



**CERTIFICATE ON KEY PERFORMANCE INDICATORS IN RESPECT OF THE BASIS
FOR ISSUE PRICE**

Dated 13th January, 2025

To,

The Board of Directors

Shanti Gold International Limited

Plot No A-51, 2nd Floor To 7th Floor, MIDC, Marol Industrial Area,
Road No.-1, Near Tunga International Hotel, Andheri (E),
Chakala Midc, Mumbai, Maharashtra, India, 400093
(the "Company")

Choice Capital Advisors Private Limited

Sunil Patodia Tower, Plot No. 156-158
J.B. Nagar, Andheri (East),
Mumbai, Maharashtra, India, 400099

(Choice Capital Advisors Private Limited is referred to as the "Book Running Lead Manager" or the "BRLM")

Dear Sir/Madam,

Re: Certificate on key performance indicators in respect of the basis for issue price

**Sub: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares") of
Shanti Gold International Limited (the "Company" and such issue, the "Issue")**

We, J Kala & Associates, Chartered Accountants (Firm registration number: 118769W), are Statutory Auditor's of the Company and as per the engagement letter as on 20th November, 2024, we have been appointed by the management of the Company to certify certain information as set out in this certificate.

We, J Kala & Associates, Statutory Auditors of the Company, have been informed that the Company proposes to file the Draft Red Herring Prospectus with respect to the Issue (the "DRHP") with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and subsequently proposes to file (i) Red Herring Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies, Maharashtra at Mumbai ("Registrar of Companies" and such Red Herring Prospectus, the "RHP"); (ii) Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies (the "Prospectus"); and (iii) any other documents or materials to be issued in relation to the Issue (collectively with the DRHP, RHP and Prospectus, the "Offer Documents").



We have received a request from the Company to verify the key performance indicators of the Company (“KPI”).

Management’s Responsibility

The preparation and presentation of the Restated Financial Information of the Company for the six months ended September 30, 2024, and for the Fiscals 2024, 2023, and 2022, along with the Key Performance Indicators (“KPIs”) included in the accompanying annexures, are the responsibility of the management of the Company. This includes ensuring that the financial information has been prepared in accordance with the Indian Accounting Standards, the ICDR Regulations, the Companies Act, 2013 (as amended), and other applicable rules, circulars, and notifications issued in relation thereto.

The management is also responsible for:

1. Maintaining proper accounting records, MIS, and other relevant documents to support the preparation and presentation of the financial information and KPIs.
2. Providing complete and accurate information, explanations, and records as required for the purpose of the agreed-upon procedures performed by the auditors.
3. Ensuring compliance with regulatory requirements, statutory obligations, and internal policies, including maintaining accurate statutory records, minutes of meetings, and other governance documents.
4. Identifying and disclosing all KPIs historically used to analyse, track, or monitor the Company’s operational and financial performance, as well as ensuring the relevance and accuracy of such KPIs included in Annexure A.
5. Confirming that no KPIs have been disclosed to investors at any point in the preceding three years unless otherwise mentioned in Annexure A.
6. Ensuring the completeness, accuracy, and validity of any financial or non-financial data presented in Annexure A, including data from peer companies used for comparison.

Statutory Auditor’s Responsibility

We have examined and reviewed the; (a) restated financial information of the Company for the six months ended September 30, 2024 and for the Fiscals 2024, 2023 and 2022, prepared in accordance with the ICDR Regulations, the Indian Accounting Standards, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”) and Companies Act, 2013, as amended and read with the rules, circulars and notifications issued in relation thereto (“Companies Act” and such restated financial information, the “**Restated Financial Information**”); (b) accounting records and MIS of the Company and (c) relevant records, correspondence with regulatory/statutory authority and registers of the Company, including but not limited to, statutory records, minutes of the meetings of the board of directors of the Company, minutes of annual general meeting and extra-ordinary general meetings of the Company, relevant statutory registers, documents, records maintained by the Company, information and explanations presented to us.

We have also performed the procedures enumerated below with respect to the Key Performance Indicators (“KPIs”) of the Company for the six months ended September 30, 2024 and for the Fiscals 2024, 2023 and 2022 (the “Periods”), as set forth in the accompanying annexures.



The procedures were performed to confirm the completeness and accuracy of the KPIs of the Company and accordingly, the procedures undertaken with respect to the aforesaid are summarized below:

- (i) Held discussions with the Company to (a) identify the KPIs which have been used by the management historically to analyse, track or monitor the operational and/or financial performance of the Company (b) identify the KPIs which have been disclosed to its investors at any point of time during the preceding three years and (c) understand the relevance of each of the KPIs in the business of the Company;
- (ii) Reviewed the minutes of meetings of board and shareholders for the preceding three years to identify any KPIs shared with the investors;
- (iii) Traced financial data from BPAS (Business Process Automated System) records;
- (iv) Reviewed MIS prepared by the finance department of the Company;
- (v) Obtained details of acquisitions/ dispositions made by the Company during the six months ended September 30, 2024 and Fiscal 2022, 2023, 2024 and during the period from October 1, 2024 until 30th November, 2024.
- (vi) Compared the amount in **Annexure A** for each KPI with the corresponding amounts appearing in the restated financial statements, audited financial statements, accounting records, other financial and / or operational records and registers, including invoices, management reports, internal financial and operational reports, reports used for periodic MIS reporting, management representations, reports from digital/ computerized systems, and other applicable committees and any other relevant records and documents of the Company necessary or required for verification of the relevant information, and found all such amounts to be in agreement.
- (vii) In relation to the details with respect to KPIs of peer companies, compared the amount in **Annexure A** for each KPI of the peer group company from the respective annual reports, results released to stock exchanges, investor presentation, prospectus of such peer companies as available publicly.
- (viii) Checked the computation, formula, arithmetic accuracy or computation of the percentages or amounts, and found all such amounts to be in agreement.

Conclusion

On the basis of such examination of the documents / records / information, we confirm that the information set forth in **Annexure A**, duly initiated by us, which is also reproduced in the DRHP is complete, correct and accurate and nothing has come to our attention that caused us to believe that the information contained in **Annexure A** was not accurate, valid and complete. Based on the above procedures performed by us, we also confirm that no KPIs have been disclosed by the Company to its investors at any point of time during the preceding three years. Further, we confirm that all the KPIs which are used by the management historically to analyse, track or monitor the operational and/or financial performance of the Company have been included in **Annexure A**.

Our engagement has been undertaken in accordance with the Standard on Related Services (SRS) 4400 (“SRS 4400”) “Engagements to Perform Agreed-upon Procedures regarding Financial Information”, issued by the Institute of Chartered Accountants of India. SRS 4400 is generally adopted to perform agreed upon procedures regarding financial information, however, this standard can also be used as a guide to perform agreed upon procedures regarding non-financial information. We have conducted our examination in accordance with the “Guidance Note on Reports or



Certificates for Special Purposes (Revised 2016)" issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We confirm that we are an independent accounting firm and are in no way connected with the Company. We further confirm that we are not related in any manner to the promoters or directors of the Company, or otherwise interested in the formation of management of the Company.

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context and will enable investors to make a well-informed decision.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

We have conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

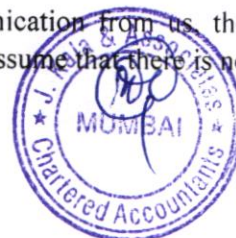
Other Matters

This certificate is issued for the purpose of the Issue, and can be used, in full or part, for inclusion in Offer Documents. We also consent to the inclusion of this certificate as a part of "*Material Contracts and Documents for Inspection*" in connection with this Issue, which will be available to public for inspection. Further, we hereby provide our consent for making available this certificate, or extracts thereof, for the purpose of inspection by investors, at the registered and corporate office of the Company or for uploading such certificate on the website of the Company for the purpose of inspection by the investors, in relation to Issue.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Issue and in accordance with applicable law.

This certificate may be relied on by the BRLM, its affiliates and legal counsel in relation to the Issue and to assist the BRLM in conducting and documenting their investigation of the affairs of the Company in connection with the Issue. We hereby consent to this certificate letter being disclosed by the BRLM, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority or stock exchanges, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation and/or for the records to be maintained by the BRLMs in relation to the Issue.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLM and the Company until the equity shares allotted in the Issue commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLM and the legal counsel appointed with respect to Issue can assume that there is no



change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the relevant laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to the Company and any other person in respect of this certificate, except as per applicable law.

The contents of details above are based on the information, explanation and representations obtained from the Company and basic understanding of business operations of the Company.

Our Scope of work did not involve performance of any audit test in this context of our examination. Accordingly, we do not express an audit opinion.

This certificate is not to be used, referred to or distributed for any other purpose without our prior written consent.

We hereby give consent to include this certificate in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law in relation to the initial offering of equity shares of the Company in a public offering in India.

This certificate may be relied on by the Book Running Lead Manager and the legal counsel in relation to the Issue.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours faithfully,

For J Kala & Associates
Chartered Accountants

ICAI Firm Registration No.: 118769W


CA Hiral Mehta

Partner

Membership No: 149085

Place: Mumbai

Date: 13th January, 2025

UDIN: 25149085BMJQJY6209



Cc:

Legal Counsel to the Issue

Messrs. Kanga and Company, Advocates and Solicitors

Readymoney Mansion,

43, Veer Nariman Road,

Fort, Mumbai - 400 001.

Annexure A

The KPIs disclosed below have been used historically by the Company to understand and analyze its business performance, which in result, help them in analyzing the growth of business verticals in comparison to its peers. The Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Issue Price. The KPIs disclosed below have been approved and confirmed by a resolution of the Audit Committee 13th January, 2024. Further, the members of the Audit Committee have verified the details of all KPIs pertaining to the Company and confirmed that there are no KPIs pertaining to the Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the DRHP.

The list of the KPIs along with brief explanation of the relevance of the KPI for the business operations of the Company are set forth below:

| S. no. | KPI | Explanation |
|--------|---|--|
| 1. | Revenue from Operations (₹ in millions) | Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of our Company and size of our business. |
| 2. | EBITDA (₹ in millions) | EBITDA provides information regarding the operational efficiency of our business. |
| 3. | EBITDA Margin (in %) | EBITDA Margin is an indicator of the operational profitability and financial performance of our business. |
| 4. | Net Profit after tax (₹ in millions) | Net Profit After Tax provides information regarding the overall profitability of our business. |
| 5. | Net Profit after tax Margin (in %) | Net Profit After Tax Margin is an indicator of the overall profitability and financial performance of our business. |
| 6. | Return on Net Worth (in %) | Return on Net Worth provides how efficiently our Company generates profits from shareholders' funds. |
| 7. | Return on Capital Employed (in %) | Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in our business. |
| 8. | Debt-Equity Ratio (in times) | Debt- equity ratio is a gearing ratio which compares shareholder's equity to company debt to assess our company's amount of leverage and financial stability. |
| 9. | Days Working Capital | Days working capital is a metric that measures how many days it takes our company to transform its working capital into sales cash flows. |



Details of KPIs as at/ for the six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022

(INR in Millions)

| KPI | Six months period ended September 30, 2024* | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|-------------|-------------|-------------|
| Revenue from Operations ⁽¹⁾ | 5,059.00 | 7,114.34 | 6,794.04 | 4,283.41 |
| EBITDA ⁽²⁾ | 361.94 | 534.54 | 455.70 | 206.94 |
| EBITDA Margin ⁽³⁾ (in %) | 7.15% | 7.51% | 6.71% | 4.83% |
| Net Profit After Tax ⁽⁴⁾ | 182.48 | 268.68 | 198.19 | 33.01 |
| Net Profit After Tax Margin ⁽⁵⁾ (in %) | 3.61% | 3.78% | 2.92% | 0.77% |
| Return on Net Worth ⁽⁶⁾ (in %) | 17.26% | 32.28% | 33.08% | 6.83% |
| Return on Capital Employed ⁽⁷⁾ (in %) | 9.44% | 17.97% | 19.36% | 9.82% |
| Debt-Equity Ratio ⁽⁸⁾ | 2.38 | 2.18 | 2.37 | 2.88 |
| Days Working Capital (in number of days) ⁽⁹⁾ | 115 | 124 | 102 | 130 |

*Not Annualised

Notes:

- (1) Revenue from operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- (2) EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit/ (loss) before exceptional items and tax for the year/period and adding back finance costs, depreciation, and amortization expense.
- (3) EBITDA margin is calculated as EBITDA as a percentage of revenue from operations.
- (4) Net Profit after tax represents the restated profits of our Company after deducting all expenses.
- (5) Net Profit after tax margin is calculated as restated net profit after tax for the year/period divided by revenue from operations.
- (6) Return on Net Worth (%) is calculated as Net Profit after tax attributable to owner of the company, as restated for the end of the year/period divided by Average Net worth as at the end of the year/period. Average net worth means the average of the net worth of current and previous financial year/period. Net worth means the aggregate value of the paid-up share capital and other equity.
- (7) Return on capital employed is calculated as Earnings before interest and taxes divided by average capital employed (average capital employed is calculated as average of the total equity, including total debt (including borrowings and lease liabilities) and deferred tax liabilities (net of deferred tax assets) of the current and previous financial year/period.
- (8) Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long term and short term borrowings, including lease liabilities. Total equity includes the aggregate value of the paid-up share capital and other equity.
- (9) Days Working Capital is arrived at by dividing working capital (current assets excluding cash and cash equivalents less current liabilities excluding short term borrowings and current lease liabilities) by revenue from operations multiplied by the number of days in the year/period (365/182).



Description on the historic use of the KPIs by the Company to analyze, track or monitor the operational and/or financial performance of the Company

In evaluating the business, we consider and use certain KPIs, as stated above, as a supplemental measure to review and assess the financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. We use these KPIs to evaluate the financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of the operating performance, liquidity or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, the Company's management believes that it provides an additional tool for investors to use in evaluating the ongoing operating results and trends and in comparing the financial results with other companies in the industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS. Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate the business.

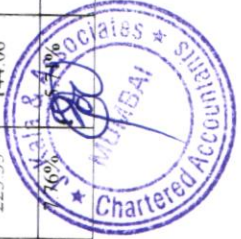
Comparison of KPIs based on additions or dispositions to Company's business

There are no material acquisitions or dispositions made by the Company during the six months ended September 30, 2024 and last three Fiscals 2024, 2023 and 2022.

Comparison of KPIs of the Company with Company's listed industry peers

(INR in Millions)

| Particulars | Shanti Gold International Limited | | | | RBZ Jewellers Limited | | | | Sky Gold Limited | | | | Uttsav CZ Gold Limited | | | |
|------------------------------------|-----------------------------------|----------|----------|----------|-----------------------|----------|----------|----------|------------------|-----------|-----------|----------|------------------------|----------|----------|----------|
| | Sep-24* | FY 24 | FY23 | FY22 | Sep-24* | FY 24 | FY23 | FY22 | Sep-24* | FY 24 | FY23 | FY22 | Sep-24* | FY 24 | FY23 | FY22 |
| Revenue from Operations | 5,059.00 | 7,114.34 | 6,794.04 | 4,283.41 | 1,990.44 | 3,274.29 | 2,879.28 | 2,521.07 | 14,918.76 | 17,454.84 | 11,538.01 | 7,857.02 | 2,845.31 | 3,401.96 | 2,381.86 | 1,232.99 |
| EBITDA | 361.94 | 534.54 | 455.70 | 206.94 | 284.94 | 388.67 | 394.62 | 271.92 | 970.30 | 809.89 | 372.69 | 308.47 | 158.74 | 229.01 | 138.85 | 66.25 |
| EBITDA Margin (in %) | 7.15% | 7.51% | 6.71% | 4.83% | 14.32% | 11.87% | 13.71% | 10.79% | 5.10% | 4.43% | 3.15% | 2.58% | 5.58% | 6.73% | 5.83% | 5.37% |
| Net Profit after tax | 182.48 | 268.68 | 198.19 | 33.01 | 171.44 | 215.69 | 223.33 | 144.06 | 579.41 | 404.81 | 186.09 | 169.51 | 98.74 | 128.48 | 71.50 | 33.39 |
| Net Profit after tax Margin (in %) | 3.61% | 3.78% | 2.92% | 0.77% | 8.61% | 6.59% | 7.0% | 3.88% | 3.88% | 2.32% | 1.61% | 2.16% | 3.47% | 3.78% | 3.00% | 2.71% |



| | | | | | | | | | | | | | | | | |
|--|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Return on Net Worth (in %) | 17.26% | 32.28% | 33.08% | 6.83% | 7.94% | 14.38% | 27.49% | 22.94% | 19.59% | 23.66% | 21.28% | 24.97% | 13.45% | 44.62% | 38.17% | 24.88% |
| Return on Capital Employed (in %) | 9.44% | 17.97% | 19.36% | 9.82% | 8.71% | 16.05% | 23.44% | 20.47% | 13.49% | 18.55% | 17.10% | 19.47% | 12.06% | 24.77% | 21.65% | 13.31% |
| Debt-Equity Ratio | 2.38 | 2.18 | 2.37 | 2.88 | 0.55 | 0.33 | 1.04 | 0.92 | 1.35 | 1.27 | 1.49 | 1.20 | 0.34 | 2.07 | 2.22 | 2.39 |
| Days Working Capital (in number of days) | 115 | 124 | 102 | 130 | 286.00 | 263.00 | 200.00 | 172.00 | 77.00 | 87.00 | 48.00 | 54.00 | 78.00 | 77.00 | 94.00 | 120.00 |

***Not Annualised**

Source: All the information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from their respective annual reports and results available in public domain.

