Shankesh Jewellers Ltd.

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IPO Note **17th Aug 2026**

Company Overview

Shankesh Jewellers Limited (SJL) is engaged in the design, sourcing and supply of hand-crafted gold jewellery, along with customisation and job-work services for its clientele. The company operates on an asset-light, wholesale distribution model wherein it does not manufacture jewellery in-house; instead, it functions as a principal contractor that manages design, material sourcing and end-to-end production through a network of independent job-workers who engage specialised karigars to craft finished pieces to client specifications. Its product portfolio spans 22-karat and 18-karat gold jewellery across categories including bangles, bridal sets, chokers, jhumkas, necklaces, mangalsutras and rings, offered in styles ranging from antique, semi-antique, temple, calcutta, gheru, yellow, rhodium and rose gold jewellery. In FY26, 22-karat jewellery generated revenue of approximately 85% and remained the dominant contributor, while 18-karat jewellery generated 14%. Beyond jewellery sales, the company also derives income from job-work services, which generated Rs. 14 crores in FY26, a marginal contributor at under 1% of total revenue. Shankesh Jewellers is headquartered in Mumbai and serves a pan-India presence across 21 states & 4 union territories with its highest revenue concentration in Maharashtra (25%), Bihar (17%), Uttar Pradesh (18%) and Tamil Nadu (9%), alongside a modest presence across most other states. Their client base includes both non-corporate clients and corporate jewellery retailers such as Joyalukkas, PN Gadgil & Sons, Kalyan Jewellers & many more.

Objects of the issue

The offer comprises a fresh issue of Rs.274 crores and an offer for sale of Rs.93 crores. The company proposes to utilise the net proceeds from the fresh issue towards:

1. Repayment and/or pre-payment, in full or part, of certain borrowings availed by the company; and
2. Funding working capital requirements; and
3. General corporate purposes.

Investment Rationale

An asset light model that supports a capital efficient scalable growth platform

SJL operates as a principal contractor, retaining control over design, material sourcing and quality assurance while outsourcing manufacturing to specialized third-party job workers. This structure reduces the need for significant investments in manufacturing infrastructure, maintenance and depreciation, while enabling flexibility to scale production in line with demand. Its long-standing relationships with skilled karigars in Mumbai, including 72 job workers in Fiscal 2026, provide access to specialized craftsmanship required for its handcrafted jewellery portfolio. The company's ability to offer its vast category of jewellery range under one roof further strengthens its value proposition as a one-stop supplier to organized jewellery retailers. The company's revenue is predominantly driven by 22-karat jewellery, with sales increasing from Rs. 1,035 in FY24 to Rs. 1,396 crores in FY26, reflecting continued strength in traditional gold jewellery. At the same time, revenue from 18-karat jewellery increased more than 12-fold, from Rs.18 crores to Rs. 221 crores in the period from FY24-26, driven by persistently high gold prices, which have encouraged consumers to consider more affordable alternatives, as well as rising demand for lightweight, studded and contemporary designs. The expansion of organized retailer's lightweight product portfolios across rings, earrings and pendants has further enabled the company to scale its 18K offerings and reach a broader, fashion-oriented customer base. In addition, its in-house design capabilities allow it to respond to evolving consumer preferences and develop customized products for customers. The company also undertakes custom job-work assignments where customers provide bullion for specified designs, supporting deeper customer relationships and repeat business. Collectively, the combination of an asset-light structure, specialized craftsmanship, broad product range and customization capabilities positions SJL to expand volumes without proportionately increasing its fixed-cost base.

Established franchise and industry relationships driving expansion

SJL has developed relationships with leading corporate jewellery retailers, including Kalyan Jewellers, Joyalukkas and P.N. Gadgil & Sons, positioning it to benefit from the continued expansion of organized jewellery retail in India. Its customer network spans 21 states and 4 union territories, reducing dependence on any single regional market and providing access to diverse demand centres. The company's focus on BIS-hallmarked jewellery further strengthens its positioning as the industry transitions toward standardization and consumer trust. This is complemented by the promoters with

Issue Details	
Offer Period	18th Aug 2026 - 20th Aug 2026
Price Band	Rs. 88 to Rs. 93
Bid Lot	160
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	3.9
Issue Size (Rs. in Cr.)	367
Face Value (Rs.)	5

Issue Structure	
QIB	50%
NII	15%
Retail	35%

BRLM	Aryaman Financial Services Ltd., Smart Horizon Capital Advisors Pvt Ltd.
Registrar	KFin Technologies Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter	95.48%	69.53%
Public	4.52%	30.47%
Total	**100.00%**	**100.00%**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

over 30 years of industry experience and established presence in Mumbai’s Zaveri Bazaar, supporting long-standing supplier, customer and industry relationships. Shankesh Jewellers has also invested in market visibility through participation in industry platforms such as the India International Jewellery Show (IIJS), supported by a dedicated mobile application that enables customers to browse designs and a professional sales team focused on customer acquisition. These initiatives have contributed to the company building a customer base of 418 clients in FY26. The combination of institutional customer relationships, pan-India reach, trusted product credentials and experienced leadership provides multiple avenues for customer acquisition and wallet-share expansion.

Valuation

Shankesh Jewellers limited is a Mumbai based B2B wholesale supplier of hand-crafted gold jewellery, operating an asset-light, job-work driven business model that caters to corporate and non-corporate jewellery retailers across India. 22-karat jewellery remains the company's principal product, accounting for approximately 85% of FY26 revenue, with 18-karat jewellery stood at 14% and job-work services making up the remainder. The company serves customers across 21 states and four union territories, with its top four states Maharashtra (25%), Bihar (17%), Uttar Pradesh (11%) and Tamil Nadu (9%) accounted for 63% of FY26 revenue. Revenue from Operations, EBITDA and PAT recorded CAGR of 24%, 135% and 189%, respectively, between FY24 and FY26, with EBITDA margin improving to 10% from 3%. This growth was mainly driven by higher gold prices and improved realizations, which lifted revenue per unit despite fluctuations in volumes, alongside a favourable shift in product mix led by approximately 12% increase in 18K jewellery. Going forward, the company's outlook remains contingent on its ability to sustain and deepen relationships with existing corporate clients amid the ongoing formalisation of India's gold jewellery retail industry, its progress in reducing customer concentration risk, and the trajectory of gold prices, which have a direct bearing on both revenue and working capital requirements. **At the upper price band of Rs. 93, the issue is valued at 10.2x FY26 diluted EPS of Rs. 9.09, compared with the listed peer average P/E of 22.5x. This represents a meaningful discount to peers, and combined with the company's strong return ratios, established B2B franchise with leading organised jewellery retailers and asset-light scalability, we assign a "SUBSCRIBE" rating to the issue.**

Key Risks:

⇒ The company is dependent on the success of its products with end consumers, and any decline in end-market demand could adversely affect its business and financial performance. The company also has customer concentration, with its top 10 customers contributing 39% of FY26 revenue. Further, the absence of long-term formal contracts means revenue remains dependent on ongoing customer demand and orally communicated orders.

⇒ A significant portion of revenue is concentrated across Tamil Nadu, Maharashtra, Uttar Pradesh, Bihar and Odisha, which together contributed 68% of FY26 revenue from operations, compared with 63% in FY25 and 62% in FY24. This concentration exposes the company to regional economic, cultural, geopolitical and local market risks, where adverse conditions in these states could disproportionately affect revenue.

⇒ The company outsources its entire jewellery manufacturing process to third-party job workers, primarily in Maharashtra. Any labour disruption, shortage of skilled karigars or operational issues at job-worker facilities could affect production timelines and product quality. Additionally, volatility in gold prices can increase inventory values and working-capital requirements, while sharp price increases may negatively impact consumer demand and, consequently, the company's sales.

Shankesh Jewellers Ltd.

Income Statement (Rs. in Millions)

Particulars	FY24	FY25	FY26
Revenue			
Revenue from operations	10,618	14,038	16,308
Total revenue	**10,618**	**14,038**	**16,308**
Expenses			
Cost of raw materials consumed	10,220	13,559	15,288
Changes in inventories of stock-in-trade	-56	-302	-784
Employee benefit expenses	145	97	151
Other expenses	23	31	74
Total operating expenses	**10,332**	**13,385**	**14,729**
EBITDA	**286**	**653**	**1,579**
Depreciation & amortization expenses	8	8	13
EBIT	**278**	**645**	**1,566**
Other Income	1	1	1
Finance costs	107	106	133
PBT	**172**	**540**	**1,434**
Tax Expense	44	137	367
Profit for the year (PAT)	**128**	**403**	**1,067**
Diluted EPS	**1.09**	**3.44**	**9.09**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Millions)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	15	-231	3
Cash flow from/(used in) investing activities	-10	-29	-127
Net cash flows (used in) / from financing activities	-5	258	124
Net increase/(decrease) in cash and cash equivalents	**0**	**-2**	**0**
Cash and cash equivalents at the beginning of the period	**2**	**2**	**0**
Cash and cash equivalents at the end of the period	**2**	**0**	**0**

Source: RHP, BP Equities Research

Shankesh Jewellers Ltd.

Balance Sheet (Rs. in Millions)

Particulars	FY24	FY25	FY26
Assets			
Non-current assets			
Property, Plant and Equipment	12	34	25
Right-of-use asset	12	7	5
Capital Work in Progress	0	0	125
Other financial assets	3	3	2
Deferred tax assets (Net)	3	4	4
Other non current assets	0	10	10
Total non-current assets	**30**	**58**	**171**
Current assets			
Inventories	1,314	1,616	2,400
Investments	0	4	5
Trade Receivables	399	789	1,264
Cash & Cash Equivalents	2	0	0
Bank balances other than above	0	0	0
Loans	1	0	0
Other financial assets	26	29	197
Total current assets	**1,741**	**2,438**	**3,867**
Total assets	**1,771**	**2,496**	**4,038**
Equity and liabilities			
Equity			
Equity share capital	28	98	588
Other equity	575	908	1,507
Total equity	**603**	**1,006**	**2,094**
Liabilities			
Non-current liabilities			
Lease Liabilities	8	5	3
Long Term Provisions	2	3	3
Non-Current liabilities	**10**	**8**	**6**
Current liabilities			
Borrowings	1,086	1,448	1,673
Lease Liabilities	4	2	3
Trade Payables	1	7	30
Other financial liabilities	3	4	9
Other Current Liabilities	62	10	157
Short Term Provision	1	1	2
Current Tax Liabilities (Net)	0	7	64
Total current liabilities	**1,158**	**1,481**	**1,937**
Total liabilities	**1,168**	**1,490**	**1,943**
Total equity and liabilities	**1,771**	**2,496**	**4,038**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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