Choice
Institutional Equities

TRANSCRIPT PULSE

Jewellery

June 04, 2026

SHANTI GOLD International Ltd.

Shringar HOUSE OF MANGALSUTRA

Choice Institutional Equities

BUY

Transcript Pulse

Shanti Gold International

June 04, 2026 | CMP: INR 222 | Target Price: INR 350

Sector View: Positive

SHANTI GOLD International Ltd.

Q4FY26 Conference Call Transcript

Actual vs CIE Estimates			
INR Mn	Q4FY26A	CIE Est.	Dev.%
Revenue	6,589	Not comparable as company has changed inventory valuation from FIFO to weighted average.	
EBITDA	670		
EBITDAM %	10.2		
PAT	509		

Shanti Gold International Ltd.	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Volume (Kgs)	463	370.1	25.1	535	(13.5)
Revenues (INR Mn)	6,589	2,973	121.6	6,369	3.5
COGS	5,848	2,718	115.1	5,881	(0.6)
Gross Profit (INR Mn)	741	255	191.0	488	4.0
Gross Margin (%)	11.2%	8.6%	268 bps	7.7%	359 bps
Employee Cost	21	15	36.9	20	5.1
Other Expenses	50	28	78.0	30	66.7
EBITDA (INR Mn)	670	211	217.3	438	53.0
EBITDA Margin (%)	10.2	7.1	306 bps	6.9	329 bps
Depreciation	17	14	17.9	15	10.6
EBIT (INR Mn)	653	197	231.8	423	54.6
EBIT Margin (%)	9.9	6.6	329 bps	6.6	328 bps
Other Income	34	12	188.4	26	32.1
Interest	45	56	(20.4)	44	0.9
PBT	643	153	320.9	404	59.0
Tax	123	61	102.8	125	(1.7)
PAT (INR Mn)	519	92	465.3	279	86.3
Basic EPS (INR)	7.9	1.7		4.3	

Key Financials					
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	11.1	20.2	34.3	54.0	74.0
YoY %	55.5	82.5	69.8	57.6	37.0
EBITDA	0.9	2.0	2.7	3.3	4.4
EBITDAM(%)	8.1	9.9	7.9	6.0	5.9
PAT	0.5	1.4	1.9	2.2	3.0
EPS	10.0	21.2	28.5	33.9	45.7
ROE (%)	46.2	38.1	27.1	25.0	26.0
ROCE(%)	25.3	32.8	28.0	25.6	26.6
PE (X)	10.5	7.8	6.6	4.9	10.5
EV/EBITDA	8.2	6.3	5.6	4.4	8.2

Shareholding Pattern (%)			
	Mar-26	Dec-25	Sep-25
Promoters	74.89	74.89	74.89
FIIs	2.18	2.21	2.68
DIIs	2.13	2.29	4.01
Public	20.80	20.61	18.4

Relative Performance (%)			
YTD	9M	6M	3M
BSE SMALLCAP	(3.3)	3.2	16.0
SHANTIGOLD	23.3	18.0	23.3

Key Conference Call Highlights

Industry:

- The management maintained its stance on the structural shift in the industry as, now, consumers increasingly prefer branded and organised jewellery retail over unorganised players. This trend is driving a preference for outsourcing among organised retailers who are focusing on expanding their footprint and optimising inventory. Shanti Gold expects to benefit from this shift as a trusted, scalable manufacturing partner
- According to SHANTIGOLD, the recent increase in gold import duty, from 6% to 15%, is unlikely to affect demand materially, given the historical resilience of jewellery consumption in India even during earlier periods (2022 to 2024) of sustained 15% duty
- A favourable demand, driven by weddings, rising disposable income and shift towards organised jewellery players, provides sustainable long-term growth opportunities. Moreover, increasing preference for branded and hallmarked jewellery supports organised manufacturers

Guidance:

- SHANTGOLD has guided for 30–40% volume growth and 60–70% value growth, targeting revenue of INR 34–35 Bn in FY27E. FY26 PAT margin stood at 7%, aided by inventory gains from gold purchased using IPO proceeds (FY26 average purchase price at INR 126,000/10gm) before the sharp rise. However, SHANTIGOLD expects FY27E PAT margin to normalise at 4–5% due to the fading low-cost inventory benefit and higher contribution from lower-margin lightweight jewellery

Export Push:

- The launch of the Dubai office was delayed due to the ongoing Gulf conflict; however, most regulatory approvals are already in place. Once operational, the facility will cater to key export markets including the US, Singapore, the UK and Malaysia. SHANTIGOLD is aggressively scaling up its export business and targets increasing export contribution, from the current ~4% (FY26) to 10–20% in the medium term

New Facility:

- **Jaipur:** A new facility (1200 kg) is being set up with an investment of nearly INR 468 Mn, expected to be operational by Sep-Oct 2026
- **Mumbai:** The company's existing capacity utilisation stands at ~55%, while the new Marol facility, with an annual capacity of 4,000 kg, is expected to commence operations next month. The facility will initially start with the production of ~100 kg per month, followed by a phased ramp-up

Shringar House of Mangalsutra

BUY

Sector View: Positive

June 04, 2026 | CMP: INR 209 | Target Price: INR 315

Q4FY26 Conference Call Transcript

Actual vs CIE Estimates			
INR Mn	Q4FY26A	CIE Est.	Dev.%
Revenue	7,256	7,157	1.4
EBITDA	447	434	3.1
EBITDAM %	6.2	6.3	(8) Bps
PAT	340	327	4.0

Shringar House of Mangalsutra	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Volume (Kgs)	500	433	15.5	551	(9.3)
Revenues (INR Mn)	7,256	3,514	106.5	6,589	10.1
COGS	6,610	3,224	105.0	6,042	9.4
Gross Profit (INR Mn)	645	289	122.9	547	18.0
Gross Margin (%)	8.9%	8.2%	65 bps	8.3%	59 bps
Employee Cost	50	34	45.2	35	43.8
Other Expenses	148	24	510.6	110	34.7
EBITDA (INR Mn)	447	231	93.7	402	11.2
EBITDA Margin (%)	6.2%	6.6%	(41)bps	6.1%	6 bps
Depreciation	11	7	71.9	9	21.1
EBIT (INR Mn)	436	224	94.3	393	11.0
EBIT Margin (%)	6.0%	6.4%	(38)bps	6.0%	5 bps
Other Income	19	2	1,123.9	21	(5.7)
Interest	17	22	(25.9)	13	26.4
PBT	439	204	115.6	400	9.6
Tax	99	51	92.2	99	(0.2)
PAT (INR Mn)	340	152	123.5	301	12.8
Basic EPS (INR)	3.5	2.1		3.1	

Key Financials					
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	14.3	22.5	33.3	46.4	61.3
YoY %	29.8	57.1	48.2	39.3	32.3
EBITDA	0.9	1.6	2.0	2.4	3.0
EBITDAM(%)	6.5	7.1	5.9	5.3	5.0
PAT	0.6	1.2	1.4	1.7	2.2
EPS	8.5	16.0	19.2	23.9	30.1
ROE (%)	36.2	26.3	18.5	19.1	19.8
ROCE(%)	31.7	26.3	18.8	18.1	18.4
PE (X)	19.5	13.1	10.9	8.8	6.9
EV/EBITDA	14.2	9.8	9.3	8.0	6.5

Shareholding Pattern (%)			
	Mar-26	Dec-25	Sep-25
Promoters	74.8	74.8	74.8
FIIs	5.8	3.4	4.0
DIIs	1.5	1.7	3.8
Public	17.9	20.2	17.5

Relative Performance (%)			
YTD	6M	3M	1M
BSE SMALLCAP	2.5	10.1	3.3
SHRINGAR	(5.0)	(9.1)	4.9

Key Conference Call Highlights

Industry:

- The industry is heavily influenced by India's large young demographic. The management noted that there were approximately one crore (10 million) weddings in FY26, with the number of weddings increasing by about 7% to 8% annually
- Mangalsutras specifically hold special significance as an item of daily wear, ensuring consistent demand alongside occasion-based purchase
- The management believes that, increases in import duty (recently raised from 6% to 15%), are generally absorbed into the market price. It noted that historical growth sustained even when duties were at 15% in the past, suggesting the duty structure does not have a major adverse impact on the long-term jewellery sales trend
- The rise in gold prices is attributed more to global price movement, rupee depreciation and strong domestic demand rather than duty changes alone

Guidance:

- Growth momentum remained healthy in April and May, supported by a sustained demand from corporates. SHRINGAR has guided for ~30% revenue growth in FY27E, driven by ~15% volume growth, capacity expansion, and increasing contribution from the bridal jewellery segment. Additionally, it has indicated that, if gold prices remain stable at around INR150,000, revenue growth could potentially surpass the guided level.

Increased manufacturing capacity to provide tailwinds:

- Capacity increased from 2,500 kg to 4,000 kg in Q4FY26, representing 60% expansion enabling absorption of rising demand from the existing markets and new geographies; blended FY26 utilization reached 87% indicating strong order absorption momentum. Capacity expansion directly enables strategic initiatives including bridal segment entry and job-work-to-outright conversion, thus increasing overall profitability (2-3x).

Bridal jewellery expected to emerge as a key growth driver:

- SHRINGAR targets 30-35% of bridal jewellery sales by end of FY27, further target to increase to 50% within 2-3 years; bridal forms 60% of total jewelry industry, providing substantial addressable market expansion in the existing retail client ecosystem

Job Work to Outright Sales Conversion = Profitability Amplifier:

- Currently, ~70% of revenue comes from outright sales and ~30% from job work. SHRINGAR intends to shift, from job work to outright sales, which materially enhances profitability, as the same production volume can generate substantially higher revenue and nearly 3x better profit contribution despite increased working capital requirement. Key clients, such as Indriya and Reliance Retail, have already shifted to the outright model, while discussions with Tanishq remain ongoing.

Client Split:

- Client diversification remains healthy with ~49% corporate/organised retail clients and ~51% non-corporate customers. Malabar is the company's largest client, contributing ~17% of revenue, while the entire job-work business is Tanishq.

Gold Hedging:

- Gold hedging stands at ~60% through multiple channels – 30% via barter exchange, ~17% through gold metal loans (GML), and ~13% on MCX – while the remaining stays unhedged to benefit from favourable gold price movements. Q4FY26 other expenses were affected by notional MTM losses on MCX, as rising gold prices led to accounting losses.

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CHOICE RATING DISTRIBUTION & METHODOLOGY	
Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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