IPO REVIEW

Grover Jewells IPO

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- The company is engaged in the manufacturing of wide range of wholesale jewellery.
- Besides its corporate office, it has two stores in New Delhi region and operates from there.
- The company marked growth in its top and bottom lines for the reported periods.
- The boosted profits from FY25 onward raise eyebrows and concern over its sustainability, as it is operating in a highly competitive and fragmented segment.
- Based on its recent financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus risk seekers may park moderate funds, others can ignore.

About the Company

Grover Jewells Ltd. (GJL) is specializing in the manufacturing and designing of a wide range of wholesale gold jewellery. Its collections include plain gold, studded, and semi-finished jewellery, mostly available in 22 Karat, 20 Karat, and 18 Karat. The company also sells hallmarked as well as non-hallmarked jewellery in its two (2) showrooms located at Karol Bagh, New Delhi and Chandni Chowk, Delhi.

The company commenced its operations with a specialization in the large-scale manufacturing of gold chains, serving both wholesale and retail markets. Over the years, with consistent focus on quality, precision, and design innovation, it has significantly broadened its product range. GJL’s portfolio now includes an extensive selection of finely crafted jewellery, comprising bangles, rings, necklaces, and complete sets, designed to meet the diverse preferences of clientele. By offering products across various styles and price segments, the company is able to cater to a wide customer base while maintaining the highest standards of craftsmanship, reliability, and trust that form the cornerstone of its brand. While its primary focus remains on the B2B segment, the company is also undertaking initiatives to strengthen its presence and increase revenue in the B2C segment.

In addition, it operates a job work segment, wherein small jewellers entrust it with gold and designs, and the company transforms them into finished jewellery. This stream generates stable revenue through labour charges, though it contributes only a minor share compared to our core business segments. The company operates a fully integrated, in-house gold jewellery manufacturing facility located at House No. 44/5, Block C, Lawrence Road Industrial Area, Delhi – 110035, with a built-up area of 1,003.20 sq. meters. The facility is equipped with advanced machinery, including casting machines, induction melters, steamers, air compressors, and other specialized equipment, enabling it to maintain precision and consistency at every stage of production.

All functions ranging from design and development to manufacturing and packaging are executed within the facility, ensuring seamless coordination and complete quality control. GJL's design capabilities are strengthened by a dedicated team of skilled CAD designers, supported by select freelance designers, allowing it to consistently introduce fresh, intricate, and market-relevant designs. The company supply to a wide network of local dealers, jewellery showrooms, and small-scale retailers, many of whom rely on it for bulk orders. As of December 31, 2025, it had 78 employees on its payroll. It also engages contract labours as and when needed.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 3844800 equity shares of Rs. 10 each to mobilize Rs. 33.83 cr. at the upper cap. The company has announced a price band of Rs. 83 - Rs. 88 per share. The minimum application to be made is for 3200 shares and in multiples of 1600 shares thereon, thereafter. The issue opens for subscription on February 04, 2026 and will close on February 06, 2026. The IPO constitute 26.50% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds of the IPO, it will utilize Rs. 25.34 cr. for working capital, and the rest for general corporate purposes.

The IPO is solely lead managed by Finshore Management Services Ltd., and Maashitla Securities Pvt. Ltd. is the registrar to the issue. Anant Securities is the market maker as well as the syndicate member.

The company has issued/converted initial equity capital at par value. It has also issued bonus shares in the ratio of 3 for 1 in August 2025. The average cost of acquisition of shares by the promoters is Rs. 2.50 per share.

Post-IPO, company's current paid-up equity capital of Rs. 10.66 cr. will stand enhanced to Rs. 14.51 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 127.66 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 255.11 cr. / Rs. 2.71 cr. (FY23), Rs. 258.00 cr. / Rs. 2.78 cr. (FY24), Rs. 460.95 cr. / Rs. 7.62 cr. (FY25). For 7M of FY26 ended on October 31, 2025, it posted a net profit of Rs. 10.45 cr. on a total income of Rs. 473.22 cr. The company posted growth in its top and bottom lines for the reported periods. Its debt equity ratio of 1.04 as of October 31, 2025 raise concern.

For the last three fiscals, the company has reported an average EPS of Rs. 4.87, and an average RoNW of 40.22%. The issue is priced at a P/BV of 3.46 based on its NAV of Rs. 25.45 per share as of October 31, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 7.13, and based on FY25 earnings, the P/E stands at 16.76. The issue

appears aggressively priced.

For the reported periods, the company has posted PAT margins of 1.06% (FY23), 1.08% (FY24), 1.65% (FY25), 2.21% (7M-FY26), and RoCE margins of 36.52%, 28.73%, 45.00%, 30.62% respectively, for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Shanti Gold, Retaggio Ind., RBZ Jewellers, Utssav CZ Gold, as its listed peers. They are currently trading at a P/E of 16.3, 12.8, 11.4, and 11.5 (as of January 30, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 32nd mandate from Finshore Management in the last two fiscals. From the last 10 listings, 6 listed at discount, 2 at par, and the rest with premium ranging from 3.62% to 90.00% on the date of listing. The Lead Manager has a poor track record.

Conclusion / Investment Strategy

GJL is engaged in the manufacturing of wide range of wholesale jewellery. Besides its corporate office, it has two stores in New Delhi region and operates from there. The company marked growth in its top and bottom lines for the reported periods. The boosted profits from FY25 onward raise eyebrows and concern over its sustainability, as it is operating in a highly competitive and fragmented segment. Based on its recent financial data, the issue appears aggressively priced. Only well-informed/cash surplus risk seekers may park moderate funds, others can ignore.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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