SHANTI GOLD International Ltd.
CIN: L74999MH2013PLC249748

Date: August 20, 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: Q1 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 August 10, 2026, please find enclosed the transcript of the Q1 FY27 Earnings Call held on Friday, August 20, 2026 at 02:30 P.M. (IST) for the quarter ended June 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: 2026.08.20 17:50:09 +05'30'

Vrushti Shah
Company Secretary & Compliance Officer
Encl: As above

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"Shanti Gold International Limited

Q1 FY27 Earnings Conference Call"

August 14, 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. SMIT SHAH – ADFACTORS PR**

Moderator: Ladies and gentlemen, good day and welcome to the Shanti Gold International Limited Q1 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 at the end of today's presentation. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Smit Shah from Adfactors PR. Thank you, and over to you, sir.

Smit Shah: Thank you, Manav. Good afternoon, everyone. I am Smit Shah from Adfactors Investor Relations team. On behalf of Shanti Gold International Limited, it is my pleasure to welcome you all to the Q1 FY27 earnings conference call. Joining us on the call today from the management team are Mr. Pankajkumar Jagawat, Chairman and Managing Director, and Mr. Shriram Iyengar, Chief Financial Officer.

We will begin today's call with opening remarks from the management, following which we will 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 risks and uncertainties 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 Pankaj sir for his opening remarks. Thank you, and over to you, sir.

Pankajkumar Jagawat: Good afternoon, everyone, and a warm welcome to the Q1 FY27 earning conference call of Shanti Gold International Limited on behalf of the management team. I would like to thank all our investors, analysts, stakeholders, and business partners for joining us today and for their continued support and trust.

August marks one year since Shanti Gold International Limited was listed on the stock exchange. The past year has been an important phase in our journey, and we remain focused on building a stronger, more scalable, and sustainable business while continuing to create long-term value for all our stakeholders.

Coming to the quarter, Q1 FY27 was an important period for the company, particularly from an operational perspective, with the successful commencement of operations at our new manufacturing facility in Marol, Mumbai. The facility marks a significant step up in our manufacturing capabilities and provides us with the additional capability and flexibility to support the growing requirements of our customers.

The quarter also reflected continued momentum in our core business. We witnessed healthy customer traction, supported by deeper engagement with existing customers, expansion across domestic markets, and a growing customer base. Our focus continues to remain on strengthening our position as a trusted manufacturing partner for organized jewellers, retailers by offering quality, differentiated designs, and reliable execution of scale.

From an industry perspective, the outlook for the organized jewellery continues to remain constructive. India's jewellery market is supported by strong wedding and occasion-led demand, rising disposable incomes, and an increasable preference for organized and branded jewellery.

At the same time, organized retailers are increasingly focusing on inventory optimization, wider product offerings, and faster design cycles, creating a structural opportunity for scalable and reliable jewellery manufacturers. We believe our design capabilities, manufacturing scale and established customer relationships position us well to benefit from this opportunity.

Coming to our financial performance during quarter 1 FY27, the company reported revenue from operations of INR716.38 crores compared to the INR292.78 crores in Q1 FY26, registering a growth of 144.69%. EBITDA for the quarter stood at INR71.45 crores, with an EBITDA margin of 9.97%. The profit after tax stood at INR50.48 crores compared to INR34.36 crores in the corresponding quarter of the previous year.

Growth was driven by the healthy volume expansion, reinforced by continued customer focus, the rollout of new designs, and outreach to new customers and markets. The commencement of operations at Marol provided further capabilities to support the momentum and cater to the larger and more diverse customer requirements.

We also continued to make progress on strengthening our product mix, value-added categories, including designer jewellery, Turkish jewellery, and gaining traction and are contributing to improved realization. Our focus remains on increasing the contribution of differentiated and higher-value products while maintaining the quality and execution standards that underpin our customer relationships.

The Marol facility also provides us with an opportunity to further enhance our manufacturing flexibility and design throughput. Alongside this, the upcoming Jaipur facility will further strengthen our manufacturing footprint and support our ability to address the growing demand across markets.

As part of our growth and capital planning, the company has approved a rights issue of 46,43,471 fully paid-up equity shares of face value 10 each, aggregating up to INR100 crores. The proposed fundraise will support the company's growth plans and strengthen its capacity to capitalize on emerging opportunities.

Looking ahead, our priorities remain focused on three key areas. The first is capacity expansion, which will continue to ramp-up the facility and progress with the upcoming Jaipur facility to support our growth ambitions.

The second is market expansion, with continued focus on strengthening our presence across key domestic markets, expanding our export business, and deepening our relationships with existing customers while adding new customers.

The third is product mix enhancement, which we will continue to develop and scale value-added categories such as designer and Turkish jewellery, along with the new product offerings aligned with evolving customer preferences.

We remain encouraged by the customer traction and demand visibility across our business with a stronger manufacturing base, expanding customer relationships, and a differentiated product portfolio. We believe Shanti Gold is well positioned to capitalize on the structural growth opportunity in the organized jewellery market. Our focus remains on scaling responsibly, strengthening execution, deepening customer relationships, and building a sustainable and a profitable growth platform for the years ahead.

With this, I would like to hand over the call to Mr. Shriram Iyengar, Chief Financial Officer, to take you through the financial performance of the company. Thank you.

Shriram Iyengar: Thank you, Pankaj ji, and good afternoon to everyone. I will now take you through the financial performance for the quarter ended June 30th, 2026. Revenue from operations for Q1 FY27 stood at INR716.38 crores as compared to INR292.78 crores in Q1 FY26, registering a growth of 144.69% on a Y-o-Y basis. The growth was driven by healthy volume expansion, reinforced by continued customer focus, the rollout of new designs, and outreach to new customers and markets.

EBITDA for Q1 FY27 stood at INR71.45 crores, as compared to INR51.41 crores in Q1 FY26, registering a growth of 39% Y-o-Y. EBITDA margin for the quarter stood at 9.97 percentage. The improvement in operating performance was largely supported by strong volume growth, through a better product mix, enhanced customer services via varied design offerings and continued focus on operational efficiencies.

Profit after tax for Q1 FY27 stood at INR50.48 crores, as compared to INR34.36 crores in Q1 FY26, registering a growth of 46.94% on a Y-o-Y basis. PAT margin for the quarter stood at 7.05 percentage.

During the quarter, the company also commenced operations at its new Marol manufacturing facility, which strengthens our manufacturing capacity and provides additional headroom to support future volume growth. The company continues to maintain a disciplined approach towards working capital management and operational efficiency, while investing in capacity expansion and strengthening its product portfolio to support the next phase of growth.

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

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We have our first question from the line of Kavya Padia from Analayam Capital. Please go ahead.

Kavya Padia: Yes, sir, I have a few questions. First is, what's the margin trajectory you are seeing going ahead?

Management: Around 4% operating margin. PAT.

Kavya Padia: PAT. And what about EBITDA margin?

Management: EBITDA margin would be around 7.5% to 8%.

Kavya Padia: Okay. And so as we know that gold prices have corrected from its peak high, so I wanted to know that what are your gold price targets, and where do you see gold price going?

Management: Hello? Yes, see, as regards to the market moments are there, you have seen, I think, if you just go back last year, we have seen a fantastic move in the gold price rally and all, that was for the FY25-26. Going ahead in this current year, actually, it has remained in a narrow band of say, around 142 to 150 range, right? And the May and June was quite subdued. But now immediately after this month, following with this new exhibition, following with this IIJS exhibition and all, gold has again rallied.

So the long-term, our vision towards the gold is very, very bullish. The long-term fundamentals remain very strong. So we are hopeful that the gold will, maybe there could be a short-term jitters in the near-term, but going forward in the long-term, we expect a good rally in the gold market, and we remain very bullish on that because the fundamentals remain very strong for the gold.

Kavya Padia: Okay. My last question

Moderator: Sorry to interrupt you, Kavya. Can you please use your handset? Your voice is quite muffled.

Kavya Padia: Just one second. Hello?

Moderator: It's still muffled, Kavya.

Kavya Padia: Now it's okay?

Moderator: Yes.

Management: Yeah, now it's okay.

Kavya Padia: And my last question is, what's the current plain to studded jewellery revenue ratio? and what is your target mix going forward?

Management: 75%, approximately we sell cast-studded jewellery.

Kavya Padia: Okay. And is there any target mix that we are working towards?

Management: Target in what sense?

Kavya Padia: Like, plain to studded jewellery mix, target mix revenue mix that we are looking sir.

Management: 75% is our main focus on studded jewellery only.

Kavya Padia: Okay, thank you.

Moderator: Thank you. We have our next question from the line of Preeyam from Choice Institutional Broking. Please go ahead.

Preeyam: Yeah, hello. Am I audible, sir?

Management: Yes, you are audible.

Preeyam: Yes. Excellent set of numbers, sir. I have a several questions. I think I will go one by one. So, when it comes to the breakup of your revenue growth, you have highlighted that around 67% is the volume growth, and rest would we assume that it will be led by the gold price appreciation.

Management: Pardon me?

Preeyam: Hello...

Management: 67% yes, you said 67% is the revenue growth and what?

Preeyam: No, no, no, the volume. 61% is the volume, right? 62%, yes.

Management: Yeah, yeah.

Preeyam: And the rest of the drivers for your revenue growth? Yes, so for the rest of the revenue…

Management: Preeyam, we are not able to hear you.

Preeyam: Is it fine now, sir?

Moderator: No, Preeyam.

Management: We can’t hear you properly.

Moderator: Can you use your handset?

Preeyam: Just a second. Am I audible now?

Moderator: Yes. This is quite better, Preeyam.

Preeyam: Okay. So, sir, I just wanted to understand the breakup of your revenue growth between the volume as well as the price? Like volume, you highlighted that it is around 62% for you in this quarter, and rest would be, can we assume that it will be led by the price?

Management: Price in what sense, like gold price?

Preeyam: Gold price, yes.

Management: See, I will give you a proper this thing. See, the thing is, as far as the Y-o-Y basis is concerned, there is definitely volume growth at 61% all on an Y-o-Y basis. Going forward, what we are intending is 30% to 40% growth from the last year, because 30% to 40% looks very much achievable in the current year, going forward for this current year.

And the top line, we stick to our guidance of around 50% to 60% growth this year. So, if I have to go for the volume and the value, volume will remain largely in the 30% to 40% range and the value will remain in the 50% to 60% range as compared to last year. I hope, this answers your question?

Preeyam: Yes. And a follow-up on that question, sir. As we are going with the rights issue of INR100 crores and also our Marol facility has been commenced, so should we expect whatever the guidance you have given, it should be on the upper side or it will be beat our guidance for this year?

Management: See, basically, the guidance as of now, we are sticking to the guidance of INR3,500 crores. This rights issue is basically to support the growth trajectory. It is because a new factory has come up, we have – we need to fuel the growth part and all. So that is in line with the target of, estimated target of INR3,500 crores in this year, but yes, in case if we see good demand coming up maybe in the quarter three or something, we are – we can revise our guidance, but as of now we are sticking to the guidance of 50% to 60% value growth and 30% to 40% volume growth.

Preeyam: Sure, sir. And on your EBITDA margin front, so the 10% EBITDA margin, is it sustainable for the rest of the year?

Management: See, on the EBITDA margin, good question. See, basically, a part of the margin has spilled over from the unrealized gain locked in the finished goods of last year. See, there was a change in inventory method from FIFO to WAC method. There was some unrealized gain which was locked in the inventory of last year, which got spilled in this current year.

So roughly 2% to 2.5% was the inventory gain. So if you remove that percent, roughly going forward, looking at the current demand and all, we should be in the range of 7.5% to 8% EBITDA.

So yes, that 2% to 2.5% basically comprises of the unrealized gain which we realized in this quarter. But going forward, we don't see that, because the gold is still moving in a narrow band, so we expect the margin should be around 7.5% to 8% EBITDA this year.

Preeyam: Okay. And even considering your Marol facility has come up, so you'll maintain the EBITDA margins overall. So I am assuming that.

Management: Yes, yes, yes.

Preeyam: Okay. And sir, on the other expenses side, we have seen a 132% Y-o-Y growth. I just wanted to understand, was it primarily related to the Marol facility or is there any losses?

Management: Hello?

Preeyam: Yeah, other expenses, sir.

Management: Hello?

Preeyam: Yeah. Hello?

Management: Yeah, sorry. Can you come again?

Preeyam: Sir, your other expenses has been increased by 132% YoY. I wanted to understand, is it related to the new facility or is there something also the hedging losses or gain, if you can just highlight? Is there anything unusual in terms of the hedging losses?

Management: No, not any hedging, per se. Any kind of expenses being there, basically other expenses is just basically these are the indirect expenses, right? So nothing of hedging losses gets run through under this head. Basically these are expenses which is required to support our sales trajectory, growth trajectory, and this is in line with the growth because if you see the top line it has grown by 144 percentage.

So definitely there will be a hike in this other expenses also, but considering the bigger picture, still I think it is comparable, not that high. So nothing of any hidden expenses or any other coming under this head. Basically this is just to support the growth engine of the company.

Preeyam: All right sir. And just a last question from my side. When it comes to the overall shares post the right issue, what will be that number on for the bookkeeping purpose only, sir?

Management: Which number, sorry?

Preeyam: The number of shares post the right issue, what will be that?

Management: The right issue is 46,43,471 and post rights issue it should be around INR7.67 crores.

Preeyam: INR7.67 crores. I think you have already done that, right? In this result? You have adjusted the number of shares for this, in this result?

Management: No, no. No, no, no. Right issue has just opened today.

Preeyam: Okay. Just, wanted to understand why there is a number of shares INR7.2 crores versus the 66, I mean INR6.6 crores last quarter? So basically, I just wanted to understand what would be the number of shares.

Management: See there is no change in the number of shares other than the rights issue which is just coming on.

Preeyam: Okay, so post your right issue, your number of shares would...

Management: I will give you a break up, right? I will give you a break up. INR5.40 crores was the initial original capital. Post that, after IPO we raised IPO, it had come with 1,80,96,000 was the IPO issue. Now, post that, the current activity is the rights issue for which we are coming up with an issue of 46,43,471 issues. So if we add up, it will come to that shares of INR7.67 crores.

Preeyam: Okay, so for the coming years, we should assume INR7.6 crores of as your number of shares?

Management: Yes, perfect. Yeah, post that, yeah.

Preeyam: All right. That's it from my side. Thank you so much.

Moderator: Thank you. We have our next question from the line of Bhagat from Share India. Please go ahead.

Bhagat: Hello.

Moderator: Yes, sir, we can hear you.

Bhagat: Yeah, hi. Hi sir, thank you for the opportunity. I have a couple of questions. So my first question is that, given the Marol facility, now operational, how do we see it supporting our production efficiency, operating leverage, and revenue growth?

Management: See, basically, the Marol factory is just an enabler to fuel the growth trajectory that we are doing it. Basic our plan is to have a better infrastructure in place to get those opportunities to cater to the large-scale retailers, because now people have become very cautious, they just want the just-in inventory, they are just planning with that kind of a thing.

So in that scenario, what our plan was going ahead to have a better infrastructure, production capacity being rolled out first. So once the basic things, we cover the bases, going ahead we can just ramp up the inventory and all, in line with the demand that we get it.

So definitely it is going to be a growth enabler going ahead. So that is what Marol is, it's a growth enabler. And yes, it is going to improve my production efficiency, but now it has just commenced its operation in the month of June, but going ahead you will see a better results coming from that unit also.

Bhagat: Okay, okay. And sir, my next question is that, can you share an update on customer additions that we have done during this quarter, including opportunities across domestic and exports market?

Management: This quarter you're saying or you are talking about the guidance?

Bhagat: No, sir. What we have done in Q1, I mean, any new customer additions that we have done?

Management: Basically in Q1, Q1, our export still pertains to 4% of the total revenue. In that, I will just add up, because our Dubai factory has just – Dubai office is just coming in which have just done with the compliance patent laws, we are just – in back in India, we are awaiting for the RBI approval. Once that is in place, things will be set up, and that will increase – Dubai office will increase our international footprint over a period of time. So as of now, the export part comprises of 4% of the total revenue for Q1.

Bhagat: Okay. And sir, what potential do we see with us from our international business going forward?

Management: Huge potential. As of now, because Dubai is the gateway for us to have that international footprint and all. So once this war and all gets over, things get stabilized and all, so we see a huge potential coming around because we are just catering to three, four countries now. So huge potential is there. So going forward, we see this as an opportunity to have our footprint across the globe.

Bhagat: Okay, sir. That helps. Thank you.

Moderator: Thank you. We have our next question from the line of Netra Deshpande from Mirae Asset. Please go ahead.

Netra Deshpande: Yes, thanks for the opportunity, and congratulations for the great set of numbers. I just would like to ask you about the margins that you said, last year 2% to 3% of unrealization gains that has absorbed in this. So just would like to understand what would be the sustainability for the further, you can say, for the FY27 and the guidance, if you can please give some lights on that?

And secondly, about the current status positions, my second question is putting to the cash flow positions, is like, as you said the net debt position also, if you can add up somewhere around 0.3. So can you please give some insights on that also? Thank you.

Management: Okay, as far as the margin is concerned, as I told you, the sustainable margin, EBITDA margin is around 7.5% to 8%. That's one thing. The unrealized gain that I already told, which has just hiked up our EBITDA margin by 2%, 2.5% and all, so that's another thing.

Going forward, our focus will be more on the growth trajectory, expanding volume, reaching new markets and all. So short-term thesis, we are on a growth spree. We will certainly require more funds to come in, both in the form of debt and rights issue to keep things in balance, we are coming– we will be adding both debt and rights issue to keep that things.

But going forward, it will certainly towards the increment – it will cater to the incremental working capital requirements of the company. And the guidance, as I said you earlier, we will stick to the guidance of 50% to 60% in terms of value, and in terms of volume, it should be around 30% to 40% over last year.

Netra Deshpande: Okay, okay, okay. Thanks. And sir, about the cash flow positions, as you said, 0.34, that is a net debt-to-equity ratio, is it sir?

Management: See, debt-to-equity, madam, currently we are at 0.50, which is still – we plan to go up to less than one maybe because still, as I told you, we are on a growth spree. Marol factory coming up, Dubai office coming up, our another factory about to start commence its operation. So certainly, our working capital needs will be higher in the coming years and all. And plus at the same time, we will do a prudent finance management, having a better matrix of debt-equity so that it doesn't go more than one at this stage.

Netra Deshpande: Okay, okay, noted, sir. Thanks, thanks, and all the best for the next quarter, sir. Thank you.

Management: Thank you.

Moderator: Thank you. We have our next question from the line of Ajit Sethi from Eiko Quantum Solutions. Please go ahead.

Ajit Sethi: Thank you for the opportunity. So what is the current capacity utilization for our existing facility, the Mumbai one?

Management: It's currently right now 75%.

Ajit Sethi: Okay, and sir, when will this Jaipur facility will be operational, and what is the amount of capex that we are spending?

Management: So capex is around INR47 crores what we have allotted for Jaipur facility, and it should be operational around November, mid-November or December, because the factory work is still going on.

Ajit Sethi: And sir, I just want to understand about our inventory risk management. So could you clarify what percentage of your gold inventory is fully backed by a gold metal loan versus outright purchase?

Management: So we have started Gold Metal Loan and all, so we do natural hedging whatever gold we sell, that to be bought immediately. And we have -- now we have even started GML when -- because the markets looking -- gold prices are looking stable. So earlier also we used to do GML and all, but due to the high volatility, we went on -- we came out from GML. So GML, we've been doing GML since 10, 15 years. We've been hedging our risk.

Ajit Sethi: Thank you, sir.

Moderator: Thank you. We have our next question from the line of Rajesh Singhal from VTG Capital. Please go ahead.

Rajesh Singhal: Hi. Good evening, sir. Thank you for taking my question and congratulations on a very good set of numbers. So regarding the capacity utilization, so we already had 2,700 kg capacity existing and last year we did 1,715 kg of volume and we are guiding for 30%-40% growth, so which means like comes around 2,500 kg, right? So the existing facility is capable enough to meet that guidance range and so any kind of -- like what kind of utilization we are looking at this 4,000 ton -- 4,000 kg capacity which we have recently commissioned? And also, the 1,200 kg…

Rajesh Singhal: Yes.

Management: So both the manufacturing has a different kind of jewellery. So here we are checking out to 75% of utilization, and that is a different line of jewellery which we have started in Marol. So there it's a new factory, so the manufacturing has started since one month, and there also it's slowly it's going to scale up, and Jaipur facility should be starting by November, mid-November or December .

Rajesh Singhal: Great and okay. And the second question would be, so this 30%-40% volume growth, that is on the pure gold. So, any comment on the gold, any comment on diamond and other studded jewellery, which can also be a part of the revenue?

Management: So our main focus is on studded jewellery, which we do 70% of our jewellery, which sells is studded jewellery and 30% which is on plain gold jewellery.

Rajesh Singhal: Okay. Thank you, sir. I will get back in the queue. Thank you very much.

Moderator: Thank you. We have our next question from the line of Aman from Guardian Capital. Please go ahead.

Aman: Yes, hi. Am I audible?

Management: Yes, you're audible.

Aman: Yes. Thanks for the opportunity, sir. My question is a bit broader in terms of business understanding. So due to the rise in gold prices, we have been seeing this trend that the retailers are doing a lot of business in terms of exchange programs now, like by exchanging their old jewellery with the new ones. So I just wanted to understand like, does this phenomena affect us anyhow, directly or indirectly, like in terms of demand or anything?

Management: No, it doesn't affect our demand because we have customers wide ranged all over India as well as we export our jewellery also. So it doesn't affect our business at all.

Aman: Not also the….

Management: Not. Ultimately, even if the customer exchanges their jewellery, they still have to buy new jewellery from people like us, because we are a manufacturer, so even if they exchange the jewellery with the old gold, and which jewellery they sell it in the retail store, they still have to maintain their stock. So they have to buy new jewellery again from us.

Aman: Got it. Yes, that's it from my side. Thank you.

Moderator: Thank you. We have our next question from the line of Vaibhav from CFM. Please go ahead.

Vaibhav: Great. Thanks for the opportunity. And firstly, sir, congratulations on the amazing set of results. Sir, I want to understand one thing that, you said that the current EBITDA margins would be somewhere around 7.5% to 8%.

So as Sky Gold has mentioned that they have a lot of new things which are coming up, which are going to expand their margins like the advanced gold metal, then they are trying to reduce their gold losses. So what are the margin drivers that we can see which can help us boost these 7.5% to 8% to somewhere around 10% for Shanti Gold?

Management: So after our new facility, Jaipur and everything which starts, so you know, we are manufacturing with now with the capacity of 2.7 ton and our new facility which has started with around 4 ton. So going forward, when all manufacturing companies means, the facilities which we have opened up and which is on 75% of the production, we will have a good margin. And with the new facility, yes, we will might go up on the EBITDA margin also.

Vaibhav: Understood. But is there like any strategic initiative of being something like, that Sky Gold is taking like reducing their gold losses, then taking more...?

Management: Yes, we are -- at the new facility what we are coming up with a lot of new machines and a lot of new technologies.

Vaibhav: Okay. So we can expect that these 8% might even like slowly, slowly shift up to 10% in three to four years, right?

Management: Yes. In a long-term, yes.

Vaibhav: Okay, okay. Thanks for answering my question and all the best for future.

Management: Thank you.

Moderator: Thank you. We have our next question from the line of Mahek Jain from KIM Investments. Please go ahead. Mahek Jain, are you there?

Mahek Jain: Hello.

Moderator: Yes. Please go ahead with the questions.

Mahek Jain: Hi. So I just had a question. With your manufacturing capacity and volumes expected to increase, how do you see working capital requirements evolving, or particularly across inventories and receivables?

Management: Yes, ma'am. As I already said, we are very -- long-term fundamentals remain very strong. Going forward, as I said about the guidance for this current year, again, 50% to 60% terms of value is a very big number. So certainly the working capital needs will be there, and going ahead as we are coming also with new factory, new set up, new footprint in the offshore markets and all, so yes, from that percent, my inventory -- my working capital needs certainly will go up.

And going ahead also, we are having a prudent mix of debt to equity. So there will be debt -- there will be a mix of both debt, equity, so overall the debt equity should not be more than 1x of the proportion. So we are planning it, yes, there is a big demand is there, factory is coming up and we are planning it very judiciously, very prudently by having a better mix of both debt and equity.

So that's what the plan is, that's what the intent is, and our focus will be more in terms of volume expansion, reaching out to new markets, new customers, new geographies, new international footprint. From that per se, my working capital needs will be, you know, will be there to fuel the growth -- such kind of a growth trajectory.

Mahek Jain: Okay. And with your customer base expanding, how is the company like balancing between deeper engagements with existing customers or the new customers who are coming in, how do you see the contribution from newer customers evolving over the medium-term?

Management: Yes. See, basically, it is both two-fold, madam. Existing customers are existing customers. We need to, you know, have that kind of a deeper relationship with them to increase the wallet share. So that's said and done means we can't leave them. In fact, as a matter of fact, we are coming with new variety designs, new designs offering in no quick time and all. So that is also helping us in increasing their wallet share. So that's one thing.

Second thing, as you rightly said, it's a continuous process. We keep on adding new customers, reach out new market, new geographies. So as we reach out to new customers, so new people come on board and slowly our scale also continues to come from those quarters also.

So that's how going forward, we will have a proper mix of both existing customers where we definitely certainly look to increase our wallet share, and of course, at the same time having new customers on board while reaching out to them in various geographies of the market as well as on the international front.

Mahek Jain: Okay. Thank you so much.

Management: Thank you.

Moderator: Thank you. We have our next question from the line of Anirudh Sharma from Ekaant Investments. Please go ahead.

Anirudh Sharma: Hi. Good afternoon. So I had a couple of questions from my side. So sir, the designer and Turkish jewellery are supporting better realizations. Could you share their current contribution to revenue and the potential for these categories to gain further share over the medium-term?

Management: 75% of the revenue is from our designer jewellery and 25% from plain gold jewellery.

Anirudh Sharma: Okay, okay. And sir, as these designer and Turkish jewellery gain traction, how do you see the overall product mix evolving and what potential does this create for margin improvement over the medium-term?

Management: See, the demand of both the jewellery is also increasing because now we have exhibited in the jewellery fair and we've come -- and we have a huge demand of our studded jewellery as well as the new line what we started. And margin, yes, so when our new facility is -- now this Marol facility which has started and which -- when it goes into the capacity of 60% manufacturing, the margin is going to improve because our basics, our fixed expenses are going to be fixed. So when your quantity is going to increase and demand, you know, through demand, so our margin is also going to be better.

Anirudh Sharma: Okay, sir, okay. Thank you, that's it from my side.

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

Kashish: Thanks for the opportunity, sir. A couple of questions from my side. How are you seeing the demand in quarter two, because usually quarter two is better than quarter one, and quarter three is better than quarter two, so we can expect similar kind of run rate to continue?

Management: Yes. The demand is, as I said, we just exhibited from the exhibition and we've come and we have a huge demand in export as well as in local. So, yes. So the orders are been taken and the jewellery, this quarter has to be it's going to be good for us.

Kashish: Sure, sir. Thank you. And second question is in context of this Jaipur facility, sir. So like you mentioned that this will be a new type of products which we will be developing, so whether we will be moving to 14 karat and 18 karat jewellery as well, or no, will it still be 22 karat jewellery in this Jaipur?

Management: 22 and 18 karat. See basically we are a manufacturer, so for us it doesn't make a difference to manufacture 18 karat, 14 karat or 12 karat or 9 karat. So the customer’s demand, what we have from at our end, is more of 18 and 22 karat.

Kashish: Got it.

Management: If customer demands for 14 karat also, we can manufacture that also and give it to them.

Kashish: Got it, sir. Thank you so much. Just last question, sir, in terms of our clientage base. Can we have any bifurcation, how much of a revenue comes from South and how much comes from North, or no, our products are sold entirely throughout India?

Management: See, North we just recently entered in and we recently have lot of new clients from North. So you know, by the end of the year, we'll be able to give you a better calculation by the end of the year. So recently we just entered into North and we got lot of new clients from North.

Kashish: Got it, sir. Just one last thing again, my understanding is margins on the northern side products is slightly more. So, is that understanding correct or no? The margins throughout North or South is more or less similar?

Management: More or less it's similar.

Kashish: Okay, sir, done. Thank you so much sir. Best of luck for the next quarter.

Management: Thank you.

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

Prashant: Hello.

Management: Hello, yes.

Moderator: Yes, Prashant.

Prashant: Yes. Sir, I was checking your borrowings and I want to give you a compliment that you have maintained a very good growth in less borrowings since past financial years as compared to your peers.

Management: Thank you.

Prashant: So my question is that, is it a right time to play a card of borrowing? That's it.

Management: So right now we -- the money what we are acquiring from rights issue is going to be invested completely in gold and working capital. So we'll going to stick with the borrowings what we've already taken.

Prashant: Okay, sir. Thank you.

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

Jay Prakash: Good afternoon, sir. You have completed one year from the IPO, and also you reported around INR244 crores in last four quarters as a profit. Despite that, you are going for a rights issue. And also last con call you have said that you are working for a debt-free company. But...

Moderator: Sir, the participant got disconnected. We will move on to the next question from the line of Hemant Soni, an individual investor. Please go ahead.

Hemant Soni: Sir, thank you for providing me the opportunity, and congratulations on a very good set of numbers. Sir, I had one concern in mind. First thing is our cash flows are continuously bleeding. I had a look at the cash flow from operations over the past four or five years, they continue to bleed. So can you sir, throw some light on it? I mean, what is the reason behind it and when can it be positive?

Management: The reason for being negative cash flow is like, we utilize all the funds and we keep the stock readily. We don't deal on order-to-order basis. So our jewellery stocks are always ready. When customer comes, it's easy for them to select and immediately pick it up. So, due to that our volume is also growing and our new customers are also joining us. So we've been able to cover up lot of new customers from the market. So negative cash flow it's only you can see, because it's the money what we have used it, it's in our stock.

Hemant Soni: Okay. So this is the business model which we are following, you mean to say.

Management: Yes, this is the business model, yes. I mean, it can become positive if I just work on order-to-order basis and I don't keep the stock readily.

Hemant Soni: Got it. Got it, sir. And one more thing I wanted to ask you is, sir, we have already a listed group company, Utssav CZ, if I am right. So I mean, since I'm new to the company, so I don't know what is that company doing, and what is the difference? I mean, what was the idea of listing a separate company, which is into the same trade?

Management: So Utssav was into this, what do you call -- we used to sell it on MRP basis earlier on that. We had established a brand ambassador, call Karisma Kapoor in that and that factory was started in 2007. So that's how these two companies was differentiated because this is to be into a mass manufacturing and that is to be on completely on MRP basis.

So with time that factory, means MRP basis didn't work in India, so that factory we started again on mass manufacturing. And in jewellery line there are lot of new line of jewellery, means all jewelers they cannot manufacture all kind of jewelries. So Utssav is a completely with a different management and Shanti Gold is with a different management. So it doesn't -- and both companies are like 20 years old companies.

Hemant Soni: So sir, is Utssav into B2C or Utssav is also into B2B?

Management: Utssav is also into B2B, but Utssav has a different line of jewellery and Shanti Gold has a different line of jewellery.

Hemant Soni: Sir, can you please little elaborate on it, sir? Different kind of jewellery, what do you mean by this, sir?

Management: So we do diamonds over there. We do rose gold over there. And in jewellery you know, there are like 100 kinds of jewellery. So how do I explain you, different line of jewellery is different line of jewellery. There are lot of line of jewelries in, means when you go to a retail store, you see there are lot of different kind of jewelries in the store. It's not like only chains or only rings. In rings also you get 100 types of rings.

Hemant Soni: Okay. Okay, sir. Okay. Thanks a lot.

Moderator: Thank you. We have our next question from the line of Vaibhav from CFM. Please go ahead.

Vaibhav: Thanks for the opportunity again. So I wanted to understand like, is there any Vision 2030 for Shanti Gold as well like? And what is the target of maintaining this growth percentage of around 30% to 40% of volume growth, like till when can we sustain this kind of growth?

Management: Sorry, can you please come again? You are talking about the volume growth?

Vaibhav: Yes, correct.

Management: Yes. See, basically the volume growth is nothing but you know, proper planning with, you know, all kind of infrastructure being already laid out by the management in terms of coming off up with a new setup at Marol and you know, setting up of new offices in the offshore market, namely in Dubai and all. So these are all the road path towards fueling the growth strategy -- towards growing the top line of the company.

So yes, we are -- first what we have done is we have laid down the infrastructure well. We are going to new geographies because as of now, still our only concern was the working capital. That's the reason we couldn't grow that faster. With we getting good access to the capital, we being listed, we be coming up with rights issue, our balance sheet going strong.

So there is a bigger market for us to reach out to new places, new masses, coming up with new product mix, new geographies and all. So that's where the volume should certainly come. Our reach was limited because of lack of access to the capital, but now with capital flowing in, we are pretty sure of achieving this 30% to 40% growth in the current financial year and on that basis we have come out with 30% to 40% growth in the volume.

Vaibhav: Okay, understood. Sir, you are saying that with the addition of new products and gaining market share

Management: Yes, addition of new product, new factory, reaching to new geographies. Certainly, this is definitely going to add to the top line of the company.

Vaibhav: Got it. And sir, my question is that, for how long do you think that you can sustain a 30% to 40% volume growth, like --

Management: Yes. See basically, we are just on a growing spree boat. We are just growing now. So what is our share as compared to the other players, big players? We are nothing. So our sales growth is 0.00% something. So sky is the limit. So we intend to grow, we intend to go prudently, with having a better mix of both capital, our debt and capital. Sky is the limit.

We are just -- we have been in this business for more than 22 years and all. So we are very good in manufacturing things. As there is a more demand for this large organized retail jewellery, the demand is coming from there, because there is an organized shift from unorganized retail market to organized retail segment. People are coming to us. They need a rollout of new designs just, you know, in a quick time. They need better after-sales service.

So yeah, we are getting better tractions and we will grow because still we are at a very nascent stage in the overall growth strategy of the company. So this will continue for a few more years. Because if you see as compared to the peers, we last year we just did INR2,000 crores. So that's still a very negligible share in the overall size of the jewellery market.

Vaibhav: Got it, got it. So basically, we can say that since last 20 years you were growing at a moderate pace, but now that you have come up with the IPO and you have all the access to funds and everything

Management: Better access to the capital, and all those things, we are just growing fast and yes, we will certainly do good and we will keep this momentum going on for the next few years for sure.

Vaibhav: Okay, understood. And sir, one more thing is that, can we expect that like in quarter one the volume growth was around 60% if I'm not wrong. So can we expect that this can be ambition to achieve for the full year, like, I understand the guidance is around 30% to 40%, but can there be some scenario that we might achieve 60% as well for the volume growth?

Management: No, that's wishful thinking. But yes, we are trying our best. See, as of now we stick to our guidance of 30% to 40% in terms of volume, 50% to 60%. Yes, if there is a good demand, market recovers, huge demand is there, product is well accepted, we are doing good, then nothing is impossible. So going ahead, we will certainly look for that. But for now, we will stick to our target of 30% to 40% growth. In case of any change, we will certainly let you know.

Vaibhav: Okay, sir. Thank you, sir. All the best for future.

Management: Thank you. Thank you so much.

Moderator: Thank you. We have our next question from the line of Satish Bhatt from Trading Investing. Please go ahead.

Satyesh Bhatt: Yes. Hi there. Congratulations on a terrific set of numbers for Q1. I have a couple of questions. One basically building on from what the previous caller has mentioned, which is what I wanted to ask is.

Now that you have listed for about an year, do you have intentions in terms of, you know, giving a three-year or five-year vision, especially given that you do have now, you know, your capacity expansion done and funding via rights and maybe other debts being secured and your expansion markets, say you are expanding into Dubai and you're having an office there.

So would you want to over the next quarter maybe or next one or two quarters share with investors' views on what's your three-year or five-year vision? That's question one.

And second question is, you know, something which I observed is you have this your Jaipur facility, which is adding 1,200 kgs and if the facility says 50,000 square feet of land, so is it that there can be more opportunity to expand that further or -- that's another clarification I wanted.

Management: Fair enough. Thank you so much for the question, sir. First up, on the growth trajectory for three years, as I have been continuously telling you sir, we are definitely on a growing spree. This new set up, new manufacturing that -- that is -- that vouch for the kind of growth that we are looking for in the coming years. So that really sets up the tone as far as the growth is concerned.

So as of now, with market, you know, doing good, certainly we should be able to achieve 40% to 50% -- 50% to 60% in terms of value and all and 30% to 40%. Since we are still very nascent in the growth stage, still there are a lot of markets to be covered lot of geographies to be reached.

And of course new product line also to be launched because as of now, we were just limited to few lines of product like CZ and all. We are coming with new product line, new geography, new markets, with new customers. So yes, for the next three, four years, this trajectory should continue, and as of now, we can fairly say that this growth momentum is there to continue for a couple of years.

Now, coming to your second question as far as the Jaipur facility is concerned, sir, it is a well calibrated thought from the management to have a larger setup going forward. 50,000 square foot is just the first phase of commencement of -- first phase that we are going with. Yes, again, tomorrow as we see going for three, four, five years down, we have big ambitions, I won't tell you the numbers for now, but yes, the ambitions are there.

And that is for the market to see for coming with this kind of a setup. Jaipur factory is actually spread across 3 acres of land, and this 50,000 is just one segment of those, of the whole plant that we have.

Going forward, definitely, in case the demand exceeds our expectations and all, we will definitely come. The capacity itself will grow by many folds. So we are gearing for the long-term point of view, and we are very much -- we are pretty there, and the whole lot of market to be covered with new product lines to be launched. We are pretty confident of the growth trajectory that we are into now, sir.

Satyesh Bhatt: Okay. That's great to hear. Thank you and all the best, yes.

Management: Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that would be the last question of the day. I now hand the conference over to the management for closing comments.

Management: Thank you everyone for participating in the earning call 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 Adfactors PR and team will be happy to assist you. We appreciate your continued support and look forward to interacting with you all again. Thank you.

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