Shanti Gold International Ltd (SHANTIGOLD)

Choice Institutional Equities

Nov 04, 2025 | CMP: INR 245 | Target Price: INR 350

Sector View: Positive

BUY

Expected Share Price Return: 43.0% I Dividend Yield: 0.0% I Expected Total Return: 43.0%

SHANTI GOLD International Ltd.

Company Information

Shanti Gold International Limited, established in 2003 as *M/s Shanti Gold*, is a leading manufacturer of 22kt CZ casting gold jewellery. The company designs and produces a diverse range of bangles, rings, necklaces, and jewellery sets across various price points—catering to weddings, festivals, and everyday wear with designs tailored to diverse customer preferences.

BB Code	**SHANTIGOLD**
ISIN	INE06ZD01017
Face Value (INR)	10.0
52 Week High (INR)	274.1
52 Week Low (INR)	196.1
Mkt Cap (INR Bn)	17.7
Shares o/s (Mn)	72.1
Free Float	17.6%

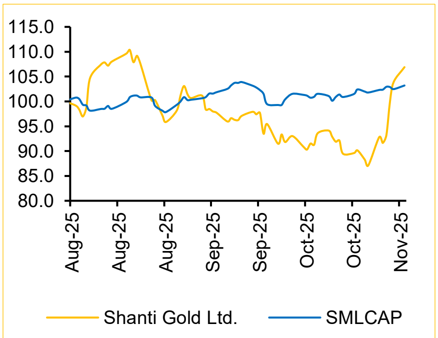
Shareholding Pattern (%)

	Sep-25
Promoters	74.9
FIIs	2.7
DIIs	4.0
Public	18.4

Relative Performance (%)

	3M	**2M**	**1M**
SMLCAP	2.4	2.3	1.7
Shanti Gold	7.8	3.7	14.9

Rebased Price Performance



Ashutosh Murarka
Email: ashutosh.murarka@choiceindia.com
Ph: +91 22 6707 9521

Heet Chheda
Email: heet.chheda@choiceindia.com
Ph: +91 22 6707 9233

Links
Bull Bear Case
Management and Plant Visit
Investors Concerns Answered

Strong bridal share in the B2B jewellery segment, driven by a shift to organised: SHANTIGOLD's strong foothold in the bridal jewellery segment is a key competitive advantage, as the bridal market accounts for nearly 52% of India's jewellery demand. With deep expertise in 22k handcrafted bridal pieces, the company benefits from higher ASPs, superior margins and consistent bulk orders from organised B2B retailers who increasingly prefer hallmark-certified suppliers. This strong bridal share ensures steady volume visibility, supports working capital efficiency and enhances profitability, positioning SHANTIGOLD to capture a larger share of the fast-formalising organised jewellery market.

Strategic Expansion: Machine-made jewellery with new Jaipur facility and expansion in the exports segment: SHANTIGOLD is setting up a new Jaipur facility to produce machine-made plain gold jewellery, adding 1,200 kg capacity and raising the total to 3,900 kg. Targeting North Indian markets like Haryana and Rajasthan, this move broadens its customer base and enables cross-selling of high-margin designs. The company also plans to scale exports to the USA and UAE through trade exhibitions and partnerships to enhance global reach.

SHANTIGOLD is well-positioned through design innovation and well-thought-out strategy: SHANTIGOLD strength lies in its advanced in-house design capabilities. **With 80+ skilled designers using CAD technology to create 400+ new designs monthly**, the Company consistently delivers innovative, trend-driven collections across bridal, fashion, and lightweight jewellery—reinforcing its position as a design-led leader in the organised jewellery space.

View & Valuation: We believe SHANTIGOLD is poised for a growth phase, supported by new capacity expansion at Jaipur, venturing into plain-gold jewellery. This positions the company for robust financial performance, with Revenue/EBITDA/PAT expected to expand at a CAGR of 59.0%/34.9%/40.7% over FY25–28E. We value the company using the DCF approach. We initiate coverage with a target price of **INR 350**, having a 43.0% upside and a **BUY** rating. This equates to an implied PE of 19x (Base case – we have assumed gold price at INR 10.5 Mn/kg for FY26, against the prevailing gold price of 12.4 Mn/kg) and a PEG ratio of 0.46.

Key Risks:

Dependence on gold prices: Profitability is sensitive to gold price fluctuations, impacting raw material costs and margin.

High product concentration risk: Dependence on 22kt CZ jewellery makes the company vulnerable to demand shifts toward 18kt and 14kt segments, potentially impacting revenue and profitability. However, the company's foray into plain gold jewellery provides diversification and mitigates concentration risk, offering growth optionality.

Upcoming Triggers: New manufacturing capacity expansion at Jaipur.

Key Financials - IND AS

INR Mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	6,794	7,114	11,064	19,694	33,629	44,463
YoY (%)	58.6	4.7	55.5	78.0	70.8	32.2
EBITDA	427	498	917	1,547	1,724	2,251
YoY (%)	125.9	16.7	83.9	68.8	11.4	30.6
EBITDAM %	6.3	7.0	8.3	7.9	5.1	5.1
RPAT	198	269	558	1,007	1,119	1,554
EPS (INR)	3.7	5.0	10.3	14.0	15.5	21.6
ROE %	33.1	32.3	44.8	27.7	17.8	20.4
ROCE %	18.9	17.6	25.3	24.3	17.8	20.0
PE (x)	54.2	40.0	19.2	17.4	15.7	11.3

Source: SHANTIGOLD, Choice Institutional Equities

Initiating Coverage | Sector: Consumer Discretionary - Jewellery