



## IPO Note

# Shanti Gold International Limited

Recommendation: **APPLY!**

**Company Background:** Shanti Gold International Limited is engaged in the manufacturing of high-quality 22kt CZ casting gold jewellery with products ranging from bangles, rings, necklaces and jewellery set.

### Objects of the Issue –

Particulars	Amt. in Cr.
Funding of capital expenditure requirements towards setting up of the Proposed Jaipur Facility	46.30
Funding working capital requirements of the Company	200.00
Repayment and/or pre-payment, in full or part, of certain borrowings availed by the Company	17.00
General Corporate Purposes	-

### Promoters Name –

Pankajkumar H Jagawat, Manojkumar N Jain and Shashank Bhawarlal Jagawat

Promoter Share Holding Pattern	
Pre Issue	Post Issue
99.98%	74.89%

### Rationale for recommendation –

Shanti Gold International Limited, established in 2003, has vast industry experience and the IPO is priced slightly high at a post-issue P/E of 25.69 times. The management is satisfactory with diverse structure and good experience; however, dual chairmanship can be observed. The company saw a sudden increase in top line, EBITDA and bottom line in FY25 which should not be a major concern as the average gold value of 22KT CZ studded gold jewellery in FY25 increased by 21.36% compared to FY24 and the overall cost of materials reduced. The negative cash flow is common in companies manufacturing gold jewellery as significant cash gets tied up in expensive raw materials like gold and diamonds, along with inventory build-up in anticipation of festive and wedding seasons. The return ratios are also strong compared to peers. The company's geographic concentration in the south Indian states and dependency on top 10 suppliers add business risk. The company plans to expand its capacity by setting up new manufacturing facility. The company has strong client base. The company had a high debt-to-equity ratio in FY23 and FY24, which has come down in FY25 and is expected to decline further with a portion of the IPO proceeds being used for debt repayment. Thus, investors can **APPLY** to this IPO for long term gains.

### IPO Details

Opening Date	Jul 25, 2025
Closing Date	Jul 29, 2025
Allotment Date	Jul 30, 2025
Listing Date	Aug 01, 2025
Stock Exchange	BSE, NSE
Lot Size	75 Shares
Issue Price Per Share	₹189 to ₹199
Issue Size	360.11 Cr.
Fresh Issue	-
Offer for Sale	360.11 Cr.
Application Amt	₹ 14,925 - ₹ 1,94,025 (75 to 975 shares)

### KPIs (In Crores)

KPI's	FY 23	FY 24	FY 25
Revenue	679.40	711.43	1,106.41
EBITDA	42.70	49.85	91.65
Net Profit	19.82	26.87	55.84
RoCE	32.74%	30.93%	46.25%
ROE	28.39%	27.79%	36.65%
P/E	54.22	39.96	19.25

### Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	10.34	7.75
BVPS	28.22	21.13
P/E	19.25	25.69
P/BV	7.05	9.42
Mkt Cap (In Cr)	1,074.60	1,434.71

\*Annualized

### Lead Managers – Choice Capital Advisors

Private Limited

Registrar – Bigshare Services Private Limited

**Business Overview -**

The company was established as a partnership firm “M/s Shanti Gold” on Aug 05, 2003. It is engaged in the manufacturing of high-quality 22kt CZ casting gold jewellery. It offers high-quality, intricately designed pieces, including bangles, rings, necklaces, and complete jewellery sets across various price points ranging from jewellery for special occasions, such as weddings to festive and daily-wear jewellery. The company has catered to 455 customers as of Mar-25 and develops over 400 designs per month.

**Product Portfolio:** The products include Bangles, Rings, Necklace and Jewellery Set.



The average gold value per gram (in ₹) in their inventory as of FY25 includes:

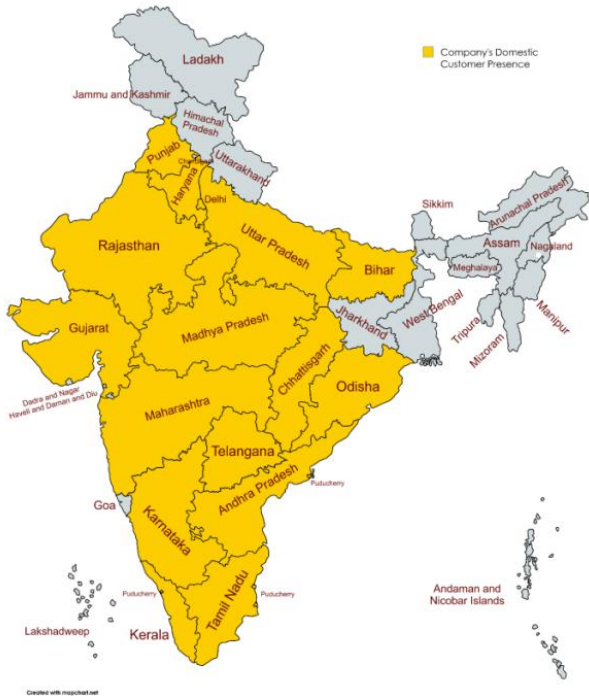
Particulars	22KT CZ Studded Gold Jewellery	18KT CZ Studded Gold Jewellery	20KT CZ Studded Gold Jewellery
FY 2025	7,552.34	6,190.76	4,146.28

**Manufacturing Facility:** The facility is located at Andheri East, Mumbai spanning over 13,448.86 square feet area. It has an installed capacity of 2,700 kg per annum. The capacity utilization remained at 53.36%, 50.53% and 58% for FY23, FY24 and FY25 respectively.



**Major Clients:** Joyalukkas India Limited, Lalithaa Jewellery Mart Limited, Alukkas Enterprises Private Limited, Vysyaraju Jewellers Private Limited and Shree Kalptaru Jewellers (I) Private Limited etc.

**Geographical Presence:**



Company's International Presence	
<input type="checkbox"/> UAE	
<input type="checkbox"/> USA	
<input type="checkbox"/> Singapore	
<input type="checkbox"/> Qatar	

## Business Strategies -

1. The company intends to install a new manufacturing facility in Jaipur. The proposed facility will have an installed production capacity of 1,200 kgs.
2. The company plans to introduce a new line of machine-made plain gold jewellery at the Proposed Jaipur Facility. The company has secured 3 LOIs from prospective buyers.
3. The company intends to expand in North India. They also intend to increase their global presence including USA and the UAE by participating in the trade exhibition.

## Risk Factors –

- The company is highly dependent on south Indian states for their revenue generation. (72.76% as of FY25).
- The company is heavily dependent on top 10 suppliers for their raw materials constituting 92.98%, 93.51% and 90.88% for FY23, FY24 and FY25 respectively.
- The company had negative cash flow from operations over the years.
- The attrition rate has remained slightly high over the years constituting 25.6%, 38.5% and 28.80% in FY23, FY24 and FY25 respectively.
- The company has 9 cases against it for tax matters amounting to Rs. 4.45 Cr.
- The directors have 6 cases against them regarding tax (5 cases) and criminal (1 case) matters amounting to Rs. 0.71 Cr.
- The company had contingent liabilities of Rs. 14.62 Cr.
- The business operations are seasonal specially during wedding seasons during the months of May-June, Sep-Dec and January.

## Key Management

- The management consists of **Pankajkumar H Jagawat (Chairman and Managing Director)**, **Manojkumar N Jain (Whole-Time Director)** and **Shashank Bhawarlal Jagawat (Non-Executive Director)**. They have an average experience of 16 years and relevant education.
- **Yash Mahansaria, Bhavika Yash Ghuntla and Purvi Pathik Shah** are the **Independent Directors**. They have good experience in the industry with relevant education in their respective fields.
- **Shriram Kannan Iyengar (CFO)** holds a B. Com degree, MBA degree and diploma in financial management.
- **Vrushti Parag Shah (CS & Compliance Officer)** holds B. Com degree and law degree.
- The senior management consists of **Hitesh J Chhajed (Production Head)** and **Llalet Gulab Jagasia (Marketing Manager)**. They have an average experience of 9 years.

**Outlook:** Overall, the management is satisfactory with the management having good experience in the industry. However, dual chairmanship can be observed.

## Industry Overview –

### Indian Gems & Jewellery Industry Overview

India's gems and jewellery industry is a vital contributor to the economy, accounting for **~7% of GDP** and **~15% of merchandise exports**. As the world's largest hub for diamond cutting and polishing, India also leads in gold jewellery, driven by cultural, religious, and investment demand. Key manufacturing states include **Gujarat, Maharashtra, and Tamil Nadu**, while government initiatives like **mandatory hallmarking** and **GST reforms** are accelerating formalization.

### Market Size & Trends

Gold jewellery dominates the market, with **jewellery accounting for ~76% of total gold demand** in 2023. The **wholesale gold jewellery market reached ₹2,576 billion** in CY23, growing at a **28.4% CAGR** since CY20. Rising consumer preference for **branded, lightweight, and studded jewellery**, particularly among younger demographics, is reshaping demand.

### Outlook & Analysis of the industry:

The industry is poised for sustained growth, fuelled by:

- **Organized retail expansion**—over 400 stores added by top brands in 2 years.
- **Digital adoption** through e-commerce, virtual consultations, and online customization.
- **Export momentum** to markets like the UAE, US, and UK.

With strong cultural relevance, rising disposable incomes, and structural reforms, India's jewellery industry is expected to **consolidate, modernize, and expand globally by 2030**.

## FINANCIAL SNAPSHOT

Key Performance Indicators (In Cr.)				Key Ratios			
Particulars	FY 23	FY 24	FY 25	Particulars	FY 23	FY 24	FY 25
<b>P&amp;L Statement</b>				<b>Per Share Data</b>			
Total Income	682.28	715.04	1,112.47	Diluted EPS	3.67	4.98	10.34
Total Expenses	651.32	679.21	1,039.64	BV per share*	77.56	107.41	28.22
EBITDA	42.70	49.85	91.65	<b>Operating Ratios</b>			
EBIT	40.212	46.498	85.991	EBITDA Margins	6.28%	7.01%	8.28%
PBT	30.96	35.82	72.83	PAT Margins	2.92%	3.78%	5.05%
Tax Expenses	11.14	8.96	16.99	Inventory days	46.00	66.16	49.15
Net Profit	19.82	26.87	55.84	Debtor days	55.12	40.25	60.09
<b>Balance Sheet</b>				Creditor days	3.67	2.36	2.18
Total Equity	69.81	96.67	152.37	<b>Return Ratios</b>			
Assets				RoCE	32.74%	30.93%	46.25%
Non-Current Assets	53.35	69.87	68.43	RoE	28.39%	27.79%	36.65%
Current Assets	203.54	255.53	351.40	<b>Valuation Ratios (x)</b>			
Total Assets	256.88	325.40	419.83	EV/EBITDA	5.20	5.06	4.05
Liabilities				Market Cap / Sales	0.26	0.25	0.97
Non-Current Liabilities	53.03	53.65	33.56	P/E	54.22	39.96	19.25
Current Liabilities	134.05	175.08	233.89	Price to Book Value	2.57	1.85	7.05
Total Liabilities	187.08	228.73	267.45	<b>Solvency Ratios</b>			
<b>Cash Flow Statement</b>				Debt / Equity	2.34	2.05	1.53
CFO	-4.84	-13.03	-15.30	Current Ratio	1.52	1.46	1.50
CFI	-4.18	-5.08	1.27	Quick Ratio	0.88	0.72	0.87
CFF	9.19	19.63	13.26	Asset Turnover	2.64	2.19	2.64
				Interest Coverage Ratio	3.32	3.26	4.47

\*Annualized

## FINANCIAL ANALYSIS –

- The top line has increased over the years. It saw a slight increase in FY24 by 4.71% and in FY25 it increased by 55.52% which was mainly due to their increase in sale prices of gold jewellery and sales volume.
- The EBITDA also saw a slight increase in FY24 by 16.75% and in FY25 it increased by 83.36% and the net profit increased over the years by 35.57% in FY24 and by 107.84% in FY25. This reason for the sudden increase in FY25 is due to reduction in cost of materials in relation to revenue.
- The profitability margins have increased consistently over the years.
- The return ratios saw a slight dip in FY24.
- The company negative cash flow from operations over the years which should not be a major concern as significant cash gets tied up in expensive raw materials like gold and diamonds, along with inventory build-up in anticipation of festive and wedding seasons and a similar pattern has been observed in the peers as well.

**Overall, the financials of the company look slightly unsustainable in the long run.**

## Peer Analysis

Particulars	Shanti Gold International Limited			Utssav CZ Gold Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	2.92%	3.78%	5.05%	2.99%	3.76%	3.87%
EBITDA Margin	6.28%	7.01%	8.28%	5.79%	6.70%	6.23%
RoCE	32.74%	30.93%	46.25%	41.11%	54.98%	28.63%
ROE	28.39%	27.79%	36.65%	32.01%	36.46%	19.73%
EPS (INR)	3.67	4.98	10.34	4.26	7.64	11.63
P/E	54.22	39.96	19.25	-	-	18.41

Particulars	RBZ Jewellers			Sky Gold Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	7.71%	6.58%	7.31%	3.5%	7.6%	3.7%
EBITDA Margin	13.62%	11.86%	12.23%	3.3%	4.7%	6.4%
RoCE	32.45%	16.39%	24.82%	26.6%	25.8%	30.1%
ROE	24.14%	10.40%	15.84%	41.3%	54.3%	19.4%
EPS (INR)	7.44	6.16	9.70	1.73	3.38	9.52
P/E	-	24.47	14.34	15.75	28.42	34.41

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