IPO REVIEW

Shankesh Jewellers IPO

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- The company is engaged in the business of hand-crafted gold jewellery and providing tailor made products.
- It is operating asset light model with the association with Jobworkers/Karigars.
- Its major revenue comes from B2B segment, ensuring smooth flow of orders.
- It carries the legacy of over three decades in hand-crafted 18K and 22K jewellery.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed investors may park funds for medium to long term.

About the Company

Shankesh Jewellers Ltd. (SJL) is engaged in the business of hand-crafted gold jewellery and providing customization services to clients and depend on third party jobworkers for production and manufacturing of products. Its Clientele includes both corporate entities such as Joyalukkas India Limited, P. N. Gadgil & Sons Limited, Kalyan Jewellers India Limited, P N Gadgil Jewellers Limited, Manoj Vaibhav Gems 'N' Jewellers Limited, Novel Jewels Limited (Aditya Birla Group), Bhima Jewellery Madurai, Hari Prasad Gopi Krishna Saraf Private Limited, D.P Abhushan Limited, Vysyaraju Jewellers Private Limited, Gajaananda Jewellery Mart India Private Limited, Arundhati Jewellers Pvt. Ltd. amongst others and Non-corporate entities such as Verma Jewellers and Sham Jewellers amongst others.

The company operate an asset-light business, wherein Karigars hand craft jewellery according to Client's requirement and act as principal contractor, managing the design, material sourcing, and finished Jewellery making process for its clients. Depending upon type of the Jewellery the actual production is outsourced to relevant localized Karigars through Jobworkers who are handled by it on behalf of the client for ensuring the end-to-end delivery of the final product as per their specific design requirements. This model is common in the jewellery industry, allowing the wholesaler to focus on inventory management, specialize in design and marketing without investing in manufacturing infrastructure. Its office is located at Mumbai, Maharashtra and it is distributing its products to reputable nation-wide corporate and non-corporate clients.

SJL offers a diverse range of high-quality hand-crafted gold jewellery in 22-karat and 18-karat. Its product portfolio encompasses an extensive collection of Bangles, Bridal Jewellery, Chokers, Jhumkas, Long and Short Necklace sets, Mangal Sutra and Rings and combined jewellery sets in categories of Antique Jewellery, Semi-Antique Jewellery, Calcutta Jewellery, Temple Jewellery, Gheru Polish and Yellow/ Rodium/ Rose Gold Jewellery with the capability to create customized jewellery tailored to

customer specifications. These pieces are suited for all occasions such as weddings, festivals, and daily wear, thereby addressing the diverse needs of its PAN India clientele. Its Gold jewellery is hallmarked as per BIS standard in accordance with regulatory guidelines.

In addition to standard product offerings, the Company provides custom job work services where clients supply bullion along with specific design requirements, and the company engages Karigars through Jobworkers to craft the jewellery accordingly. Once completed, it delivers the finished pieces directly to clients, ensuring seamless and high-quality service. SJL’s legacy in hand made jewellery market is over 3 decades.

It has been associated with 72 Jobworkers in total during Fiscal 2026. for manufacturing of jewellery and it doesn’t manufacture any jewellery in-house so that it can focus on inventory management, designing and customization of hand-crafted gold jewellery and can run the operations with a wide range of varieties of products so as to ensure that clients can showcase the best pieces of Jewellery to their end consumers without the hassle of inventory management, designing and sourcing. Out of the total Jobworkers associated with it over the years, 66 jobworkers have entered into agreement with the Company which allows it access over multiple Karigars. These Karigars are specialized and experienced in different types of hand-crafted jewellery item who are working under it over the years. The company has designers, who develops new products and designs in line with latest trends, customer lifestyles, aspirations, preferences, etc and who works in sync with its experienced jobworkers. As of May 31, 2026, it had 46 employees on its payroll and is associated with 72 jobworkers.

Promoters and Promoters Group

Mr. Kantilal Kheemraj Jain: Chairman

Kantilal Kheemraj Jain, Mahavir Kantilal Jain and Manoj Kantilal Jain: Promoters

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 39482000 equity shares (worth Rs. 367.18 cr. at the upper cap). The IPO consists of fresh 29482000 equity shares (worth Rs. 274.18 cr. at the upper cap) and an Offer for Sale (OFS) of 10000000 equity shares (worth Rs. 93.00 cr. at the upper cap). The company has announced a price band of Rs. 88 – Rs. 93 per equity shares of Rs. 5 each. The issue opens for subscription on August 18, 2026, and will close on August 20, 2026. The minimum application to be made is for 160 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 26.85% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 158.00 cr. for repayment/prepayment of certain borrowings, Rs. 38.00 cr. for working capital, and the rest for general corporate purposes.

The two Book Running Lead Managers (BRLMs) to this issue are Aryaman Financial Services Ltd., and Smart Horizon Capital Advisors Pvt. Ltd., while KFin Technologies Ltd. is the registrar to the issue.

Aryaman Financial Services Ltd. Is also a syndicate member.

After issuing initial equity shares at par value, the company has issued/converted further equity shares in the price range of Rs. 12.50 - Rs. 400.00 (based on Rs. 5 FV), between October 2015, and September 2025. It has also issued bonus shares in the ratio of 4 for 5 in March 2011, and 4 for 9 in July 2012, 25 for 10 in October 2024, and 5 for 1 in September 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. NA. However, as per data given on cover page of RHP, the average cost of acquisition of promoters/selling stakeholders is Rs. 0.37, and Rs. 0.44 per share.

Post-IPO, its current paid-up equity capital of Rs. 58.77 cr. will stand enhanced to Rs. 73.52 cr. Based on the upper cap of the price band, the company is looking for a market cap of Rs. 1367.39 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 1061.91 cr. / Rs. 12.82 cr. (FY24), Rs. 1403.94 cr. / Rs. 40.31 cr. (FY25), and Rs. 1630.93 cr. / Rs. 106.68 cr. (FY26). The company posted steady growth in its top and bottom lines for the reported periods indicating the trends ahead. Its contingent liability stood at Rs. 4.06 cr. as of March 31, 2026.

According to the management, though it is operating in a highly competitive and fragmented segment, it has created a niche place in bridal jewellery and rising gold prices has resulted in higher margins coupled with rising making charges.

For the last three fiscals, the company has posted an average EPS of Rs. 5.87 and an average RoNW of 42.37 %. The issue is priced at a P/BV of 5.21 based on its NAV of Rs. 17.82 as of March 31, 2026, and at a P/BV of 2.83 based on its post-IPO NAV of Rs. 32.89 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 12.81. Based on FY25 earnings, the P/E stands at 33.94. The issue appears fully priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 1.21% (FY24), 2.87% (FY25), 6.54% (FY26), and RoCE margins of 16.46%, 26.28%, 41.57%, respectively for the referred periods.

Dividend Policy

The company has not paid any dividends since incorporation. It has already adopted a dividend policy in September 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Shanti Gold, and Sky Gold as its listed peers. They are currently trading at a P/E of 10.2 and 35.8 (as of August 14, 2026). However, they are not

truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

The two BRLMs associated with this issue has handled 37 IPOs in the last three fiscals out of which 6 issues closed below the issue price on the listing date.

Conclusion / Investment Strategy

SJL is engaged in the business of hand-crafted gold jewellery and providing tailor made products. It is operating asset light model with the association with Jobworkers/Karigars. This is helping the company to improve the performance despite its operations in a highly competitive segment. Its major revenue comes from B2B segment, ensuring smooth flow of orders. It carries the legacy of over three decades in hand-crafted 18K and 22K jewellery. Based on its recent financial data, the issue appears fully priced. Well-informed investors may park funds for medium to long term.

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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