifically on the refurbished laptops, etc., so from a competition perspective if the brands themselves get into it what do you think in terms of whether it can have some impact on your business? These were the two questions/

**Vishesh Handa:** You are absolutely right so thanks so much for the questions Nikhil. So first with respect to the working capital, as you rightly mentioned I think in our case a working capital heavy business because we own the asset, we get the assets refurbished them and then we sell this outside and there is a like cash cycle in that regard. Having said that I think we do see opportunity across this particular supply chain so starting on the positive side right now most of the purchases are on cash or like pay will be on a bidding system and that is where when I was taking about being building more of direct purchases from the corporate and building a strategic relationship we strongly believe that this will help us with some in terms of credit cycles there. I think the largest chunk will come from more of an operational efficiency. For us like the last three years has been dedicated in terms of building the technological knowhow but at the same time we are now very squarely focused in terms of reducing the operation cycle and at least trying to bring a 20% to 30% improvement in that result. The third key factor which leads to working capital or cash cycle asset because cash cycle internally is leading to higher working capital from the account receivable perspective, so being an e-commerce kind of a model so there was 14 to 15 days of dependency there. As we continue to diversify our channels and get into more of direct sales and directly collaborate with schools, colleges and SME we feel there is a strong opportunity in that regard also to reduce from the cash cycle which in turn will help us to reduce our working capital requirement so I think when I look at working capital requirement I am looking at the overall cash cycle and I think we have opportunity across all the three area which is purchase, operations and AP, AR and operations as such.

**Nikhil Chandak:** Unlike most, see in general what e-commerce models you have in India obviously they are not in the same sector but most are market placed models whereas yours is a complete inventory lead model where you will actually buy the inventory, refurbish it and then in turn sell so even if you have levers this will be a perpetual issue right because you will buy the inventory today you refurbish it and by the time you sell it, it may take whatever days 30 and

60 days, 30 days for example unlike for other e-commerce companies there is no inventory risk at all which they carry, so is this something which should always be there this issue?

**Vishesh Handa:**

Yes so I think right from the like the day one that is a call. I think it is always a compromise between value addition and the asset risk because in a market place model I think the whole concept largely entails like not much of a value addition but distribution as such but we were very clear that because it is like the start of the industry per se and in terms of like being customer focused we have to do lot of value addition in terms of delivering top quality and that particular part we can only do when we own the asset and invest in terms of value addition and also in turn like manage the customer experience. That does mean that our model is like industry technology like an app based model which is very asset like and I think that is one of the key risk we have always highlighted in our DRHP. I think from the industry's perspective of creating this as a category our personal belief is that yes it will for some time will continue to be an asset heavy business because we strongly believe that yes whatever the incremental cost of that finance is there the value addition that we do gives a much better site and significant returns. I think Lenovo just came out with their result; it will be like a good case study to look at their net margins versus our net margins. It is a cautious call as a company that we have taken that we do not want to be just an aggregator or a trader of the assets but be more of a value addition person so that we are able to establish this as a category.

**Nikhil Chandak:**

Great thanks and on the second part on the competition part where the brands are wanting to get into in some fashion by opening stores, etc.?

**Vishesh Handa:**

That is a good question. So I think that a couple of ways we look at it. I think for example HP made an announcement that they will be starting with the refurbishing business. For us it was like kind of a great validation in terms of what we have been trying to do for the last three years that the more it is being acknowledged by the brand of this being a mainstream market as such. Having said that yes a couple of patterns because we have been like working very tandemly with our OEMs also and that relates to the first question which was being asked that I think like OEMs would rather look for like collaborators right now and we do look up to them in terms of being complementary in nature so be it in terms of lending the brand or in terms of purchase of their old assets so in that reason I think it will help. Secondly I think it is a large market. In India still the penetration is only 13% in terms of overall PC holdings and time and again what we have seen is that once more a category turns mainstream it helps all the players as such, so there are two things like we strongly believe that the OEMs will look for more of a collaboration even right now we know that for example the HP refurbishing A the scale and it is more of a collaborative effort than in going solo effort as such. For the market reasons I cannot share the names as such and secondly I think there is a large market the brands coming into this will help to further increase the size of the pie itself.

**Nikhil Chandak:** Understood perfect and the last one this needs more noise but I thought it is best to clarify this. Just before the IPO there was a lot of press about some kind of a legal issue in terms of some complaints, etc., the articles were also sketchy and I do not want to believe the article in its entirety because you know its misleading but I thought it is just best to transparently get an update from you what exactly was the issue on hand and is that settled out?

**Vishesh Handa:** It sounds like as we have already given official statement on the same so we strongly reject all and any allegations as such made. Besides that I would leave it to the readers assuming the timing and the other like the content of the same given that because the matter is subjudice I will not be able to comment on that but like we have taken our own aggressive stand on that.

**Nikhil Chandak:** Perfect great. Thank you so much. All the best.

**Moderator:** Thank you. The next question is from the line of Nagraj Chandrasekar from Emerge Capital Opportunities Fund. Please go ahead.

**Nagraj Chandrasekar:** Good afternoon and thank you for taking my question. I think following up with the prior participant I wanted to ask it in a slightly different way I think the issue is not with OEMs doing what we do but other starting off trying to do what we are doing from scratch like you did three years ago so can you talk about the tech advantages and edge that you have built up over time, you said in your presentation that you have L3 refurbishing capabilities what really are these, how difficult are these to sort of understand and hopefully implement and what all do we plan to do in the next two to three years to make our sort of advantage much faster than what anyone entering can sort of get into?

**Vishesh Handa:** Thanks Nagraj for your questions. I think it is a very, very pertinent point that you have raised, so I think we have been consistently saying that our operational competencies driven by tech is our key mode. As you rightly mentioned I think the refurbishment as an operation itself is very different as compared to a regular manufacturing. As you can well understand I cannot dwell into too many details with respect to what and how exactly we do but just to share a few examples. When we started we look for an off-the-shelf ERP or a technological solution and it was just not available in the market this as an industry never existed so your regular BO, NTPC, regular construction, manufacturing do not really work here. Having said that I think for us the last three years has been rightly as you mentioned has been keenly focused on building those technological competencies which we strongly believe gives us a much bigger and a stronger edge as compared to any competitor and it will be a challenging process as such to build those levels of competency and being able to do it at the straight. We need to operate at each component level because of like various reasons I would not to share the details in a public forum but yes we strongly believe that the technological competency

process is operational and even the hardware competencies that we have build we have a lot of things which are like round up and are not easily replicated as such.

**Nagraj Chandrasekar:** Understand thank you. Just one more question on the size of the market you mentioned 50 lakh to 60 lakh units sales purchases of laptops by corporates I think the total Pan India purchases of laptops for example is around 20 million or three times that in the 20 million odd per year and obviously you mentioned that the recycling hubs being Dubai and Sharjah probably do a lot, lot more than that in terms of volume just wanted to understand how much they do in terms of throughput on an annual basis and who are the large players there doing this business that the government is generally very logical India should be the place to do this given the arbitrage so just wanted to get a sense of the market that is captured?

**Vishesh Handa:** At the global level right?

**Nagraj Chandrasekar:** Yes.

**Vishesh Handa:** I think a couple of names that I am aware of for example Compusale. If you can add up these companies they are like pretty big for refurbishment. That is like one of the big names on the global front. There are other players in the US but again I think Compusale is one who is also focusing on the refurbishing so there are others like Liquidation.com but they are more of a trading or aggregator platform so I think there are a like couple of big players who operate at a global scale. Having said that I still strongly believe at a global scale like level also in terms of refurbishing the market is still not that organized. There are a couple of players who are like doing cyclical business but there is no major consolidation as such when it comes to refurbishing facility and again I think that leads to the same point that doing refurbishing at scale the operational complexity and the kind of the technological strides that you need to build is not that easy. There are a couple of players who are operating from Canada and they have their offshoots in Dubai and are operating at a reasonable scale. In terms of like opportunity I think India as such in IT is like 8% of the overall global economy like IT purchase and consumption. The global opportunities we can extrapolate like that regard but yes we strongly believe in terms of like when we are building those competencies and the scale I think the ideas we always ask ourselves that we can we scale it to 10x and 15x, do we have the underlying technology, do we have the operation which can be relatable and scalable in that regard, so we do strongly believe that we should be able to build that advantage over others, it is not that easy to do these things at scale so I hope it gives you like some sense in terms of scale.

**Nagraj Chandrasekar:** Yes it does thank you. All the best.

**Moderator:** Thank you. The next question is from the line of Puneet who is an Individual Investor. Please go ahead.

**Puneet:** Thanks for the opportunity Sir. I just wanted to understand any inventory which is not moving for six months at your site?

**Vishesh Handa:** So that is one I would say good, so right now it is like 0% because it is a very demand driven market as such so luckily for us it is like there is not much of a debt inventory and we do take requisite steps to make sure that because I think these are like one of the benefits that we get. We are directly linked or connected with the market so we really know what is selling what is not selling so before we even purchase we know what the market demand is as such and having said that I think that is where the product market fit comes into picture so the demand always surpasses in terms of like what we are able to produce as such so right now I think the oldest inventory which we will be holding will be around 50 to 60 that is also because we got a large volume and we did a bulk deal of those particular units and they are selling pretty healthily as such so there is no like debt inventory as such. Having said that being in the refurbished business we have a 2% to 3% of scrap ratio but all of those are already taken when we do our purchase.

**Puneet:** So just two small follow up questions on the same part what is the maximum capacity or maximum number of laptops we can sell in a day like 1000 to 2000 what is the current capacity we have?

**Vishesh Handa:** In terms of sales or operations?

**Puneet:** Sales.

**Vishesh Handa:** During the festive season we have seen the numbers very significantly very near to four digit numbers also but I do not believe that is like the regular sale capacity but I think like high three digits or like over 400, 500 or 600 units is very much possible depending on how much we are able to produce but that is like the current capital. In terms of demand it is very high. I am talking about our capacity in terms of like current sales.

**Puneet:** Sure thanks a lot. I will come back in the queue if time permits.

**Moderator:** Thank you. The next question is from the line of Bharat Reddy who is an Individual Investor. Please go ahead.

**Bharat Reddy:** Thank you. Congrats on a good numbers. Sir my question is it was mentioned that for FY2023 during Diwali sales we made highest of Rs.1 Crores per day is it safe to assume that you made Rs.1 Crores for that whole Diwali week?



- Vishesh Handa:** This year?
- Bharat Reddy:** For FY2023.
- Vishesh Handa:** Last year you are talking about or this year?
- Bharat Reddy:** Last year.
- Vishesh Handa:** Just like one of the cases like the first day itself we hit Rs.1 Crores in last year like the first day is always like the significant day for like Diwali sales and this year also we were easily able to surpass that on the first day sales.
- Bharat Reddy:** I have one more question. Sir you said H1 contributes roughly 40% and H2 60% in general over the last three years since new factory is operational cannot H2 beat H1 by a good margin this year?
- Vishesh Handa:** So as per like our company plan so I think it does take like time to ramp up the team and we are looking at a similar or slightly better target as such.
- Bharat Reddy:** There is a company called Rocking Deals is that competitive with us or a partner to us?
- Vishesh Handa:** In a way partner. We have done some collaborations earlier I would say they are more of a market place they do a back-to-back trading so sometimes we do take sales for them, sometimes they help us to liquidate our inventory, so they are not into like refurbishing or controlling the overall supply chain end-to-end it is more of a market place for liquidation of excess or used inventory.
- Bharat Reddy:** Thank you.
- Moderator:** Thank you. The next question is from the line of Mihir Manohar who is an Individual Investor. Please go ahead.
- Mihir Manohar:** Thanks for giving the opportunity and congratulations for the entrepreneurs generally making it Rs.50 Crores business in three years that is really commendable. I just wanted to understand on the fresh issue of Rs.40 Crores what has been the application of that, is the new facility which has been started using that number and I also wanted to understand what can be the full potential revenue which can be there on the overall capacity which now exists, the next question is on your Diwali sales you mentioned Diwali sales has been good if you can provide some clarity what is the Y-o-Y growth that you have seen this Diwali versus the last Diwali that will be useful and the third question was just on the fact that in this business typically lot of peers have tried in this business but scalability has been difficult because the local players

at the end of the day end up getting a market so just wanted to understand how serious are we about the scalability because now even the OEMs are also entering so how serious are we about the scalability along with the same maintaining profitability along with scale so just wanted to get an understanding around that?

**Vishesh Handa:**

With respect to the issue and the uses of objective of the issue so there are four objectives to the issue one was definitely to support our working capital requirement to build the inventory, second object of the issue was definitely towards the capex and as we mentioned with the facilities now ready so it was like more of a continuum, so we have already started investing on the same and the funds which we received earlier also been deployed towards the same. The third key object of the issue was probably that ties to your last question in terms of how serious we are in terms of building this as a market so the third object of the issue was towards marketing spends because we feel like we are like now rightly positioned to create New Jaisa as a brand and reach out to as many customers as possible and we the brand synonymous to refurbished electronic items so the marketing was the third objective issue. The fourth objective of the issue was towards the technology spend as I also highlighted like the group right now that we are rolling out ERP 4.0 within a month so there are other like significant technology spends that we are doing in terms of our website improvement, app development so on and so forth, so these are the four key object for the issues and we are working pretty aggressively as you can see like the facility is already ready but we have kept some quantum for the incremental facility that we will continue to build as our capacities increases on the marketing front already like the key tie ups have already started here. We are running our first campaign ever on Black Friday right now and technology I just shared with the group so that is how the objects have been deployed. We strongly believe that these are the things that we will A helps us build the scale and B help us become a known consumer brand in the refurbished electronics as such. Sorry your second question was with respect to?

**Mihir Manohar:**

I wanted to understand what can be the maximum revenue potential from the enhanced capacity which is now that is old capacity plus the new capacity what can be the maximum revenue potential?

**Vishesh Handa:**

Like right now we are not in a position to make any forward looking statement but as I mentioned we are looking at potentially we can do 350 to 400 units on a daily basis and that is the kind of like the momentum we should be able to build with the existing team but we are continuing ramping up. We are definitely looking at 30% to 40% kind of a growth on a year-on-year basis.

**Mihir Manohar:**

Sure Sir and just lastly on the Diwali sales, this Diwali versus last Diwali how was the number?

**Vishesh Handa:** I think as you saw in H1 to H1 comparison I think we were able to maintain a similar momentum for Diwali also in terms of Diwali comparison. So that is with respect to Diwali and I think your last question was with respect to like again OEMs coming into the picture and like when you try to scale how big kind of so from our end I think we are like very committed to build like a consumer focused direct to customer brand and to like make sure that we are able to scale this as a brand and become a household name as such and that is like we will continue to bring more consumer awareness and I think that also ties one of the other questions asked earlier that do we also get into like refurbishing as a service in the sense like we get assets refurbishing give it back to the corporates. As of now we have not looked into that because we want to be a direct to customer focused brand, we have turned down couple of deals because we want to be more like customer focus. There are a lot of like plans and the marketing campaigns which have been already put in place to ensure that we get that reach in the coming years and we do understand. I think one of the things when it comes to you like I do realize the concern for an SME after it scale like reaching 100 is easy, reaching 100 from 1000 is different kind of a challenge per se. I think the only comment I would like to make there is that we do recognize those kind of challenges and that is where we are significantly investing in terms of leadership like the team the cumulative experience that this team has. The top four guys have more than 85 years of experience between them. Between us we have managed more than a billion dollars of business. I was in Google before this with a significant revenue run rate. Sharad Somani was managing like a \$500 million of business there so I think we do recognize. It is not that easy. At the same time I think we are gearing ourselves to be ready for the challenges that might come to take it from 100 to 1000 as such.

**Mihir Manohar:** Sure that is it from my side Sir. Thank you very much and it is really commendable that you have made a Rs.50 Crores business and wish you best of luck for making a very large in life. Thank you very much Sir.

**Moderator:** Thank you. As there are no further questions from the participants I now hand the conference over to Mr. Kaushal Shinde for closing comments.

**Kaushal Shinde:** Thank you everyone for joining the conference call of New Jaisa Technologies Limited. If you have any queries you can write to us at [info@kirinadvisors.com](mailto:info@kirinadvisors.com). Once more thank you everyone for joining the conference.

**Moderator:** Thank you. On behalf of Kirin Advisors that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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