

RETAIL - JEWELLERY

25 September 2026

Capacity meets opportunity

- B2B jewellery gaining traction on rising outsourcing by organised retailers and increasing demand for scalable manufacturing partners
- Shanti Gold: Scaling capacity to 4.5x current levels and benefiting from rising B2B demand, reinforcing long-term growth visibility
- Sky Gold: Rapidly scaling, driven by volume growth, capacity expansion and deeper penetration of organized B2B jewellery

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Within the jewellery value chain, we prefer organised B2B manufacturers with strong retailer relationships across domestic and international markets. Leading players have invested in automated manufacturing, CAD-enabled design and dedicated product development, enabling faster design refreshes and higher customer retention. As the industry consolidates, large manufacturers with established credibility and nationwide client networks are likely to be the key beneficiaries of formalisation.

Shanti Gold; In the right place; Initiate with a BUY rating: Shanti Gold is entering a key growth phase, supported by significant capacity additions, expanding customer relationships, and rising outsourcing opportunities in the organized jewellery manufacturing industry. The ramp-up of the Marol facility and upcoming Jaipur expansion to 7,900 kg p.a (4.5x of FY26 volumes), provide a strong foundation for earnings growth while improving utilization should support margin expansion over time. We expect revenue/earnings CAGR of 39%/24% during FY26 - 29E respectively. We initiate with a Buy rating and a TP of INR 474 on 15x Sept-28 EPS (32% discount to Sky gold) with an upside of 67%.

Sky Gold: Riding the Organized Jewellery Wave; Upgrade to BUY rating; Sky Gold remains well positioned to capitalize on the ongoing formalization of India's jewellery industry, backed by sustained capacity expansion, continued customer additions, and a widening product portfolio. The company is also steadily building its export business, which could emerge as a meaningful growth driver over the medium term. Its asset-light, order-linked gold procurement model should limit inventory-price risk, while operating leverage from higher utilisation supports margin expansion; the stated ambition of turning net debt-free by FY30 should further strengthen the balance sheet. Since our initiation, Sky Gold has consistently outperformed our growth expectations, demonstrating strong execution and reinforcing confidence in its long-term prospects. We expect revenue/earnings CAGR of 34%/45% during FY26 - 29E respectively. Accordingly, we assign a higher valuation multiple of 22x Sept'28 EPS (vs earlier 20x), resulting in a target price of Rs 1067, and upgrade our rating to BUY from HOLD.

Recommendation snapshot

Ticker	Price	Target	Rating
SHANTIGO IN	284	474	BUY
SKYGOLD IN	783	1,068	BUY

Price & Target in Rupees | Price as of 24 Sep 2026



Executive Summary

Indian Jewellery Market: Organised B2B Players Poised to Drive the Next Leg of Growth

The Indian jewellery industry remains one of the largest consumer discretionary categories in the country, supported by strong cultural affinity, rising household incomes, increasing urbanisation and growing demand for studded jewellery. The market has witnessed a steady shift from fragmented, family-owned manufacturers towards organised and technology-enabled players. This transition is creating a sizeable opportunity for large B2B jewellery manufacturers that supply to national, regional and emerging retail chains. The shift towards organised manufacturing is therefore likely to support sustained volume growth, improving profitability and better return ratios for scaled players such as Sky Gold and Shanti Gold.

Prefer Play – Sky Gold and Shanti Gold - with ability to drive scale and design Leadership

- Within the jewellery value chain, we prefer organised B2B manufacturers that have developed strong retailer relationships across domestic and international markets. Such companies benefit from an asset-light business model compared with traditional retailers, lower customer acquisition costs and superior scalability.
- Leading B2B jewellery players have invested significantly in automated manufacturing, CAD-enabled designing capabilities and dedicated product development teams. These investments enable faster design refreshes, superior execution and higher customer retention among retail partners. Moreover, increasing export opportunities and growing outsourcing trends among organised retailers provide an additional runway for growth.
- As the industry consolidates, large manufacturers with established credibility, prudent balance sheets and nationwide client networks are likely to emerge as key beneficiaries of the formalisation trend.

Valuation and View

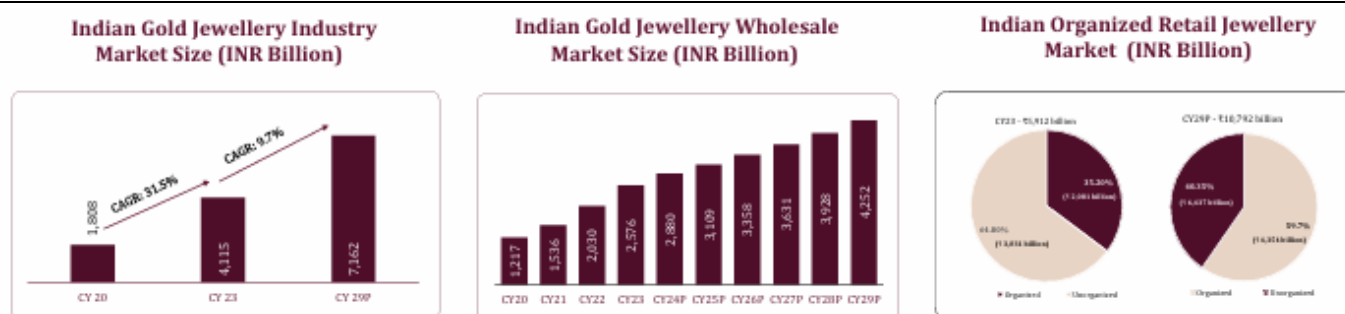
- There are two critical drivers for premium valuation multiples in the B2B jewellery segment: (a) sustainable revenue growth driven by retailer expansion and market-share gains, and (b) healthy return ratios supported by efficient inventory management and strong cash conversion.
- Organised B2B jewellery companies have consistently demonstrated superior growth relative to the broader industry due to increasing wallet share from existing clients and the addition of new retail partners. While valuations may appear elevated versus traditional manufacturing companies, we believe this premium is justified by structural growth opportunities, increasing industry formalisation and high entry barriers arising from design capabilities, customer relationships and execution track record.
- Consequently, we initiate coverage on Shanti Gold with a BUY rating and upgrade our rating on Sky gold to BUY.

Shanti Gold; In the right place; Initiate with a BUY rating: Shanti Gold is entering a key growth phase, supported by significant capacity additions, expanding customer relationships, and rising outsourcing opportunities in the organized jewellery manufacturing industry. The ramp-up of the Marol facility and upcoming Jaipur expansion provide a strong foundation for earnings growth, while improving utilization should support margin expansion over time. Valuing the company at 15x Sept-28 EPS, we arrive at a target price of Rs 494, implying ~52% upside, and initiate coverage with a BUY rating.

Sky Gold: Riding the Organized Jewellery Wave; Upgrade to BUY rating: Sky Gold remains well positioned to capitalize on the ongoing formalization of India's jewellery industry, backed by sustained capacity expansion, continued customer additions, and a widening product portfolio. The company is also steadily building its export business, which could emerge as a meaningful growth driver over the medium term. Its asset-light, order-linked gold procurement model should limit inventory-price risk, while operating leverage from higher utilisation supports margin expansion; the stated ambition of turning net debt-free by FY30E should further strengthen the balance sheet. Since our initiation, Sky Gold has consistently outperformed our growth expectations, demonstrating strong execution and reinforcing confidence in its long-term prospects. Accordingly, we assign a higher valuation multiple of 22x Sept'28 EPS, resulting in a target price of Rs 1067, and upgrade our rating to BUY from HOLD.

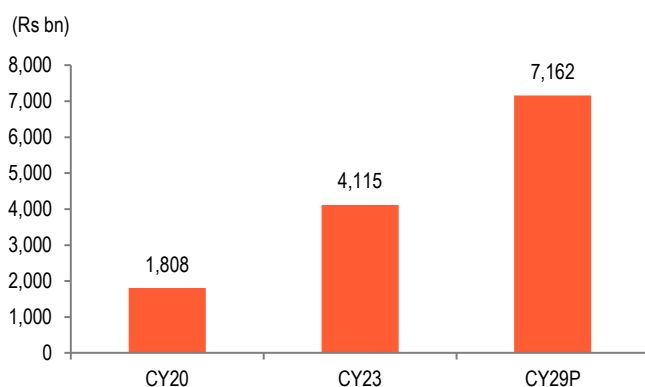
JEWELLERY INDUSTRY DYNAMICS

Fig 1 – Indian Gold Jewellery Industry Market size/ Wholesale Market Size/ Organised Retail Jewellery market (Rs bn)



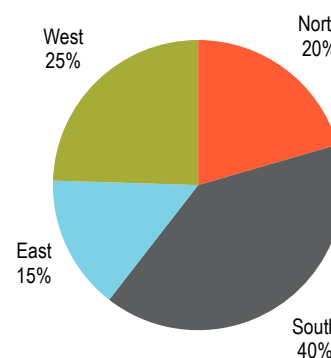
Source: Company, BOBCAPS Research

Fig 2 – Indian gold jewellery market size (Rs bn)



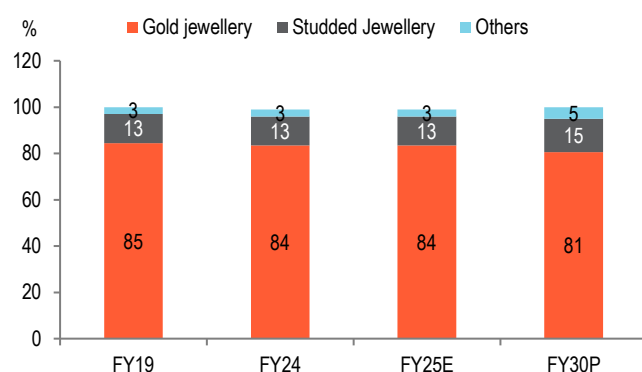
Source: Company, BOBCAPS Research

Fig 3 – South leads the jewellery market with higher share



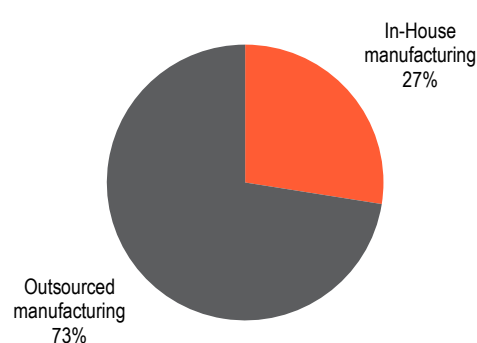
Source: Company, BOBCAPS Research

Fig 4 – Segment wise share



Source: Company, BOBCAPS Research

Fig 5 – Volume wise share of In-house & Outsourced manufacturing



Source: Company, BOBCAPS Research

Organised jewellery chains gaining share

Fig 6 – Break up of South India gems & jewellery retail industry



Source: Deepa Jewel DRHP, Company, BOBCAPS Research

Fig 7 – Market Share product wise in jewellery industry with margin profile

Particular	Necklaces	Bangles	Chains	Earrings	Finger rings
Ornaments					
Market Share	15-20%	30-40%	30-40%	5-15%	5-15%
Range of weights	25-250 gm	8-25 gm	10-50 gm	2-30 gm	2-15 gm
Most common weights	30-60 gm	10-15 gm	10-20 gm	3-8 gm	3-7 gm
Making Charges	12-25%	6-12%	6-10%	14-25%	12-22%
Gross Margin Profile	18-25%	12-15%	10-12%	20-28%	20-25%

Source: Deepa jewellers, BOBCAPS Research

Favourable mix towards higher-value jewellery

While both Shanti Gold and Sky Gold have exposure across key jewellery categories such as necklaces, bangles, chains, earrings and finger rings, the revenue mix differs meaningfully. Shanti Gold has a higher presence in design-intensive CZ-studded jewellery, necklaces, earrings, rings and jewellery sets, which typically command superior making charges of 12-25% for necklaces, 14-25% for earrings and 12-22% for finger rings, compared with 6-10% for chains and 6-12% for bangles. In contrast, Sky Gold has a relatively larger presence in chains, bangles and lightweight daily-wear jewellery, categories that account for the largest industry volumes (30-40% market share each) but generally carry lower making charges and margin profiles. From a profitability perspective, higher-value categories such as necklaces, earrings and finger rings generate gross margins of 18-25%, 20-28% and 20-25%, respectively, versus 10-12% for chains and 12-15% for bangles. Consequently, Shanti Gold's richer product mix towards studded and value-added jewellery supports better realization and margin potential, while Sky Gold's positioning in volume-driven categories aids scale and market penetration.

B2B Jewellery Manufacturing

Favourable industry backdrop for Shanti Gold

Against this backdrop, Shanti Gold is positioned to benefit from three key structural trends – expansion of organised jewellery retail, increasing outsourcing and premiumisation towards higher value-added products. The growth of organised retailers is expanding the addressable market for B2B manufacturers, while increasing store additions are creating recurring demand for jewellery inventory and new designs.

We believe the shift towards a more organised B2B jewellery manufacturing ecosystem provides a long-term growth opportunity for scaled players. The ability to manufacture across multiple categories, manage large orders, offer differentiated designs and deliver within shorter turnaround times should become increasingly important. For Shanti Gold, the industry's formalisation and outsourcing trend provides a structural growth runway, while improving product mix and operating leverage could support earnings and margin expansion over the medium term.

Fig 8 – Overview of key players in Indian gems & jewellery industry in India

(Key Players)	Revenue (Rs mn)	Brief description
Deepa Jewellers Ltd.	19,270	Deepa Jewellers Ltd was incorporated in the year 2016. Deepa Jewellers Limited is an organized B2B designer, processor, and supplier of hallmarked gold jewellery, primarily having operations in Telangana, Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. The company's management has 24 years' experience in the gems and jewellery industry.
RBZ Jewellers Ltd	6,360	RBZ jewellers Ltd. was incorporated in the year 2008. The Company is primarily engaged in manufacturing, trading and job work of jewellery and other accessories / products. The Company sells and trades its products through wholesale and retail network. The company's retail business was established in the year 2014 in the name of "Harit Zaveri Jewellers" under the brand name of "Harit Zaveri".
Sky Gold & Diamonds Ltd.	62,950	Sky Gold & Diamonds Ltd. was incorporated in the year 2008. The company is based out of Mumbai, Maharashtra and is engaged in the business of designing, manufacturing, and marketing fine gold jewellery.
Shanti Gold International Ltd.	20,190	Shanti Gold International Ltd. was incorporated in the year 2003. The company is headquartered in Mumbai and specializes in designing and manufacturing 22K hallmark gold jewellery embedded with cubic zirconia stones
Khazanchi Jewellers Ltd.	20,490	Khazanchi Jewellers Ltd. was incorporated in the year 1996, the company is based out of Chennai, Tamil Nadu. The company specializes in a range of jewellery, including gold, diamonds, and precious stones, along with designer pieces. Additionally, it offers bullion products such as coins and bars, catering to both wholesale and retail markets.
Shringar House Of Mangalsutra Ltd.	22,460	Shringar House Of Mangalsutra Ltd. was incorporated in the year 2009. The company is engaged in designing, manufacturing and marketing a varied range of Mangalsutra in 18k and 22k purity of gold.

Source: Deepa Jewels DRHP, BOBCAPS Research, FY26

Fig 9 – Domestic vs Exports revenue share

Revenue share	Domestic (%)	Exports (%)
Deepa Jewellers Ltd	100	0.00
RBZ Jewellers Ltd.	100	0.00
Sky Gold & Diamonds Ltd.	91.4	8.26
Shanti Gold International Ltd	94.6	5.36
Khazanchi Jewellers Ltd	100	0.00
Shringar House Of Mangalsutra Ltd	98.5	1.37

Source: Deepa Jewellers, Company, BOBCAPS Research, FY25

Fig 10 – Key product segments

Company	Product segment- Revenue share (FY25)
Deepa Jewellers Ltd.	Vaddanam: 34.58% Bangles: 41.82% Other products: 23.60%
RBZ Jewellers Ltd	Gold Jewellery: 100%; Occasion/Bridal Wear: ~65%, Daily Wear: ~35%
Sky Gold & Diamonds Ltd.	70% of 22KT products are CZ-studded and 30% plain gold
Shanti Gold International Ltd.	22KT Gold Jewellery: 99.81% 18KT Gold Jewellery: 0.17% Others: 0.03%
Khazanchi Jewellers Ltd.	Gold Bullion: 47.63% Gold Ornaments: 46.69% Diamond Ornaments: 0.74% Job Work Sales: 0.01% Gold chain: 4.93%
Shringar House Of Mangalsutra Ltd.	Mangalsutras 90%; jewellery 86%, Bullion 12%, labour & others 2%

Source: Deepa Jewels DRHP, BOBCAPS Research

Fig 11 – Manufacturing units and capacity of peers

Company	Manufacturing units	Manufacturing capacity (tonnes per annum)
Deepa Jewellers Ltd	NA	NA
RBZ Jewellers Ltd.	1	2.04
Sky Gold & Diamonds Ltd.	1	14.4
Shanti Gold International Ltd	2	6.7
Emerald Jewel Industry Ltd	6	50
Khazanchi Jewellers Ltd	NA	NA
Shringar House Of Mangalsutra Ltd	1	2.5

Source: Deeeps Jewels DRHP, Company, BOBCAPS Research,,FY26

Fig 12 – Shanti gold vs peers

Metrics (FY26)	Mcap (Rs bn)	Revenue (Rs mn)	Gross Margin (%)	PAT Margin (%)	Volume(kg)	ROE (%)	ROCE (%)
Shanti gold	20.7	20187	10.9	6.9	1748	37	33
Sky Gold	123.6	62949	8	4	6843	30	33
Goldiam International	48.8	10212	37	17	NA	16	24
Shringar house of mangalsutra	20.2	22458	9	5	2286	26	27
Khazanchi	18.1	20492	7	4	NA	32	29
Utssav CZ Gold Jewels Ltd	15.7	11574	9	4	2000	30	24

Source: Company, BOBCAPS Research

Fig 13 – Shanti Gold vs Sky Gold- FY26

Metric	Shanti Gold	Sky Gold
Revenue (Rs mn)	20,187	62,949
Market Cap (Rs bn)	20.7	123.6
Gross Margin %	11%	8%
EBITDA Margin	9.9%	6.9%
PAT Margin %	6.9%	5%
ROE %	37%	30%
ROCE %	34%	27%
Size (sq. ft.)	13,449	1,50,000
Installed capacity p.a	7,900 KG	14,400 KG
Design team	~80 in-house CAD designers, 400+ new designs/month	Design library of 5,00,000+ designs (in-house + freelance CAD)
Manufacturing process	Casting-based (rubber dye, wax moulds), CAD-integrated, in-house + some outsourced stone-setting	Casting-based, German & Italian equipment, 3D printing tech (Germany/Italy/US), 7–20 day design-to-finish cycle
Product focus	22KT CZ (cubic zirconia) casting jewellery — bangles, rings, necklaces, bridal sets	Lightweight casting jewellery + mangalsutras + machine-made chains (via subsidiaries)
Revenue concentration	72.8% from South India	Geographically diversified and pan-India distribution
Price positioning	Entry to bridal/exclusive price points, primarily plain 22KT gold-weight-led pricing	Rs 5k-1 lakh price range, lightweight, value added and studded lines
Domestic Concentration	South-India heavy: ~72.8% of FY25 revenue from South India; Tamil Nadu alone ~30.5%	Pan-India, West/Mumbai-anchored; ~2,000 retail outlets nationally, growing Tier-II/III reach
Geographic Footprint (India)	15 states + 2 UTs (as of mid-2025); recent push into Northern India (Jaipur)	Strong presence in West & South; dedicated regional offices in Kerala & Telangana
Key Clients	Joyalukkas, Lalithaa Jewellery Mart, Alukkas Enterprises and other large organised retailers	Large & mid-corporate organised retail chains; expanding tie-ups with national brands
Export Markets	5% exports; UAE, Singapore, Qatar, USA; Dubai, Contribution	8% exports; Middle East (UAE), Malaysia, Singapore.Dubai, UK
Debtor days	49	33
Inventory days	50	50
Payable days	2	6
Cash conversion cycle (days)	98	77
Total debt (borrowings)	2067	8690
Net worth (equity + reserves)	5984	12059
Debt/equity (x)	0.36	0.72
P/E (FY28)	29	18
EV/EBITDA (FY28)	7.4	13

Source: BOBCAPS Research, Company

Fig 14 – Peer Comparison (Valuation)

Particulars	Mcap (Rs bn)	Sales (Rs mn) FY26	EBITDA Margin (%) FY26	Sales CAGR FY26-FY29E	EBITDA CAGR FY26-FY29E	EV/EBITDA (x)			ROE (%) FY26	PE (x)		
						FY27E	FY28E	FY29E		FY27E	FY28E	FY29E
Shanti Gold	19.86	20187.1	9.86	40.22	26.9	9.3	7.3	5.7	37	44	30	21
Sky Gold	119.1	62948.9	6.92	34.41	40.3	17.9	13.4	9.9	30	24	17	12

Source: Company, BOBCAPS Research

Fig 15 – Peer Comparison (Retail)

Particulars	Mcap (Rs bn)	Sales (Rs mn)	EBITDA Margin (%) FY26	Sales CAGR FY26-FY29E	EBITDA CAGR FY26-FY29E	EV/EBITDA (x)			ROE (%) FY26	PE (x)		
						FY27E	FY28E	FY29E		FY27E	FY28E	FY29E
Titan	4332.8	832090	9.54	15.69	20	50.90	41.26	36.02	37.13	65.41	56.80	44.96
Kalyan	603.3	357429	6.97	21	17	24.8	21.0	17.3	24.30	45.4	34.9	28.4
P N Gadgil	89.0	107391	5.74	15	8	12.61	12.05	10.95	23.31	19.71	18.94	17.67
Thangamayil	158.3	84993	6.64	26	24	18.9	14.6	12.2	0.84	29.5	21.2	16.7
Senco Gold	56.07	84171	26.57	14	(6)	11.07	8.99	8.03	25.61	18.37	13.56	11.54
Bluestone	130.6	24364	15.99	35	132	30.57	19.80	13.96	0.73	123.5	81.0	

Source: Company, BOBCAPS Research

Scale Advantage vs. Superior Capital Efficiency: Sky Gold enjoys a clear advantage in scale, with FY26 revenue of Rs 62.95bn over 3x Shanti Gold's Rs 20.19bn supported by a substantially larger manufacturing footprint of ~1.5 lakh sq. ft. and installed capacity of 14,400 kg. Its broader product portfolio, spanning lightweight jewellery, mangalsutras and machine-made chains, along with a design library of over 5 lakh designs, provides greater product diversification and scalability. In comparison, Shanti Gold remains more focused, with a 7,900 kg capacity and a concentrated presence in 22KT CZ and bridal jewellery. However, this focused product positioning appears to translate into better economics, with Shanti Gold reporting gross margins of 11% versus 8% for Sky Gold and PAT margins of 7% versus 5%.

The divergence is even more evident in capital efficiency, where Shanti Gold generates a 37% ROE and 34% ROCE, compared with 30% and 27%, respectively, for Sky Gold. Shanti's higher-margin bridal and design-intensive product mix, coupled with its relatively asset-efficient operating model, supports this return premium. That said, Shanti Gold's business remains geographically concentrated, with 72.8% of revenue derived from South India, whereas Sky Gold benefits from a relatively broader domestic presence and an increasing focus on exports.

Our View: While Sky Gold is structurally better placed from a scale, capacity and diversification perspective, Shanti Gold stands out for generating superior profitability and returns at a significantly smaller revenue base. We believe the key monitor for Shanti Gold will be whether it can scale beyond its current Rs 20bn revenue base and reduce regional concentration while sustaining its 11% gross margin and 34% ROCE. In our view, successful scale-up without dilution in returns could be the key rerating trigger for Shanti Gold.

BUY**TP: Rs 474 | ▲ 67%****SHANTI GOLD**

Retail - Jewellery

25 September 2026

Capacity-led growth

- Strong beneficiary of rising outsourcing and market share gains by organized jewellers
- Faster capacity utilisation, successful Jaipur ramp-up and efficient working-capital management will be key to sustaining growth
- Initiate on Shanti Gold with BUY rating (on 15x Sep'28E EPS), current valuation offers an attractive entry point relative to its strong earnings

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Benefiting from Structural Industry Trends: Shanti Gold is a rapidly growing B2B jewellery manufacturer catering to India's leading organized jewellery retailers through a design-driven and asset-scalable business model. Shanti Gold is well positioned to benefit from the formalization of India's jewellery industry, as organized retailers continue to gain market share and increasingly outsource manufacturing to trusted partners. The company's strong presence in South India, India's largest jewellery consumption market, and relationships with leading regional and national jewellery chains provide a solid platform for growth. In addition, ongoing vendor consolidation is prompting large retailers to streamline their supplier base and partner with scaled, reliable manufacturers capable of offering design innovation, quality assurance and consistent delivery.

Scaling capacity 4.5x times from 2,700 Kg to ~7,900 Kg: Looking ahead, the company's growth trajectory is supported by significant capacity expansion by adding Jaipur facility, product diversification and geographic penetration. The upcoming Jaipur facility will increase manufacturing capacity to 7,900 kg per annum (4.5x of FY26 volumes) and facilitate entry into machine-made plain gold jewellery, while newer offerings such as the Turkish collection broaden its addressable market. The company specializes in 22kt CZ and studded gold jewellery, supported by a strong in-house design team, integrated manufacturing capabilities and long-standing customer relationships

Initiate with Buy: Shanti Gold has transformed from a Rs 6.8bn business in FY23 to a Rs 20.19bn business in FY26, delivering 43.7% revenue CAGR, while EBITDA and PAT compounded at 66.7% and 91.3%, respectively, aided by volume-led scale-up and strong operating leverage. We expect revenue/earnings CAGR of 39%/24% during FY26 - 29E respectively. We initiate with a Buy rating and a TP of INR 474 on 15x Sept-28 EPS with an upside of 67%. While we believe the company is well positioned to deliver strong growth, we assign a 32% discount to Sky Gold's multiple to account for its nascent listed history, smaller scale of operations, and execution risks associated with its ongoing capacity expansion. Successful execution and sustained growth could narrow the valuation gap over time.

Ticker/Price	SHANTIGO IN/Rs 284
Market cap	US\$ 215.1mn
Free float	25%
3M ADV	US\$ 5.2mn
52wk high/low	Rs 294/Rs 155
Promoter/FPI/DII	75%/2%/2%

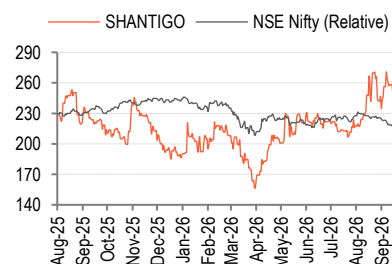
Source: NSE | Price as of 24 Sep 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	20,187	32,294	41,675
EBITDA (Rs mn)	1,990	2,358	3,001
Adj. net profit (Rs mn)	1,402	1,499	1,977
Adj. EPS (Rs)	19.7	21.1	27.8
Adj. ROAE (%)	23.4	20.0	20.9
Adj. P/E (x)	14.4	13.4	10.2
EV/EBITDA (x)	9.2	7.8	6.1
Adj. EPS growth (%)	151.0	7.0	31.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



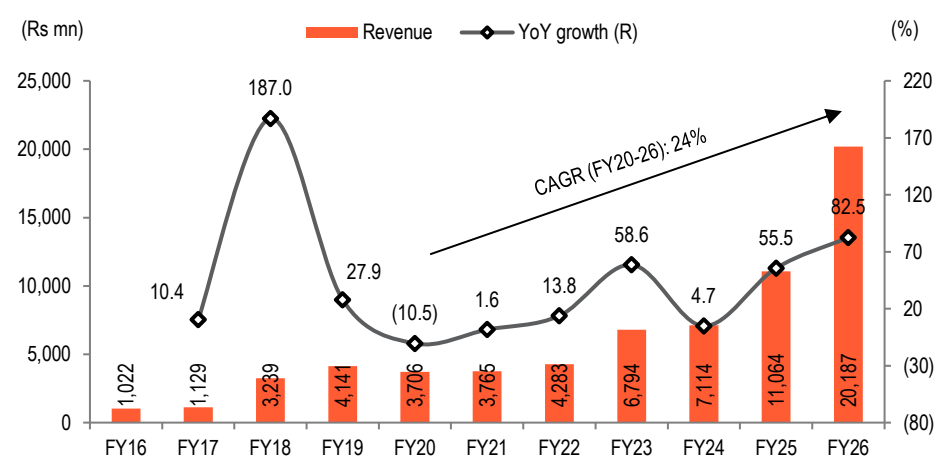
Shanti Gold

From a 2003 Legacy to a Scalable B2B Jewellery Manufacturing Platform

Shanti Gold is one of India's leading manufacturers of 22-karat CZ (cubic zirconia) casting gold jewellery, specializing in the design and production of bangles, rings, necklaces, earrings, pendants, and complete jewellery sets across wedding, festive, and daily-wear segments. Established in 2003 by promoters Pankajkumar H. Jagawat and Manojkumar N. Jain, who collectively possess more than two decades of industry experience, the company has built a strong reputation for craftsmanship, innovative designs, and large-scale manufacturing capabilities. Its product portfolio caters to multiple price points and customer preferences, enabling the company to serve both mass-premium and occasion-driven jewellery demand.

The Shanti Gold has developed a diversified customer base comprising leading jewellery retailers and corporate jewellery brands such as Joyalukkas, Lalithaa Jewellery, Alukkas Enterprises, Vysyaraju Jewellers, and Shree Kalptaru Jewellers. The company served 455 customers in FY25 across 15 Indian states, 2 union territories, and four international markets including the UAE, USA, Singapore and Qatar.

Fig 1 – Revenue Trend over 10 years



Source: Company, BOBCAPS Research

Capacity of 7,900 kg is about 4.5x FY26 volume

Shanti Gold is entering a significant capacity-expansion phase, with the newly commissioned Marol facility and upcoming Jaipur facility taking total installed capacity to ~7.9 tonnes.

Fig 2 – Manufacturing facility

Location	Products	Status	Capacity (kg)	Area covered
Andheri	Casting, 3D printers, streamers, induction melters	Operational	2,700	13,449
Marol	Design-led and customised jewellery	Operational	4,000	14,590
Jaipur	Machine-made plain gold jewellery	To be operational by Nov/Dec 2026	1,200	50,000
Total			7,900	

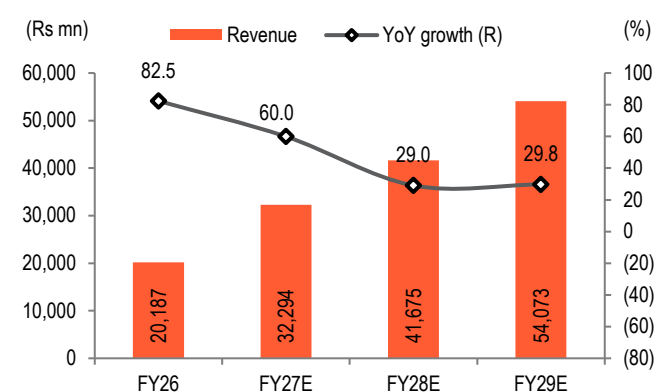
Source: Company, BOBCAPS Research

Mumbai facility: The company operates a fully integrated jewellery manufacturing facility spread across 13,448.86 sq. ft. in Andheri, Mumbai, with an installed capacity of 6,700 kg per annum. Its end-to-end in-house setup covers design, manufacturing and packaging, enabling stringent quality control, faster turnaround times and customized product offerings tailored to client requirements. The facility is equipped with advanced machinery, including casting machines, 3D printers, steamers and induction melters, enhancing production efficiency and precision. While core manufacturing processes are undertaken in-house, the company also leverages skilled outsourced labour for intricate stone-setting work, ensuring high craftsmanship standards in its jewellery products.

Jaipur facility - The proposed Jaipur facility is set to add 1,200 kg of annual manufacturing capacity, increasing Shanti Gold's total installed capacity from 7,900 kg per annum. The new unit will be developed on a 50,000 sq. ft. leasehold land parcel on a 3-acre land parcel at Mahindra World City providing substantial room for future expansion and is expected to diversify the company's product portfolio through the introduction of machine-made plain gold jewellery. The Jaipur facility will cater to clients presence in North India, particularly markets such as Haryana and Rajasthan. This represents more than a simple capacity addition, as the facility can enable the company to address new regional customers while expanding its product portfolio and cross-selling its higher-margin designed and specialised jewellery. With existing capacity utilisation still below optimal industry levels and management expecting operating costs to remain broadly stable as volumes scale, the combination of incremental capacity, geographic expansion and operating leverage provides a meaningful runway for revenue and profitability growth.

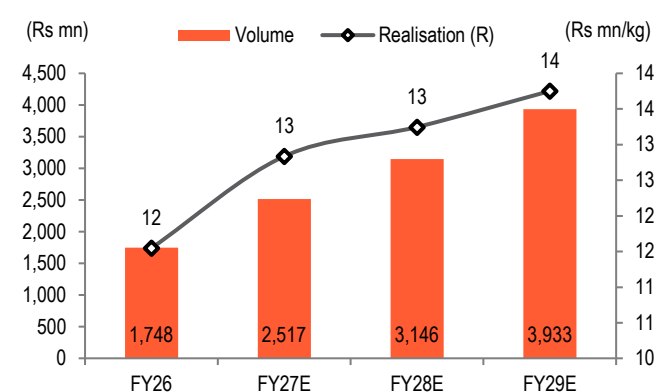
With FY26 volumes at 1,747.8 kg and management guiding for 30–40% volume growth in FY27, the expanded capacity provides significant headroom to support the company's growth ambitions without requiring frequent near-term capacity additions.

Fig 3 – Revenue and its growth trend



Source: Company, BOBCAPS Research

Fig 4 – Volume & Realisation



Source: Company, BOBCAPS Research

Moving beyond the core 22kt CZ product Segment

Shanti Gold has built its product portfolio around 22kt gold jewellery, with a strong presence in CZ casting jewellery. Its portfolio spans bangles, rings, necklaces and complete jewellery sets, catering to multiple occasions including weddings, festivals and everyday wear. The company's focus is not limited to a single jewellery format; instead, it develops products across different price points and customer preferences, allowing it to cater to a broad set of B2B retailers. The company maintains solid 8–10% operating margins in its Cubic Zirconia (CZ) segment and has recently diversified its portfolio by introducing Turkish jewellery. Notably, over 75% of its product mix is driven by high-margin studded jewelry, which continues to support overall profitability.

Launching the Turkish collection - The launch of the Turkish jewellery collection marks an important step in Shanti Gold's product diversification strategy. Turkish jewellery is known for its intricate craftsmanship, premium designs and strong appeal among organized jewellery retailers, allowing the company to move beyond its traditional CZ jewellery offerings. By leveraging its design capabilities and expanded manufacturing infrastructure, Shanti Gold aims to address a wider customer base and increase wallet share with existing clients. The addition of this higher-value product category can support revenue growth, enhance product mix and strengthen the company's positioning as a comprehensive jewellery manufacturing partner for leading retailers.

We view this product diversification positively as it can reduce dependence on a single product category and increase the company's share of wallet with existing customers. The shift towards machine-made plain jewellery also gives Shanti Gold access to a different manufacturing opportunity, while its existing design capabilities remain relevant for differentiated and fashion-oriented products.

Fig 5 – Turkish collection



Source: Company, BOBCAPS Research

Expanding Beyond the Southern Market

While Shanti Gold has historically built a strong presence in southern markets, the company is increasingly looking to diversify geographically, particularly towards North India. Its existing branch network covers Tamil Nadu, Andhra Pradesh, Karnataka, Telangana, Gujarat, Maharashtra and Madhya Pradesh, while its customers are already spread across 18 states and two Union Territories. The strategic opportunity is therefore less about establishing a completely new domestic presence and more about increasing penetration in under-served regions and adding organised retail accounts.

Shanti Gold is strategically diversifying from its southern base into North India to drive its next phase of growth by deepening penetration across its existing 18-state footprint and adding organized retail accounts. South India contributes more than 50% of the company's revenue. Management aims to simultaneously expand wallet share and acquire new customers, backed by the manufacturing headroom provided by recent capacity additions at Marol and Jaipur.

Shanti Gold derives nearly 73% of its revenue from South India (FY25), with Tamil Nadu alone contributing ~31%, followed by Andhra Pradesh (16%), Karnataka (13%) and Telangana (12%).

Fig 6 – Presence across regions

Regions (%)	FY22	FY23	FY24	FY25
South India	66.4	71.1	79.9	72.8
Punjab	13	7.1	4.6	3.3
Rest of India	15.6	13.6	11.2	18.5

Source: Company, BOBCAPS Research

Fig 7 – Revenue spilt from South India, rest of India & exports - FY25

Particulars (Rs mn)	Revenue	% contribution	Revenue	% contribution	Revenue	% contribution
South India	8,050.6	72.8	5,683.4	79.9	4,832.4	71.1
(i) Tamil Nadu	3,375.5	30.5	2,786.4	39.2	2,232.2	32.9
(ii) Andhra Pradesh	1,786.9	16.2	966.5	13.6	1,065.2	15.7
(iii) Karnataka	1,462.96	13.22	1,046.61	14.71	836.51	12.31
(iv) Telangana	1,376.20	12.44	778.77	10.95	647.42	9.53
(v) Kerala	49.09	0.44	105.22	1.48	51.06	0.75
Rest of India	2,420.49	21.88	1,128.86	15.87	1403.21	20.65
Exports	592.96	5.36	302.04	4.25	558.48	8.22
(i) UAE	310.37	2.8	208.79	2.93	442.08	6.51
(ii) Singapore	218.06	1.97	81.98	1.15	68.85	1.01
(iii) Qatar	15.04	0.14	11.27	0.16	47.55	0.7
(iv) USA	49.49	0.45	Nil	0	Nil	0

Source: Company, BOBCAPS Research, Shanti Gold DRHP

Fig 8 – Revenue contribution from North India - FY25

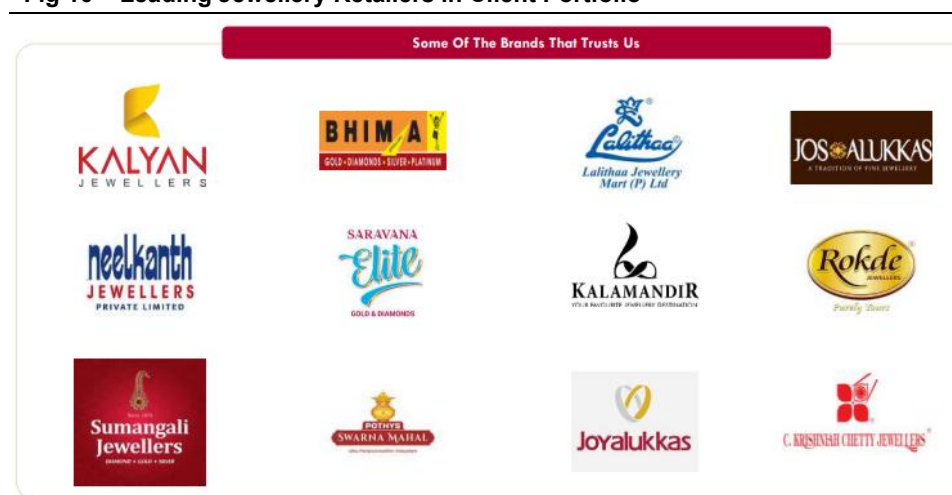
Particulars (Rs mn)	Revenue	% contribution	Revenue	% contribution	Revenue	% contribution
North India	586.89	5.3	573.29	8.06	761.25	11.2
(i) Punjab	363.29	3.28	324.94	4.57	481.54	7.09
(ii) Haryana	141.14	1.28	140.57	1.98	141.2	2.08
(iii) Rajasthan	39.81	0.36	72.82	1.02	26.76	0.39
(iv) Delhi	32.56	0.29	34.32	0.48	111.75	1.64
(v) Uttar Pradesh	3.88	0.03	0.64	0.01	Nil	Nil
(vi) Bihar	3.29	0.03	Nil	Nil	Nil	Nil
(vii) Chhattisgarh	2.93	0.03	Nil	Nil	Nil	Nil

Source: Company, BOBCAPS Research, Shanti Gold DRHP

Fig 9 – Top client concentration

Customer Concentration	FY22	FY23	FY24	FY25
Top 1	6.8	5.1	8.9	7.3
Top 5	27.1	21.1	24.2	23.2
Top 10	41	33.2	36.4	34.5

Source: Company, BOBCAPS Research

Fig 10 – Leading Jewellery Retailers in Client Portfolio

Source: Company, BOBCAPS Research

Gradually expanding in exports markets

Exports remain a relatively small component of Shanti Gold's business but represent an important medium-term diversification opportunity. In FY26, exports accounted for approximately 4% of total revenue, aspire to reach ~10 in the long term. Management highlighted that the company currently caters to only three-four countries internationally, leaving significant scope to expand its geographical footprint

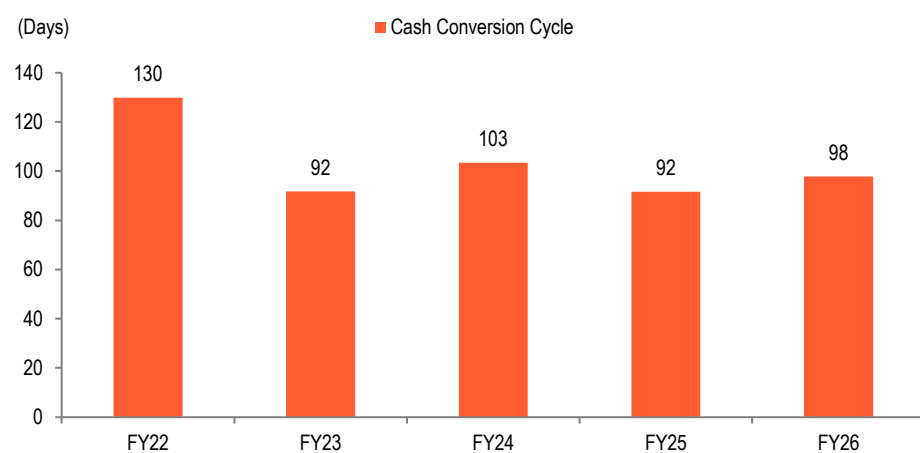
The key catalyst is the establishment of Shanti Gold Jewellery Trading LLC in Dubai, which management views as a gateway for expanding its international business. The Dubai setup is intended to facilitate greater access to overseas markets, with the Annual Report specifically identifying opportunities in the US, UK, Singapore and Malaysia, alongside the existing international business. Management has received RBI approval for the Dubai operation; once operational, the subsidiary is expected to help the company build an international customer base and progressively increase export

contribution. we see international expansion as a potential incremental growth lever over the medium term, particularly as the company's manufacturing capabilities and product portfolio scale.

Hedging Policy

Gold-price volatility is one of the key structural risks for the business given the value of gold embedded in inventory. Shanti Gold's approach is primarily to match gold purchases with sales, thereby creating a natural hedge. Management stated that whatever quantity of gold is sold is bought immediately, limiting the period for which the company remains exposed to outright gold-price movements. The company has also restarted the use of Gold Metal Loans (GMLs) as gold prices have become relatively stable. The company has historically used GMLs for 10-15 years but had temporarily moved away from them during periods of elevated gold-price volatility. The Annual Report also states that gold is procured through both Gold Metal Loan facilities from banks and domestic open-market purchases, with the company having an MCX account to manage commodity-price exposure

Fig 11 – Working Capital Cycle

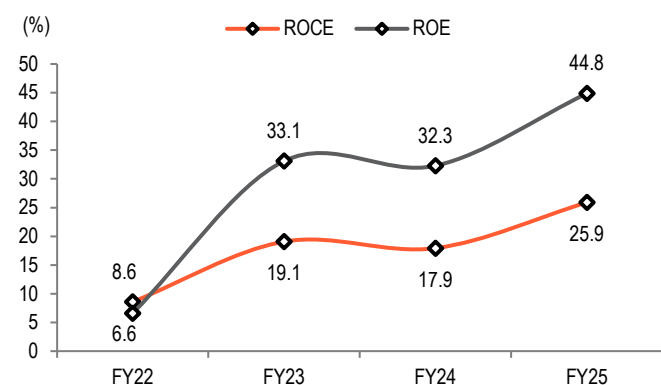


Source: Company, BOBCAPS Research

Shanti Gold's cash conversion cycle has remained elevated, at 98 days in FY26, compared with 92 days in, despite improving from 130 days in FY22. We believe there is scope for further improvement as the company scales its plain gold jewellery portfolio, which is likely to have faster inventory rotation than more design-intensive bridal and studded jewellery. Management currently indicates a typical working-capital cycle of ~30–45 days and expects inventory turns to improve from ~4x to ~6x as the Jaipur facility optimises inventory levels. Improving inventory efficiency, alongside disciplined receivables, could support better cash generation and reduce incremental working-capital intensity as volumes scale.

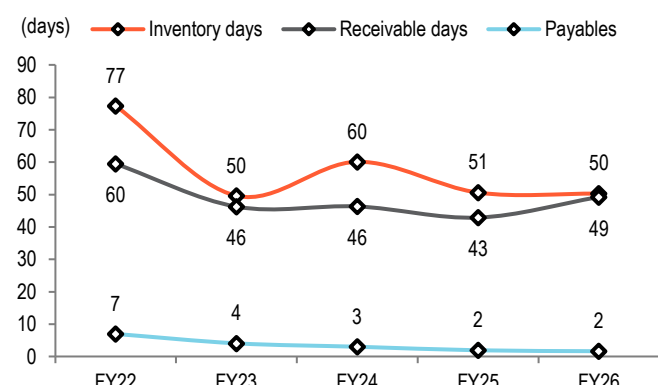
Debt to equity ratio chart

Fig 12 – Improving return ratios with business scale-up



Source: Company, BOBCAPS Research

Fig 13 – Working Capital



Source: Company, BOBCAPS Research

IPO Proceeds Utilisation

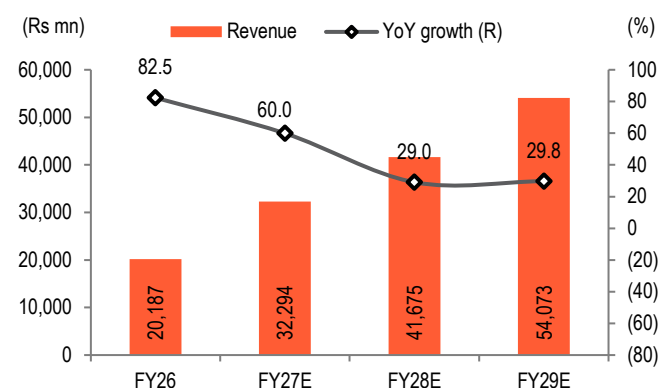
Of the net IPO proceeds of ~Rs 3090 mn, the company had earmarked ~Rs 460 mn towards the proposed Jaipur manufacturing facility, ~Rs 2000 mn for incremental working capital, ~Rs 170 mn for debt repayment and ~Rs 460 mn for general corporate purposes. The Jaipur facility, for which ~Rs 460 mn of capex has been allocated, is expected to commence operations around Nov-Dec FY27 and represents only the first phase of development on a 3-acre site, leaving scope for further capacity expansion as demand scales.

Earnings quality and governance flags

Issue	Key Observation
Cash Flow	Operating cash flow has remained negative from FY21 to FY26, reaching -₹261 crore in FY26. Growth has been funded through the IPO, a ₹99.8 crore rights issue, and bank borrowings.
Margin Quality	Q1 FY27 EBITDA margin of 9.97% included an estimated 2-2.5% unrealized inventory gain. Management's underlying EBITDA margin guidance stands at 7.5-8.0%.
Accounting Change	Inventory accounting method shifted from FIFO to Weighted Average Cost, retrospectively effective from April 2024. FY26 EBITDA was revised downward from ₹97.7 crore to ₹89.9 crore, while PAT was revised from ₹55.8 crore to ₹54.1 crore.
Hedging Policy	Hedging strategy has fluctuated between outright gold purchases and gold metal loans (GML). Management recently restarted GML usage, though the inventory share funded through GML was not disclosed.
Related Party Exposure	Promoters and directors are common across Shanti Gold, Utssav CZ Gold Jewels, and Uzuri Jewels. While management states these entities operate in different segments, customer overlap exists. Promoter remuneration increased from ₹1.08 crore to ₹1.80 crore each in FY26.
Customer Concentration	Top 10 customers contributed 44.8% of FY26 revenue, with the largest customer accounting for 7-8%. Revenue base remains concentrated in South India, with northern expansion still at an early stage.
Dilution	Promoters did not participate in the rights issue, resulting in promoter ownership declining from 74.89% to 70.35%. No promoter pledging reported and no dividend declared.

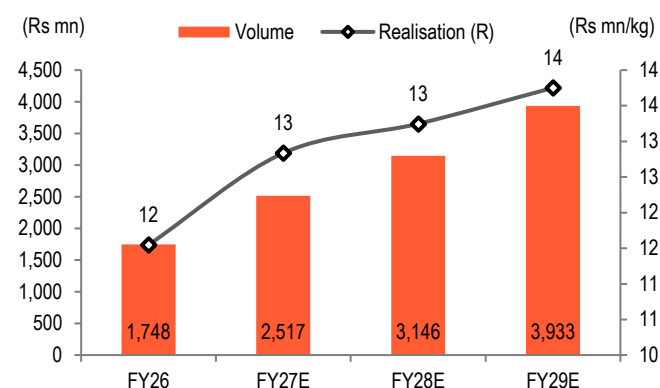
Financial assumptions

Fig 14 – Revenue & its growth



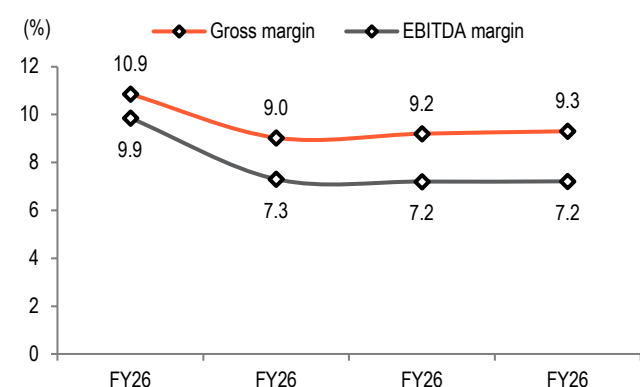
Source: BOBCAPS Research, Company

Fig 15 – Volume & Realisation



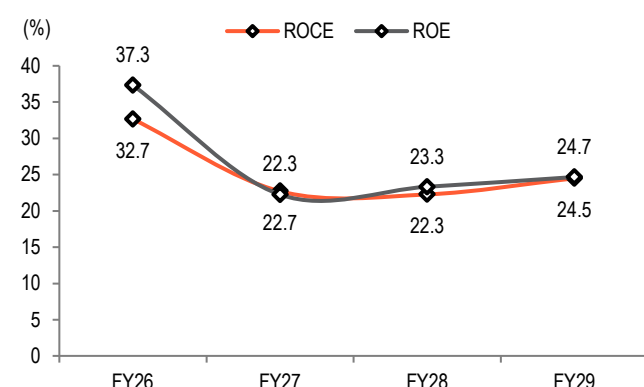
Source: BOBCAPS Research, Company

Fig 16 – Margins (Gross & EBITDA)



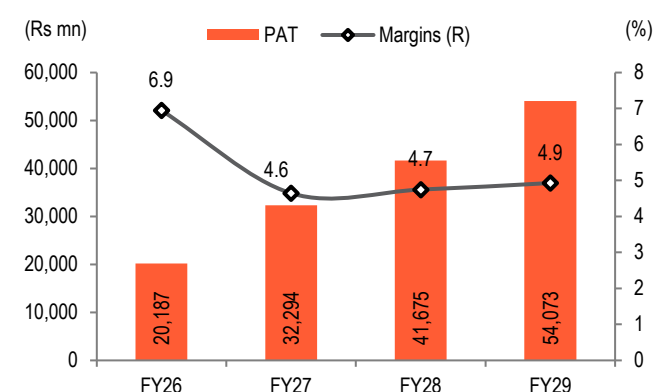
Source: Company, BOBCAPS Research

Fig 17 – Return ratios Trend



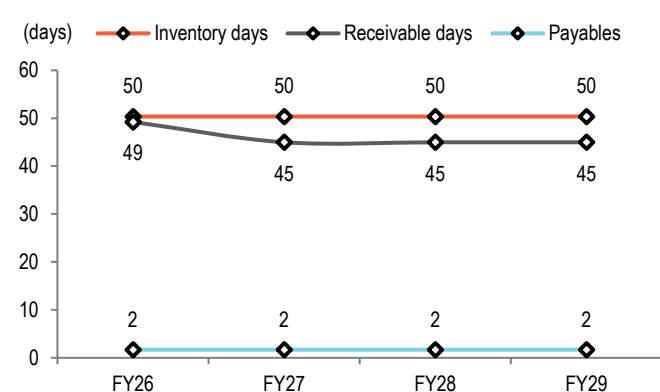
Source: Company, BOBCAPS Research

Fig 18 – PAT & PAT Margins



Source: Company, BOBCAPS Research

Fig 19 – Working Capital cycle



Source: Company, BOBCAPS Research

Valuation methodology

Shanti Gold has transformed from a Rs 679 crore business in FY23 to a Rs 2,019 crore business in FY26, delivering 43.7% revenue CAGR, while EBITDA and PAT compounded at 66.7% and 91.3%, respectively, aided by volume-led scale-up and strong operating leverage. Combined with healthy financial performance, strong return ratios and increasing demand from organized retailers, Shanti Gold appears well placed to deliver sustained revenue and earnings growth over the medium term.

We expect revenue/earnings CAGR of 39%/24% during FY26 - 29E respectively. We initiate with a Buy rating and a TP of INR 474 on 15x Sept-28 EPS with an upside of 67%. While we believe the company is well positioned to deliver strong growth, we assign a 32% discount to Sky Gold's multiple to account for its nascent listed history, smaller scale of operations, and execution risks associated with its ongoing capacity expansion. Successful execution and sustained growth could narrow the valuation gap over time.

Key risks

Key upside/downside risks to our estimates are:

- Sharp increase in gold prices
- Slower demand growth
- High working capital requirements

Business in brief

Founded in 2003 and listed in August 2025, Shanti Gold is a B2B jewellery manufacturer specializing in 22kt CZ and stone-studded gold jewellery. The company supplies leading jewellery retailers across India and has built long-standing relationships with prominent organized players. Its business model is focused on design, manufacturing and wholesale distribution rather than retail operations.

The company operates a fully integrated manufacturing facility in Mumbai with an installed production capacity of 6,700 kg per annum. Shanti Gold undertakes key functions such as design, manufacturing, quality control, and packaging in-house, allowing tighter control over product quality and operational efficiency. A significant competitive advantage is its strong design capability, supported by a large in-house design team of 79 CAD designers who collectively develop more than 400 new designs every month. The company has several customers who have been associated with it for more than a decade, indicating strong customer relationships.

Fig 20 – Manufacturing Facility

Existing — Mumbai (Andheri)	Newly Commissioned — Marol	Upcoming — Jaipur (Under Construction)
 13,449 sq.ft. facility in Mumbai - Installed capacity: 2,700 kg per annum - Advanced machinery: casting, 3D printers, steamers, induction melters - Fully integrated in-house manufacturing with full quality control	 14,590 sq. ft. facility in Marol, Mumbai; commercial production commenced in June 2026 - Adds ~4,000 kg of installed capacity per annum	 50,000 sq.ft. land at Mahindra World City, Jaipur - Adding 1,200 kg of installed capacity per annum - New line of machine-made plain gold jewellery - LOIs already secured from prospective buyers

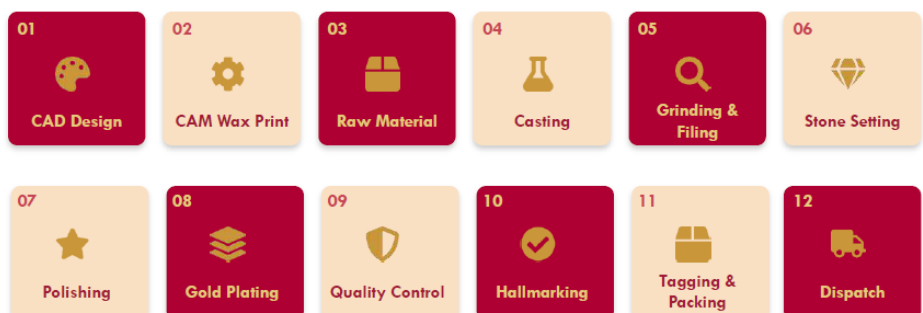
Source: Company, BOBCAPS Research

Fig 21 – Manufacturing Process

Design & Manufacturing Process



A seamless 12-step integrated process — from concept to customer — entirely under one roof



Source: Company, BOBCAPS Research

Fig 22 – Product Offerings

Source: Company, BOBCAPS Research

Promoters & Management – Experience-led B2B Model

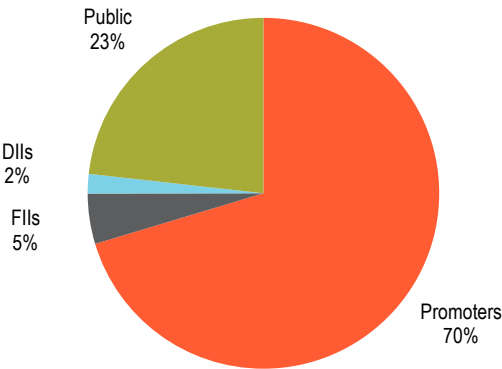
Shanti Gold is promoter-led and benefits from significant operating experience in the jewellery manufacturing industry. Chairman & Managing Director Pankajkumar Jagawat and Whole-Time Director Manojkumar Jain have more than two decades of industry experience, while the broader management team has experience across jewellery manufacturing and design. The promoter experience is particularly relevant for a B2B jewellery manufacturer, where relationships with retailers, understanding of consumer trends, design capabilities and execution consistency are critical competitive factors. The company's long-standing relationships with organised jewellery retailers provide a relatively strong foundation for scaling manufacturing volumes.

Fig 23 – Promoters & Management

Name	Designation	Role / Experience
Pankajkumar H. Jagawat	Chairman & Managing Director; Promoter	He has over 21 years of experience in jewellery manufacturing and has been associated with the Company since its inception. He is responsible for the overall management of the business and operations and for undertaking and executing strategic decisions for the Company's growth.
Manojkumar N. Jain	Whole-time Director; Promoter	He has over 21 years of experience in jewellery manufacturing and has been associated with the Company since its inception. He oversees administrative matters of the Company, including supervision of various functions and employee-related matters.
Shashank B. Jagawat	Non-Executive Director; Promoter	He has over 16 years of experience in jewellery manufacturing and has been associated with the Company since its inception. He is one of the Promoters and founders of the Company.
Shriram Kannan Iyengar	Chief Financial Officer	He holds a bachelor's degree in Commerce and a Master's degree in Business Administration and also holds a Diploma in Financial Management. He has been associated with the Company since its incorporation and has served as the Chief Financial Officer since June 17, 2024.
Vrushti Parag Shah	Company Secretary and Compliance Officer	She holds a bachelor's degree in Commerce and a bachelor's degree in Law and is an Associate Member of the Institute of Company Secretaries of India. She has been associated with the Company since June 17, 2024.
Hitesh J Chhajed	Production Head	He holds a bachelor's degree in Commerce and has been associated with the Company since its incorporation. He was appointed as Production Head in 2013 and has over 10 years of experience in manufacturing.
Llalet Gulab Jagasia	Marketing Manager	He holds a bachelor's degree in Commerce and has been associated with the Company since July 1, 2016. He has over 8 years of experience in marketing.
Yash Mahansaria	Independent Director	He holds a bachelor's degree in commerce from Gujarat University. He is also a member of the Institute of Chartered Accountants of India
BhavikaYash Ghuntla	Independent Director	She Holds a bachelor's degree in commerce and bachelor's degree in law. She is a member of the Institute of Company Secretaries of India. •She has approximately 5 years of corporate and secretarial experience
Purvi Pathik Shah	Independent Director	She holds bachelor's degree in commerce. She is a member of the Institute of Chartered Accountants of India. Shehas approximately 8 years of experience in the financial services sector

Source: Company, BOBCAPS Research

Fig 24 – Shareholding Pattern



Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	11,064	20,187	32,294	41,675	54,073
EBITDA	917	1,990	2,358	3,001	3,899
Depreciation	57	61	96	114	138
EBIT	860	1,929	2,261	2,886	3,760
Net interest inc./(exp.)	192	183	360	376	372
Other inc./(exp.)	61	98	97	125	162
Exceptional items	0	0	0	0	0
EBT	728	1,844	1,999	2,636	3,551
Income taxes	170	442	500	659	888
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	558	1,402	1,499	1,977	2,663
Adjustments	0	0	0	0	0
Adjusted net profit	558	1,402	1,499	1,977	2,663

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	61	101	145	188	243
Other current liabilities	158	139	139	139	139
Provisions	70	89	89	89	89
Debt funds	2,249	2,162	4,482	4,682	4,632
Other liabilities	138	89	89	89	89
Equity capital	540	721	721	721	721
Reserves & surplus	984	5,263	6,762	8,739	11,402
Shareholders' fund	1,524	5,984	7,483	9,460	12,123
Total liab. and equities	4,198	8,565	12,428	14,647	17,316
Cash and cash eq.	142	16	2,505	2,252	1,658
Accounts receivables	1,816	3,629	3,981	5,138	6,667
Inventories	1,486	3,475	4,451	5,744	7,453
Other current assets	70	210	210	210	210
Investments	0	476	476	476	476
Net fixed assets	335	184	230	253	278
CWIP	89	100	100	100	100
Intangible assets	0	7	7	7	7
Deferred tax assets, net	0	0	0	0	0
Other assets	261	467	467	467	467
Total assets	4,198	8,565	12,428	14,647	17,316

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	(146)	(2,606)	671	60	(8)
Capital expenditures	(36)	(63)	(142)	(137)	(164)
Change in investments	(3)	(44)	0	0	0
Other investing cash flows	52	(59)	0	0	0
Cash flow from investing	13	(166)	(142)	(137)	(164)
Equities issued/Others	0	3,203	0	0	0
Debt raised/repaid	346	(274)	2,320	200	(50)
Interest expenses	(178)	(171)	(360)	(376)	(372)
Dividends paid	0	0	0	0	0
Other financing cash flows	(35)	(38)	0	0	0
Cash flow from financing	133	2,721	1,960	(176)	(422)
Chg in cash & cash eq.	36	142	16	2,505	2,252
Closing cash & cash eq.	35	90	2,505	2,252	1,658

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	7.9	19.7	21.1	27.8	37.5
Adjusted EPS	7.9	19.7	21.1	27.8	37.5
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	21.5	84.3	105.4	133.2	170.7

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.7	0.9	0.6	0.4	0.3
EV/EBITDA	20.1	9.2	7.8	6.1	4.5
Adjusted P/E	36.1	14.4	13.4	10.2	7.6
P/BV	13.2	3.4	2.7	2.1	1.7

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	76.7	76.0	75.0	75.0	75.0
Interest burden (PBT/EBIT)	84.7	95.6	88.4	91.3	94.4
EBIT margin (EBIT/Revenue)	7.8	9.6	7.0	6.9	7.0
Asset turnover (Rev./Avg TA)	296.9	316.3	307.7	307.9	338.4
Leverage (Avg TA/Avg Equity)	3.0	1.7	1.6	1.6	1.5
Adjusted ROAE	44.8	37.3	22.3	23.3	24.7

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	55.5	82.5	60.0	29.0	29.8
EBITDA	83.9	117.1	18.5	27.3	29.9
Adjusted EPS	58.1	151.0	7.0	31.9	34.7

Profitability & Return ratios (%)

EBITDA margin	8.3	9.9	7.3	7.2	7.2
EBIT margin	7.8	9.6	7.0	6.9	7.0
Adjusted profit margin	5.0	6.9	4.6	4.7	4.9
Adjusted ROAE	36.6	23.4	20.0	20.9	22.0
ROCE	17.5	18.0	14.2	15.3	16.8

Working capital days (days)

Receivables	43	49	45	45	45
Inventory	51	50	50	50	50
Payables	2	2	2	2	2

Ratios (x)

Gross asset turnover	28.3	82.6	99.1	113.6	129.9
Current ratio	1.5	3.3	2.6	3.0	3.5
Net interest coverage ratio	4.5	10.5	6.3	7.7	10.1
Adjusted debt/equity	1.5	0.4	0.6	0.5	0.4

Source: Company, BOBCAPS Research | Note: TA = Total Assets

BUY

TP: Rs 1,068 | ▲ 36%

SKY GOLD

| Retail - Jewellery

| 25 September 2026

Growth Intact

- Consistently delivered 25%+ revenue growth with stable margins, supported by client additions, wallet-share gains & capacity expansion
- Entry into lightweight uncut jewellery through Purvi Gems acquisition expands product offerings and opens new growth avenue
- Strong execution underpins FY26-29E revenue/PAT CAGR of 34%/45%, driving a valuation re-rating to 22x Sep'28E EPS, upgrade to Buy

Lavita Lasrado
 Research Analyst
 Nistha Pala
 Research Associate
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Scale Advantages Position Sky Gold Ahead of Peers: Sky Gold's key strength lies in its scale, diversification and market reach. With FY26 revenue of ₹6,295 crore, a manufacturing capacity of 14,400 kg and an extensive product portfolio spanning lightweight jewellery, mangalsutras and machine-made chains, the company has built a strong platform for sustained growth. Its design library of over 5 lakh designs, broad customer base and increasing export presence further enhance its competitive positioning and scalability. Despite operating at a much larger scale, Sky Gold continues to maintain healthy return ratios, with ROE of 30% and ROCE of 27%, reflecting efficient execution. Its wider geographic presence and diversified product mix reduce concentration risks and leave it well placed to capitalize on the ongoing shift toward organized jewellery manufacturing in India.

Improving product mix and working-capital efficiency: Sky Gold is steadily moving beyond its traditional 22KT plain/lightweight jewellery focus towards 18KT, 9KT and diamond-studded/value-added jewellery, which offer better realisations and higher making-charge potential. The company is also increasing the contribution of its advance-gold model, which stood at 11.5% of volumes in FY26 versus 5.7% in FY25, with management targeting ~30% by FY30. This model reduces the company's gold funding requirement and supports better working-capital efficiency. The improvement is already visible in the balance sheet, with NWC days declining to 59 days in FY26 from 71 days in FY25, while the higher-value product mix and operating leverage have supported sustained margin expansion.

Upgrade to BUY: Since our initiation, Sky Gold has consistently outperformed our growth expectations, demonstrating strong execution and reinforcing confidence in its long-term prospects. We expect revenue/earnings CAGR of 34%/45% during FY26 - 29E respectively. We believe these developments warrant a moderate rerating while remaining conservative relative to the company's growth prospects and earnings trajectory. Accordingly, we assign a higher valuation multiple of 22x Sep't28 EPS (vs earlier 20x), resulting in a target price of Rs 1067, and upgrade our rating to BUY from HOLD.

Key changes

Target	Rating
▲	▲

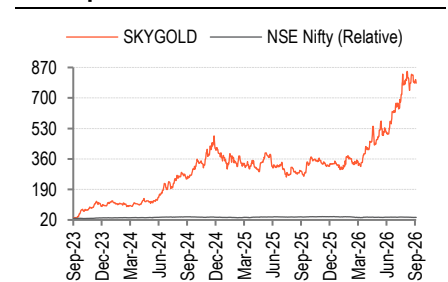
Ticker/Price	SKYGOLD IN/Rs 783
Market cap	US\$ 1.3bn
Free float	48%
3M ADV	US\$ 8.6mn
52wk high/low	Rs 869/Rs 259
Promoter/FPI/DII	52%/1%/13%

Source: NSE | Price as of 24 Sep 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	62,949	87,901	115,370
EBITDA (Rs mn)	4,355	6,650	8,883
Adj. net profit (Rs mn)	2,830	4,465	6,194
Adj. EPS (Rs)	20.1	31.8	44.1
Consensus EPS (Rs)	20.1	27.6	36.8
Adj. ROAE (%)	30.0	31.2	31.6
Adj. P/E (x)	38.9	24.6	17.8
EV/EBITDA (x)	27.8	18.2	13.6
Adj. EPS growth (%)	113.3	57.8	38.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Sky Gold

Leveraging Scale to Capture the Organized Jewellery Opportunity

Skygold has demonstrated its ability to deliver a 25%+ revenue CAGR over the past few years, driven by expanding customer relationships, increasing wallet share from organized retailers and continuous capacity augmentation. Importantly, this growth has been accompanied by stable operating margins, reflecting disciplined execution and a favourable product mix rather than growth at the expense of profitability.

In FY26, the company not only scaled-up in revenue but also saw an improvement in earnings quality. Sky Gold has increasingly shifted towards lightweight, higher-value-added and studded jewellery, including 9kt, 18kt, rose-gold and diamond-studded products. The company has also focused on reducing gold loss through manufacturing-process improvements; management indicated that gold wastage reduced from around 1.5% to ~0.5% during the year. This combination of mix improvement and manufacturing efficiency supported the 140bps expansion in gross margin and EBITDA margin.

Fig 1 – Quarterly Trend

Particulars (Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Volume (kg/month)	349	345	447	460	456	544	631	650	702
Realisation (Rs mn/kg)	6.9	7.4	7.4	7.7	8.3	9.1	9.3	9.8	9.6
Sales	7230	7688	9980	10582	11312	14845	17677	19115	20128
COGS	6771	7189	9251	9761	10410	13631	16169	17406	18253
GP	459	500	729	821	903	1,213	1,508	1,709	1,875
Gross Margin (%)	6.35	6.50	7.31	7.76	7.98	8.17	8.53	8.94	9.32
Employee	47.87	61.55	80.37	103.75	119.81	131.03	151.89	170.608	167.874
Other expenses	38.9	50.19	75.83	86.73	69.15	83.12	132.19	131.248	139.868
EBITDA	373	388	573	630	714	999	1,224	1,407	1,567
EBITDA margin (%)	5.15	5.04	5.74	5.96	6.31	6.73	6.92	7.36	7.79
Interest	79.96	101.34	121.92	140.45	132.69	175.81	211.84	268.152	253.5
Depreciation	20.55	22.09	28.62	36.17	35.72	24.07	25.15	43.38	45.315
Other income	12.35	197.49	71.26	48.48	43.41	79.92	74.41	166.223	79.538
PBT	285	462	494	502	589	879	1,061	1,262	1,348
Tax	72.22	94.74	128.24	120.43	152.82	209.07	255.97	354.478	299.014
PAT	212	367	365	382	436	670	805	907	1,049
PAT margin (%)	2.94	4.77	3.66	3.61	3.85	4.51	4.56	4.75	5.21

Source: Company, BOBCAPS Research

Capacity headroom provides room for growth without immediate heavy capex

Sky Gold's manufacturing footprint spans approximately 150,000 sq ft in Navi Mumbai, with current capacity of around 1,200kg/month across the company and subsidiaries. At ~48% utilisation, the company has considerable capacity headroom before requiring large incremental investment. The company believes existing capacity should be adequate until around 2028, after which incremental capacity can be added through the asset-light model. Management has indicated potential capex of only Rs 70–75cr in FY28–FY29, rather than pursuing another large owned-facility investment. Combined with the shift towards leased capacity, this should allow Sky Gold to maintain relatively low capital expenditure as a percentage of sales.

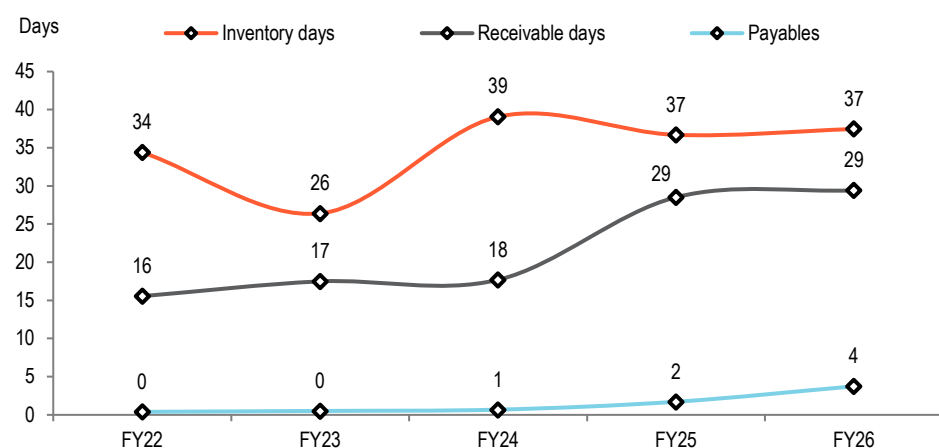
Fig 2 – Metrics

Particulars	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Avg Volume (kg/month)	200	255	400	650	746	932	1165
YoY Growth (%)		27.5	57.0	62.4	14.7	25.0	25.0
Realisation (Rs mn/kg)	4.81	5.7	7.39	9.20	9.80	10.29	10.91
YoY Growth (%)		18.5	29.6	24.5	6.5	5.0	6.0
Capacity (kg/month)	225	1,050	1,200	1,200	1,200	1,200	1,200
Utilisation (%)	~89	~24	33.35	47.52	62.15	77.69	97.11

Source: Company, BOBCAPS Research

Working capital remains elevated, with scope for further efficiency gains

Working capital remains a key balance-sheet consideration for Sky Gold given the gold-intensive nature of its B2B manufacturing model. Cash conversion cycle stood at 63 days in FY26, marginally improving from 64 days in FY25, but remained significantly higher than the 43 days reported in FY23. The elevated working-capital requirement is primarily driven by higher inventory and receivables. Inventory days remained elevated at 37 days in FY26, unchanged from FY25, while receivable days increased sharply to 29 days from 18 days, partly offset by an improvement in payable days to 4 days from 2 days. Overall, the working-capital cycle has lengthened meaningfully over the past few years, with cash conversion rising from 39 days in FY20 to 63 days in FY26, highlighting the need for tighter inventory management and receivable efficiency as the business scales.

Fig 3 – Working Capital Cycle

Source: Company, BOBCAPS Research

Inventory remains the largest working-capital requirement

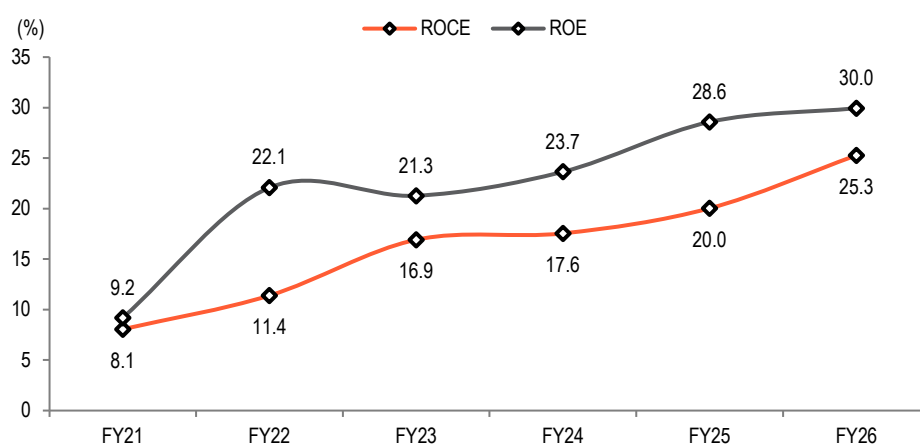
Inventory remains the principal balance-sheet requirement for the company. Consolidated inventory increased to ₹785.9cr in FY26 from ₹396.9cr, broadly doubling YoY, reflecting both the sharp increase in business scale and the higher gold-price environment. Inventory represented roughly 36% of total assets at FY26-end, highlighting the capital intensity of the conventional gold-funded manufacturing model. Despite the sharp increase in absolute inventory, inventory days increased only moderately to 37 days in Mar-26 from 34 days in Mar-25, reflecting faster inventory turnover relative to the scale of growth. The annual report reports an inventory turnover ratio of 11.0x versus 6.0x previously, although this ratio is based on the company's

statutory ratio methodology. The improvement reflects the significantly higher sales and material consumption relative to average inventory

Return ratios improve with operating leverage

The improvement in profitability has translated into stronger return metrics. The annual report reports ROE of 23.9% in FY26 versus 24.4% in FY25, while ROCE increased to 19.7% from 15.8%. The improvement in ROCE reflects the combination of stronger EBITDA/PAT and better asset utilisation. The next leg of improvement in capital efficiency is likely to come less from pure earnings growth and more from the business-model shift towards advance gold and asset-light manufacturing. Since customer-supplied gold does not need to be funded by Sky Gold, increasing the share of this business can allow the company to grow manufacturing volumes without a corresponding increase in inventory and debt. Management is targeting advance gold at ~30% of volumes by FY30, compared with 11.5% in FY26.

Fig 4 – ROCE & ROE Trend



Source: Company, BOBCAPS Research

Advance gold is the key structural lever for improving ROCE and cash conversion

The advance-gold model is arguably the most important structural change in Sky Gold's balance sheet. Under this model, the customer provides the gold upfront and Sky Gold earns manufacturing value-add/making charges. Consequently, the company does not need to finance the underlying gold inventory and carries significantly lower gold-price and working-capital exposure on such orders. Advance gold accounted for 11.5% of volumes in FY26 versus 5.7% in FY25, and management is targeting approximately 30% of volumes by FY30. While this business contributes less reported revenue because the metal value does not flow through Sky Gold's P&L, it has a disproportionately positive impact on capital efficiency because it requires limited inventory funding and lower receivable investment.

The strategic importance is therefore greater than the reported revenue contribution. If advance-gold volumes increase meaningfully, Sky Gold should be able to support higher manufacturing volumes without a similar increase in working-capital debt. This could potentially improve ROCE, cash conversion and interest-cost intensity over time,

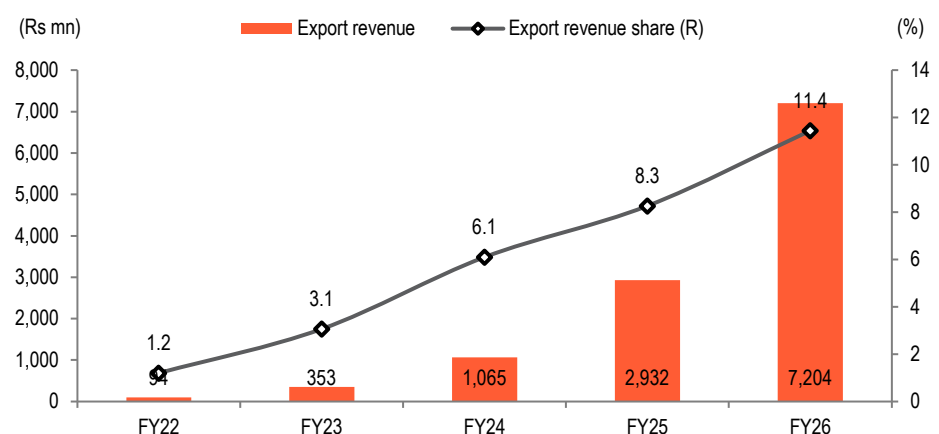
although the extent of benefit will depend on customer adoption and the pace at which the company shifts away from gold-funded business.

Export growth provides a second lever for working-capital improvement

Exports are becoming an increasingly important part of Sky Gold's business. Consolidated export sales increased to approximately Rs 720cr in FY26 from Rs 293cr in FY25, taking exports to around 11.5% of jewellery sales. Domestic sales were approximately Rs 5,539cr. The company has established a Dubai office under Sky Souk and is targeting the GCC market, while also serving customers across UAE, Singapore and Malaysia. New international customers added during FY26 included Damas and Kanz in the UAE. Management has indicated a long-term ambition to take exports towards approximately 20% of sales/volumes by FY30E.

Exports are strategically relevant not only from a growth perspective but also from a working-capital perspective. Management indicates that export orders generally have shorter receivable cycles and faster payments than parts of the domestic business. Therefore, a rising export mix can potentially improve the quality of growth by reducing the amount of capital tied up against each rupee of revenue.

Fig 5 – Exports



Source: Company, BOBCAPS Research

Fig 6 – Acquisition Details

Date announced	Company	% stake	Deal (Rs mn)	Synergy
22-06-2024	Starmangalsutra Pvt Ltd	100	240	Entry into mangalsutra segment (~15% of India jewellery retail sales); expanded addressable market from 35% to ~65-70% of retail sales alongside deal
22-06-2024	Sparkling Chains Pvt Ltd	100	260	Entry into chains segment (~20% of India jewellery retail sales); combined with Starmangalsutra deal, adds ~Rs 371 cr FY24 sales and 300 kg/month capacity
21-04-2025	Ganna N Gold Pvt Ltd (later renamed Speed Bangle Pvt Ltd)	100	2250	Foray into machine-made and handmade gold bangles; zero-inventory model; lower tax rate (15% under Sec 115BAB) improves consolidated margins
18-10-2025	Shri Rishab Gold (partnership firm)	51	100	Deepens mangalsutra platform via Starmangalsutra; onboards a key client relationship including one of India's largest jewellery brands; builds toward a scaled mangalsutra-led platform
18-09-2026	Purvi Gems & Jewellery (India) Pvt Ltd	100	90	Expands into lightweight uncut and precia fine jewellery; broadens product range and customer segments

Source: Company, BOBCAPS Research

Sky Gold acquires Purvi Jewellers to expand product portfolio

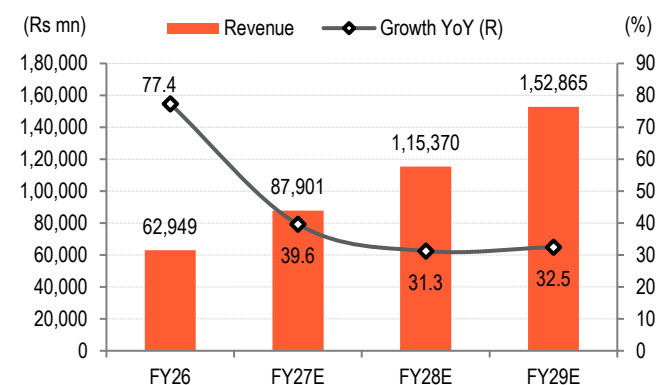
Sky Gold and Diamonds has approved the acquisition of 100% of Purvi Gems & Jewellery (India) Pvt. Ltd. for a cash consideration of up to Rs 9 crore, with the transaction expected to be completed by November 30, 2026. Purvi Gems is engaged in jewellery manufacturing, primarily lightweight uncut and precious fine jewellery, along with related manufacturing and processing activities. The company has demonstrated strong growth, with revenue increasing from Rs 67.9 crore in FY24 to Rs 79.0 crore in FY25 and Rs 103.4 crore in FY26P, implying a ~23% CAGR over FY24–26 and ~31% YoY growth in FY26.

The acquisition provides Sky Gold with an opportunity to expand its product portfolio and customer reach beyond its existing B2B manufacturing franchise. We see potential for cross-selling Sky Gold's existing lightweight, studded and other jewellery offerings to Purvi's customer base, while Purvi's product capabilities could be introduced to Sky Gold's existing network of large corporate/retail jewellery clients. This could increase wallet share from existing customers and improve the utilisation of Sky Gold's established B2B distribution relationships. Importantly, Purvi's focus on lightweight and precious fine jewellery can complement Sky Gold's existing manufacturing capabilities and help diversify its product mix. Given the potentially higher value-add and making-charge component in such products, a gradual shift towards a richer product mix could provide scope for margin improvement, although the actual margin benefit will depend on product mix, pricing and integration and has not been quantified by the company.

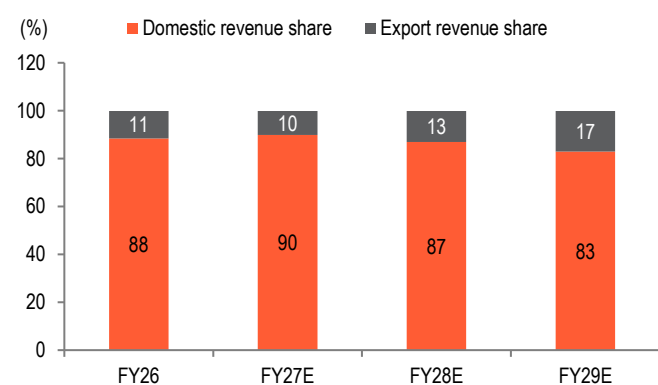
FY27 outlook and financial discipline

For FY27, management has raised its revenue guidance to approximately ₹8,100cr, with EBITDA margin guided at 7.0–7.5% and PAT margin at 4.5–4.75%. The key growth levers include higher exports, greater contribution from value-added jewellery, expansion into 18kt/9kt and studded categories, and increased adoption of advance gold.

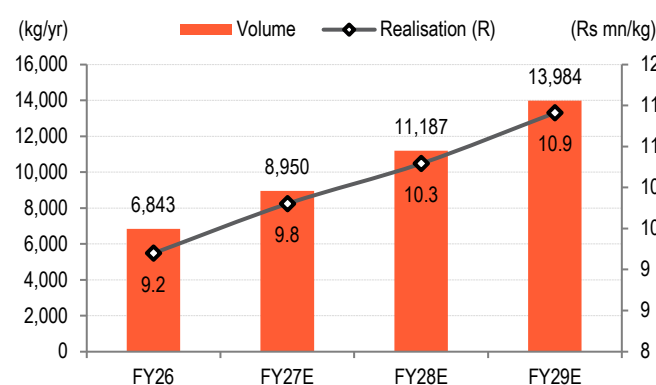
Importantly, management's strategy has shifted from maximising top-line growth towards balancing growth with cash generation. The company has indicated a target of 30–35% sustainable revenue CAGR through FY30, while retaining a PAT target of approximately Rs 9.45bn. It has also stated an objective of becoming net-debt free by FY30, with improvement in operating cash flow and working-capital efficiency expected to fund future expansion.

Fig 7 – Revenue & its growth

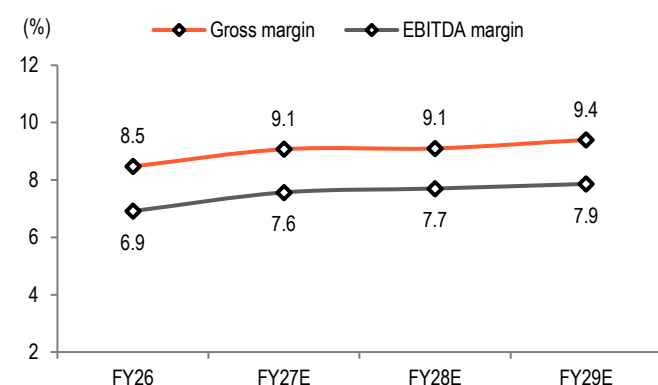
Source: Company, BOBCAPS Research

Fig 8 – Domestic/Export Revenue Share

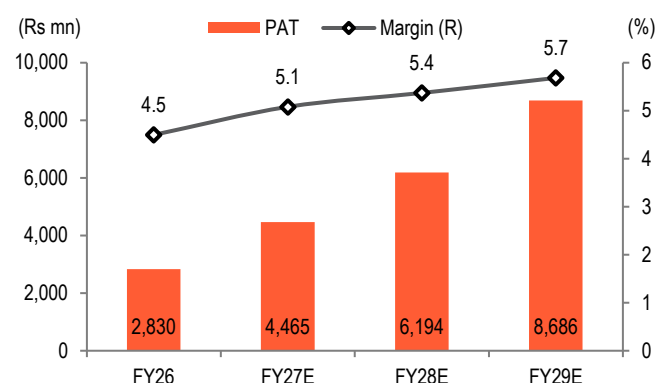
Source: Company, BOBCAPS Research

Fig 9 – Volume & Realisation

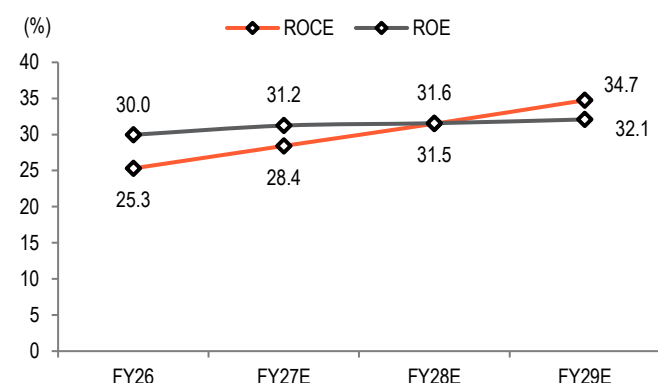
Source: Company, BOBCAPS Research

Fig 10 – Gross & EBITDA Margin

Source: Company, BOBCAPS Research

Fig 11 – PAT and PAT margins Trend

Source: Company, BOBCAPS Research

Fig 12 – Return ratios trend

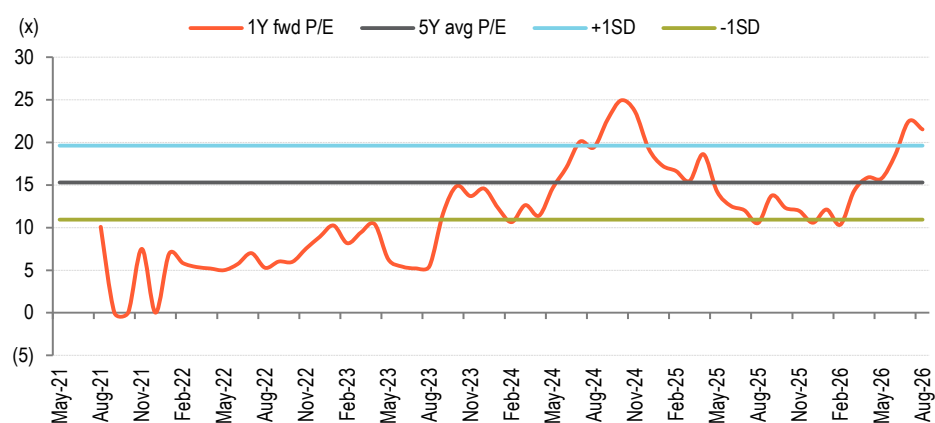
Source: Company, BOBCAPS Research

Valuation methodology

Upgrade to BUY; Raising TP to Rs 1,067. We upgrade our rating on Sky Gold to BUY and revise our valuation multiple from 20x to 22x forward P/E, reflecting enhanced earnings visibility, successful capacity monetization, sustained growth momentum, and a lower execution risk profile. Since our initiation, the company has consistently surpassed growth expectations, demonstrated strong scalability in its manufacturing operations, and strengthened its positioning within the organized jewellery manufacturing ecosystem.

We have revised our FY27/28/29 revenue estimates by 1.1%/7.0%/14.4% on stronger execution and export momentum and EPS estimates up by 24.7%/25.2%/39.9% led by better product mix and higher advance gold contribution. We believe these developments warrant a moderate rerating while remaining conservative relative to the company's growth prospects and earnings trajectory. Accordingly, we assign a higher valuation multiple of 22x Sept'28 EPS (vs earlier 20x), resulting in a target price of Rs 1067, and upgrade our rating to BUY from HOLD.

Fig 13 – Trading at 20.9x on 1Yr Forward P/E vs avg of 12.8x since IPO



Source: Company, BOBCAPS Research

Fig 14 – Institutional Shareholding

Particulars	% Share
Motilal Oswal Small Cap Fund	4.16
Acron Consultants LLP	2.73
Bank Of India Flexi Cap Fund	2.67
Bandhan Small Cap Fund	3.67
Kotak Mahindra Life Insurance Company Ltd.	1.67

Source: Company, BOBCAPS Research

Fig 15 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Sales	87,901	115,370	152,865	86,884	107,790	133,616	1.17	7.03	14.41
EBITDA	6,650	8,883	12,015	5,691	7,502	9,380	16.86	18.41	28.09
EBITDA Margin (%)	7.6	7.7	7.9	6.55	6.96	7.02	102bps	74bps	84bps
Adjusted PAT	4,465	6,194	8,686	3,580	4,947	6,208	24.73	25.21	39.92
Adjusted EPS	31.78	44.09	61.83	25.48	35.21	44.19	24.73	25.22	39.92

Source: BOBCAPS Research

Key risks

Key upside/downside risks to our estimates are:

- Sharp increase in gold prices
- Slower demand growth
- High working capital requirements

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	35,480	62,949	87,901	115,370	152,865
EBITDA	1,964	4,355	6,650	8,883	12,015
Depreciation	107	128	181	208	239
EBIT	1,856	4,227	6,469	8,675	11,776
Net interest inc./(exp.)	444	788	863	763	653
Other inc./(exp.)	330	364	347	346	459
Exceptional items	0	0	0	0	0
EBT	1,742	3,802	5,953	8,259	11,582
Income taxes	416	972	1,488	2,065	2,895
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	444	788	863	763	653
Reported net profit	1,327	2,830	4,465	6,194	8,686
Adjustments	0	0	0	0	0
Adjusted net profit	1,327	2,830	4,465	6,194	8,686

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	260	908	482	632	838
Other current liabilities	11	99	99	99	99
Provisions	16	27	27	27	27
Debt funds	6,049	8,479	8,479	7,379	6,279
Other liabilities	68	104	104	104	104
Equity capital	1,467	1,549	1,549	1,549	1,549
Reserves & surplus	5,371	10,510	14,975	21,169	29,856
Shareholders' fund	6,838	12,059	16,524	22,718	31,404
Total liab. and equities	13,568	21,950	25,989	31,233	39,025
Cash and cash eq.	109	79	815	846	1,517
Accounts receivables	4,522	5,626	7,085	9,299	12,322
Inventories	3,969	7,859	9,633	12,643	16,752
Other current assets	235	318	318	318	318
Investments	770	440	440	440	440
Net fixed assets	364	982	1,050	1,040	1,029
CWIP	6	0	0	0	0
Intangible assets	430	2,565	2,565	2,565	2,565
Deferred tax assets, net	0	0	0	0	0
Other assets	576	734	734	734	734
Total assets	13,568	21,950	25,989	31,233	39,025

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	(2,732)	(449)	1,849	2,091	2,652
Capital expenditures	(152)	(952)	(250)	(197)	(229)
Change in investments	672	250	0	0	0
Other investing cash flows	(2,089)	(533)	0	0	0
Cash flow from investing	(1,569)	(1,237)	(250)	(197)	(229)
Equities issued/Others	2,600	0	0	0	0
Debt raised/repaid	2,110	2,418	0	(1,100)	(1,100)
Interest expenses	(412)	(777)	(863)	(763)	(653)
Dividends paid	0	0	0	0	0
Other financing cash flows	(29)	69	0	0	0
Cash flow from financing	4,270	1,710	(863)	(1,863)	(1,753)
Chg in cash & cash eq.	(31)	24	736	31	671
Closing cash & cash eq.	109	133	815	846	1,517

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	9.4	20.1	31.8	44.1	61.8
Adjusted EPS	9.4	20.1	31.8	44.1	61.8
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	48.7	85.8	117.6	161.7	223.5

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	3.4	1.9	1.4	1.1	0.8
EV/EBITDA	61.7	27.8	18.2	13.6	10.1
Adjusted P/E	82.9	38.9	24.6	17.8	12.7
P/BV	16.1	9.1	6.7	4.8	3.5

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	76.1	74.4	75.0	75.0	75.0
Interest burden (PBT/EBIT)	93.9	90.0	92.0	95.2	98.4
EBIT margin (EBIT/Revenue)	5.2	6.7	7.4	7.5	7.7
Asset turnover (Rev./Avg TA)	261.5	286.8	338.2	369.4	391.7
Leverage (Avg TA/Avg Equity)	2.0	1.8	1.6	1.4	1.2
Adjusted ROAE	19.4	23.5	27.0	27.3	27.7

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	103.3	77.4	39.6	31.3	32.5
EBITDA	154.2	121.8	52.7	33.6	35.3
Adjusted EPS	169.6	113.3	57.8	38.7	40.2

Profitability & Return ratios (%)

EBITDA margin	5.5	6.9	7.6	7.7	7.9
EBIT margin	5.2	6.7	7.4	7.5	7.7
Adjusted profit margin	3.7	4.5	5.1	5.4	5.7
Adjusted ROAE	28.6	30.0	31.2	31.6	32.1
ROCE	17.0	22.4	27.3	30.0	32.5

Working capital days (days)

Receivables	47	33	29	29	29
Inventory	41	46	40	40	40
Payables	3	5	2	2	2

Ratios (x)

Gross asset turnover	30.9	16.2	22.1	28.7	37.9
Current ratio	1.7	1.8	2.3	3.2	4.7
Net interest coverage ratio	(4.2)	(5.4)	(7.5)	(11.4)	(18.0)
Adjusted debt/equity	0.4	0.4	0.3	0.2	0.2

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

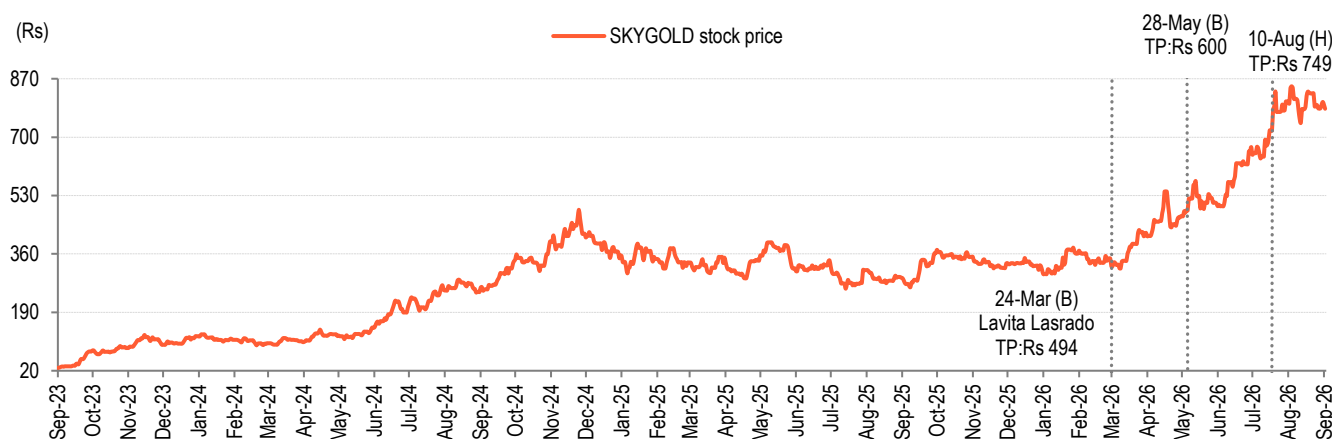
Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): SHANTI GOLD (SHANTIGO IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Ratings and Target Price (3-year history): SKY GOLD (SKYGOLD IN)


B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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