



J. KALA & ASSOCIATES

CHARTERED ACCOUNTANTS

504, RAINBOW CHAMBERS, NEAR MTNL EXCHANGE,
S.V. ROAD, KANDIVALI (W), MUMBAI - 400 067, INDIA.
TEL.: 2862 5129 / 5153
E-mail : admin@jka.co.in

CERTIFICATE ON CAPITAL EXPENDITURE REQUIREMENTS OF THE ISSUER COMPANY

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")

Re: Certificate on Capital Expenditure

**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").**

Dear Sir/Madam,

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 verify the quotations and estimated cost towards the purchase of machinery and equipment at the new manufacturing facility of the Company, which are proposed to be purchased by the Company from the net Issue proceeds that are received by the Company ("Object of the Issue"). The components of such costs are described in Annexure A as well.



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Surat Office : U-338, Ashirwad Palace, Bhattari Road, Near Jivkor Nagar, Surat (Gujarat) India - 395007. Email : admin@jka.co.in

Management Responsibilities

The Company's management's responsibility includes the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Annexure A and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Company complies with the requirements of the relevant provisions of the relevant laws.

Ensuring that the utilization of funds raised through the Issue aligns with the objectives stated in the prospectus, including compliance with applicable laws, regulations, and guidelines issued by relevant authorities.

Providing complete and accurate information regarding the planned deployment of funds, timelines, and any assumptions or estimates used in determining the fund requirements.

Maintaining proper records and documentation to support the intended utilization of proceeds, including approvals, agreements, contracts, and any other relevant documents.

Confirming that all financial estimates, forecasts, and project details included in the prospectus have been reviewed and approved by the management and are free from material misstatement.

Providing access to all necessary records, documents, and explanations to the auditors and ensuring timely responses to any inquiries raised during the verification process.

Statutory Auditor's Responsibility

Reviewed the prospectus to understand the stated Objects of the Issue and the intended utilization of proceeds.

Reviewed and verified the quotations received by the Company from various vendors for purchase of machinery and equipment and verified that the independence of such vendors

Verified the accuracy and completeness of the disclosures related to the Objects of the Issue by examining supporting documents, including agreements, approvals, contracts, and other relevant records.

Assessed the financial estimates, assumptions, and project details included in the prospectus for reasonableness and compliance with applicable guidelines and standards.

Evaluated the allocation of funds for specific purposes by comparing the stated Objects of the Issue with the management's representations, records, and supporting documentation.

Examined the internal controls and monitoring mechanisms established by the management to oversee the application of funds in alignment with the stated objects of the Issue.

Conducted inquiries with the management and relevant officials to gain an understanding of the planning, implementation, and intended use of proceeds.



Confirmed the validity of disclosures in the prospectus related to the Objects of the Issue, including risks, timelines, and assumptions, through verification of relevant records and management representations.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (**Guidance Note**) 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 have also complied with the relevant applicable requirements of 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.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India.

Conclusion

We, J Kala & Associates, the Statutory Auditors of the Company, based on the procedures undertaken by us, including discussions with Company representatives and review of certain records & quotations, documents and information provided by the Company, confirm that no facts has come to our attention that has caused us to believe that the details set forth in Annexure A, as of the date hereof, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading to the best of our knowledge and belief.

The following terms and conditions shall be noted in respect of the costs of machinery and equipment proposed to be purchased by the Company from the Net Proceeds:

3. Some of the quotations are provided on an all-inclusive basis, while some may be subject to further central, state, and local levies.
4. To the extent possible, we have verified the ability of the vendors from whom the quotations have been taken to:
 - a. Supply the material quoted in a timely manner and with the specifications quoted
 - b. Supply the quantity of material required for the number of stores.
 - c. Supply the quality of material expected.

We also confirm that we have verified the status of relationship of the vendors from whom quotations were taken by the Company and the directors, promoters, promoter group, group companies, KMPs and Senior management of the company and confirm that these vendors are independent entities and are not related to the Company's directors, promoters, promoter group, group companies, KMPs and Senior management in any way.

Other Matters

We hereby confirm that the information in this certificate and the annexes, including any extracts thereof, may be included and/or reproduced, in full or in part, in the draft red herring prospectus ("DRHP"), red herring prospectus ("RHP") and prospectus ("**Prospectus**") and together with the DRHP



and RHP, the “**Offer Documents**”) to be filed with the Registrar of Companies, Maharashtra at Mumbai (“**RoC**”), Securities and Exchange Board of India (“**SEBI**”) and the BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”, and together with BSE, the “**Stock Exchanges**”) or any other document(s) to be issued, published or filed in connection with the Issue (such materials, together with the Offer Documents, the “**Materials**”).

Further, we also give our consent to include this certificate as part of the ‘Material Contracts and Documents for Inspection’ in the Issue Documents, thereby making it available to the public for inspection.

This certificate may be relied upon by the Company, the Book Running Lead Manager, and the Legal Counsel appointed in relation to the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the Offer Documents. We also consent to the submission of this certificate as may be necessary, to 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.

We confirm that we will immediately communicate any changes in writing in the above information to the Book Running Lead Manager until the date when the Equity Shares allotted and transferred in the Issue commence trading on the relevant stock exchanges. In the absence of any such communication from us, Book Running Lead Manager and the Legal Counsel in relation to the Issue, can assume that there is no change to the above information.

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 shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment, 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 statement 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 herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours sincerely,

**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: 25149085BMJQKD5170



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 total estimated cost of purchase of machinery and equipment as per the quotations received from various vendors is ₹ 540.00 million, and the Company intends to utilise ₹ 458.32 million out of the Net Proceeds for the setting up of the Proposed Jaipur Facility.

Proposed Schedule of Implementation and Deployment of Net Proceeds

Particulars	Total estimated cost	Amount deployed as on December 31, 2024	Amount to be funded from the Net Proceeds	Estimated deployment from Net Proceeds	
				Fiscal 2025	Fiscal 2026
Funding of capital expenditure requirements towards setting up of the Proposed Jaipur Facility	540.00	76.67	458.32	5.01	458.32
Funding working capital requirements of our Company	1,900.00	Nil	1,900.00	-	1,900.00
Repayment and/or pre-payment, in full or part, of certain borrowings	200.00	Nil	200.00	-	200.00
General corporate purposes ⁽¹⁾			[•]		[•]
Total⁽¹⁾			[•]		[•]

Break up of estimated cost

Set out below is a detailed break up of each element of capital expenditure towards setting up of the Proposed Jaipur Facility.

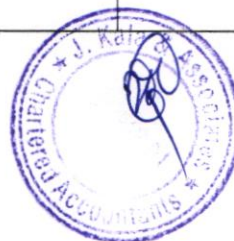
i. Civil construction and interior development at the Proposed Jaipur Facility

The estimated expenditure towards civil construction and interior development at the Proposed Jaipur Facility which we propose to deploy from the Net Proceeds is ₹ 170.21 million (including GST). Set out in the table below are the quotations received for the estimated cost across various aspects of civil construction and interior development at the Proposed Jaipur Facility:

Sr. No.	Item Description	*Total Estimated Cost (in ₹ million)	Potential Vendor	Dates of Quotation	Validity
1.	Civil and Interior Works				



	Plain Cement Concrete Work	19.35	Creative Projects & Contracts Private Limited	December 19, 2024	6 months
	Cinder Filling in Sunkon				
	Reinforcement Work				
	Shuttering Work				
	Reinforced Cement Concrete Work				
	Water Proofing Work- Toilet				
	Brick Work				
	Plaster Work				
	Flooring and Dado Work				
	Flooring Granite				
	Granite Counter- Kitchen, Utility and Basin				
	Granite Cladding- Lift Facia				
	Toilet Grid Ceiling Work				
	Paint and Plaster of Paris Work				
2.	Toilet and Sanitary works				
	C.P. sanitary Ware Work of Director's, Executive & Staff Toilet	4.07	M. R. Plumbing Services	December 09, 2024	6 months
	Twin booster Pressure Pump on terrace floor 1 Set (1W+1S)				
	Automatic Water Level Controller with Float Switch (1W & 1S)				
	Gardening Tank (6000 litre)				
	Effluent Treatment Plant Tank (20,000 litre)				



	B-Type Pipe and Fitting, Cupling, Shoket, Tee, Band, Solvent Cement Concreting				
	Mainhole Cach Besin work Plain Cement Concrete, Brick Work, Plaster, Cover				
	Sewer Line Meter Mainhole Work				
3.	Window and Doors				
	Ground Floor W1 Outer Facade	3.63	Parquet Décor	December 19, 2024	3 months
	GF Outer Facade				
	GF W3 Lobby Area				
	GF V1 Director Toilet				
	GF V2 EXC Toilet				
	GF V3 Casting Area				
	GF DW1 Director Entry				
	GF D1 Labour Entry				
	GF D2 Kitchen				
	First Floor				
	FF Stair				
	FF Stair 9 (W12)				
	FF Hall side				
	GF Inside Hall				
4.	Office and Factory Furniture, Fittings				
	POP Punning	35.70	Woody's Inspiration	December 14, 2024	6 months
	Flooring and Skirting				
	Acrylic Paint				



	Full Height Wooden & Glass Partition				
	Workers Table				
	Workers Chair				
	Staff Chair				
5.	Internal Electrical Works				
	Point and Submain Wiring	26.63	Rising Trans Infra Solutions	November 14, 2024	6 months
	Distribution Boards				
	Wiring for TV and it's accessories				
	Wiring for Telephone system				
	Data Networking system & Raceway System				
	Surface Surveillance & Access Control System				
	S&F Lighting Fixture				
6.	Airconditioning				
	Chilled Water Systems	48.65	Pentagon	December 17, 2024	6 months
	Direct Expansion Cassette Systems				
7.	Strong Room Vault (Godrej)				
	Prime Strong room door with grill gate Class B BIS and air ventilator and exhaust fan	0.79	Shree Balaji Enterprises	December 20, 2024	6 months
8.	Partitions, Panelling and Painting				
	False Ceiling	23.72	Woody's Inspiration	December 10, 2024	6 months
	Wall Panelling				
	Painting				



9.	Kitchen and Dining				
	Equipments and Utensils	5.38	Woody's Inspiration	December 16, 2024	6 months
10.	Worker's Lockers and Benches				
	Industrial Lockers with 18 lockers and lock and plastic handle	2.29	Safalya Mechanical Works	December 20, 2024	6 months
	Industrial Lockers with 15 lockers and lock and plastic handle				
	Total cost	170.21			

*Including applicable 18.00% GST

i. Machinery and equipment at the Proposed Jaipur Facility

Total estimated cost of purchase of machinery and equipment that is proposed to be deployed at the Proposed Jaipur Facility, as per the quotations received from various vendors, is ₹ 288.10 million (including GST), which is intended to be utilised out of the Net Proceeds. An indicative list of such machinery and equipment is set out in the table below:

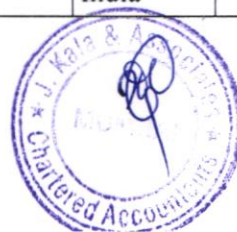
Sr. No.	Name of the Machinery/ Equipment /Model	Particulars/ Machine Type	Quantity	Total Estimated Cost (in ₹ million) (1)	Potential Vendor	Date of Quotation	Validity
1.	Resin Wet Jet Machine with full set of Accessories	Machine used for providing satin or matt finish on the jewellery pieces	1	0.32*	Doit Industries India Private Limited	December 6, 2024	6 months
2.	3D Printer Waxjet	Rapid Prototyping (RPT) machine used to print wax mandrels directly from 3D Cad files	10	56.64*	Doit Industries India Private Limited	December 6, 2024	6 months
3.	Induction Melter Machine	Induction melting machine to melt gold	3	0.93*	Doit Industries India Private	December 6, 2024	6 months



	2 Kg/3 PH				Limited		
4.	Induction Furnace 4kg (STAND ALONE) (YIHUI)	Gold metal is melted by an induction melter and chiller machine is a part of the induction melter of this machine	1	0.34*	Doit Industries India Private Limited	December 6, 2024	6 months
5.	Water Jet Machine AA1001	Water jet machine used to spray water at high pressure to remove the investment casting powder from the gold casted tree after gold metal casting	2	1.06*	Doit Industries India Private Limited	December 6, 2024	6 months
6.	Pickling Plant	Machine used to remove any residual casting powder from the gold tree after water jet spray cleaning	2	0.11*	Doit Industries India Private Limited	December 6, 2024	6 months
7.	Electro Magnetic Polisher	Machine used to remove and brighten the gold after casting	5	4.09*	Doit Industries India Private Limited	December 6, 2024	6 months
8.	Ultrasonic Machine	Machine used for cleaning operation on gold pieces after filing and polishing, to remove oil and dirt residues	5	0.82*	Doit Industries India Private Limited	December 6, 2024	6 months
9.	Ultrasonic Machine	Machine used for cleaning operation on gold pieces after filing and polishing, to remove oil and dirt residues	3	2.23*	Doit Industries India Private Limited	December 6, 2024	6 months
10.	Steam Machine	Steam generating machine used for cleaning purposes to remove polishing,	3	1.27*	Doit Industries India Private	December 6, 2024	6 months



		oil sticking on the surfaces of the gold pieces			Limited		
11.	Steam Machine	Steam generating machine used for cleaning purposes to remove polishing, oil sticking on the surfaces of the gold pieces	3	0.51*	Doit Industries India Private Limited	December 6, 2024	6 months
12.	Stripping machine	Machine used for removing residual gold from underneath the stone base (cavity) to improve and enhance the brightness of the CZ stones	2	1.17*	Doit Industries India Private Limited	December 6, 2024	6 months
13.	Stripping machine	Machine used for removing residual gold from underneath the stone base (cavity) to improve and enhance the brightness of the CZ stones	2	1.49*	Doit Industries India Private Limited	December 6, 2024	6 months
14.	Gold A Recovery Machine	Machine used for extracting gold from processing solutions	2	1.06*	Doit Industries India Private Limited	December 6, 2024	6 months
15.	Demineralisation unit kit big(50Ltr)	Machine removes all minerals present in raw water as jewellery manufacturing process requires demineralised water	1	0.23*	Doit Industries India Private Limited	December 6, 2024	6 months
16.	Spinner Polisher	Mass finishing machine where gold jewellery pieces are	1	0.42*	Doit Industries India	December 6, 2024	6 months



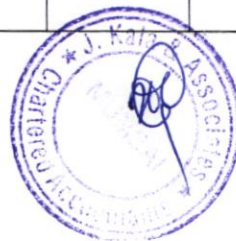
		put into a tub and centrifugal force is employed along with cleaning solutions to brighten the jewellery pieces			Private Limited		
17.	Electro Polishing Machine for Gold	Polishing machine used for polishing small pieces which are difficult to hold	1	1.70*	Doit Industries India Private Limited	December 6, 2024	6 months
18.	Electro Polishing Machine for Gold	Polishing machine used for polishing small pieces which are difficult to hold	1	3.19*	Doit Industries India Private Limited	December 6, 2024	6 months
19.	Dryer Machine	Centrifugal dryer where gold pieces after various cleaning process are dried by corncob grits	1	0.17*	Doit Industries India Private Limited	December 6, 2024	6 months
20.	Wet Jet Machine	Water jet machine sprays water at high pressure to remove the investment casting powder from the gold casted tree after gold metal casting	2	0.49*	Doit Industries India Private Limited	December 6, 2024	6 months
21.	Pen Plating Machine	Machine used to rhodium plate prongs holding the CZ stones for enhancing the brightness and lustre	10	0.21*	Doit Industries India Private Limited	December 6, 2024	6 months
22.	Plating Plant	Machine used to improve the colour of gold metal	1	0.53*	Doit Industries India Private Limited	December 6, 2024	6 months



23.	Plating Plant	Machine used to improve the colour of gold metal	1	2.95*	Doit Industries India Private Limited	December 6, 2024	6 months
24.	IHP water chiller	The process of induction heating to melt gold requires chilled water	3	0.38*	Doit Industries India Private Limited	December 6, 2024	6 months
25.	IHP water chiller (YIHUI)	The process of induction heating to melt gold requires chilled water	1	0.22*	Doit Industries India Private Limited	December 6, 2024	6 months
26.	Handwash Stand	Machine used by the workers for removing gold metal sticking on their hands	5	1.22*	Doit Industries India Private Limited	December 6, 2024	6 months
27.	Hot Flame 1000	Machines are used for brazing and soldering operations	1	0.42*	Doit Industries India Private Limited	December 6, 2024	6 months
28.	Hot Flame 2000	Machines are used for brazing and soldering operations	1	0.70*	Doit Industries India Private Limited	December 6, 2024	6 months
29.	Vacuum Differential Casting	Machines are used for gold casting. Where they inject liquid gold under vacuum and pressure in casting Molds	2	9.11*#	Western Equipments And Allied Private Limited	December 16, 2024	6 months
30.	Rotary Burnout Furnace	Machine burns out the wax which are inside the moulds at a very high temperature in a	5	24.29*#	Western Equipments And Allied Private Limited	December 16, 2024	6 months



		rotary turnstile/tray			Limited		
31.	Automatic Investment Mixer	An investment pouring machine where a solution of water and investing powder are poured under pressure and vacuum into flask so that all the wax mandrels are fully soaked and enclosed with investment powder	2	5.18*#	Western Equipments And Allied Private Limited	December 16, 2024	6 months
32.	Laser Soldering Machine	Gold collets and findings are soldered together by this machine. Also, if during the manufacturing of jewellery some pieces may break then this machine is used to weld the pieces	10	18.86*#	Western Equipments And Allied Private Limited	December 16, 2024	6 months
33.	Graining System	A graining machine is used to make gold grains or grits from gold bars by melting the solid gold in the VPC casting machine	1	0.18*	Western Equipments And Allied Private Limited	December 16, 2024	6 months
34.	Gold Recovery & ETP Plant - Primary	Equipment is used to recover gold lost in the process of manufacturing jewellery	1	11.4*	Safalya Mechanical Works	December 10, 2024	6 months
35.	Gold Loss Recovery System - Secondary Recovery	Secondary gold recovery process where after primary recovery of the gold metal, further processes are employed to recover gold from the sludge	1	32.39*#	ITALIMP IANTI ORAFI	November 27, 2024	3 months



		of the primary process.					
36.	Pollution Control Equipment Fabrication	Machines required to meet the norms of Pollution Control Board	1	11.64*	Safalya Mechanical Works	December 10, 2024	6 months
37.	Continous Casting Machine	Machine is used for producing gold bars and rods in a continuous manner unlike a VPC machine which produces a fixed quantity of jewellery per flask	1	7.55*	Precious Alloys Private Limited	December 26, 2024	6 months
38.	Double Station Polishing Machine	Machines are used for polishing gold pieces having vacuum dust collectors and hoods	72	9.35*	Professional Engineering Works	December 20, 2024	6 months
39.	Filing Table Drawer Connected (FTDC) 1 New	Machines are used for filing the gold pieces with vacuum dust collectors and hoods to contain the loss of gold dust	72	7.65*	Professional Engineering Works	December 20, 2024	6 months
40.	Dry Sprue Grinder	Machine is used for cutting the gold pieces from the casting gold tree	2	0.18*	Professional Engineering Works	December 20, 2024	6 months
41.	Rapid Prototyping	Machine used to print wax mandrels directly from 3D cad files	10	57.11*	Shree Rapid Technologies	December 25, 2024	6 months
42.	DG Set & its ancillaries	Diesel generator set comprising of diesel motor and an AC alternator of capacity 750	1	8.26*	Sudhir Gensets	November 30, 2024	3 months



		KVA/440 VAC					
Total			288.11				

⁽¹⁾ The amount may be subject to price revisions, basis, inter alia, prevailing market conditions, increase in taxes/ duties levied by the governmental authorities. In case of increase in quoted amount due to price revisions, our Company will bear the difference out of internal accruals.

*Including applicable 18.00% GST

**Considered to account for other miscellaneous expenditures such as labour charges for loading/unloading, inspection charges, freight, insurance, entry tax, customs duty, wherever applicable.

#Quotation in Euros converted to INR basis conversion rates on December 24, 2024, being ₹ 88.56 per Euro, inclusive of 18.00% applicable GST but excluding forwarding charges, as applicable.

