

Shanti Gold: Growth Guidance Intact; Valuation Looks Attractive

Mkt 25, 2026 | CMP: INR 228 | Target Price: INR 350

Expected Share Price Return: 53.5% | Dividend Yield: 0.0% | Potential Upside: 53.5%

BUY

Sector View: Positive

Change in Estimates	✓
Change in Target Price	✓
Change in Recommendation	✗

Company Info	
BB Code	SHANTIGOLD
Face Value (INR)	10.0
52-week High/Low (INR)	274 / 155
Mkt Cap (Bn)	INR 16.5 / USD 0.2
Shares o/s (Mn)	66.0
3M Avg. Daily Volume	5,79,527

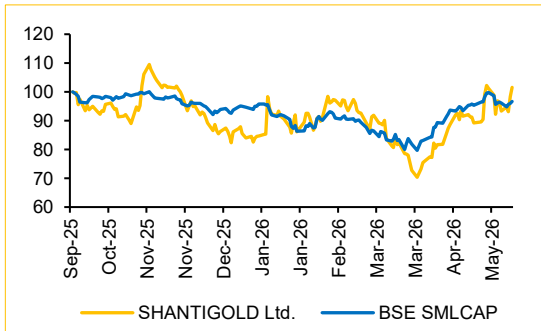
Change in CIE Estimates						
	FY27E			FY28E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	34.3	35.9	(4.6)	54.0	53.7	0.6
EBITDA	2.7	2.5	8.9	3.3	3.6	(9.5)
EBITDAM%	7.9	6.9	(98 bps)	6.0	6.7	(67 bps)
PAT	1.9	1.7	9.0	2.2	2.6	(13.8)
EPS (INR)	28.5	26.1	9.0	33.9	39.4	(13.8)

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

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
Adj PAT	0.5	1.4	1.9	2.2	3.0
EPS (INR)	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)	19.9	10.7	8.0	6.7	5.0
EV/EBITDA	14.4	8.4	6.4	5.7	4.5

Shareholding Pattern (%)			
	Mar-26	Dec-25	Sep-25
Promoters	74.89	74.89	74.89
FIIIs	2.18	2.21	2.68
DIIIs	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



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[B2B Jewellery Story Thematic](#)

Maintain growth guidance; manufacturing scale-up sets stage for accelerated growth: SHANTIGOLD reported a strong performance in Q4FY26 aided by addition of new customers, scale-up in manufacturing capacity, higher gold prices and sustained 25% YoY volume growth. **At present, the company operates at a manufacturing capacity of ~2,700 kg per annum and would add another 4,000 kg per annum capacity in Mumbai (June/July 2026) along with 1,200 kg per annum in Jaipur (September/October 2026).** This expansion is in line with the strong demand from large organised jewellery retailers seeking reliable and scalable manufacturing partners.

For FY27E, SHANTIGOLD has guided for 60-70% value growth driven by (a) 30-40% volume growth, which is in line with H2FY26 volume growth post-IPO gold purchase backed by new capacity addition, new product launches and expansion into untapped North region and (b) Forecast ~30% gold price inflation based on average FY26 gold price of INR 126,000/10gm.

Portfolio and geographic diversification drive risk-adjusted growth: Beyond robust revenue growth, SHANTIGOLD is enhancing the quality and sustainability of earnings through geographic diversification and tighter financial discipline. SHANTIGOLD is reducing reliance on the domestic market by scaling up exports, **targeting increase in export contribution, from ~4% (FY26) to 10-20% in medium term.**

Simultaneously, it is broadening its **domestic playbook by entering the Mangalsutra segment and introducing a mass-market Turkish jewellery range, expanding its addressable market and targeting higher-volume categories.**

Valuation: We value the company using the DCF approach and assign a target price of INR 350, with a 53.5% upside and a 'BUY' rating. **This equates to an implied PE of 10.3x on FY28 EPS and a PEG ratio of 0.17.**

Q4FY26 Result: Strong operating performance

- Volume was up 25.1% YoY and down 13.5% QoQ to 463 Kgs
- Revenue was up 121.6% YoY and up 3.5% QoQ to INR 6,389 Mn
- EBITDA was up 217.3% YoY and up 53% QoQ to INR 670 Mn. EBITDA margin was up 306 bps YoY and up 329 bps QoQ to 10.2% (vs 6.9% in Q3FY26; 7.1% in Q4FY25). The increase was on account inventory gains (from IPO purchase), strategic gold purchases during the quarter and better product mix (bridal and CZ jewellery).
- PAT was up 465.3% YoY and up 86.3% QoQ to INR 519 Mn

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	

Source: SHANTIGOLD, Choice Institutional Equities

Important Disclosure

Analyst's coverage transfer: The analyst's responsibility for SHANTIGOLD has been transferred to Preeyam Tolia, while the target price has been revised and the recommendation remains unchanged.

Management Call – Highlights

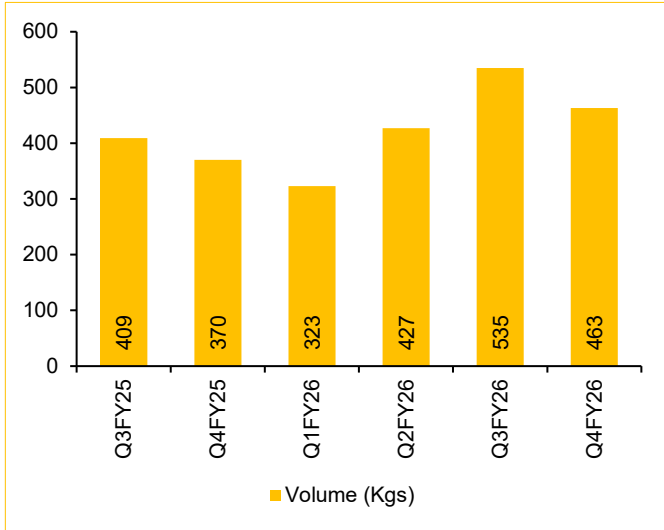
Strong volume-led growth with Q4 volumes reaching ~463 kg (FY26: 1,748 kg, up 15.2%) indicating healthy demand traction and improving order flow

FY27: Management expects volume growth of 30–40% and value growth of 60–70%, supported by capacity expansion, customer additions, and higher gold price. The company expects revenue to reach INR 30-35 Bn

Going forward, SHANTGOLD expects sustainable PAT margins to stabilise 4–5% as they balance higher-margin products with high-volume and lower-margin mass-market jewellery

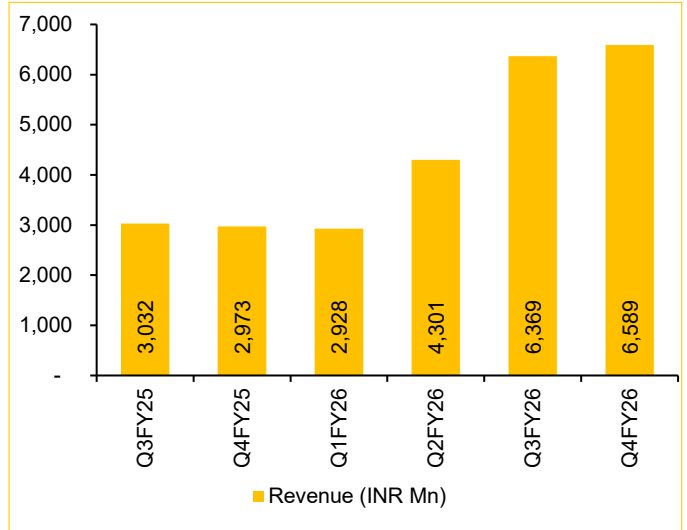
- **FY27E guidance:** SHANTGOLD has guided for 30–40% volume growth and 60–70% value growth, targeting revenue of INR 34–35 Bn. FY26 PAT margin stood at 7%, aided by inventory gains from gold purchased using IPO proceeds (FY26 average purchase price at INR 126,000/10gm) before the sharp rise. However, SENCOGOLD 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.
- **24K working capital inventory:** As in, FY26 SHANTIGOLD has a approximate 414 Kg of inventory which is expected to increase to 525 Kg in FY27E on the basis of new purchase using cash accruals of FY26
- **Export Push:** Export push adds incremental growth lever beyond domestic demand. Participation in global trade exhibitions supports distributor network expansion
- 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
- **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
- **Strong volume-led growth** with Q4 volumes reaching ~463 kg, up 25.1% YoY (FY26: 1,748 kg, up 15.2%) indicating healthy demand traction and improving order flow
- According to SHANTIGOLD recent increase in gold import duty from 6% to 15% is unlikely to impact demand materially, given the historical resilience of jewellery consumption in India even during earlier periods (2022 to 2024) of sustained 15% duty
- Strong in-house design engine (400+ new designs/month) enhances client stickiness and repeat orders
- Favourable demand driven by weddings, rising disposable income and shift towards organised jewellery players provide sustainable long term growth opportunities. Moreover, increasing preference for branded and hallmarked jewellery supports organised manufacturers

Volume growth outpaces expectation on a YoY basis despite rise in gold prices



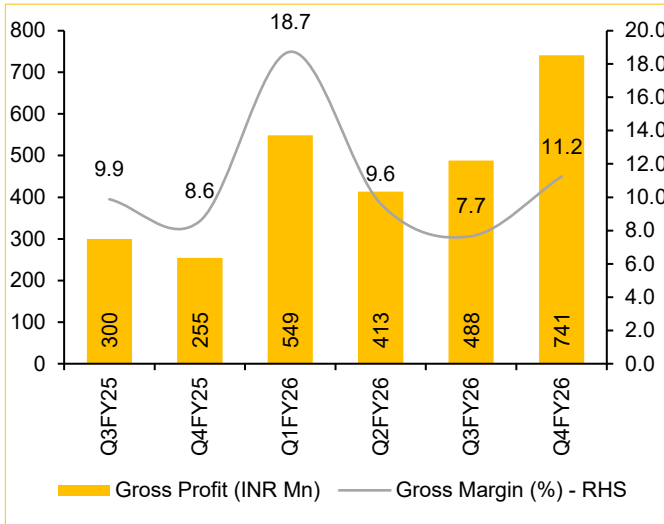
Source: SHANTIGOLD, Choice Institutional Equities

Strong volume and higher gold price anchors revenue growth



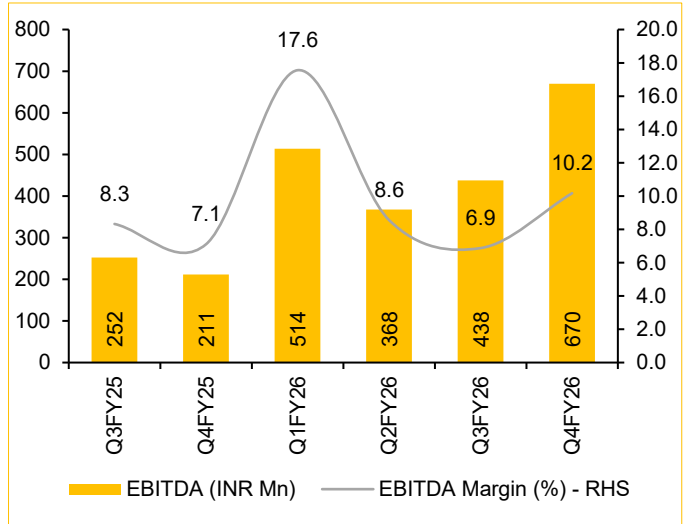
Source: SHANTIGOLD, Choice Institutional Equities

Gross margin increased by 268 bps on a YoY basis



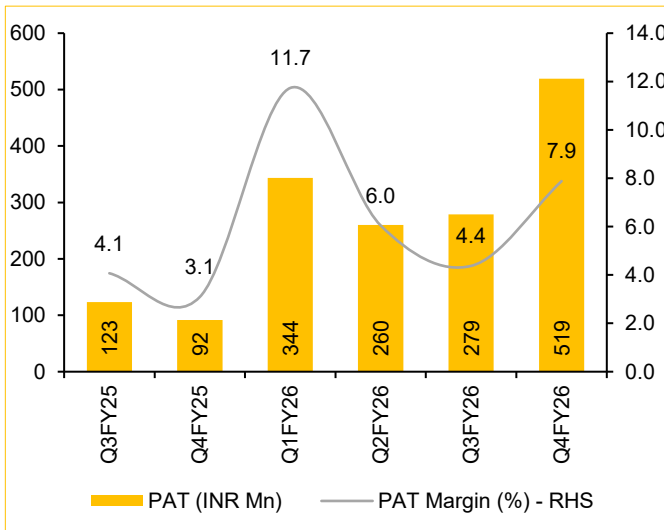
Source: SHANTIGOLD, Choice Institutional Equities

EBITDA margin grew by 306 bps on a YoY basis



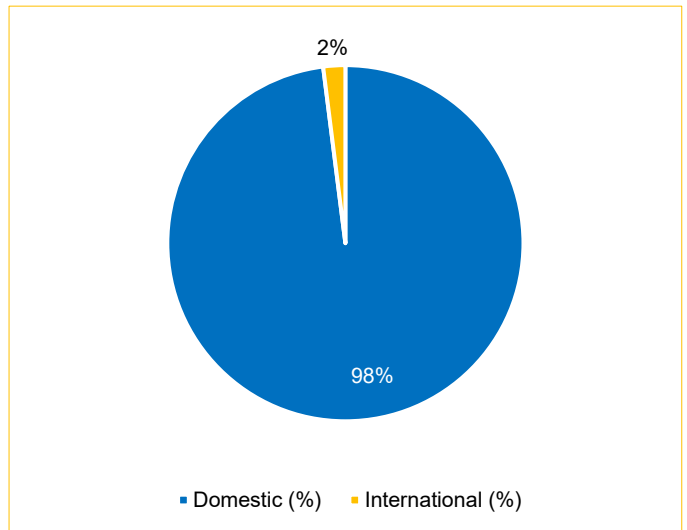
Source: SHANTIGOLD, Choice Institutional Equities

Robust PAT growth on a YoY basis



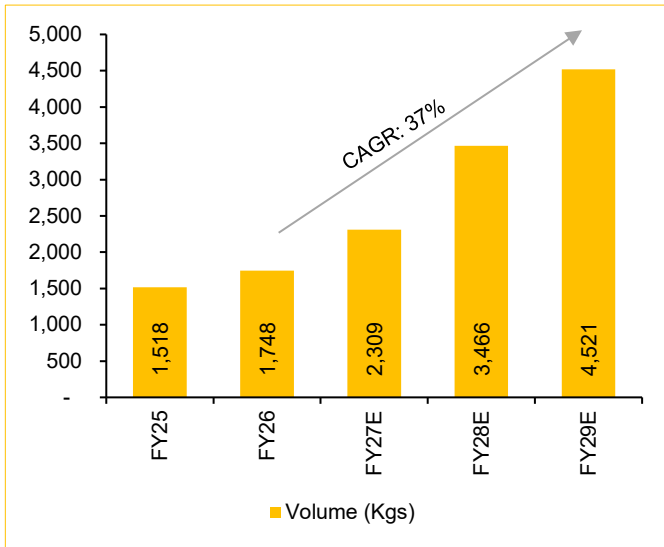
Source: SHANTIGOLD, Choice Institutional Equities

Q4FY26 region-wise revenue mix (%)



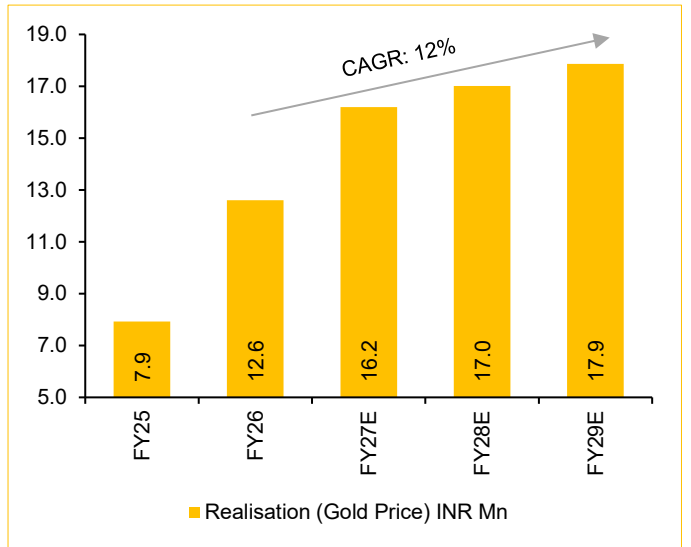
Source: SHANTIGOLD, Choice Institutional Equities

Capacity-led volume acceleration



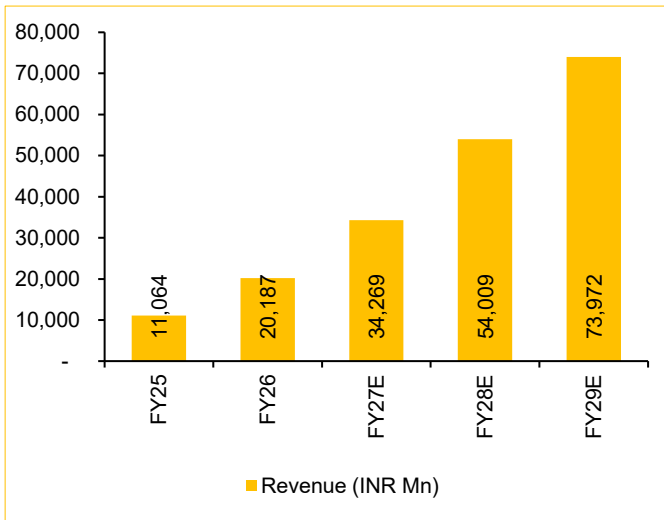
Source: SHANTIGOLD, Choice Institutional Equities

Realisation growth backed by gold price upswing



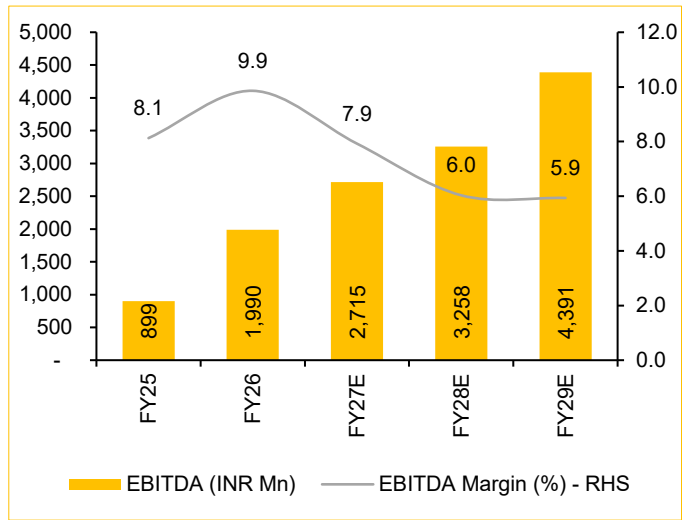
Source: SHANTIGOLD, Choice Institutional Equities

Revenue momentum to continue on back of new clients, increase capacity and new products



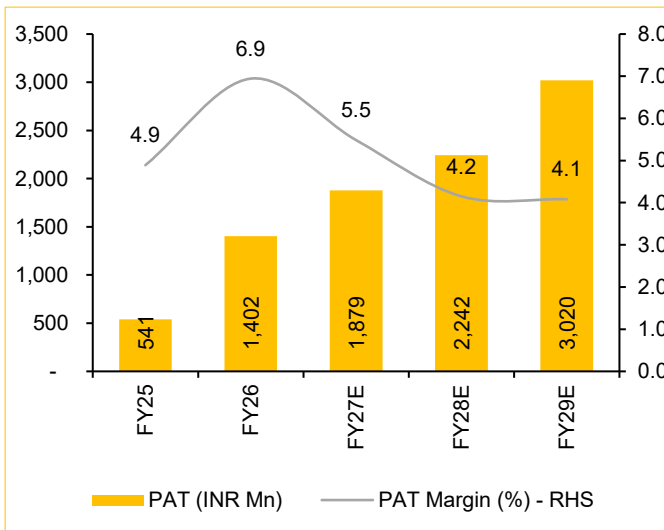
Source: SHANTIGOLD, Choice Institutional Equities

Margin to soften due to venturing in plain gold jewellery



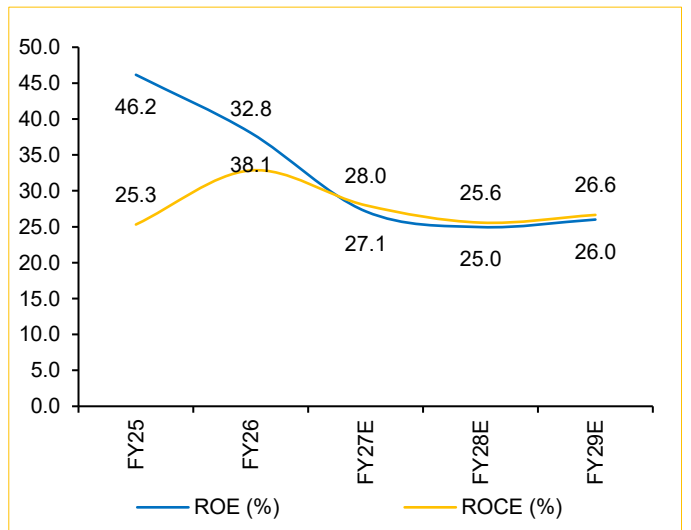
Source: SHANTIGOLD, Choice Institutional Equities

Strong PAT growth with margin stabilising in recent years



Source: SHANTIGOLD, Choice Institutional Equities

Return ratio on a steady uptrend



Source: SHANTIGOLD, Choice Institutional Equities

Income Statement (Consolidated INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Revenue	11,064	20,187	34,269	54,009	73,972
Gross Profit	1,055	2,191	3,068	3,814	5,153
EBITDA	899	1,990	2,715	3,258	4,391
Depreciation	57	61	93	111	147
EBIT	843	1,929	2,622	3,147	4,245
Other Income	61	98	120	162	185
Interest Expense	192	183	253	340	429
PBT	711	1,844	2,489	2,969	4,000
PAT	541	1,402	1,879	2,242	3,020
EPS (INR)	10.0	21.2	28.5	33.9	45.7

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenue	55.5	82.5	69.8	57.6	37.0
EBITDA	80.4	121.3	36.4	20.0	34.8
PAT	101.4	159.0	34.1	19.3	34.7
Margins (%)					
EBITDA	8.1	9.9	7.9	6.0	5.9
PAT	4.9	6.9	5.5	4.2	4.1
Profitability (%)					
ROE	46.2	38.1	27.1	25.0	26.0
ROCE	25.3	32.8	28.0	25.6	26.6
ROIC	40.4	37.4	28.0	26.1	27.3
Working Capital					
Inventory Days	43	44	48	41	36
Debtor Days	43	49	45	45	45
Payable Days	2	2	2	2	2
Cash Conversion Cycle	84	91	91	84	80
Valuation Metrics					
PE(x)	19.9	10.7	8.0	6.7	5.0
EV/EBITDA (x)	14.4	8.4	6.4	5.7	4.5
P/BVPS (x)	7.8	2.5	1.9	1.5	1.1
EV/Sales (x)	1.2	0.8	0.5	0.3	0.3

Source: SHANTIGOLD, Choice Institutional Equities

Balance Sheet (Consolidated INR Mn)

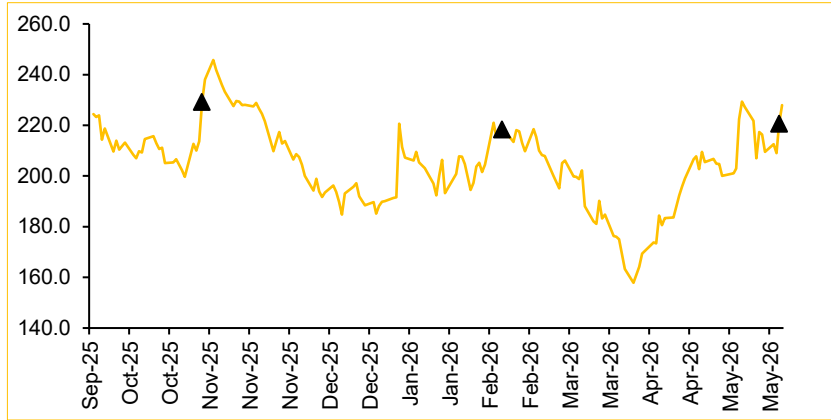
Particular	FY25	FY26	FY27E	FY28E	FY29E
Net Worth	1,377	5,984	7,863	10,105	13,126
Deferred Tax	59	79	79	79	79
Total Debt	2,330	2,056	2,834	3,812	4,812
Trade Payables	61	101	140	226	310
Other Liabilities & Provisions	225	345	345	345	345
Total Net Worth & Liabilities	4,052	8,565	11,261	14,567	18,671
Net Fixed Assets	162	184	271	260	313
Capital Work in Progress	89	100	-	-	-
Investments	-	-	-	-	-
Cash & Bank Balance	142	492	555	213	140
Loans & Advances & Other Assets	503	684	718	855	994
Inventories	1,339	3,475	5,493	6,580	8,105
Debtors	1,816	3,629	4,225	6,659	9,120
Total Assets	4,052	8,565	11,261	14,567	18,671

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	(153)	(2,606)	(382)	(879)	(445)
Cash Flows from Investing	13	(166)	(80)	(100)	(200)
Cash Flows from Financing	133	2,721	525	638	571

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	76.1	76.0	75.5	75.5	75.5
Interest Burden (%)	84.4	95.6	94.9	94.3	94.2
EBIT Margin (%)	7.6	9.6	7.7	5.8	5.7
Asset Turnover (x)	3.0	3.2	3.5	4.2	4.5
Equity Multiplier (x)	3.1	1.7	1.4	1.4	1.4
ROE (%)	46.2	38.1	27.1	25.0	26.0

Source: SHANTIGOLD, Choice Institutional Equities

Historical Price Chart: SHANTIGOLD



Date	Rating	Target Price
November 04, 2025	BUY	350
February 11, 2026	BUY	350
May 25, 2026	BUY	350

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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
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