SHANTI GOLD International Ltd.
CIN: L74999MH2013PLC249748

Date: November 07, 2026

To,
Listing/Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

BSE Scrip Code: 544459

To,
Listing/Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051

NSE Symbol: SHANTIGOLD

Subject: Q2 FY27 Earnings Call - Transcript
Ref: Regulation 30 & 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir / Madam,

With reference to our intimation filed on October 29, 2026, please find enclosed the transcript of the Q2 FY27 Earnings Call held on Wednesday, November 04, 2026 at 02:30 P.M. (IST) for the quarter ended September 30, 2026.

This intimation is also being uploaded on the Company's website at www.shantigold.in.

We request you to take the same on record.

Thanking you,

For Shanti Gold International Limited

Vrushti Parag Shah
Digitally signed by Vrushti Parag Shah
Date: 2026.11.07 11:57:25 +05'30'

Vrushti Shah
Company Secretary & Compliance Officer
Encl: As above

“Shanti Gold International Limited

Q2 & H1 FY27 Earnings Conference Call”

November 04, 2026

MANAGEMENT: **MR. PANKAJKUMAR JAGAWAT – CHAIRMAN AND MANAGING DIRECTOR – SHANTI GOLD INTERNATIONAL LIMITED**
MR. SHRIRAM IYENGAR – CHIEF FINANCIAL OFFICER – SHANTI GOLD INTERNATIONAL LIMITED

MODERATOR: **MR. HARSHIL GHANSHYANI – ADFACTORS PR INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the Shanti Gold International Limited Q2 and H1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal a moderator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harshil Ghanshyani. Thank you and over to you, sir.

Harshil Ghanshyani: Yes, thank you, Avirat. Good afternoon, everyone. I'm Harshil Ghanshyani from Adfactors PR Investor Relations team. On behalf of Shanti Gold International Limited, it is my pleasure to welcome you all on the Q2 and H1 FY27earnings conference call.

Joining us on the call from the management team, we have Mr. Pankajkumar Jagawat, Chairman and Managing Director, Mr. Shriram Iyengar, Chief Financial Officer. We'll begin today's call with opening remarks from the management, following which we'll open the floor for a Q&A session.

Before we begin, I would like to remind everyone that certain statements made in today's call may be forward-looking in nature. These statements are based on management's current expectations and are subject to risk and uncertainty that could cause the actual results to differ materially. Shanti Gold International Limited undertakes no obligation to publicly update or revise any forward-looking statement based on subsequent events or new developments. With that, I would like to hand over the call to Mr. Pankaj sir for his opening remarks. Thank you, sir. Over to you, sir.

Pankajkumar Jagawat: Good afternoon, everyone, and a very warm welcome to our Q2 and H1 FY27 earnings call. First, I would like to extend my heartfelt Diwali wishes to investors, analysts, business partners, and their families. May this festive season bring happiness, prosperity, and success to all. Let me begin by highlighting the strong operation momentum that we sustained during the first half of FY27.

Our focus has been on driving volume growth, expanding our manufacturing capabilities, and strengthening our relationship with retail partners. This has translated into a strong top-line performance, with revenue from operations growing 73.4% year on year in Q2 FY27 and 102.3% in H1 FY27. Our volume has also increased by 25.4% in the quarter and 41.0%in the first half, reflecting healthy demand from all our retail partners and our ability to scale up execution.

The performance reflects the progress we are making in building a larger and more capable manufacturing platform. During the period, the commencement of operations at our extended manufacturing facility in Marol added capacity and flexibility to our operation. The facility has contributed to our business, enabling us to service a wider range of customers and requirements and support the growth in volume.

Alongside capacity expansion, we continue to broaden our product portfolio and strengthen our customers' relationships. We have been expanding our offering across categories including designer and Turkish jewelry while deeply deepening engagement with existing customers and

onboarding new retail clients. Our focus remains on becoming a more comprehensive and dependable manufacturing partner to organize retail chains and large jewelry players.

During the quarter, we also successfully raised approximately INR99.83 crores through a rights issue. The proceeds are being deployed towards meeting the Company's working capital requirement and are expected to support our business operation as we scale up. This capital infusion strengthens our ability to service growing business requirement and provide additional support for our expansion and growth plan.

The Indian jewelry industry continues to evolve with an increasing shift towards organized retail and technology-enabled manufacturing. Large retail chains and jewelry brands are seeking manufacturing partners who can deliver consistent quality, superior finishing, product authenticity, traceability, and reliability at scale. We believe this shift creates a meaningful opportunity for organized manufacturer with its established capabilities, infrastructure, and execution track record.

With legacy of 25 years, Shanti Gold is well positioned to participate in this opportunity Our priority remains clear. Strengthen our manufacturing platform, deepen relationship with existing customers, onboard new retail partners, and respond to changing market preference through differentiated product offering. We believe our ability to cater to multiple customers, fully varied requirement, and operate at scale will remain an important competitive advantage.

Geographical expansion is another important part of our growth strategy. Our upcoming Jaipur facility is intended to introduce machine-made plain gold jewelry, and strengthen the presence in North India. This will complement our existing manufacturing capabilities and product portfolio, which allow us to serve customers across a wider market.

Looking ahead, we would like to reiterate to the revenue guidance communicated. We had a guidance to revenue of approximately INR3,200 crores to INR3,500 crores for the full financial year FY27. This would represent growth of 60% compared with FY26, we remain focused on delivering on this guidance through volume growth, capacity utilization, customer addition, and continued execution while maintaining discipline in working capital management.

To conclude, the first half of FY27 has been encouraging with strong growth in both volumes and revenue. We believe the investment made in manufacturing capacity, the strengthening of our product portfolio, and customers' relationships together with the support from the rights issue, provide a solid foundation for the next phase of growth. Our focus will remain on scaling the business in a sustainable and a disciplined manner.

With that, I would now like to hand over the call to Mr. Shriram Iyengar, our CFO, who will take you through the financial performance of the company for Q2 and H1 FY27 in greater detail. Over to you, Shriram.

Shriram Iyengar: Thank you, Pankaj-ji, and good afternoon to everyone. I would also like to extend my warm Diwali wishes to all our investors, analysts, and stakeholders and their families. I hope the festive season brings happiness, prosperity, and success to all.

Now I will take you through the financial performance of the company for Q2 and H1 FY27, beginning with the second quarter. Revenue from operations stood at INR746 crores compared to INR430 crores in Q2 FY26, registering year-on-year growth of 73.4%. EBITDA for the quarter was INR 42.5 crores compared to INR36.8 crores in the corresponding period last year, representing growth of 15.6%.

Profit after tax stood at INR29.6 crores compared to INR26 crores in Q2 FY26, registering year-on-year growth of 13.5%. The quarter was supported by healthy demand from our retail partners, resulting in a 25.4% year-on-year increase in volumes to 535.5 kgs. For the first half of FY27, revenue from operations stood at INR1,462.3 crores, compared to INR722.9 crores in H1 FY26, registering a year-on-year growth of 102.3%.

EBITDA stood at INR114 crores compared to INR88.2 crores in the corresponding period last year, representing growth of 29.2%. Profit after tax for the first half stood at INR80 crores compared to INR60.4 crores in H1 FY26, registering a year-on-year growth of 32.5%. The additional capacity at our Morol facility enabled us to meet sustained demand, taking volumes up 41% year-on-year to 1,057.6 kgs.

Dhanteras, Diwali, and the wedding season, season that follows, are among the most important demand periods for the jewelry industry in India as retailers build inventory ahead of these occasions. We have seen healthy traction from our retail partners in the run-up to the festive season, and we remain optimistic about demand through the second half of the year.

To conclude, Q2 and H1 FY27 reflect strong growth in revenue and volume, supported by a healthy demand from our retail partners. As we move into the second half of the year, our focus will be on sustaining this operating momentum meeting customer requirements through the festive and trading season, and executing our growth plan with continued financial and working capital discipline.

With this, I would like to conclude our opening remarks and begin the question-and-answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Hina Parekh from Starklume Investments. Please go ahead.

Hina Parekh: Thank you for the opportunity and congratulations on a good set of numbers. Well, the company has delivered a strong H1 performance with revenue growth of over 100%, volume growth of over 41%. I just want to know what were the key drivers behind this and is it sustainable for the coming quarters, particularly since we've recently commissioned the Marol capacity, now being operational, right?

And, I mean, how do we see the growth outlook for the second half of the year? Are there any seasonal demand trends or any other, order visibility or any other business factors? Can you, throw some color on that as well?

Shriram Iyengar: Yes, thank you for the question, ma'am. Yes, good setup numbers to begin with. 73% Y-o-Y growth in Q2 and 100% in H1. So that speaks volumes about the kind of business that we are in,

the kind of expertise that we are in. Now, the key drivers of the business that I would like to let you know -- the growth has been driven by a combination of increased customer acquisition, penetration with existing customers, capacity expansion, and a broader product portfolio.

We have also benefited from increasing formalization in the jewelry industry and growing preferences for organized manufacturers. So, our strategy remains very simple, to focus on gaining market share rather than optimizing for short-term margins.

The investments that we made in manufacturing capabilities, product development, customer relationship are now translating into a strong top-line growth in the coming years. So, we believe that this remains significant, there remains significant headroom for growth given the size of the addressable market in the near future.

Hina Parekh: Got it, got it. And, yes, got it. And like you mentioned, we are expanding our manufacturing capacity. And, I think even in your opening commentary you mentioned that we are sending good, retail partnerships. Do we see the similar kind of, growth potential over the next, 2 to 3 years as well?

Shriram Iyengar: Yes, ma'am, absolutely. Yes, we can see a good growth. The, the foundation for the future growth has been laid. We have also mentioned in that, the foundation has been laid, the facility has been expanded, new facility coming in. So, the overall market looks good in the coming future.

In the near future, we, we are quite positive about going with great numbers. And we are quite bullish in this segment. And as you may also know, we have come with the Dubai office also. So, on book, all the approvals are in place. Maybe once, the things get settled down, the volumes will start coming from thatmarket also, other than apart from penetration in the Indian market.

Hina Parekh: Great, great, perfect. Thanks a lot and all the very best.

Moderator: Thank you. The next question is from the line of Prisha Shah from Shah Family Office. Please go ahead.

Prisha Shah: Hello. Hi, sir. So, I have couple of questions. So firstly, pertaining to your business volumes. So, as we are observing that the business volumes are continuing to expand, so, given that, how do you anticipate the working capital cycle to evolve in coming quarters? If you could just throw some light on that aspect.

Shriram Iyengar: Yes, as you know, ma'am, this industry is basically the working capital intensive, so that's for sure. So, more the capital, more the gold, more the business. It's as simple as it can go. So, if you could see, in the first half of the year, we have raised debts, we have raised equity. These are nothing, these are just to fuel the growth trajectory of the company.

So as of now, we look comfortable given the guidance for this current year. Over the period of time, if the market requires something more than this what we have, we will certainly go for debt and also for advance gold in the near future.

Prisha Shah: Yes, that answers my question. I have one more question regarding the inventory management. I just wanted to understand what are the initiatives we are taking to strengthen the inventory management maybe possibly. Also if you could help me, how are we optimizing the stock levels and improving overall customer collection efficiency? That would be great.

Shriram Iyengar: Yes, again, ma'am, this is a very peculiar type of question. Inventory management is the key. Having said that, as I said in the speech also, we are in a growing phase. We are in a consolidating phase. We need more inventory, more the gold, more product launches are there. So, my money will get, stuck in the inventory for some time till, till we find our feet on the ground.

So, there will be some inventory holding in a couple of quarters because there are product launches coming in, there is -- manufacturing facility being commenced. On top of that, we are also planning to come with Jaipur facilities. So, there will be inventory built up in the initial phase. And then once, and that, that inventory buildup has to be supported with market expansion going ahead.

And I think we will be doing good with the the kind of setup because the foundation has been set. What we need is more of an inventory, more of a working capital. And as I said, it will be more in the form of equity. There will be a balanced mixture between both equity and debt.

Prisha Shah: Okay, thank you. That answers my questions. Thank you so much and look forward to talking to you next quarter.

Shriram Iyengar: Thank you, ma'am.

Moderator: Thank you. The next question is from the line of Bhavya Aggarwal from Share India. Please go ahead.

Bhavya Aggarwal: Yes, hi sir. Thank you for taking my question. I have a couple of questions. My first question is regarding, short-term borrowings have increased during the first half of FY27. Can you please elaborate on the key factors driving the higher working capital requirement and your expectations for the borrowing levels going forward?

Shriram Iyengar: Yes, so I just answered it. I mean, this being a working capital intensive, the fund has to come in. We have just come up with the commencement of new factory at Marol, so that requires a lot of inventory buildup and all.

So that needs to be funded, both with the debt fund and with the equity. So that's the reason you saw, increase in the borrowings, as well as in the rights issue. Having said that, I'm still sitting very comfortable at a debt-equity level of 0.5x. So that gives me enough headroom going ahead to do additional borrowing should the situation demand to meet the working capital requirements of the company.

Bhavya Aggarwal: Got it. So, what is the debt-to-equity level that we can afford at the maximum level? Not in the industry level but at the company level?

Shriram Iyengar: We are planning to go up to 1x debt-equity.

Bhavya Aggarwal: Okay.

Shriram Iyengar: At this level, we'll be comfortable. It's not that you won't go there, but as of now, looking at the current situation, up to 1x, we are quite comfortable to go to have that kind of a debt-equity level.

Bhavya Aggarwal: Makes sense. Got it, sir. And lastly, how does the company intend to balance its growth plans with the disciplined debt management and sustainable cash flow generation?

Shriram Iyengar: Yes, see, debt management, as I said, again I'm saying it, this, this industry is very working capital intensive, so debt will be required all through. If you want to grow, if you want to scale, it has to be either funded by the debt fund or by raising of equity fund. So that's said and done. So having said that, going forward, we intend to bring that operational efficiency also coming into the play.

And as we,are catering to many markets, new geographies and all, so certainly we will know, we will need more of a fund. Having said that, we are also looking adding one more vertical of advanced gold in the coming future. So Yes, many things are in the pipeline. So, we are consciously building scale in the coming years.

Bhavya Aggarwal: Okay, okay, got it. Thank you for that. Answer my question.

Moderator: Thank you. The next question is from the line of Lavita Lasrado from Bank of Baroda Capital. Please go ahead.

Lavita Lasrado: Thank you for the opportunity. Congratulations on a good set of numbers. I have 2 questions. So first, I wanted to understand, how is Shanti positioning against the other organized players in the manufacturing space since we have bigger capacities in plan? And how are we differently positioned in terms of product mix?

And my second question is on the margin side. So, considering the gold prices fall, what would be our sustainable margins going forward?

Shriram Iyengar: Yes, so to answer your first question, how are we going to position ourselves? We look ourselves as one of the leading manufacturers in the gold segment, so that's for sure. The new setup at Marol, the Jaipur factory. These are all the gateway for the future roadmap of the company. So that I think speaks volumes about the kind of position that we want to be in the coming years.

So, having said that, you said about the margins, right? Dubai office, I think again we will, it will be soon operational and it will lot of volume is going to come in the coming years that you can see. So as long as you talked about this, price correction and all, see, ma'am, let me tell you very clearly, the commodity market goes through a period of periodic resets and all.

So, there will be a correction on and off. As long as our business structure remains very clear, the structure remains same, the structure remains very positive, our business model remains same, I don't think so. We will be impacted on any movement in the gold prices. Our core margin will remain intact.

Broadly speaking, we should be in the range of 5 to 7% EBITDA looking at the current dynamics, current market situation, because having laid a strong foundation, we are open to all kinds of product mix, whether it be plain category, whether CZ, whether it is advanced, because it gives a lot of headroom. So having, having laid the strong manufacturing setup

So broadly speaking, I mean, because it's this kind of evolving product mix, broadly it should be in the range of 5% to 7%. And we, we will continuously work hard towards getting the perfect blend of margins even in the future. Just we have to balance if some products are high volume, low margin, some products are high margin, low volume. So as long as we don't get the perfect mix, we will continue inventing ourselves and get the right mix at the right time.

Lavita Lasrado: Thank you.

Moderator: You, thank you. The next question is from the line of Shruti Sharma from Sharda Family Office. Please go ahead.

Shruti Sharma: Hello, thank you for the opportunity. My first question is about how would you describe the current demand environment for organized jewelry manufacturers in India?

Shriram Iyengar: Yes, ma'am, the current demand is very good. As we see, many people are getting listed, they are expanding. There is a need to have a is a formalization in a B2C segment, there is formalization happening even in the B2B space. Large retailers prefer a big B2B manufacturer with a large inventory, with the rolling out of new designs, with, you the inventory turnaround being, at the faster, the brand credibility is there. So, it is panning out very well, looking at the current dynamics and all.

So yes, with many people coming, many people also in the pipeline to get listed, and some people like Lalitha Jewellery, they already got listed, they are expanding their showrooms. And also, ultimately their sources are coming from B2B manufacturers like us. So that speaks volumes about the position that we are in, and we see a large demand coming from this chunk of formalized sector. So that should really, really push the momentum going in our favor in the long run.

Shruti Sharma: Okay. And have you noticed any shifts in customer ordering patterns or buying behavior in response to recent fluctuations in gold prices?

Shriram Iyengar: Yes, man, see, we are basically in the B2B space. We roll out new designs. So as long as there are takers in the market, we keep getting demand from the B2C or the large retail chains. So, we have focused now, we have faced no, not any issues as of now because we have our own set of designers designing, rolling out new designs day in, day out, looking at the preferences and all.

Having said that, yes, the price factor can be a matter, but as long as you create value to them, you create great designs, there are takers in the market. So that helps us keeping the momentum high.

Shruti Sharma: Okay, okay, that was all from my side, sir. Thank you and all the best for your next quarter.

Shriram Iyengar: Thank you.

Moderator: Thank you. The next question is from the line of Anuj Panwar from Family Office. Please go ahead.

Anuj Panwar: Yes, thank you for the opportunity, sir. I wanted to check, as you are expanding your customer base and your product portfolio I wanted to understand how are you planning to drive the growth from your existing Marquee customers while leveraging the opportunities from the newer retail partners as well as the international markets? If you can give some light to that, then that would be helpful.

Shriram Iyengar: Yes, so a couple of things. First of all, we have already launched few product verticals, so we give them a big basket of you know, product to choose with. Initially we were only present with few product verticals. Now we have increased the product mix, so we are giving them a choice. We are giving them good designs and we are giving them good support, which in the current market you cannot expect from the unorganized sector. So that's the number one thing where we play out very well to increase the share from our existing customer. That's number one. Number 2, We are expanding in new geographies, initially we were present only in South India, then we reached out to West Market.

Now we have increased our presence in North India and also in East India. So there is market penetration happening. That's the second leg. Third, the Dubai office is coming in, which may be once the market settles down because of the ongoing wars and all. I think you can expect export sales coming up in the coming months and all.

So that again will add good numbers to the sales. And last but not the least, this manufacturing setup, this ramp, this inventory buildup and all the large retailers, they like sourcing from the people who have a good set of inventories with good designs, with good handholding, with good support and all. So these will be the key drivers driving our sales in the near future.

Anuj Panwar: Understood, sir. That was helpful. Thank you so much.

Shriram Iyengar: Thank you so much.

Moderator: Thank you. The next question is from the line of Divya Daga from VG SPL. Please go ahead.

Divya Daga: Hello. Hi, sir. I have a couple of questions. One of my question is, what is the status on Jaipur facility? When are we going to commissioned?

Shriram Iyengar: Jaipur facility most probably we will be startingthe…..

Pankajkumar Jagawat: Jaipur facility. The furniture means the interior work and, things are going on. Very soon we should be starting once it's finished, maybe Jan or Feb or something.

Divya Daga: Okay. And how much of our revenue came from exports and what is the expected revenue from exports in coming years?

Shriram Iyengar: See, as of now you can always already see that the export has already doubled. We are at INR82 crores. Going forward, once this Dubai office is also in place, we are expecting a large chunk of the business coming from that market also. So holistically speaking, now almost 6-7 months are gone, but still we are hopeful of, you know, 6% to 7%.

Already there is an increase in the share from 4%, we have reached to 6%, so it should settle down between 6% to 7% this year. But from the next year onwards, yes, we see a good volume coming from the international market.

Divya Daga: Okay. One last question. Out of our total debt, how much is from GML and what is our future target for this?

Shriram Iyengar: Sorry, how much is the debt? Debt, ma'am, I have already said, we are sitting comfortable at 0.5x. So that gives us enough headroom to go for additional round of debt raise to fuel the working capital needs of the company. As far as GML is concerned, that's the lever we employ every now and then because looking at the market scenario, GML is a good gateway to, you know, hedge our things. So we do keep, taking GML.

As of now it's still, at 15%-20% of the stock profile, but we are comfortable going up to 30% looking at the current market dynamics and all. But there is no certain rule. As long as, you know, if we require the GML line, we will keep going for the GML. We are open for that. Yes, market should support.

It also depends upon the availability and all. But going forward, this is one of the lever we are looking to hedge our inventories also. So as of now, it's roughly from 15% to 20%. We are comfortable at going 30% of the stock level.

Divya Daga: Okay, thank you so much, sir.

Shriram Iyengar: Thank you.

Moderator: Thank you. The next question is from the line of Preeyam Tolia from Choice Institutional Equities. Please go ahead.

Preeyam Tolia: Yes, hi, sir. Sir, a couple of questions from my side. When it comes to the inventory cost as of now, it has been seen that the margins in this quarter have been, lower. Now, of course, the benefit of that inventory which we used to have is not there, right?

So just wanted to understand what is the current average cost of inventory as of now. And I think I missed about the EBITDA margins or the PAT margins guidance for you going ahead. How should we look at it from the FY27 onwards?

Shriram Iyengar: Okay, you talked about this current rate, right? Average holding as of now, I am at, maybe 13,500 per gram. So that's where we are standing as of now. As, as the second question is of the EBITDA margin, right? So EBITDA margin, I think I already said that the going forward, the sustainable EBITDA margin, looking at the current market dynamics, the product mix and all.

So we are, we are giving very cautious guidance of 5 to 7% because there are many levers in the play regarding the product mix, the kind of design that we are rolling out, the kind of market we are in, the kind of price mechanism that is being played out. So on that basis, roughly we should be comfortable between 5% to 7% EBITDA margin and we feel this is sustainable in the near future.

Preeyam Tolia: All right. And second question, when it comes to the FY28 and '29 onwards, let's assume the gold prices remain at its current level, 130-140 kind of a level. Let's assume how much volume growth should we anticipate for the next 2 years?

Of course, there are new facilities also likely to come, because the Jaipur facility, I think it is getting delayed, because the earlier guidance was around November something. Now it has been to Jan-Feb. So if we exclude Jaipur facility from this year and if we build up the numbers for the next '28 and '29, how should we look at it from the volume growth perspective?

Shriram Iyengar: See, volume growth historically, I have been telling, see, I won't be able to give more on the future guidance and all, but having said that, we have been historically growing at a CAGR of 43% for the past few years. So that's, one thing I can tell you, because that's something we have been achieving it and it will push the momentum.

And as far as the volume growth is concerned, what we have been doing it something around 25% to 30%. We are comfortable at the given the current market scenario and all, we should be easily able to get in those zones.

Pankajkumar Jagawat: And once if our Jaipur facility and all the facilities start, we should be like at around 75% to 80% of the manufacturing capacity we should be utilized in coming years.

Preeyam Tolia: All right, thanks for the clarification, sir. And sir, on the rights issue funds, so we have utilized the entire fund for the working capital, right, as of now or do we still have left?

Pankajkumar Jagawat: No, no, we have utilized the entire life for complete working capital.

Preeyam Tolia: The entire INR98 crores has been utilized …

Pankajkumar Jagawat: Yes, it has been utilized for the working capital.

Preeyam Tolia: Okay. And sir, what is the stance on your GML as of now, percentage? You can just highlight in terms of the hedging?

Pankajkumar Jagawat: So GML is around 15% to 20%, but going forward we will look --I mean, we are deciding it on a management we might increase it on a GML.

Preeyam Tolia: All right, that's it from my side. Thank you so much and all the best for the future.

Shriram Iyengar: Thank you, Preeyam.

Moderator: Thank you. The next question is from the line of Mahek from KLM. Please go ahead.

Mahek: Hi, thanks for the opportunity. So 2 questions. Firstly, I wanted to understand, we've delivered a healthy revenue and volume growth, but the EBITDA has slightly moderated Q-o-Q. So with the Marol facility ramp-up and production volume increases, if you can give some direction on the margin trajectory and also if you expect the operating leverage and improved capacity utilization to support this margin recovery over the medium term.

And secondly, wanted to understand, given the expansion in the manufacturing capacity and your increasing scale, how does the management see the opportunity for the operating leverage to play out in the coming quarters? And any new product categories, any stronger design portfolio that you're looking at, if you can share some light.

Shriram Iyengar: Yes, good question. I think this question needed better clarification I would say. See, ma'am, the current margin profile should be viewed in the context of a growth and investment phase. So we are growing, we are in a consolidating phase, so that needs the EBITDA margin should be viewed in the context of a growth and investment phase.

See, over the last few quarters we have launched new product verticals, expanded manufacturing capacity and invested in building scale. These initiatives involve upfront cost and operating leverage takes time to fully kick in. It will take some time.

So as you rightly said, as the utilization levels improve and the new businesses mature, we expect operating efficiencies to improve. And therefore, we see the current margin moderation as transitional rather than structural. So over a period of time, as, as the business matures, as the utilization improves, you will definitely see the margins looking better.

But now, since we are in a building space consolidating , we are in a growth space, so there may be temporary hit in the margin, EBITDA margin. But in the long run, looking from the long-term point of view, this looks very well for the company, given the fact that more factories operational, the Dubai office is coming, the Jaipur factory is coming.

So we have built scale. We are consciously building or investing money in scaling the organization. So in future, the number should, should improve, and the product mix also should come into the play with better margins.

Mahek: Okay, got it. Thanks. That answers my question.

Moderator: Thank you. The next question is from the line of Anshul Thakkar from Thakkar Investments. Please go ahead.

Anshul Thakkar: Hello sir, am I audible?

Shriram Iyengar: Yes.

Anshul Thakkar: Thank you for the opportunity and happy Diwali to you. I had a couple questions. My first was to better understand the hedging policy. I think in one of the participants asked and you said that 15% to 20% is hedged through gold metal loans. But do we do anything else except like with MCX or something like that?

Shriram Iyengar: See, basically to answer to your question, let me make certain things very clear. Our risk management policy is centered around natural hedging and inventory discipline. That's number one. Having said that, gold has historically demonstrated resilience across economic cycles. Most importantly, see, as we do the natural hedging, the price gets resets maybe in a span of 1 to 2 months and all. So there is an equilibrium being maintained at every level, because at every level there is a buying happening, at every level there is a selling happen.

So there is a price equilibrium at a market level. So it does happen. Having said that, we are open for other levers, whether be it, MCX, be it GML loan. So we are open for that, but our hedging philosophy has been around natural hedging only. But in future, should the situation demand? Should there be a bigger correction? We are open to engage in all kinds of levers, be it GML or be it MCX.

Anshul Thakkar: Understood. And so right now gold has fallen like 6%-7% in the past month. So do you think that will have an impact on your Q3 margins?

Shriram Iyengar: See, as I told you, we don't look at inventory gains as a part of our game. So if it comes, it comes, if it doesn't, it doesn't. Our business model remains very strong. Our structure remains very strong. So we put our money on the scale that we are planning to, on the scale that we are looking into, the efficiency that will come into the play, the product mix, market expansions.

We are not that perturbed on the -- or we are not rather focused on gold moving north or south, our focus remains in acquiring or getting larger market share, improve the efficiencies, and then see how it pans out. So we are not looking from the price movement point of view. We just want our business model, the business structure to be in place, and the operational efficiencies should certainly come into the play once the volumes comes up in the books.

Anshul Thakkar: Understood. Sir, another question that I had was that we invested about INR18 crores in Ratnaveer and Lalithaa Jewelry. So is this like a one-off or a standing activity that, we plan on doing with Shanti Gold?

Shriram Iyengar: Yes, see, basically that needs to be taken as something in the context of treasury management rather than a strategic diversification of our core business. So that's one of the things I think you answered in the question itself. Our primary goal remains to be heavily interested in the business. That's what we are very clear about it. And that was one of the things. And should be viewed more in the context of treasury, deployment of funds rather than a strategic one.

Anshul Thakkar: Understood. So just one last question. Could you provide a detailed answer on the timeline of the Jaipur facility, because it was delayed a few times? So do you guys have any internal targets or when it should operationalize?

Pankajkumar Jagawat: So Jaipur facility is like in a 3 acres of land and the building which is coming up around 65,000 square feet. It was 50,000 square feet, that which we have built more 15,000 square feet now. So the interior work is going on. So once this is finished, it should be…

Shriram Iyengar: Commence operation.

Pankajkumar Jagawat: Yes, it should commence operation.

Anshul Thakkar: Sir, could you provide like…

Shriram Iyengar: There are already other facilities are there. So our first concern was to ramp up the inventory at the Marol factory and all, and Dubai office coming in. So, but yes, this is in the pipeline…

Pankajkumar Jagawat: And the interior work is going on right now. So the building is ready, only the interior work is going on.

Anshul Thakkar: Understood. Okay, thank you, sir. That's it.

Shriram Iyengar: Thank you. Thank

Moderator: Thank you. The next question is from the line of Varth Sanghavi from Dydx Advisors. Please go ahead.

Varth Sanghavi: Hello?

Moderator: Yes.

Varth Sanghavi: Sir, my question is, we have another group company from motor company, which is also into a similar business in B2B jewelry segment. Just need to understand the thought process why we have 2 promoter level company and who manages which company? And do we have any product overlap or customer overlap in both the companies?

Pankajkumar Jagawat: So it is managed by different, management. So we have a different management in Utssav. So Utssav was basically started in 2007 on an MRP basis and shop-in-shop and online business. So that's how this factory was started. And it was handled by a different management and it's still handled by different managements.

And where, Shanti Gold is concerned, both managements are different and we don't overlap each other's customers. And jewelry is a huge line of product mix, so they are having their own product line and we are having our own product line over here.

Moderator: Thank you. The next question is from the line of Aditya Saraf from RUCHA Family Office. Please go ahead.

Aditya Saraf: Hi sir, I'm audible?

Pankajkumar Jagawat: Yes, you are audible.

Aditya Saraf: Yes, hi sir, just want to get some sense on the Jaipur facility. As you said that this will be like delayed by 1 or 2 months, I'm expecting it won't come in FY27. So as per that, your guidance which you have given for the full year guidance of the volume growth, that is 30%, right, for the volume.

So if you like do the calculation, some sort of multiplied by, 1,39,000 gold price, that comes to around like your yearly sales of around INR3,163 crores versus you have guided almost like 3,500. So how this will going to work?

Pankajkumar Jagawat: 3200 to 3500.

Aditya Saraf: Yes, Yes, 3500. So how this will work-- because they're willing to overlap on that. Please clarify on that?

Shriram Iyengar: No, see, basically, that was a guidance, we were given roughly. Volume growth, we stand by it because we were given a volume growth of 25% to 30%, and on the value we had given 50% to 60%. But having said that, I also made it very clear that we have been consistently growing at a CAGR of 44%, so we should certainly be doing better than that, and we are nearly there at 3,000 plus and all. I won't be able to give the exact number as such per se, but yes, 3,000 plus, it's in the 3,100 to 3,200 should be --we should be in that zone. So I think we are quite in line with the target that what we have, whatever guidance that we have given in the previous, previous con call.

Aditya Saraf: Okay. But just like in the previous question, you have revised it from 3,200 to 3,500. So 3,500 won't be the case?

Shriram Iyengar: So we are quite optimistic, boss. It should be somewhere in between that. See, I cannot give something very forward-looking statement. So yes, we can give a conservative number, but we are very confident it should be between that range only, 3,200 to 3,500. But I can't give you that exact number. That's no one's hand, and it would look like it will be construed as a forward-looking statement, but we should be there. No, no worries on that.

Pankajkumar Jagawat: From INR3,200 to INR3,500.

Aditya Saraf: INR3,200 to INR3,500. Okay. And like, it's being like falling gold prices, so it can come down as well because I've taken this.

Pankajkumar Jagawat: So the gold price is already falling down. So when we had given this thing, gold was trading at INR1,50,000 per 10 grams. Now gold is already trading at INR1,40,000 10 grams. So still we are on to INR3,200 to INR3,500. 200, we should achieve it.

Aditya Saraf: Makes sense. And my next question is on the EBITDA margin front, because earlier you were guiding on the sense that you booked the gold, the right moment you received the order. So this does not impact your EBITDA margins and this does not impact the hedging as well. You don't have to hedge from that point. So why exact reason that our EBITDA margin has declined?

Shriram Iyengar: Yes. See, I think I have already given a clarification. The basic reason is we are in growing and consolidation phase, that's number one. We have invested heavily in building scales. So, and more importantly, I told you, there are a lot of product verticals, product expansion going on, new facilities coming in. So initially the amount will get absorbed in this kind of a thing. There will be a ramp-up cost initially, but as scale comes in, definitely there will be improvement in the margin.

And we should be in the fact the main reason for revising the guidance was the evolving product mix. See, as a manufacturer, I have laid the foundation, the setup is ready. Now if certain product works very well, we are open for that tomorrow. And there are many product mix also. There are high volume product with low make, low margin and low margin. And there are other products also with high margins with lower volume setup. So we are open for all that, but on a blended level, we should be easily in the range of 5% to 7%, and especially on the product mix per se.

Moderator: Thank you. The next question is from the line of Ayush Aggarwal from Asset Yogi. Please go ahead.

Ayush Aggarwal: Hello. Hi team. Am I audible?

Pankajkumar Jagawat: Yes, please go.

Ayush Aggarwal: Yes, sir. Firstly, I wanted to know about one thing that recently we made an investment in Ratnaveer Precision. So we like to know the rationale behind that investment? Because that business is kind of something unrelated to our core business. So how do you see that?

Shriram Iyengar: See, as I made it very clear, that was one-off decision and that was to be viewed from the context of treasury deployment of funds and not from the strategic point of view. Our priority remains very clear. We stay heavily invested in our business, our core business.

Our capital allocation was, you know, that remains very intact. So that was one of the decisions, maybe with a view to optimize short-term return. But having said that, we had taken care of enough liquidity and all. It was a small investment, very liquid in nature.

And I think, and as I made it very clear, it was only -- it needs to be only viewed from the treasury deployment and not a strategic one.

Ayush Aggarwal: Okay, got it. And one more question, that one of our competitors, they are moving into advanced gold, like they have better margins and all due to this. So how much are we planning to go for that in advanced gold loans particularly?

Pankajkumar Jagawat: Looking forward, even we are planning to go for advanced gold.

Ayush Aggarwal: Okay. Any number for that, like any percentage, 5%, 10%, or anything?

Pankajkumar Jagawat: Maybe in coming years.

Ayush Aggarwal: Okay, thank you.

Moderator: Thank you. The next question is from the line of Saurabh Gupta from Kenvi Capital. Please go ahead.

Saurabh Gupta: Hi, actually a couple of things. Last time when I asked the question regarding the EBITDA margin, why your EBITDA margin is higher, then you told like, the product category you have,

is far better than your competitor, but this time your competitor beat the margin by -- they have EBITDA around 8%, you have a 5.7%.

Even the pat margin, they are having 5.5, around say, 5.5%, and you guys have around, 4%. You category mentioned last time also that, okay, we are going to basically similar EBITDA margin, but this call you reduce the EBITDA margin and pat margin drastically. Means why is it so?

And another question is like, you have Utssav and Shanti Gold Board promoter. Why don't you merge into one company to have a basically better operating leverage? Third question is like, the Jaipur facility is more about the chain, real chain, which is going to have a lower margin, and that means that might decrease the margin further. That may increase the volume, but actually the margin actually might be decreased further. Yes, these are the 3 questions.

Pankajkumar Jagawat: So Jaipur facility is not only going to be a chain, it's again going to be a product mix, which is around like, with a lot of product mix we are going to start over there, and about EBITDA margin going down, we've started a lot of product mix over here. When last -- in this 3 months, we've added a lot of new lines of jewelry, from handmade chains to many other things. And as said earlier, okay, where we have deployed means new facility we have started. So a lot of things have been deployed over here and all. That's how you are getting to see difference.

Shriram Iyengar: This change is basically with the evolving product mix, nothing else. We are investing in scale. As a manufacturer, I need a big basket of my product vertical that will really improve in increasing the wallet share of my existing customers.

We need to penetrate more into other geographies also. So we just don't want to play safe by sticking to one line of product. So, we are very consciously investing, building scale, and in the process we are building a lot of product vertical, of course, it not only increases the wallet share of the customer, but it also helps us penetrate more deeper into the market and also, have an international footprint.

And initially, as I said, EBITDA, there is also temporary hit. I won't say you should take it from the point of view only the numbers. I do want to look from the long-term perspective. It should be viewed as something in the context of our growth and investment case, not anything else. And this volume coming in, the new product verticals coming in, the margin should certainly improve. And of course, over a period of time, the operation leverage will also start coming once our factory utilization levels start improving.

Saurabh Gupta: And my third one, why don't you merge these 2 entities, Utssav and basically Shanti Gold? I know that why you started, but now it makes sense because I'm invested in all the 3 companies and I want like the operating levels to be kicked on?

Pankajkumar Jagawat: So it's not like that why we are not merging it on. Basically it's run by different management and we have not even, like, we are not over this thing also we won't be doing it. So we are not against merging also, and we are not on merging also. With the time, we will decide if it's required, we might take a call.

Saurabh Gupta: And basically, one more thing. I understand due to growth and new categories you are launching, and basically you are having hit on EBITDA. But in future, do you think actually the similar kind of margin you can achieve, like 8% of EBITDA margin future? Or it's not possible, or you are not working towards it based on all those?

Pankajkumar Jagawat: With time we can again achieve EBITDA margin on a higher level. Now we've started a lot of product mix, jewelry and all, and new line of jewelry what we started, which is not operational on full. They're just on the operational of 10% to 15% right now. But Marol facility and all in Jaipur facilities, which has not come up, which were supposed to come up by Jan or November this year. So it's getting delayed due to interior work and all. So it's a manufacturing unit, so the interior work and electrical thing has to be done very perfectly. So that's how when everything gets in 100%, around 75% to 80% operational, our margin should again improve.

Saurabh Gupta: And do you think actually in longer run, like, do you have a 5-year vision kind of thing where you can see your company by, let's say, INR10,000 crores or INR20,000 crores company in future?

Pankajkumar Jagawat: 100%, we are seeing that only.

Saurabh Gupta: Okay.

Pankajkumar Jagawat: See Jaipur facilities is in a land of 3 acres of land, so it's like 2,25,000 square feet we can build up over there. So that land we purchased it seeing how much ever we want to increase the facility, we can increase it over there. So right now we've made a 65,000 square feet building over there with, limited machines and all, with the gold what we have. And at present not increasing our debt. From the internal money what we have, we are going to transfer over there. And with this kind of leverage, we are looking out for -- I mean, we have started a facility of 1,200 kilos, but that facility is too huge, which can go in tons and tons of every year.

Saurabh Gupta: So any plan for equity dilution to raise the capital so that you can just grow by 10x from the current revenue less into 5 years?

Pankajkumar Jagawat: At present we have not decided on diluting any equity or raise now debts and all. Once the facility Jaipur starts and all, and how the demands and all we get it from our customer, on that basis, because see, we are looking out for advanced gold and all also from our customers. So, after once the facility has started, the management will take a call how to increase the debt or how to raise it through equity.

Saurabh Gupta: Okay. And in subsequent con call or presentation, are you planning to have like 5 years vision kind of thing, or so that actually we can get a clear idea where the company is going?

Pankajkumar Jagawat: Next con call, we can give a 3 to 5 years roadmap also.

Saurabh Gupta: And also some clarity, like, in merging these 2, because there's a lot of confusion whether to get into Utssav or whether to get into Shanti Gold?

Pankajkumar Jagawat: So I don't think so there is any confusion because both the facilities are managed by different management. There are a lot of listed companies, and, so same as Utssav and Shanti Gold also listed company, and product range are also different in both the companies. So, but Yes, I wouldn't say we are not about not merging it or merging it, means we are open.

Saurabh Gupta: Yes, thanks a lot.

Moderator: Thank you. The next question is from the line of Stuti Agarwal from Chhattisgarh Investments Limited. Please go ahead.

Stuti Agarwal: Hello, am I audible?

Pankajkumar Jagawat: Yes, Yes, please go.

Stuti Agarwal: Thank you for the opportunity. I just wanted to ask what is the capitalization level that we are operating currently? And what is the roadmap for the next 2 to 3 years, the ramp-up for the Marol and Singapore facility?

Shriram Iyengar: The next 2-3 years looks very good. I mean, the foundation has been laid. We are investing heavily into building scale, so that speaks about the future and all. So yes, we are quite there. We are, as I told you earlier also, we are positioning ourselves as one of the leading manufacturers in this segment, and we are pretty confident we will be there.

And yes, the foundation is only from that point of view only, ma'am. So basically, I would just request you everyone to just don't look beyond those quarter-to-quarter numbers and all. We are heavily invested in building scale. One should look from the long-term point of view. The foundation has been laid.

The product portfolios have been increased. Everything thing is there, roadmap is there. So people, we would encourage investors look from the long-term point of view. And yes, the great numbers are going to come in, and we are very hopeful of getting in a very high volume growth in the near future.

Pankajkumar Jagawat: And if you see from the time we've got listed and before listing also, year-on-year we've grown very drastically.

Stuti Agarwal: Okay. Thank you, sir.

Moderator: Thank you, ladies and gentlemen. Due to time constraints, we will take that as the last question for the day. And now I would like to hand over the conference to Pankaj sir for closing comments. Over to you, sir.

Pankajkumar Jagawat: Thank you everyone for participating in the earning calls of Shanti Gold International Limited. We hope we have been able to address most of your queries. Should you require any further clarification or additional information, please feel free to reach out to Smit Shah from the AdFactors PR, and the team will be happy to assist you. We appreciate your continuous support and look forward to interacting with you all again. Thank you, and wishing you a very, very happy Diwali and happy New Year.

Moderator: Thank you. On behalf of Shanti Gold International Limited, that concludes this conference. Thank you for joining us, and you may now disconnect.