Shanti Gold International Limited

July 24, 2025

IPO Details

IPO Date	July 25, 2025 to July 29, 2025
Face Value	₹10 per share
Price Band	₹189 to ₹199 per share
Lot Size	75 Shares
Sale Type	Fresh Capital
Total Issue Size	1,80,96,000 shares (aggregating up to ₹360.11 Cr)
Fresh Issue	1,80,96,000 shares (aggregating up to ₹360.11 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	5,40,00,000 shares
Share Holding Post Issue	7,20,96,000 shares
QIB Shares Offered	Not more than 50% of the Net Issue
Retail Shares Offered	Not less than 35% of the Net Issue
NII (HNI) Shares Offered	Not less than 15% of the Net Issue
Retail shares (Min & Max)	75 shares & 975 shares
Retail application amount (Min & Max)	₹14,925 & ₹1,94,025
S-HNI Min. shares and application amount	1,050 shares & ₹2,08,950
S-HNI Max. shares and application amount	5,025 shares & ₹9,99,975
B-HNI Min. shares and application amount	5,100 shares & ₹10,14,900
Basis of Allotment	Wed, Jul 30, 2025
Initiation of Refunds	Thu, Jul 31, 2025
Credit of Shares to Demat	Thu, Jul 31, 2025
Listing Date	Fri, Aug 1, 2025
Cut-off time for UPI mandate confirmation	5 PM on July 29, 2025
Promoters	Pankajkumar H Jagawat, Manojkumar N Jain and Shashank Bhawarlal Jagawat
Registrar	Bigshare Services Pvt Ltd

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to our helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Incorporated in 2003, Shanti Gold International Limited is engaged in the business of manufacturing gold jewellery. The company manufactures high-quality 22kt CZ casting gold jewellery, specialising in design and production. The company has a 13,448.86 square feet manufacturing facility in Andheri East, Mumbai, and has an annual production capacity of 2,700 kg, enabling precise and efficient jewelry production. The company's team of 79 computer-aided design technology (CAD) designers creates over 400 gemstone-studded CZ gold designs monthly, using advanced CAD technology to craft intricate pieces. The company has established long-term relationships with several jewelry businesses, including corporate brands like Joyalukkas, Lalitha Jewellery, Alukkas Enterprises, Vysyaraju Jewellers, and Shree Kalptaru Jewellers, among others. The company began operations in 2003 and has expanded to 15 states and 2 union territories and 4 countries abroad.

Shanti Gold International Ltd.'s revenue increased by 55% and profit after tax (PAT) rose by 108% between the financial year ending with March 31, 2025 and March 31, 2024. Respectively.

Objects of the issue

- The company will utilize Rs. 200 crore towards funding working capital requirements of the company.
- Rs. 46.3 crore will be utilized for funding of capital expenditure requirements towards setting up of the proposed Jaipur facility .
- Rs. 17 crore will be utilized for Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company.
- Remaining Rs. 96.7 crore will be utilized for general corporate purposes.

Financial Details

Particulars (Amount in Crores)	31-Mar-25	31-Mar-24	31-Mar-23
Revenue from Operations	1106.41	711.43	679.40
Other income	6.06	3.60	2.87
Total Income	**1112.47**	**715.04**	**682.28**
Expenses			
- Cost of materials consumed	1016.96	693.91	624.83
- Changes in WIP and finished goods inventories	(17.79)	(44.20)	1.79
- Employee benefits expense	5.88	4.99	4.46
- Finance costs	19.22	14.28	12.13
- Depreciation and amortization expense	5.66	3.35	2.49
- Other expenses	9.70	6.89	5.62
Total expenses	**1039.64**	**679.21**	**651.32**
EBITDA	**91.65**	**49.85**	**42.70**
EBITDA Margin (%)	**8.28%**	**7.01%**	**6.28%**
Profit/(Loss) before tax	**72.83**	**35.82**	**30.96**
Tax expense	16.99	8.96	11.14
Profit/(Loss) After Tax	55.84	26.87	19.82
PAT Margin (%)	**5.05%**	**3.78%**	**2.92%**
Basic EPS (in Rs.)	**10.34**	**4.98**	**3.67**

Key Metrics	Mar-25	Mar-24	Mar-23
Debt-to-Equity Ratio	1.6	2.18	2.37
Days of Working Capital	109	124	102
Return on Capital Employed	25.70%	17.97%	19.36%

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Competitive Strengths

- **Wide range of jewellery designs:** SGIL's jewellery business includes the designing and production of 22 Kt CZ gold jewellery. They offer a wide range of high quality, precisely 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. As of May 31, 2025, the company had a total of 21 sales and marketing professionals.

- **Complete in-house manufacturing:** In order to exercise greater control over the quality of products and meet the standards, they have fully integrated in-house manufacturing setup. Their Andheri's facility is spread over 13,448.86 square feet and has installed capacity of 2,700 kg per annum.

- **Financially stable:** The Company has organically grown its operations and has demonstrated an increase in revenue of 55% and 108% in PAT in FY25. Their EBITDA Margin has constantly swelled: 6.28% in FY23, 7.01% in FY24 and 8.28% in FY25.

- **Established relationship with corporate and jewellery businesses:** Over the years, they have developed and established sustained relationships with their clients, including Corporate Clients, enabling them to effectively address the distinct needs of their clients' segments. They have successfully fostered long standing relationships with several jewellery businesses, including corporate jewellery brands.

- **Experienced promoters:** Their Promoters and Directors, Pankajkumar H. Jagawat and Manojkumar N. Jain, each have over 20 years of experience in jewellery industry and their Promoter and Director, Shashank Bhawarlal Jagawat, has over 16 years of experience in jewellery industry. Their Promoters have been responsible in augmenting relationships with various stakeholders which has helped their company expand its operations.

Key Risk Factors

- **Increasing share of credit sales:** For the fiscal year 2025, SGIL's revenue increased by 55%, however, their trade receivables have swelled by 132%, accompanied by negative cash flow. In FY25, 16.4% of the total sales have been attributed to trade receivables, as against 11% in FY24. Although, about 98.5% of the trade receivables in FY25 have an ageing schedule of less than 6 months, but the increasing share of credit sales poses a risk for the company.

- **Customer Revenue Concentration:** SGIL's top 10 customers contributed to 34.49%, 36.43% and 33.17% of total revenue in FY25, FY24 and FY23, respectively. Additionally, their top 5 customers contributed to 23.29%, 24.15% and 21.09% of total revenue in FY25, FY24 and FY23, respectively. The management expects to continue to be reliant on their top customers for the foreseeable future and furthermore, they do not enter into long-term contracts with their customers and have no exclusivity arrangement with any of them.

- **Geographical Revenue Concentration:** For the FY25, South India contributed to 72.76% of the total revenue, similarly, in FY24 and FY23, the share stood at 79.89% and 71.13%, respectively. Bifurcating this, Tamil Nadu's share was 30.51%, 39.17% and 32.85% in FY25, FY24 and FY23, respectively. This regional preference for gold jewellery in Southern India has significantly influenced the Company's business strategy, market presence, and financial performance. However, their heavy reliance on these regions exposes the Company to a variety of risks, including economic vulnerability of these regions, shifts in consumer behaviour, geopolitical, regulatory.

- **Fluctuations in gold commodity's price:** The business is highly dependent on the quality and price of gold, reflected by the 99.05% share of gold bars in their total purchases, as a result of which they are exposed to fluctuations in the price and availability of gold, both of which are influenced by regulatory factors such as import duties, global economic conditions, geopolitical factors and fluctuations in demand and supply in the international markets. Additionally, their average selling price of gold in FY25, swelled by 26% YoY, led by the increase in gold prices.

- **Dependency on top suppliers:** SGIL is highly dependent on their top 10 suppliers, evident by their share of 89.56% in the total purchases of FY25; 93.51% in FY24 and 92.98% in FY23. Additionally, their top 1 supplier accounted for 40.09% of their total purchases in FY25, 50.84% in FY24 and 32.42% in FY23. Considering the volatile nature of the commodity and their heavy reliance on their top suppliers, it poses a great risk for the business if they are unable to maintain their relationships.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Shanti Gold International Limited	NA	10	NA	10.34	10.34	44.85	28.22
Peers:							
Utssav CZ Gold Limited	220.00	10	19.35	11.63	11.63	30.94	53.23
RBZ Jewellers Limited	138.23	10	14.42	9.70	9.70	17.15	61.26
Sky Gold Limited	307.85	10	34.53	9.52	9.44	28.59	46.61

Summary

Shanti Gold International Limited, incorporated in 2003, has set itself as one of the leading manufacturers of high-quality 22kt CZ casting gold jewellery, in terms of installed production capacity, specializing in the design and production of all types of gold jewellery. Their Andheri's in-house manufacturing facility of the business, holds the capacity to manufacture 2,700 kg annually, and is currently operating at 58% capacity, resulting in the production of 1,566 kg in FY25.

The gold market is expected to grow at a rate of 9.7% CAGR between 2023 and 2029, reaching to Rs. 7,16,200 crore. In India, the surge in demand for gold jewellery can be attributed to the growing middle-class population and their increasing disposable income levels. These growing middle-class views gold jewellery as a status symbol, a reflection of their improved lifestyle, and a worthwhile investment. The trend is especially prominent in urban areas where economic growth has enhanced financial independence and purchasing power.

The company aims to utilize the proceeds of IPO for financing the working capital, repayment of borrowings and funding the capital expenditure of the proposed manufacturing facility in Jaipur. The proposed Jaipur facility will have an installed production capacity of 1,200 kg, which will augment their currently existing installed production capacity to a total of 3,900 kg, levelling up their production potential.

Further, by repaying Rs. 17 crore term loan from Saraswat Co-operative Bank, the company will have see cost savings going forward. This will allow the business to have more cash in hand in the long term, adding fuel to the foundation of the business to capture the growing market and act on the opportunities.

The key risk for the company is declining in gold prices, as that will impact the value of the goods they sell.

Therefore, it is recommended to **"Subscribe"** to the IPO for long-term investment, and considering its valuation and growth potential.

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