

## Shanti Gold International Ltd.

### Company Overview:

**Shanti Gold International** was established in 2003 by promoters Pankajkumar H. Jagawat and Manojkumar N. Jain—both with over two decades of experience in the jewellery industry. The company is one of the leading manufacturers of 22kt CZ casting gold jewellery in India operating in B2B vertical. With a strong focus on design and production excellence, the company offers a diverse portfolio of high-quality, intricately crafted jewellery, including bangles, rings, necklaces, and complete sets. Its product range spans various price points, catering to special occasions such as weddings, as well as festive and everyday wear. Backed by installed production capacity of 2,700 kg per annum, the company continues to specialize in delivering innovative and elegant 22kt CZ gold jewellery designs.

### Key Highlights:

**1. Wide range of jewellery designed by the team of experts:** The company specializes in designing and manufacturing 22kt CZ gold jewellery, offering a wide range of intricately crafted pieces such as bangles, rings, necklaces, and sets across various price points for weddings, festive occasions and daily wear etc. With a strong focus on innovation, the company's 79-member CAD team develops over 400 new designs monthly, tailored to diverse customer preferences across India and abroad. The company has presence in 15 states, 2 union territories and 4 countries. The company has a total of 21 dedicated sales and marketing professionals as of May'25 ensuring seamless delivery and understanding diverse customer needs.

**2. Complete in-house manufacturing ensuring quality at every step:** The company operates a fully integrated in-house manufacturing facility in Andheri, spanning over 13,448 sq. ft., with an installed capacity of 2,700 kg per annum. This setup allows it to maintain strict quality control across design, production and packaging. A significant portion of production process relies on outsourced labour, particularly for the manual setting of stones, which requires precision and craftsmanship. With complete control over production, the company ensure flexibility, customization and consistent quality, enabling them to meet evolving market demands and deliver jewellery tailored to customer preferences.

**3. Established relations with corporate and jewellery businesses:** Over the years, the company has built lasting relationships with leading corporate jewellery brands like Joyalukkas, Lalithaa Jewellery, Alukkas Enterprises, Vysyaraju Jewellers and Shree Kalptaru Jewellers and numerous other esteemed clients by offering customized, high-quality designs tailored to market preferences. For FY23/FY24/FY25, the company catered to 379/372/455 customers generating a revenue CAGR of 27.6% during the period.

**4. Experienced promoters:** Company's Promoters and Directors, Pankajkumar H. Jagawat and Manojkumar N. Jain, each have over 20 years of experience in jewellery industry. Promoters have been responsible in augmenting relationships with various stakeholders which has helped Company expand its operations to 15 states and in 4 countries.

**Valuation:** The company, at the upper price band of Rs 199, is valued at a P/E multiple of 25.7x based on FY25 earnings on post issue capital. The company, in the previous 3 financial years, has registered Revenue/EBITDA/PAT CAGR of 27.6%/46.5%/67.9% CAGR to Rs 1,106.4 cr /Rs 91.7 cr/Rs 55.8 cr, respectively. The company, however, has generated negative operating cash flow during the last 3 financial years, and the business is exposed to the high working capital requirements (109 days in FY25). Additionally, it generates ~73% of revenue from the southern region, which exposes it to geographical concentration risks. We maintain NEUTRAL view on the company and would like to monitor the company's growth trajectory, geographical diversification, and cash flow position post listing.

Issue Details	
Date of Opening	25 <sup>th</sup> July 2025
Date of Closing	29 <sup>th</sup> July 2025
Price Band (Rs)	189 - 199
Fresh Issue (Rs cr)	360.1 (@upper price band)
Issue Size (Rs cr)	360.1
No. of shares	1,80,96,000
Face Value (Rs)	10
Post Issue Market Cap (Rs cr)	1,363 – 1,435
BRLMs	Choice Capital Advisors Private Ltd.
Registrar	Bigshare Services Private Ltd.
Bid Lot	75 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Funding of capital expenditure requirements towards setting up of the proposed Jaipur facility	46.3
Funding working capital requirements of the company	200.0
Repayment and/or pre-payment, in full or part, of certain borrowings availed by the company	17.0
General corporate purpose*	-
<b>Total proceeds from fresh issue</b>	<b>360.1</b>

*\*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	5,39,89,200	100.0
Public & Others	10,800	0.0
<b>Total</b>	<b>5,40,00,000</b>	<b>100.0</b>

Post Issue @Lower Price Band	No. of Shares	%
Promoter & Promoter Group	5,39,89,200	74.9
Public & Others	1,81,06,800	25.1
<b>Total</b>	<b>7,20,96,000</b>	<b>100.0</b>

Post Issue @Upper Price Band	No. of Shares	%
Promoter & Promoter Group	5,39,89,200	74.9
Public & Others	1,81,06,800	25.1
<b>Total</b>	<b>7,20,96,000</b>	<b>100.0</b>

Source: RHP, SSL Research

## Key Financials

Particulars (Rs cr)	FY23	FY24	FY25
Revenue from operations	679	711	1,106
EBITDA	43	50	92
PAT	20	27	56
EBITDA Margin (%)	6.3	7.0	8.3
PAT Margin (%)	2.9	3.8	5.0
RoE (%)	28.4	27.8	36.6
RoCE (%)	18.3	16.3	23.9
P/E (x)*	54.2	40.0	19.2

Source: RHP, SSL Research

\*Note: Pre-issue P/E based on upper price band

## Risk Factors

- **Revenue concentration:** In FY25, FY24 and FY23, top 10 customers accounted for 34.5%, 36.4% and 33.2% of revenue, respectively. The loss or reduced demand from any of these key clients could significantly impact the business performance and financial health.
- **Heavily concentrated in South Region:** In FY25, Southern India accounted for 72.8% of the revenue. This regional concentration exposes them to economic, cultural, and market-specific risks that could impact the operations.
- **Change in consumer preference:** The company's business is primarily focused on 22kt CZ jewellery. To diversify, the company plans to use part of the Net Proceeds to expand into machine-made plain gold jewellery at the proposed Jaipur facility. However, shifts in consumer demand and preferences may impact performance and financial stability.
- **Price fluctuation:** The company's reliance on gold makes them vulnerable to market fluctuations. Limited availability or rising costs of quality gold could negatively impact the operations, financial performance, and growth prospects.
- **Negative cash flow:** The Company has experienced negative net cash flow from operating activities in the past three FY and may continue to do so in future, which could have a material adverse effect on the business, prospects, financial condition, cash flows and results of operations.
- **Debt and working capital:** As of May'25, the company has Rs 241.9 cr of outstanding borrowing excluding non-fund-based facility of Rs 10.2 cr. The business is also exposed to high working capital requirements.

## Growth Strategies

- Capturing market opportunities in the growing jewellery industry.
- Geographical expansion in North India.
- Penetrate new clients within the existing export countries.
- Augmenting working capital for scalable business operations.

## Revenue from Operations - Customers

Customer concentration	FY23		FY24		FY25	
	Revenue from Operation	%	Revenue from Operation	%	Revenue from Operation	%
Top 1	34.5	5.1	63.5	8.9	81.0	7.3
Top 5	143.3	21.1	171.7	24.2	257.6	23.3
Top 10	225.3	33.2	259.1	36.4	381.7	34.5

Source: RHP, SSL Research

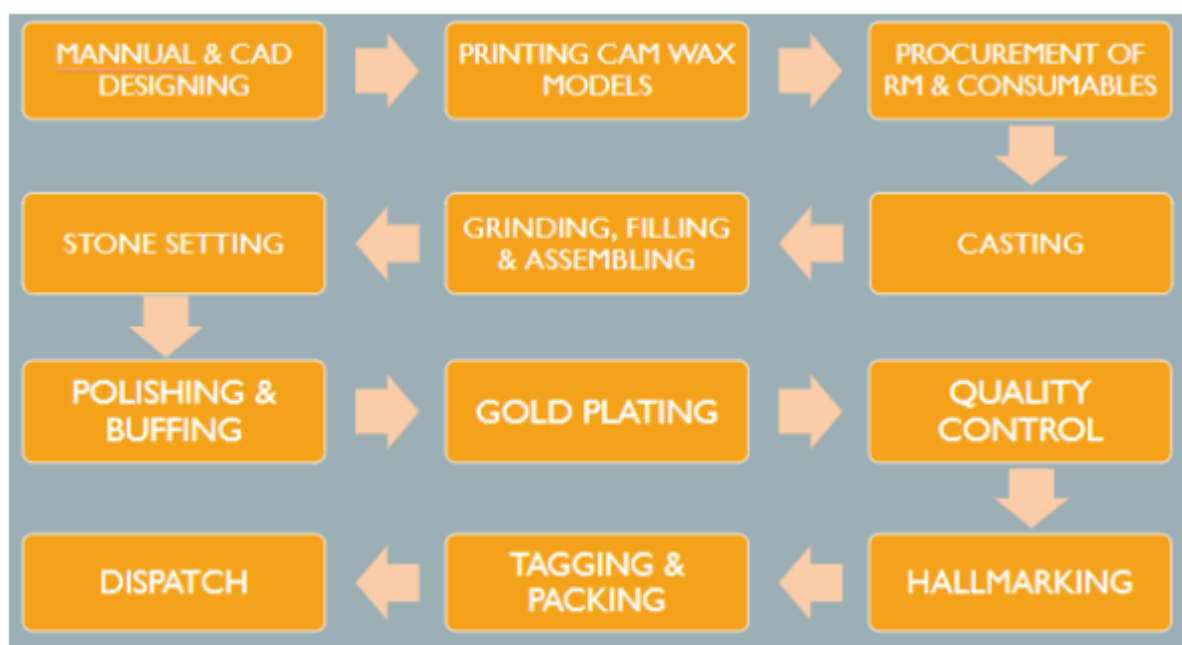
## Manufacturing Capabilities

Financial Year	Period of Utilization (Months)	Installed capacity (Kgs)	Actual production (Kgs)	Utilization (%)
FY25	12	2,700	1,566	58.00
FY24	12	2,700	1,364	50.53
FY23	12	2,700	1,441	53.36

The company's proposed Jaipur Facility will have an installed production capacity of 1,200 kgs, which will augment their currently existing installed production capacity to a total of 3,900 kgs.

Source: RHP, SSL Research

## Manufacturing Process

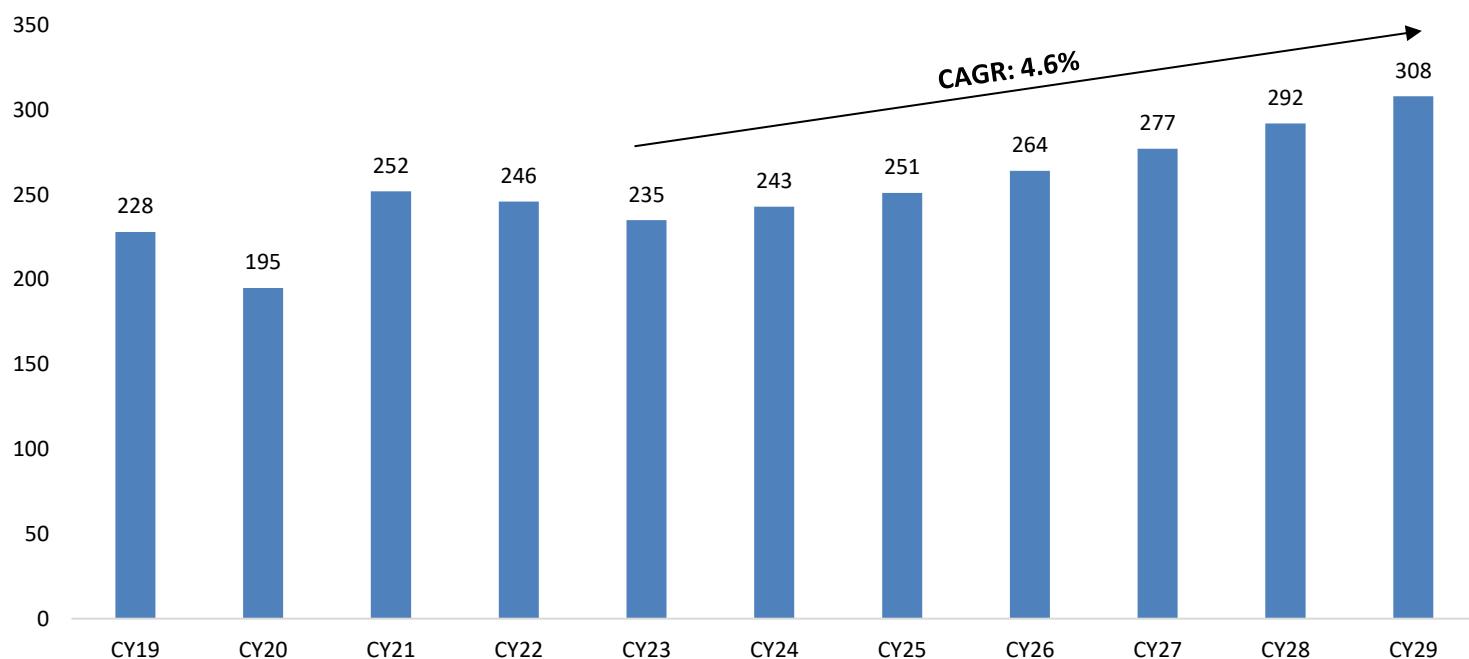


Source: RHP, SSL Research

## Industry Overview

Global gems and jewellery market is expected to reach USD 308 bn by CY29:

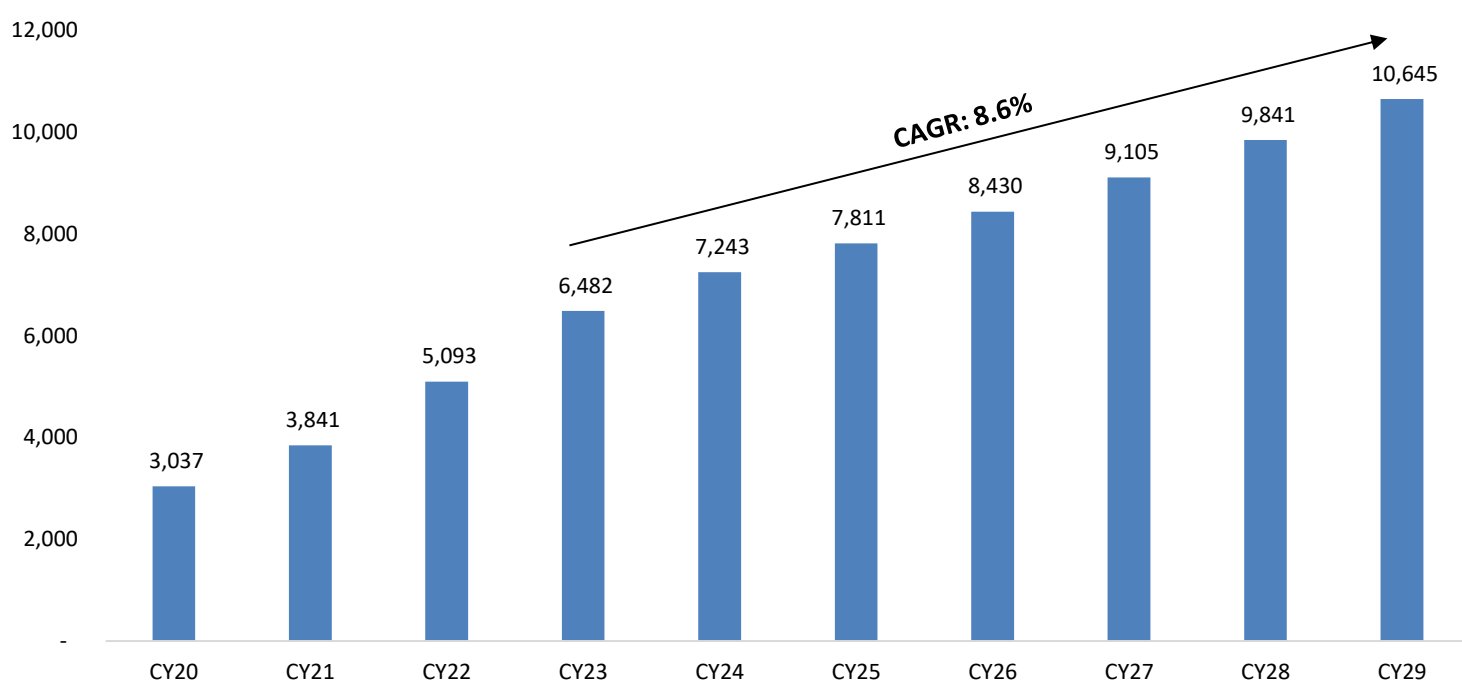
### Global Gems & Jewellery Market (USD bn)



Source: RHP, SSL Research

Indian gems and jewellery market is expected to reach Rs 10,645 bn by CY29:

### Indian Gems and Jewellery Market (Rs bn)



Source: RHP, SSL Research

## Financial Snapshot

INCOME STATEMENT			
(Rs cr)	FY23	FY24	FY25
<b>Revenue from Operations</b>	<b>679</b>	<b>711</b>	<b>1,106</b>
<b>YoY growth (%)</b>	<b>-</b>	<b>4.7</b>	<b>55.5</b>
Cost of Revenues (incl. Stock Adj.)	<b>627</b>	<b>650</b>	<b>999</b>
<b>Gross Profit</b>	<b>53</b>	<b>62</b>	<b>107</b>
<b>Gross margins (%)</b>	<b>7.8</b>	<b>8.7</b>	<b>9.7</b>
Employee Cost	4	5	6
Other Operating Expenses	6	7	10
<b>EBITDA</b>	<b>43</b>	<b>50</b>	<b>92</b>
<b>EBITDA margins (%)</b>	<b>6.3</b>	<b>7.0</b>	<b>8.3</b>
Other Income	3	4	6
Interest Exp.	12	14	19
Depreciation	2	3	6
<b>PBT</b>	<b>31</b>	<b>36</b>	<b>73</b>
Exceptional item	-	-	-
Tax	11	9	17
<b>PAT</b>	<b>20</b>	<b>27</b>	<b>56</b>
<b>PAT margin (%)</b>	<b>2.9</b>	<b>3.8</b>	<b>5.0</b>

BALANCE SHEET			
(Rs cr)	FY23	FY24	FY25
<b>Assets</b>			
Net Block	12	19	16
Capital WIP	6	8	9
Intangible Assets	0	0	0
Right of use assets	9	20	17
Other Non current Assets	27	23	26
<b>Current Assets</b>			
Inventories	85	129	149
Trade receivables	102	78	182
Cash and Bank Balances	11	43	14
Other Current Assets	5	6	7
<b>Total Current Assets</b>	<b>204</b>	<b>256</b>	<b>351</b>
<b>Current Liabilities &amp; Provisions</b>			
Trade payables	6	4	6
Other current liabilities	4	3	4
Short-term provisions	2	2	7
<b>Total Current Liabilities</b>	<b>13</b>	<b>10</b>	<b>17</b>
<b>Net Current Assets</b>	<b>191</b>	<b>246</b>	<b>335</b>
<b>Total Assets</b>	<b>244</b>	<b>316</b>	<b>403</b>
<b>Liabilities</b>			
Share Capital	9	9	54
Reserves and Surplus	61	88	98
<b>Total Shareholders Funds</b>	<b>70</b>	<b>97</b>	<b>152</b>
<b>Total Debt</b>	<b>164</b>	<b>198</b>	<b>233</b>
Long Term Provisions	0	0	0
Lease Liabilities	2	12	10
Other Long Term Liabilities	1	1	1
Net Deferred Tax Liability	8	7	6
<b>Total Liabilities</b>	<b>244</b>	<b>316</b>	<b>403</b>

Cash Flow (Rs Cr)	FY23	FY24	FY25
Cash flow from Operating Activities	(5)	(13)	(15)
Cash flow from Investing Activities	(4)	(5)	1
Cash flow from Financing Activities	9	20	13
Free Cash Flow	(7)	(22)	(21)

RATIOS			
	FY23	FY24	FY25
<b>Profitability</b>			
Return on Assets (%)	7.7	8.3	13.3
Return on Capital Employed (%)	18.3	16.3	23.9
Return on Equity (%)	28.4	27.8	36.6
<b>Margin Analysis</b>			
Gross Margin (%)	7.8	8.7	9.7
EBITDA Margin (%)	6.3	7.0	8.3
Net Profit Margin (%)	2.9	3.8	5.0
<b>Short-Term Liquidity</b>			
Current Ratio (x)	1.5	1.5	1.5
Quick Ratio (x)	0.9	0.7	0.9
Avg. Days Sales Outstanding	55	40	60
Avg. Days Inventory Outstanding	50	72	54
Avg. Days Payables	4	2	2
Fixed asset turnover (x)	58.0	38.4	68.5
Debt-service coverage (x)	0.2	0.2	0.4
<b>Long-Term Solvency</b>			
Total Debt / Equity (x)	2.4	2.2	1.5
Interest Coverage Ratio (x)	3.6	3.5	4.8
<b>Valuation Ratios*</b>			
EV/EBITDA (x)	28.8	24.9	14.1
P/E (x)	54.2	40.0	19.2
P/B (x)	15.4	11.1	7.1
EV/Sales (x)	1.8	1.7	1.2
Mkt Cap/Sales (x)	1.6	1.5	1.0

*\*Valuation ratios are based on pre-issue capital at the upper price band*

*Source: RHP, SSL Research*

## Peer Comparison

Particulars (Rs cr)	Shanti Gold International	Utssav CZ Gold	RBZ Jewellers	Sky Gold
CMP (Rs)	199	221	142	338
Sales	1,106	646	530	3,548
EBITDA	92	39	64	196
Net Profit	56	25	39	133
Mkt Cap.	1,435	530	567	4,970
Enterprise Value	1,293	604	651	5,369
EBITDA Margin (%)	8.3	6.0	12.1	5.5
Net Profit Margin (%)	5.0	3.9	7.4	3.7
P/E (x)	25.7	21.2	14.5	37.4
EV/EBITDA (x)	14.1	15.5	10.2	27.4
RoE (%)	36.6	30.9	17.2	28.6
RoCE (%)	23.9	21.5	20.2	23.4
EV/Sales (x)	1.2	0.9	1.2	1.5

*The data is based on FY25 financial data.*

*For Shanti Gold International Ltd, the Market Cap, EV/EBITDA (x) and P/E (x) are calculated on post-issue equity share capital based on the upper price band.*

*CMP of peer companies is as of 21<sup>st</sup> July, 2025.*

*Source: RHP, SSL Research.*

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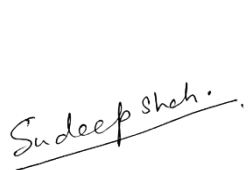
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