SG MART
ONE MART. INFINITE POSSIBILITIES

July 22, 2026

To,

The Listing Department National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex, Bandra (E), Mumbai-400051	Department of Corporate Services/Listing BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai-400001
NSE Symbol : SGMART	**Scrip Code: 512329**

Dear Sir/Madam,

Sub: Transcript of the Conference Call held on July 20, 2026

With reference to our letter dated July 15, 2026 intimating to the stock exchange(s) about the conference call with Analyst(s)/ Institutional Investor(s) held on July 20, 2026. In terms of the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the aforesaid conference call.

Submitted for your kind information and necessary records.

Thanking you
Yours faithfully

For SG Mart Limited

SACHIN KUMAR
Digitally signed by SACHIN KUMAR
Date: 2026.07.22 14:39:44 +05'30'

Sachin Kumar
Company Secretary & Compliance Officer
M. No. F13972

Encl: a/a

“SG Mart Limited
Q1 FY27 Earnings Conference Call”
July 20, 2026

MANAGEMENT:	**MR. SURAJ KUMAR – CHIEF FINANCIAL OFFICER – SG MART LIMITED** **MR. ANUBHAV GUPTA – GROUP CHIEF STRATEGY OFFICER – SG MART LIMITED** **MR. AMIT THAKUR – DIRECTOR, B2B METAL TRADING – SG MART LIMITED** **MR. ARCHIT ARORA – VICE PRESIDENT SERVICE CENTER AND DISTRIBUTION BUSINESS – SG MART LIMITED** **MS. ANAMIKA GULATI – SENIOR GENERAL MANAGER RENEWABLE BUSINESS – SG MART LIMITED**
MODERATOR:	**MR. PALLAV AGARWAL – ANTIQUE STOCK BROKING LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the SG Mart Limited Q1 FY27 Earnings Conference Call hosted by Antique Stock Broking Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Pallav Agarwal from Antique Stock Broking. Thank you, and over to you, sir.

Pallav Agarwal: Yes. Thank you, Manav, and good evening, everyone. A warm welcome to SG Mart's First Quarter FY27 Earnings Call. We have the senior management team represented by Mr. Amit Thakur, the Director, B2B Metal Trading; Mr. Suraj Kumar, the Chief Financial Officer; Mr. Archit Arora, the VP, Service Center and Distribution Business; Anamika Gulati, Senior GM, Renewables Business; and Mr. Anubhav Gupta, the Group Chief Strategy Officer.

So now I'd like to hand over the call to Mr. Anubhav Gupta for his opening remarks. Over to you, Anubhav.

Anubhav Gupta: Thanks, Pallav, and thanks, Antique Broking for hosting SG Mart for its quarter 1 FY27 earnings call. On behalf of SG Mart, I welcome all the participants on this call, and I would like to extend a warm welcome to everyone who has joined this call. It gives me a lot of pleasure to announce that Q1 FY27 is the second quarter of sustained revenue and profitability for the consecutive quarters. It proves that our business model is working well and is throwing the return and the profitability as expected.

The Mart business model has evolved from trading to manufacturing. And in its new avatar, we are focusing on 5 key pillars, which are: number one, manufacturing; number two is branding; number three is distribution; number four is a network of service centers; and number five is online marketplace.

So under these new product categories, we have already launched 10 products and 7 are in pipeline, which will be launched in the next 2 quarters. So the new categories which have been formed are, number one, products through service centers; number two is various steel profiles; number three is renewable structures; and number four, various products in the accessories category.

So right now, the idea in SG Mart is to create a manufacturing platform with ability to sell in own brand through network of service centers and our own distribution network. On top of that, we will have our own online sales channel to boost reach and profitability.

So talking about category-wise revenue and profitability numbers. So from service center, we did volume of 160,000 tons in quarter 1. The profitability in this business is intact within the range of INR2,000 per ton. As of now, we have 7 service centers, which are fully operational, and we shall launch 5 service centers every year to take this number to 25 by 2029.

The second business is steel profiles into multiple products, which cater to industries like construction, infrastructure and industries. The total volume we did here is 18,000 tons. Capacity -- 18,000 tons in quarter 1, so which means for the full year, the run rate is around 75,000 tons. We already have capacity of 200,000 tons for these various products, which will ramp up over the next few years.

The renewable structures, we did volume of around 11,000 tons. The run rate for the full year is around 50,000 tons. Here also, our capacity is already around 200,000 tons. So we are having enough capacity for next 2 to 3 years to meet the demand from the solar industry.

The EBITDA per ton across these steel profile business and renewable business is around INR3,000 to INR4,000 per ton, and it shall improve as we will set up our own backward manufacturing line in next 1.5 years, which will boost our profitability to INR6,000 to INR7,000 per ton.

And the last segment is accessories, where we have already launched 2 products and the revenue ramp-up has already begun there. So for quarter 1 FY27, if we annualize the financials, the ROCE comes to around 23% with net cash on books around INR690 crores. We spent INR90 crores capex in quarter 1. And for full year, we shall be spending around INR400 crores to INR500 crores.

Now given that a lot of focus is on manufacturing and setting up service centers, the total capex requirement in the business will be about INR1,500 crores in the next 2 to 3 years. Now INR700 crores, we already have on books. And next 2, 3 years, we will have enough operating cash flow to meet this capex demand. So there is no requirement of any new capital raising or any dilution. Everything will be funded from existing cash on the books plus internal cash flow generation.

So we are overall pretty pleased with how SG Mart is shaping up, how each of the verticals is shaping up. And we are bullish on the product pipeline, which we recently launched in the last few quarters, plus the new pipeline of 7 products we have already planned, plus there will be new categories like contract manufacturing, etcetera, which we will add to the existing 4 revenue streams.

All in all, we wish to have 7 to 8 revenue streams with multiple products and which will give the scale to SG Mart in terms of manufacturing and sales through our distribution network and using our own brand, catering to multiple industries like infrastructure, construction, renewables industries, including large scale and small scale both. So by 2030, we expect SG Mart to reach a scale where it would have a unique positioning in terms of helping India and its industries in terms of manufacturing and distribution.

So that's it from our side. We are happy to take questions.

Moderator: Thank you so much, sir. We will now begin the question and answer session. We have our first question from the line Rehan Saiyyed from Trinetra Asset Managers. Please go ahead.

Rehan Saiyyed: So my first question is around the customer side. So your SG Mart has built relationship with more than 2,500 customers across EPC, industrial and infrastructure segments. So how concentrated is the revenue today? And do you see customer concentration reducing further as newer product categories mature?

And just continuing with this part, please could you please help me understand the landscape in the organized infrastructure material distribution business, like what structural advantages allow SG Mart to defend margins against regional distributors and other national players? This is my first question?

Anubhav Gupta: So coming to the first part of it, the customer concentration is very, very wide in SG Mart's case. You got to understand the customer base as per the product category. So for example, number 1 product category is service centers.

Now service centers, our customer base is widely spread out because we have customers in terms of small fabricators to large fabricators, capital goods companies with small to large scale, then EPC contractors, engine building companies, white goods companies, automobile sector, agricultural equipment companies, right? So it has a very wide range of customer base where the concentration is very, very wide, okay?

Then second is steel profiles. Now if you look at the applications for steel profiles, which is again into renewables and infrastructure and industries, housing construction, commercial construction, so all type of segments, infrastructure or real estate, it caters to. Again, the customer base is very, very wide, and there is hardly any concentration.

Then solar structures, yes, this business has a limited number of EPC companies and independent power producers who are present into renewable solar structure -- solar business. So here, it will be like top 20, 30 EPC/IPPs, which we would be catering to. But then again, right now, the solar structure business is contributing very little to the overall revenue of SG Mart. So again, customer base is very wide.

And lastly, accessories, again, it is sold to a number of large customers -- a number of small customers, sorry. So here also the risk of concentration is not there.

Rehan Saiyyed: Okay. Fair enough. And you have mentioned about the steel profile. So sir, what revenue and profitability contribution do you expect from steel profile and solar structures over the next two, three years? Any number in your mind?

Anubhav Gupta: Not cost, right? So put together, if you see 18,000 tons we did in steel profiles and 11,000 ton volume we did in solar structures. So put together, it is 30,000 tons in quarter 1. If you annualize it is around 120,000 tons. Put together, we already have capacity -- installed capacity of around 400,000 tons. So we can grow this business by 3.5x to 4x in next two to three years, meeting the industry demand.

Rehan Saiyyed: Okay. Got it. And sir, last one question from my side, then I'll join back in the queue. So sir, what are the biggest execution risk to achieving the target that you have given 50% CAGR over the next three years that we have to keep in our mind while analysing the company?

Anubhav Gupta: So see, I mean, again, we need to break up execution risk into four separate business verticals. Service centres, we wish to have 25 number in next three years, right? So we already have seven. We have already started working on seven new centres. So 12 centres will be up and ready, say, in next six months to one year.

So once we achieve 12 operational service centre, then doubling that number in two to three years time, it should not be much of a problem. Then we have already identified cities and land parcels. We know the business model, how to run that service centre, what kind of market end demand, etcetera. Everything is manned, right? So execution risk gets very, very low.

Now then the second is solar structures and steel profiles, the other two product categories. Here also, we have already installed profiling capacity of 400,000 tons versus 120,000 tons run rate what we are at today. Now here, the bigger part is to set up the backward integrated line, okay? Because both these product categories, they use special coated steel, okay? So right now, we are purchasing that special-coated steel from third parties, but SG Mart wishes to have its own fully integrated line. So that process we have already started by acquiring land in Raipur.

And in next 18 months, the backward integrated line will be fully operational. Here also, the group has lengthy experience in putting up such lines. So given the project has already kick started, execution risk doesn't play much of a role here. And third, adding new products in the accessories. We have a lot of service centres with idle space. So infrastructure is already there. We need to put up the plant -- I mean, we need to put up machinery to start manufacturing such products. So given all the cash lying in the books plus solid operating cash flow generation in the next two to three years, we don't see much of a risk to put up these lines.

Rehan Saiyyed: Okay sir. Got it. And thank you for the speedy clarification. And good luck for your coming quarter and I will join back the queue.

Anubhav Gupta: Thanks so much.

Moderator: Thank you. We have our next question from the line of Vishal Mehta from Oaklane Capital. Please go ahead.

Vishal Mehta: Hi am I audible?

Moderator: Yes sir. Please go ahead now.

Vishal Mehta: Hi Anubhav sir. Just a couple of questions. First is that this quarter, we've seen a healthy jump in the realizations because of the pricing increase. Could you just break that down? So we've seen also a margin improvement, which has been strong. So could you highlight if there was any inventory gain or this is a structural shift in terms of how we should look at margins going forward as well?

Anubhav Gupta: Vishal, see, if you look at the NSR that is net sales realization, yes, it has gone up. So one is, yes, steel prices went up, right, by around INR2,500 to INR3,000 per ton from 1st April to 30th June period, okay? But also NSR is up because of increased sale of steel profiles and renewable structures, okay? So like I said, this is a special-coated steel where the realizations are almost

INR10,000, INR15,000 per ton higher than the average HR coil-based product, what we sell, okay?

And the revenue mix, as you can see in the table, the contribution is increasing quarter-on-quarter. Plus the margins also in these products are superior, which led to like EBITDA margin of more than 4%.

Vishal Mehta: Sure sir.

Anubhav Gupta: Yes, just to add to it, like inventory gain is very, very minuscule because if you look at the inventory -- absolute inventory, like in FY26, March -- 31st March 2026, the inventory lying in the books was INR284 crores, and in quarter 1 by 30th June, it fell to INR209 crores. So despite high steel prices, our absolute inventory has reduced significantly, okay?

So we are improving our inventory churn. So since the inventory reduced, there was not much scope of booking any inventory gains. And that's what we're going to continue with better inventory churns, the risk of inventory losses or gains in P&L, we want to minimize like how we did in APL Apollo Steel Tubes. Similarly, we want to achieve that in SG Mart as well.

Vishal Mehta: Got it. Sir, just to sum this up, you're saying that this 4.5% EBITDA margin that we've done this quarter seems more structural than a one-off because of better pricing?

Anubhav Gupta: Right. So I will not guide EBITDA percentage right now, Vishal, like quarter-on-quarter because in next quarter, say, in quarter 2, if the service centre business picks up, which was pretty slow in quarter 1 and here, the margins are like INR1,800 to INR2,000 per ton. So if revenue mix from service centre business increases, then my blended EBITDA per ton may come down, okay?

But absolute EBITDA will definitely grow because the steel profile business and renewable business will do more volume than it did in Q1 because every quarter, you will see the ramp-up, okay? But at the same time, my revenue from service centres may increase, right? So yes, tough to give guidance for EBITDA percentage or EBITDA per ton quarter-on-quarter, but absolute EBITDA will definitely be superior than previous quarters.

Vishal Mehta: Got it. Sir, just a compliment that the incremental information in the presentation has been very helpful. Just a suggestion if on the Slide 19, where we've -- 16 slide number, where we've mentioned the segmental split, if you could also add the EBITDA for each segment, it will be really helpful for us to track the performance more granularly. So that's just a suggestion because we do that in APL Apollo as it is. So we're just extending it to SG Mart as well. So thanks again.

Anubhav Gupta: Well taken Vishal, we will work on it. Thank you so much.

Vishal Mehta: Thank you. Good luck.

Moderator: Thank you. We have our next question from the line of Sneha from Nuvama Wealth. Please go ahead.

Sneha: Hi team. Congratulations on good set of numbers. Just a couple of questions from my end. Could you actually help us with the service centre economics? How much time does it take to form one service centre? How many kilometre radius could actually one service centre cover and its economics, like how much are you putting in and some division between land and probably machine and then what could be the throughput that we can attain from each service center? Broadly, this is the first one, yes?

Anubhav Gupta: So Sneha, when we say that we wish to have 25 service centers by 2029, 2030. So idea is to cover pan-India with each service center being present and operational in every industrial cluster of India. So what homework we have done is that every 400 to 600 kilometers, so on an average of 500 kilometer, you will find like one large industrial cluster coming up.

So you'll find our service centers, which are widely spread across and each being at a distance of 400 to 500 kilometers from each other. So that's the basic fundamental that we want to cover whole India. We want to cover each and every industrial cluster of the country. Now the math, how it works is that typically, we want to have like 5 acre to 10 acres depending on the size of the service center.

But typically, it's 5 to 6 acres service center we want to have and it will have a covered area of minimum 100,000 square foot. So to -- and it will have typical machinery of slitting and cut-to-length and embossing, etcetera. So normally, it takes around INR50 crores to put up a service center of this size, which I mentioned.

And right from the land acquisition to install machineries, having built up area, everything, it takes like 9 months to 15 months, again depending on how quickly we are able to get land cleared, etcetera. So 9 months to 15 months is the time period where we are able to set up these service centers.

So like I said, INR50 crores is the gross block investment, which we put up initially. Now service center does business of around 8,000 tons per month, which means around INR40 crores of revenue per month and INR500 crores per annum. Having working capital requirement of 20 days, so which means that we need to have INR25 crores to INR30 crores of working capital investment in the service center.

So INR50 crores plus INR25 is INR75 crores -- INR75 crores to INR80 crores of total capital employment. And if we do -- sorry, 8,000 tons per month, that means 100,000 tons per annum with INR2,000 per ton EBITDA. So we will get EBITDA of INR20 crores on a capital employment of around INR75 crores to INR80 crores. So this is the economics, which we work on.

Now there are two levers to boost ROCE further from these levels. Number one is the B2B metal trading, okay, which right now is not much of a focus area. But as our reach is expanding, so we will get demand for bulk sales also. So as we are able to aggregate demand for metal -- B2B metal trading as more service centers open up, we can always do trading. And there is no investment required for B2B metal trading. So it will boost my ROCE, right, without investing any dollar.

Second, we will start -- so right now the products, what we sell in service center are number 1 metal sheets, HR coil sheets and both sheets and slitted coils, etcetera. Now we want to add coated steel also here for which the backward integration plant is being put up in Raipur. So once that starts -- that product line starts, it will improve my same-store sales growth. And since it's a specialized coated sheets, the margin also will be like INR5,000 per ton versus INR2,000 per ton what we make on hot-rolled HR-based material. So I mean, service centers can also give us 35% kind of ROCE once both these products start adding to the revenue.

Sneha: Got that. My second question was, I think in your opening remarks, you said you are also working towards some sort of a contract manufacturing, which may come up. Would you want to expand that? What are you thinking about which areas, what contract manufacturing?

Anubhav Gupta: Yes, Sneha. So maybe next quarter, we will have some accurate answer to that. We are exploring various industries where there is a gap in giving manufacturing ecosystem to the companies who are selling under their brands. It could be in multiple categories. Obviously, we'll start with one, make it successful and then we go to the second category. So maybe in second quarter call, we will be able to give you exact like what we have done.

Sneha: Understood. Last two questions. One is on the customer diversification. I think you mentioned it very well that your customers are completely diversified. Could you explain how is the order book with these customers? How many days of order book do you entail? What sort of made-to-orders do you receive? And what's the turnaround period? How much inventory do you have to maintain?

Anubhav Gupta: So Sneha, except solar structures, most of the business is off-the-shelf product and we get regular orders from the customers. So normally, the turnaround time would be like 24 hours to 48 hours. Only in solar structure business where -- which is like slightly project specific, the order book stands for like 2 to 3 months else everything is like off-the-shelf segment.

Sneha: Understood. Thanks for our team. All the best. I will get back in the queue for further questions.

Moderator: Thank you. We have our next question from the line of Rahul Kumar from Vaikarya Fund. Please go ahead.

Rahul Kumar: Just one question, I think going back to the profitability part. Can you just help us understand the EBITDA per ton for the various segments for this quarter? And what would be the sustainable figures going forward for these segments?

Anubhav Gupta: Sure. So coming to the first product category, which is service centers where we make anywhere between INR1,800 to INR2,000 per ton. Then second steel profiles, we make around INR3,000 to INR4,000 per ton, which is based on the purchased coated steel from outside. Similarly, in renewable structures, solar structures, we make around INR3,000 to INR3,500 per ton. Again, it is based on the purchased material from outside.

Now in both these segments, once our backward integration starts, say, in 1.5 years, the margins will increase beyond INR5,000 per ton. And lastly on accessories, again, these are like specialized accessories where the margins could be like in double digit, depending on like multiple products. So that's what it is.

Rahul Kumar: Okay. So for this particular quarter, are there any one-offs because this number.

Anubhav Gupta: No. This is one-off. It's all regular business profitability.

Rahul Kumar: Okay. Understood. Second question which I had was on the working capital. I think there is a slight increase in the working -- total working capital because of the trade payables, which has gone down?.

Anubhav Gupta: So again, our current assets have gone up. If you look at our balance sheet, what we have given, the other current assets have increased to like INR211 crores from INR188 crores. So this is again the advances what we pay to the steel mill. Now in last 4, 5 months, because of all the geopolitical turbulence what we have seen, I mean, we always want to have a credible source of steel.

So for that, we always have some advances lying with the steel mills. As our scale increases, improves, I mean, this will definitely come down. So it will improve my working capital days. And also like these are the new business verticals what have been created. So initially, it will have some extra inventory.

Like you saw that we have already brought inventory from INR283 crores to INR209 crores despite increase in the steel prices. So absolute reduction in inventory in tonnage is much more sharper than what you see these numbers in value. So this will continue. And with better payment terms, credit terms with our steel suppliers, we will see inventory being further -- I'm sorry, the working capital being rationalized from current levels.

Rahul Kumar: Okay. Actually referring to the trade payables part, which has actually declined from...

Anubhav Gupta: Yes. Trade payables are also the money which you have to pay to your suppliers, right, which is mainly steel mills. So here also, I mean, we have made payments to ensure that there is regular supply of steel. It's just that the scenario -- the geopolitical scenario is turbulent, it's always better to play safe. Now that all our processing units, our sales channel, everything is being established, so we don't want any disruption in the steel supplies.

Rahul Kumar: Okay. And in terms of capacity, what you mentioned for the profiles and the renewables. So the launch product, which you have shown in the presentation, so the capacity is versus these products?

Anubhav Gupta: Yes, that's right. So number one -- so product number one, if you go to Slide number 7, okay? So number 1 product is Strut, which is part of steel profile, then Z/C Purlins number 3 product, that's part of steel profile, Racking Profiles, Cable Trays, okay? So these are part of the steel profiles and Solar Module Mounting Structure is part of solar structure.

So product 1, 2, 3, 4 and 6, plus there are 2, 3 more products which we will launch. The capacity is already there, which we will launch in quarter 2, quarter 3. So put together, we have installed capacity of 400,000 ton. And in quarter 1, we did 30,000 ton for both the segments in total.

Rahul Kumar: Okay. So in that context, you had mentioned in the opening remarks that you'll spend some INR1,500 crores on the capex. So which particular segments will be these?

Anubhav Gupta: Okay. So number one is service centers. So we have 7 in operation, right? So we need to open 15 more -- 15 to 18 more. Each service center requires INR50 crores of investment.

Rahul Kumar: Right.

Anubhav Gupta: So this is one number, okay, say, 18 into 50, which is like INR900 crores, which will be put up to acquire land and build sheds and install machineries. So total gross block formation. And then some capex, we will have for the backward integration line of coated steel.

Rahul Kumar: Okay. And then backward integration will be -- this will be a centralized facility, right, not...

Anubhav Gupta: That is right. In Raipur, yes.

Rahul Kumar: Okay. And have we incurred the capex for that? Or is it still constand and how much...

Anubhav Gupta: So land has been acquired and the construction has begun.

Rahul Kumar: Okay.

Anubhav Gupta: And some machinery has also been ordered.

Rahul Kumar: Okay. That's great. Thank you.

Moderator: Thank you. The next question is from the line of Garvit Goyal from Serene Alpha. Please go ahead.

Garvit Goyal: Hello. Am I audible?

Moderator: Yes, sir.

Garvit Goyal: Hello. Yes, hi. Good evening. Sir, my question is on service center. Like you mentioned in this quarter, there are some issues and hence the business was slow, which will ramp up in Q2. And looking at the target number, earlier, we were targeting around 30 service centers by 2030. Now we are speaking about 25. So I just wanted to understand, are there any challenges that we are facing right now in the terms of adding up the new service centers as well as ramping up the existing one?

Anubhav Gupta: See, I mean, if you look at the quarterly volume, Q1 FY27, the volume was 160,000 tons from service centers. Now Q-o-Q, there is a dip, because of seasonality. But in Q1 FY26, the volume was 120,000 ton. So we have increased from 121,000 ton to 160,000 ton on Y-o-Y basis. So there is no slowdown. When I said that volumes were soft, that was on Q-o-Q basis, and that was due to seasonality.

Now Q2, the volume shall pick up, right, Q-o-Q, and that's what I meant. So we are looking at Y-o-Y growth here, because all these products have seasonality, right, not to be compared on Q-o-Q basis in terms of volume. What was the second question?

Garvit Goyal: In terms of our long-term target of establishing...

Anubhav Gupta: Yes. So see, again, this number is 30, 25, it doesn't matter. What matters is that are we covering pan-India? Are we covering each and every industrial cluster in Indian state? So yes, we are doing that, okay? So it is not about number of service centers. It is about the coverage and plus it is about the revenue -- the volume what we can generate from each service center.

Garvit Goyal: Got it. And secondly, for this year, like you mentioned, in the upcoming quarters in absolute terms, maybe relative terms, it can vary. But in absolute terms, we will be seeing improvement in EBITDA on a quarter-on-quarter basis. So what kind of EBITDA target do we have for this particular year for FY27?

Anubhav Gupta: So see, I mean, we had mentioned like -- in quarter 4 call, okay, we had mentioned around INR300 crores for FY27 in terms of absolute EBITDA. I think -- I mean, given the momentum what we have got in quarter 1 and assuming there is no such drastic deterioration in macro environment because of ongoing geopolitical tension, we should be able to do that unless the only caveat is some disruption at macro level.

Garvit Goyal: Understood. And are you seeing any kind of disruption right now? I mean that can be a challenge to...

Moderator: Sorry to interrupt, sir. May I please request you to rejoin the queue as there are several participants waiting for their turn.

Anubhav Gupta: Just to close this loop. So see, disruption, yes, I mean, till 10 days ago, we were of the view that now war is getting over between Iran and U.S., okay? Now the steel prices -- sorry, the oil prices have again started to shoot up. It will again have a lot of impact on the commodities, including steel.

So if there is too much of volatility, it will impact sales for sure, okay? And lot of industries, lot of customer industries will suffer, right? So it's been only 10 days since the war has restarted. I think we'll take another 2, 3 weeks before it starts hurting businesses.

In March, everyone suffered because of shortage of fuel, gas, petrol, diesel, right? So if that situation comes again, then the whole country business environment will suffer. Nothing specific to us, nothing specific to our business. But in general, if things become worse, it will impact.

Garvit Goyal: Got it, sir. Thank you very much and all the best for the future. Thank you.

Moderator: Thank you. We have our next question from the line of Jatin Damania from SVAN Investments. Please go ahead.

Jatin Damania: Good evening and thank you for the opportunity. First of all, congrats on a good set of numbers. Anubhav, I just want to understand that in your opening remarks and a couple of times you alluded to a backward integration initiatives that the company has been taking. So can you throw more light what sort of backward integration are we looking at? Is it a galvanized or is it a CRM? And what sort of incremental EBITDA per ton one can expect on a steel profile and renewables due to that?

Anubhav Gupta: So definitely, we get HR coil from the steel mills. It needs to be cold rolled. Then it needs to be coated, whether it's zinc or zinc plus aluminum or zinc plus aluminum plus magnesium, right? Because these are the 3 segments where we are -- which we are catering to right now, okay? So this is the -- so it is cold rolled plus metal coating, okay? This is what we're talking about. And margins, I mean, through backward integration can improve by INR3,000 to INR4,000 per ton.

Jatin Damania: INR3,000 to INR4,000. And with the installation of -- I mean, what will be the capacity? And once the CRM comes into operation, what sort of improvement in the working capital cycle one can see?

Anubhav Gupta: So like right now, we are buying this raw material from outside, right? So definitely, we need to stock more. Once it is -- everything is backward in-house. So raw material requirement will definitely go down in terms of storage, right? That's why we are confident that the current working capital days of 27, we are going to come down for sure. We'll settle between 20 to 25 days in next 2 years.

Jatin Damania: Sure. That's all from my side. Thank you, Anubhav and all the best.

Anubhav Gupta: Thank you.

Moderator: Thank you. We have our next question from the line of Vikas Mistry from Moonshot Ventures. Please go ahead.

Vikas Mistry: Thanks for the opportunity, Anubhav. In your opening remarks, you alluded about contract manufacturing. Won't it be slightly ROCE dilutive? Are we aware of the fact that if we go into high capital intensive manufacturing business, then it will be slightly on lower side of ROCE?

Anubhav Gupta: No, Vikas. So see, I mean, as a group, as a company, we always aspire to do anything above 25% return profile, okay? Same applies to SG Mart. Now, I mean -- and like I said, there will be like multiple revenue verticals. So one vertical could be like 30%, 40%, 50%, one vertical could be like 20%, 25%. But what I can tell you is that any vertical, we will not dilute ROCE below 20%, no matter what. So please be rest assured, we will not do anything which will dilute company's ROCE.

Vikas Mistry: Great. So good to hear about that. So, in one of our very long-term visions we have alluded that we will have 10 million tons of steel going through our platform. But out of that 33% is like trading. But as of now, we see that the trading will not be the significant portion. It may come as a maybe margin-increasing lever for my service center business. But on long term, how do we think about the bifurcation mix, which will not be on trading side. So how we are trying to plan for that?

Anubhav Gupta: Sure. So from service centers, we wish to achieve around 10,000 ton per month from each service center, okay? So if I have 25 service centers and 10,000 ton per month, so for the full year, we're going to do 3 million ton from this, okay, from service center business. Then 500,000 ton, we're going to do from solar structures and 500,000 ton from the steel profiles. So this put together 4 million ton. And then there would be accessories, etcetera, right?

So I think put together, we should be anywhere between like 4 million to 4.5 million ton. And B2B metal trading, it can be anyone's guess, okay? If there is an opportunity to become a reseller in steel, I mean, we have already tried that in the past, and we will not shy away from doing that again. So that could be anyone's guess. But our focus is to do this like 3.5 -- I'm sorry, 4 to 4.5 million ton of value-added products, which will give better EBITDA spreads and better ROCE.

Vikas Mistry: Okay. So you're still bank on trading as a part but...

Anubhav Gupta: No, we are not.

Vikas Mistry: Okay.

Anubhav Gupta: I'm saying 3 million ton from service centers and 1 million ton from solar structures and steel profiles. So 4 million ton has 0 ton of trading, right? It's pure manufacturing or having a network of service centers, processing, okay? B2B metal trading can be anyone's guess. We don't know, right? If you look at our quarter 4 volume, my B2B metal trading was only 17,000 ton in 1 quarter.

So that means on an average, on a full year basis, it is 60,000 ton, not even 100,000 ton, right? So giving any number to this is useless today. But what I'm saying is we are ready. If there is an opportunity, we are ready. If there is not, then my SG Mart's vision is not dependent on this volume.

Vikas Mistry: So good to hear about that. So congratulations to the team on at least on backward integration side. We wish to continue to backward integrate and continue to have high value margin products. Thanks. That's all from our side.

Anubhav Gupta: Thank you.

Moderator: Thank you. We have our next question from the line of Ulen Soubam from Cycas Investment.

Ulen Soubam: Hello, hi. Am I audible?

Moderator: Yes, can you please be a little louder?

Ulen Soubam: Yes. So can you hear me now?

Moderator: Yes. Please go ahead with the questions.

Ulen Soubam: Yes. So my question is on the customer side. So SG Mart's original business model, if I'm correct, was built around serving the fragmented MSMEs, aggregating supplies from large steel manufacturers. Now that we have transitioned towards higher margin service centers and value-added products. So I just want to know like are MSMEs still the primary target base here? Or has the focus shifted towards larger industrial customers or OEMs?

Anubhav Gupta: That focus remains, because that MSME and SMEs, they are buying our product from service center, okay? Service center, we are not selling our products to Maruti or Honda or Hyundai or Samsung or LG, okay? Our main customers are SME and MSMEs, okay? Whether small industries or small traders.

Ulen Soubam: And my second question is, like, is the growth in value-added segment being driven by increasing new wallet share from existing B2B trading customers? Or is it primarily coming from acquiring entirely new customer base?

Anubhav Gupta: It's acquiring entirely new customer base.

Ulen Soubam: Okay. Got it. Thank you from my side and congratulations on the great set of numbers.

Anubhav Gupta: Thanks.

Moderator: Thank you. We have our next question from the line of Pawan Kumar from Shade Capital. Please go ahead.

Pavan Kumar: Thank you for the opportunity. Am I audible?

Moderator: Yes, sir.

Pavan Kumar: Can you hear me?

Moderator: Yes. Please go ahead with the questions.

Pavan Kumar: Yes. My question is, can you tell me some color on what sort of competition intensity in our kind of business? Who are the players or what sort of target addressable market we have? Some color on that?

Anubhav Gupta: So again, here, we need to go business by business. In service centers, we are the only company which is setting up service centers at national level. So there are like small service centers like mom-and-pop stores everywhere. But as a formalized -- as an organized -- as a pan-India national player, we are the only ones in the country who is putting up such kind of business model. Now in solar structures, again, there are multiple profilers who buy material from steel mills and then profile it and sell to solar sector.

Now here, our USP is having profile centers at multiple locations plus having our own backward integration in terms of steel, right? So that puts us apart from any existing player in solar structures. Now same theory goes with the steel profile business. Here also, there are multiple small profilers who buy steel from steel mills and then they profile the steel and sell it in the end market.

Now here, my strength is that -- what I would say, my USP is that, I'm having profiling machines pan-India at my service centers, plus we're going to do backward integration for coated steel. So again, it puts me ahead of any of my competitor. And fourth business, which is accessories, here also it will be like multiproduct at single location. So no one is working on this model.

So all-in-all, what we believe SG Mart is like China in making, okay? Like how manufacturing gets scaled up or has scaled up in China. Same we want to replicate that in SG Mart, right, which will keep us ahead of small competitors by far, far miles.

Pavan Kumar: And do you foresee any big player coming into the same arena as you are or is it...

Anubhav Gupta: See, I mean, we are working on so many revenue verticals. And it will be beyond steel. It will be beyond the construction industry; it will be beyond industrial application. It will be beyond the renewable space. So multiproduct, multi-industries, multi-application, multichannel service centers, distribution network, online sales channel. So, it will be very tough for any big entrant, right, to focus on so many categories and try to become SG Mart.

Pavan Kumar: Okay. So, in this background, would you like to grow faster than what you're really guiding us because you are -- I think...

Anubhav Gupta: Yes. So, what we can talk about is the building blocks. We'll keep on discussing about those building blocks, what we are doing. We'll keep on putting that into presentation. That's why we put the products, what we have launched, what we're going to launch. Now result, definitely, I mean, we have done a lot of homework in terms of mapping customer base, in terms of mapping new products.

So, we are confident that all this will be successful, and it will throw numbers maybe more than what we have been guiding for. But at the same time, there are a lot of moving variables, which are beyond our control, like geopolitical situation and the macro environment. I mean, if things remain on expected lines, yes, we may perform better. Otherwise, we request you to stick to the guidance what we are giving.

Moderator: We have a next question from the line of Akash Srivasthav, an Individual Investor. Please go ahead.

Akash Srivasthav: Congrats for the good set of numbers. I have seen your vision 2030. Just want to know that if we're able to achieve this from 5 industries, 20 industries and 20-plus service centers. So, what will be our top line or tonnage and EBITDA for 2030, if ever we have calculated about this? And whether we will be able to increase our OPM in the meantime?

Anubhav Gupta: This is the business model what we have built. We believe that with more than 4 million tons in steel volume, the revenue could be like INR25,000 crores to INR35,000 crores by 2030 and with minimum INR1,000 crores EBITDA.

Akash Srivasthav: Okay. And whether -- okay. Means EBITDA margin of something 3% to 4%?

Anubhav Gupta: That's right.

Akash Srivasthav: Okay. One more -- one last question from my side. You have been guiding for online marketplace. I just want to know that whether this is like IndiaMART or which is a buyer and seller platform or it will be something different?

Anubhav Gupta: No, it will be for the products, what SG Mart will be manufacturing and trading. First phase to develop that channel.

Akash Srivasthav: Okay. So, who will be able to buy this, means, from dealer or something? Whom who you marketing?

Anubhav Gupta: Maybe same customers who are buying from me offline, and plus new customers will get added with a better reach.

Akash Srivasthav: Means it will be one of a kind of platform in India. Is there any type of platform available right now?

Anubhav Gupta: No.

Akash Srivasthav: Okay, Thank you.

Moderator: Ladies and gentlemen, that would be the last question of the day, and I now hand the conference over to Mr. Anubhav Gupta from SG Mart. Over to you, sir.

Anubhav Gupta: Thanks, everyone, for joining this call, and thanks again to Antique for hosting SG Mart for its quarter 1 FY27 earnings call. It's been a good quarter. I would say, in fact, last 2 quarters have been fairly good, where we have been able to demonstrate our ability to evolve SG Mart's business model from a trading platform to a manufacturing platform now. We are excited about next 2 to 3 quarters product launch pipeline where we can add or we would add much more products, and add more categories beyond 4, which I mentioned about.

And definitely, you'll hear about contract manufacturing, which some of the participants wish to know about. So, every quarter, on every earnings call, I would be talking about new products, what we would have launched in the quarter, and new product pipeline. So, stay tuned for all the excitement for all the new products, all the business categories, which we will keep on adding and adding to our launch pipeline. Thanks, everyone. Have a good evening.

Moderator: Thank you, sir. On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.