



Date: May 30, 2026

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: SHRINGARMS

To,
Listing/Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
BSE Scrip Code: 544512

Dear Sir/ Madam,

Subject: Q4 and year ended FY26 Earnings Call - Transcript

Ref: Regulation 30 & 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

With reference to our intimation filed on May 19, 2026, please find enclosed the transcript of the Q4 FY26 Earnings Call held on Wednesday, May 27, 2026 at 03:00 P.M. (IST) for the quarter and year ended March 31, 2026.

This intimation is also being uploaded on the Company's website at www.shringar.ms

We request you to take the same on record.

Thanking you

Your Faithfully,

For **Shringar House of Mangalsutra Limited**

Rachit S Sinha

Company Secretary and Compliance Officer

Membership No A64256

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SHRINGAR HOUSE OF MANGALSUTRA LIMITED

CIN No.: L36911MH2009PLC189306

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“Shringar House of Mangalsutra Limited
Q4 FY '26 Earnings Conference Call”

May 27, 2026



MANAGEMENT: **MR. CHETAN THADESHWAR – CHAIRMAN AND
MANAGING DIRECTOR – SHRINGAR HOUSE OF
MANGALSUTRA LIMITED**
**MR. VIRAJ THADESHWAR – EXECUTIVE DIRECTOR
AND CHIEF EXECUTIVE OFFICER – SHRINGAR HOUSE
OF MANGALSUTRA LIMITED**
**MR. RITESH DOSHI – CHIEF FINANCIAL OFFICER –
SHRINGAR HOUSE OF MANGALSUTRA LIMITED**
**MR. RACHIT SINHA – COMPANY SECRETARY –
SHRINGAR HOUSE OF MANGALSUTRA LIMITED**

MODERATOR: **MS. DARSHI JAIN – MUFG INTIME INDIA PRIVATE
LIMITED**



Moderator: Ladies and gentlemen, good day and welcome to Q4 FY '26 Earnings Conference Call of Shringar House of Mangalsutra Limited, hosted by MUFG Intime IR. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Ms. Darshi Jain from MUFG Intime IR. Thank you and over to you, ma'am.

Darshi Jain: Thank you. Good afternoon, everyone, and welcome to the Shringar House of Mangalsutra Limited Q4 and FY '26 Earnings Conference Call. Today on the call, we have Mr. Chetan Thadeshwar, Chairman and Managing Director; Mr. Viraj Thadeshwar, Executive Director and Chief Executive Officer; Mr. Ritesh Doshi, Chief Financial Officer; and Mr. Rachit Sinha, the Company Secretary.

A short disclaimer before we start this call. This call will contain some forward-looking statements which may be based upon our belief, opinion, and expectations of the company as of today. These statements are not a guarantee of future performance and will involve unforeseen risks and uncertainties.

With that, I would now like to hand over the conference call to Mr. Chetan Thadeshwar, the Chairman and Managing Director, for his opening remarks. Thank you and over to you, sir.

Chetan Thadeshwar: Good afternoon. Am I audible?

Moderator: Yes, sir.

Chetan Thadeshwar: Good afternoon and welcome, everyone. Thank you for joining our Q4 and FY '26 earnings call. I hope everyone had an opportunity to go through our investor presentation and press release that have been uploaded on the exchange. FY '26 has been a defining year for Shringar, marked by several strategic milestones that have meaningfully strengthened our growth momentum and reinforced our market position.

During the year, we successfully completed our listing, a significant achievement that has enhanced our credibility, strengthened governance standards, and increased our visibility among stakeholders. Mr. Viraj will explain to you in detail of the other significant achievements of our company in FY '26.

Gold in India holds not just a cultural value, but strong economic relevance. From wedding traditions to wealth preservation, it plays a vital role in household finances. Reflecting this, as per RBI, gold prices have delivered a CAGR of 10.9% over the last 42 years, increasing from 1,858 in 1983 to 1,52,228 as on April 15, 2026.

Talking about the gold price duty, gold duty was initially set at 15%, later reduced to 6%, and has now been raised again to 15%. This latest increase was directly absorbed into gold prices, pushing prices higher. However, even when the duty stood at just 6%, gold prices had already surged to elevated levels. This makes it clear that the rise in gold prices cannot be attributed to



duty alone. Global gold price movement, rupee depreciation, and strong domestic demand have all played a significant role. As a result, duty hike can be now perceived by many as simply part of the broader trend of rising gold prices.

As we reflect on the quarter and full year, we have achieved several meaningful milestones that underscore the strength of our operations and the clarity of our strategic direction. With these initiatives beginning to gain momentum, we remain confident in delivering consistent growth and creating long-term value for all our stakeholders. We remain committed to our guidance of delivering approximately 30% growth over the next two to three years.

Now, I will hand over the call to Mr. Viraj Thadeshwar to give you further insight on the company.

Viraj Thadeshwar:

Thank you. Let me give you some deeper insights of our current expansion and growth strategies. As a part of our ongoing expansion strategy, we successfully inaugurated a new branch office in Pune, a move that has significantly enhanced our geographic footprint in Western India from Marathwada to Vidarbha regions. These two high-potential markets are witnessing increased demand for organized jewellery retail. By strengthening our distribution and service network in these regions, we are better positioned to improve customer access, enhance partner engagement, and drive sustainable revenue growth over the medium to long term.

The quarter marked a particularly important milestone for the company, underscored by two transformative developments that align closely with our long-term growth ambitions and vision of becoming a more diversified jewellery player. Firstly, we executed a major expansion of our manufacturing capabilities during the fourth quarter, resulting in a meaningful increase in production capacity from 2,500 kgs to 4,000 kgs. As a result, the blended capacity for the year stood at 2,625 kgs, leading to an effective capacity utilization of 87% for FY '26.

For the next financial year, our available installed capacity stays at 4,000 kgs, and we expect to further ramp up production in the coming quarters. This scale-up not only enhances our ability to cater to rising demand across existing markets, but also equips us to service new geographies and customer segments more effectively. The expanded capacity strengthens our operational backbone and positioning us well for sustained growth.

Secondly, we made a strategic entry into the bridal jewellery segment, which represents a natural extension to our core mangalsutra business. This expansion significantly broadens our product portfolio, enabling us to cater to a wider spectrum of consumer needs within the wedding and occasion-based jewellery market. Bridal jewellery, being a high-growth category, enhances our overall value proposition. We have already commenced sales in this segment through marquee partners such as Tanishq and Malabar Gold and Diamonds. The encouraging initial traction from these partnerships validates both the underlying market opportunity and the appeal of our product offerings.



Overall, these strategic initiatives not only strengthen our current market position, but also lay a robust foundation for long-term sustainable growth, while creating enhanced value for all stakeholders.

I will now hand over the call to Mr. Ritesh Doshi, our CFO, to discuss the financial performance of the company.

Ritesh Doshi:

Thank you, Viraj ji. Good afternoon, everyone. I will walk you through the company's financial performance for the quarter and full year ended 31st March 2026. For the quarter, Shringar House of Mangalsutra Limited achieved a revenue from operation of INR725.6 crores, an increase of 106.5% on Y-o-Y basis. The fourth quarter witnessed a mix of both volume and value, which combined for this robust growth.

Sales volume for the fourth quarter stood at 500 kgs, up 16% Y-o-Y. Gross profit for the quarter stood at INR64.5 crores, an increase of 122.9% on Y-o-Y basis. Gross profit margin stood at 8.9%, expanded by 65 basis points over year-to-year. EBITDA for the quarter stood at INR44.7 crores, an increase of 93.7% Y-o-Y.

EBITDA margin were at 6.2%, down by 41 basis points Y-o-Y. The quarter four financial year '26 PAT stood at INR34 crores, an increase of 123.5% Y-o-Y. PAT margin was at 4.7%, an increase of 36 basis points Y-o-Y.

For the full year, revenue from operation stood at INR2,245.8 crores, marking an increase of 57.1% Y-o-Y. Gross profit stood at INR212.1 crores for the full year '26, an increase of 84.7% Y-o-Y. Gross profit margin increased by 141 basis points to 9.4%. EBITDA was at INR158.7 crores for the financial year '26, an increase of 72% Y-o-Y. EBITDA margin was at 7.1%, up by 61 basis points Y-o-Y.

PAT stood at INR115.5 crores, an increase of 89% Y-o-Y. PAT margin was at 5.1%, an increase of 87 basis points Y-o-Y. For the full year, the revenue contribution from the corporate clients stood at 49% and non-corporate clients at 51%. Our debt-equity ratio for financial '26 remained at 0.27.

Thank you. I now hand over the call to moderator to open the floor for the question-and-answer session.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Netra Deshpande from Mirae Asset Sharekhan. Please go ahead.

Netra Deshpande:

Thank you. Thanks for the opportunity, sir, and very congratulations for the good set of numbers to everyone. My first question is like working capital management as like, can you give some what is the extension and the rise that we have seen in this quarter and some insights on the debt position as GML is using for the low cost of debt. So, if you can highlight, that is my first question. And please, am I audible?

Moderator:

Yes, you are audible.



- Ritesh Doshi:** Yes, ma'am. So, we have some -- give you a glimpse on working capital. So, we have an debt-equity ratio of 0.27 and we have a churning of five times. So, we have a churning for five times and for -- we require to so we increase our revenue and that's why we have a require our working capital. So, that's why we have increased some working capital requirement.
- Netra Deshpande:** Okay. So, this sharp rise of this overall consumption is only specific with the working capital that you are seeing that is for the revenue and the debt to equity that is as you have mentioned five times?
- Ritesh Doshi:** Yes, ma'am.
- Netra Deshpande:** Okay, okay. And can you also please highlight on the Titan and the second question is on Titan and Malabar as you said is a leading player for the contributing to the revenue, then what would be the percentage from the other two to five major clients and also on the segment side as the major contribution from the revenue which we seen like mangalsutra segment earlier it used to, now the extension for the bridal. So, congratulations for that, but can you please share the segment-wise allocation for this?
- Chetan Thadeshwar:** Yes, ma'am. I will tell you that 17% of our revenue is from our business with Malabar Gold. And we cannot compare Titan with them because Titan is completely based on job work. Malabar is based on outright sales. So when someone is based on job work, then its top line will not be made. Although both are almost on the same stage if we talk in kilos or tonnes, but the value of Malabar can be made in rupees and that of Titan will be made only by labour, so both cannot be compared in value.
- Netra Deshpande:** Okay, okay.
- Chetan Thadeshwar:** That means approximately, if I tell you, Malabar purchases 0.7 tonnes from us and Titan gets manufacture approximately 0.7 tonnes from us. But the value of Titan cannot be measured in rupees because it is a gold-to-gold transaction.
- Netra Deshpande:** Okay, okay. As per the orders and as per the requirement.
- Chetan Thadeshwar:** Yes, yes, yes.
- Netra Deshpande:** Okay, okay. Thank you, sir. And what is the -- just to quantify about the major contribution from the other segments like other than mangalsutra? Because 70% which I feel the revenue is coming from this segment. So, bridal and the other corporate jewellery and the daily western wear, how much it is like can you please bifurcate?
- Chetan Thadeshwar:** Yes, in the last quarter only we have started bridal jewellery. So it took almost three to five months to prepare the bridal jewellery and we have started it with Tanishq and our first lot which was supplied from our side has gone to Titan. So, it is a very initial stage so we cannot count it in percentage because it has just started. So I think we have delivered our first lot in May. So its contribution will be very small in front of the quantum of this mangalsutra.
- Netra Deshpande:** Okay, okay. Got it.



Chetan Thadeshwar: And after three months, we will be able to give the percentage of mangalsutra and bridal because it will be in flow by then. For mangalsutra, we have 1,333 clients all over India and the world. But when I talk about bridal, it is just with the Titan initially because it is still a baby, it has just started but we have got good orders.

But initially Tanishq, turn by turn then Indriya and then Malabar, we have got our product approved with each corporate, but we want to go slow and steady because the way we have made a name in the field of Mangalsutra, based on our quality and work, in the same way we want to go into bridal.

Netra Deshpande: Okay, sir. Got it, got it. Thanks. And sir, third question, it is what drove the sharp increase about the other expenses in this Q4? As you have tremendously about any other specific that is other than the labour cost or that is there, but other expenses increased very.

Chetan Thadeshwar: Yes, yes. The biggest difference, if any, is the hedging notional loss. Since we hedge gold, it results in a notional loss because if we have hedged the gold at whatever price we have bought it at in MCX, whatever additional payment we have to make due to increase in the price of gold, that actually results in loss. So this is the most major part because we do hedging. So this is a portion of the notional loss in hedging.

Secondly, the biggest thing we do in advertising is that to increase sales, we organize major exhibitions above the India level. So we organize approximately 10 exhibitions, so the expenditure keeps increasing. And recently you must have known that we have built new factories, so we had to make some expenditure to install some machinery and all that new technology in that factory as per the new factory. And of course, as the sales are increasing, the CSR expenditures are also increasing along with it, so this is getting reflected in that.

Netra Deshpande: Okay, okay. So, hedging mechanism that you don't have any other exposure currently like can you bifurcate natural hedging on the LME front or how, international market?

Chetan Thadeshwar: Yes, ma'am. So our production volume is of approximately 3.5 ton per year, out of which 30% is our barter exchange i.e. against gold to gold, i.e. it is already hedged. 17% is GML and 13% is MCX hedged, so approximately 60% is our hedging ratio.

Netra Deshpande: Okay. Got it, got it, sir. Thank you, sir. Thank you so much for this.

Chetan Thadeshwar: Yes, ma'am. Thank you so much.

Moderator: Thank you. The next question is from the line of Mr. Abhishek Budholia from Budholia Investment Family Office. Please go ahead.

Abhishek Budholia: Hi sir. My question to you sir is that ultimately your job work and the work you do in gold itself which is also hedged but still, what will be its revenue split and what will be your gross margin of both the businesses individually?

Chetan Thadeshwar: I told you about the revenue split that approximately 30% is a job work ratio, 70% is our outright sales. So the difference between those two is 70% and 30%. Last year we did job work



worth INR26 crores and this year we have done job work worth INR28 crores. So in our top line, INR28 crores is from job work and the remaining portion is from outright sales.

Abhishek Budholia: So, in your FY '26, you have INR2,246 crores sales, out of that you are telling INR28 crores for this job work?

Chetan Thadeshwar: Yes, out of that, INR28 crores which came from job work, comes directly into the top line.

Abhishek Budholia: Yes. And what will your approximate cost be against that, meaning what will be the gross margin for that job work, if you can share??

Chetan Thadeshwar: The production cost is almost the same for both, whether it is advance gold or it is produced from our place. So the production cost is on an average the same for both. whether it is advance gold or our gold, the basic cost of the jewellery is the same, there is no difference in it.

Abhishek Budholia: Simple, but I wanted to know, how much of their operating margin is job work, then it will boost up your operating margin a little bit. But that number is right, but you are saying that quantity-wise you work on almost a large scale because with Tata itself a huge amount of work is job work. So that would pull up your gross margin a lot from the given sales. If we calculate your operating margin gross margin, then that job work portion would pull it up quite a bit, that's why I wanted to split it?

Chetan Thadeshwar: No, it is not like that. There is a difference between prepaid and postpaid, when we incur the cost, when we invest, we charge a certain labour charge. But if we do not invest, when the gold comes in advance, if the raw material comes first, then we will definitely have to give the difference or the benefit to the client, be it Tata, Birla or Reliance. So, there is a standard format in all of them, but there are two different rates. One is either you give advance, or else if not, you take the gold from our inventory. So the portion of an investment in both is added to it.

Abhishek Budholia: Okay. Okay, thank you sir. And one last thing is that in quarter one we will see that how much expansion can you see in the bridal market, for example, you have done job work of INR28 crores now, how much can you expect next year for the full year in a ballpark?

Chetan Thadeshwar: Within this year, we will increase our mangalsutra sales by one-third, i.e., approximately 33% to 35%. In the next two or three years, we will parallelly start making bridal jewellery equivalent to mangalsutra, because bridal jewellery accounts for 60% of the entire jewellery industry. So mangalsutra is also a part of the bridal industry.

So this will be very convenient for us to increase our top line further and we have a best clients in India like Tata, Birla, Reliance, Malabar, Joyalukkas, Kalyan, PNG, these are the best clients who get the manufacturing done from us and we have an opportunity that whatever good thing we make, we can supply it to them. So we have a factory of such a level that we can produce all the jewellery within it.



Today, Tata has given us an opportunity to move ahead in bridal jewellery and gradually everyone wants to join us in this and gradually, slow and steady, within three years, we will be in bridal jewellery along with mangalsutra parallelly, that is, from today we will become double easily if this pace continues.

Abhishek Budholia: And last thing, I think you guys are trying to do the bridal jewellery part with our gold instead of advanced gold and with our own inventory risk. In that have you seen any positive response from the brand like they will be buying gold from you instead of giving you advanced gold?

Chetan Thadeshwar: There are two things in it. If we talk about profitability, we would want to work with our gold so that we can get maximum profit from it. And if we are crunched for capital, then we want to work in advanced gold, that is, in barter exchange. So, working in barter exchange definitely reduces profitability because that is advanced gold. And as for your question...

Abhishek Budholia: I mean, you guys are trying to work on your gold, if I am not wrong last time we talked?

Chetan Thadeshwar: Definitely, definitely. That is precisely how we want to increase profitability.

Abhishek Budholia: So, did you receive any positive response from the brand?

Chetan Thadeshwar: Definitely, today Birla is converted from job work to outright, Reliance is converted to job work to outright, and Indriya also Birla's that is also converted into outright. And Tata is we are currently operational. We are in the negotiations with Tanishq as well for conversion of job work into outright. In other words, let me give you an example, our job work, the revenue we have generated amounts to INR28 crores; if we were to convert this into outright sales, it could potentially reach INR70 crores to INR80 crores. Thus, we can significantly enhance our profitability.

Abhishek Budholia: Sorry, INR70 crores to INR80 crores that would go into your top line.

Chetan Thadeshwar: Yes even more so -- because under the current Advanced Gold framework, when we engage in a barter exchange, the profit we realize amounts to INR28 crores earned as a job-work fee. However, were I to transition this same volume of work to an outright sale model, we could generate a profit of at least 2-3x times that amount; this is because, in that scenario, our direct capital investment in the process leads to a significant increase in overall profitability.

Abhishek Budholia: So, meaning it would have tripled your profit, like INR28 crores would have become...

Chetan Thadeshwar: Yes, yes, yes, 3x will happen.

Abhishek Budholia: Okay. So, the INR28 crores figure you mentioned -- that represented your profit from the job work, not the entire amount you billed to the customer. In that case, you must have incurred your own labor costs against that, right?

Chetan Thadeshwar: This is the labor cost, sir. This is labor cost. What we have obtained from the jewellers -- what has come into our possession amounts to INR28 crores.

Abhishek Budholia: Okay. So you are telling -- okay, sir, I understand. I got it. Thank you.



- Chetan Thadeshwar:** Thank you.
- Moderator:** Thank you. The next question is from Sangeeta Purushottam from Cogito Advisors. Please go ahead.
- Sangeeta Purushottam:** Hello. Am I audible? Can you hear my voice?
- Chetan Thadeshwar:** Yes.
- Sangeeta Purushottam:** Okay. So, Sir, I had two questions. The first one concerns working capital and the distinction between job work and outright purchase. I understand that your turnover would increase if you were to switch to an outright purchase model; however, that would likely have some impact on your margins, is that correct? Margins would likely contract slightly, and wouldn't your working capital requirement also increase if you were to opt for outright purchases?
- Consequently, you would need to generate higher profits, as you would have to cover the cost of that working capital, implying a more intensive utilization of your capital base. So, how do you strike a balance in this regard?
- Furthermore, referring to the current quarter we observed that while the results were excellent and growth was robust, no free cash flow was generated because a significant portion of the funds was absorbed by working capital requirements. Regarding this increase in working capital: was it proportionate to the growth in sales, or were there other underlying changes, specifically, did the working capital cycle lengthen? For instance, did debtor days or inventory days increase? Could you please shed some light on this? So, my first question pertains to this aspect of working capital.
- My second question is regarding the outlook for the coming year, specifically, looking ahead to FY '27, what kind of volume growth do you foresee? Do you have any indications, or a certain degree of confidence, regarding the specific volume growth targets you believe you can achieve? And my third question concerns the recent government action, wherein the duty rate has been increased from 6% to 15%...
- Chetan Thadeshwar:** Ma'am, if you ask the questions one at a time, I've actually forgotten the first one. Please, the first question.
- Sangeeta Purushottam:** All right, all right. So for the first question, regarding working capital versus gold advances could you please elaborate on that?
- Chetan Thadeshwar:** Yes. Firstly, if I procure gold in advance from a client, the only benefit I receive and that too at a discounted rate is the labor charge. Consequently, our percentage revenue our actual income decreases significantly because no capital investment is required on our part. However, when we begin supplying them using our own capital, we start generating additional income. Therefore, an outright sale is always more beneficial for us than undertaking job work.
- The primary reason for our decision to launch an IPO was to ensure that, in the future should the volume of job work decline, we would be equipped to engage in outright sales with our



clients. In other words, regarding our working capital, we aim to utilize it to facilitate outright sales to the organized corporate players in India entities such as the Tata and Birla groups.

Consider this, what is the maximum volume of job work they would typically assign us? Even if they were to provide 100 kg of gold, that amounts to an advance of INR150 crores a figure that represents a distinct limitation. However, when it comes to supplying them directly, there is virtually no limit to the quantity we can provide; this allows us to scale up our operations and boost our profitability.

As for the top line revenue imagine that I am currently processing 200 kg of gold per month under the advance gold model. If I were to transition that volume to an outright sale model instead, the profitability per deal would rise to approximately 1.5%. This would enable me to execute outright sales with them at least six or seven times a year.

This strategy not only enhances our profitability but speaking of the top line, if I were to sell 0.7 tons of gold equivalent to approximately INR100 crores per company via outright sales, I could potentially boost our annual turnover our top line by approximately INR1,200 crores from each individual client.

Sangeeta Purushottam:

I certainly understand the top-line perspective; however, major companies today such as Tanishq are able to secure gold loans at very favorable interest rates. Consequently, their operational strategy is to rely predominantly on advanced gold. This creates a trade-off just as it enhances your profitability, it presents a corresponding trade-off for your buyer as well, doesn't it? After all, why would a buyer switch from advanced gold to making an outright purchase if doing so requires them to pay a higher price?

Viraj Thadeshwar:

Good question, ma'am. This is a very critical issue for our industry. Take a company like Titan, for instance they have very few vendors capable of operating according to their specific parameters. Even back when the price of gold was 25,000, Titan would provide us with 100 kg of gold in advance. Today, with the price of gold at 150,000, if they continue to provide us with that same 100 kg in advance, it inevitably creates a certain level of risk for them; they naturally begin to question how they can justify providing such large advances to any vendor.

Secondly, and this is the key point, if they were to utilize that very same capital, but instead invested that equivalent value the 100 kg allocated to each vendor into their retail operations specifically, showroom expansion, they would generate significantly higher returns. This is precisely why companies like Indriya and Reliance have transitioned from a labor job model to an outright purchase model, they recognize where their investment yields the greatest profit.

Even if I were to charge them a premium say, 1% or 1.5% higher the alternative investment is far more lucrative for them. If they were to open a new retail showroom using the capital equivalent to the gold they currently provide me as an advance, that quantity of gold would be sufficient to open two showrooms. Consequently, that potential profit derived from retail expansion is far more substantial for them than the profit generated through the vendor supply chain; moreover, by not providing gold in advance, they also mitigate the inherent risks



associated with entrusting such valuable assets to external vendors whether it be me or any other vendor like me.

Sangeeta Purushottam: Right, right. Okay, I understand. So as a result of this, your working capital will increase, right? And it has increased this quarter. So then...

Moderator: Hello? Hello? Ma'am, we are not able to hear you.

Chetan Thadeshwar: Yes, I understand your question, ma'am. I would like to answer your query; there is a very good explanation for it. Ma'am, right now I am working with 1,333 customers. My goal is to manufacture the entire range of jewellery, as we have already started with bridal collections and to collaborate with India's top 60 organized players. By doing so, we can bring our cash deficit specifically our working capital requirements under control.

For instance, if I were to supply goods worth INR100 crores to a company like Tata, they have specific, fixed payment dates; payments are received precisely on those scheduled dates. Currently, since I work with over 1,300 companies, managing them all is challenging; their payment schedules can be erratic, sometimes early, sometimes late, which can lead to a disruptive churning effect on our cash flow.

Therefore, if we leverage our existing relationships and product portfolio to work with India's topmost retailers, we benefit from their strict adherence to compliance. For example, if our agreed payment terms are 12 or 15 days, they will not let it extend to the 16th day. In contrast, if we work with players in the unorganized sector, a 15-day payment cycle might easily stretch to 20 days. It is with this strategic objective and to streamline our entire operations that we have launched our bridal jewellery line.

Our aim is to gradually pivot our sales base over the coming days toward the corporate sector entities that operate with great systematic precision and, in the rare event of a two-day payment delay, even compensate us with interest for those two days. Guided by this philosophy, we also feel significantly more secure working with such entities compared to unorganized jewellers. So, in response to your question regarding the capital we have currently deployed, it will not only remain secure, but thanks to the clarity of the payment terms, we will also be able to maximize its churn rate.

Sangeeta Purushottam: Okay, okay, I understand. And could you provide some guidance on volume growth specifically, what volume growth we should expect in FY '27?

Chetan Thadeshwar: Regarding gold, I can tell you that speaking in terms of value, we have been advancing at a CAGR of 30%. This year as well, if I look at it from a production perspective, we are witnessing a volume growth of approximately 15%. Now, while volume is increasing, you are well aware that the price of gold has nearly doubled from last year to this year.

Nevertheless, amidst this scenario, we have successfully achieved a 15% increase in production volume this time around. We intend to maintain this growth trajectory in the days to come. If gold prices remain steady at current levels, we believe we can further accelerate this 15% volume growth to reach levels of 30% or even 35% in the near future.



- Moderator:** Ma'am, please rejoin the queue, ma'am. We have participants waiting. Thank you.
- Sangeeta Purushottam:** Thank you. Yes.
- Moderator:** Thank you. Ladies and gentlemen, a reminder to all, anyone who wishes to ask a question may press star and one on their touchtone telephone. We have next question from Priyam from Choice. Please go ahead.
- Priyam:** Yes, hi sir. Sir, extending the previous participant's question, you mentioned that for the next two to three years you are targeting 30% growth, right? It would be a revenue growth, right? Or value growth? Hello?
- Ritesh Doshi:** Yes, certainly. Let me explain. Priyam-ji, could you please repeat that?
- Priyam:** Sir, your guidance of two-three years was 30% growth, that would be a value growth or it's a volume growth?
- Chetan Thadeshwar:** If I were to tell you that provided gold prices remain steady, we are poised to grow at a rate exceeding the 30% to 35% range. Furthermore, despite the extreme volatility witnessed this year where gold rates fluctuated drastically, nearly doubling within a single year, we still managed to achieve a volume growth of 15%; throughout this period, we remained fully focused on maintaining our volume growth trajectory.
- Consequently, it is inevitable that our value will continue to appreciate. Therefore, looking ahead over the next two to three years, our projected CAGR in terms of value is easily achievable within the 30% range. Should gold prices remain stable thereby ensuring that operations within our showrooms remain unaffected by price fluctuations we are confident, without a shadow of a doubt, that we can comfortably surpass the 30% growth mark and ensure the business runs smoothly.
- Chetan Thadeshwar:** Moreover, our newly established factory, the cutting-edge technology we have recently installed, and the new product lines we have developed will provide a significant boost to our growth prospects in the years to come.
- Priyam:** So we can set a minimum target where your revenue growth would be 30%, correct?
- Chetan Thadeshwar:** Yes.
- Priyam:** Yes. And sir, my question with regards to FY '26, what was your average purchase of the gold and your selling price for FY '26?
- Ritesh Doshi:** So our average inventory cost is 10,500 because we are following the weighted average method, aren't we, sir?
- Priyam:** Correct. So you are on the basis of 10,500, based on this, it now depends specifically regarding '27 on where the price of gold heads.



- Ritesh Doshi:** Sir, if the price remains steady, meaning we will proceed based on the average trajectory we previously outlined our projected 30% growth in value will be contingent upon several factors: how stable the pricing remains, market dynamics, and the geopolitical landscape. Based on these considerations, we will proceed according to the minimum growth target of 30% that we have stated.
- Priyam:** Understood. And sir, second question is in general trend now, so for example our April and May, right? How is the overall trend? I am just talking about the trend, I am not talking about the particular number, how have April and May been? Because in May your announcement was made in terms of the duty hike and geopolitical reasons also. So, April and May how was your trend?
- Chetan Thadeshwar:** Regarding April and May, I can say that considering how things unfolded in April these months haven't actually been particularly difficult for us. This is because the corporate orders we currently hold are proceeding continuously without interruption, and so far, we haven't experienced any adverse impact whatsoever.
- As for the matter of import duty: two years ago, the duty stood at 15% specifically, it was 15% before being subsequently reduced to 6%. When the duty rate increases say, to 15% that increase typically gets absorbed into the prevailing market price of gold. For instance, when the base price was INR150,000, and the duty hike was announced, the price of gold immediately rose to approximately INR160,000, reflecting the 9% increase.
- However, we observed that even when the duty was at 6%, the price of gold had climbed as high as INR180,000 and people continued to purchase it even at that level. Since the gold import duty applies equally to both buying and selling transactions, it effectively gets absorbed into the overall market price of the gold itself. Consequently, we do not face any distinct difficulties arising specifically from the duty component.
- Priyam:** So overall general trend...
- Chetan Thadeshwar:** Under the general trend, the duty was initially 15%, and it was only two years ago that it was reduced to 6%. Therefore, the growth trajectory we were following advancing at a CAGR of 30% was sustained even while the duty remained at 15%; consequently, we never experienced any major adverse impact stemming from the duty structure.
- Priyam:** Understood. Yes. Understood. And sir, when it comes to the wedding dates, have you done some calculations as to how FY '27 will be versus FY '26 in terms of the overall wedding dates, are there more or fewer in FY '27?
- Chetan Thadeshwar:** Every year, the number of weddings continues to rise. For instance, this year alone, we witnessed a staggering one crore weddings. This trend is driven by India's large and growing young demographic; moreover, gold whether viewed as a luxury asset, a store of wealth, or from any other perspective has become an integral and impactful element in Indian households. Furthermore, the Mangalsutra holds a special significance as an item of daily wear.



Consequently, as we focus on the bridal segment, the demand for gold jewellery is bound to escalate in direct proportion to the number of weddings taking place. Thus, with the volume of weddings increasing by approximately 7% to 8% annually, the gold jewellery industry is also advancing and expanding at a corresponding pace.

Priyam: Okay, sir. All the best and congrats for the new facility. Hopefully, we'll visit the facility. Thank you.

Chetan Thadeshwar: Thank you.

Moderator: Thank you. The next question is from Andrey Purushottam from Cogito Advisors. Please go ahead.

Andrey Purushottam: Thank you. First of all, sir, hearty and immense congratulations on the results. Now, sir, I have a question specifically, a follow-up question regarding your negative cash flow what are the expectations that this will turn into positive cash flow? Within what timeframe is this expected to occur, and what specific changes will take place to enable this shift to positive cash flow?

Chetan Thadeshwar: Yes. As you are aware, we are manufacturers and suppliers; whenever we supply goods to a showroom, there is typically a specific credit period involved. However, we are actively striving to mitigate the impact of this as much as possible specifically by focusing on the bridal segment. We are currently working with 1,333 companies, comprising both organized and unorganized entities; the primary objective behind our strategic plan to work exclusively with organized players is that their payment cycles are exceptionally reliable and prompt. This ensures that, in the days to come, we can utilize this robust cash flow to expedite the process of turning our financial position from negative to positive.

Andrey Purushottam: So is there any hope that this could become cash-flow positive in six months, a year, or two quarters?

Chetan Thadeshwar: Within approximately two quarters, we will have converted a significant portion of our operations. Therefore, as we engage with corporates specifically with all the organized players in the sector if we transition our existing labor-based engagements with them to an outright contractual basis, our transformation from the unorganized to the organized sector will accelerate commensurately. We anticipate achieving substantial progress in this regard within roughly two quarters.

Andrey Purushottam: My second question was this since you have only recently launched your bridal jewellery line, it is difficult to provide a specific percentage breakdown at this stage; however, looking ahead a year or two, did you state during this call that roughly speaking at least two-thirds of the revenue would come from Mangalsutras and one-third from bridal jewellery? Did I hear that correctly?

Chetan Thadeshwar: Within this current year, approximately one-third of our revenue could be derived from the bridal segment. Looking ahead over the next three years, we anticipate the bridal segment growing to be on par with our Mangalsutra business or perhaps even surpassing it.



- Andrey Purushottam:** Okay. So does that mean the 30% value growth guideline -- the guidance that you provided already incorporates bridal jewellery?
- Chetan Thadeshwar:** No, no. I was referring to our current ongoing trend; specifically, regarding the pace at which we are moving a momentum we have already firmly established given the success we are currently achieving in the bridal segment, we anticipate that within three years, our turnover in the bridal category will parallel or even surpass that of our Mangalsutra segment. If that happens, we will significantly exceed even the 30% CAGR we are currently projecting.
- Andrey Purushottam:** Okay, all right. Thank you, Sir. Thank you very much.
- Chetan Thadeshwar:** Thank you, sir.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference over to Ms. Darshi Jain for closing comments.
- Darshi Jain:** Thank you all for taking out time for this call. For any further queries and questions, you may reach out to us, MUFG Intime, as their IR advisors. Thank you.
- Chetan Thadeshwar:** Okay. Thank you so much.
- Moderator:** Thank you. On behalf of Shringar House of Mangalsutra Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.