

SMR Jewels IPO

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- The company specializes in designer heritage jewellery marketing.
- It does business under B2B segment with third party product supply. It has no manufacturing unit of its own.
- The company posted spectacular financial performance from FY24 onwards. It has orders worth Rs. 30+ cr. on hand as of December 31, 2025.
- Its bottom line with bumper numbers surprises all as it is operating in a highly competitive and fragmented segment.
- Based on its recent super financial data the issue appears fully priced.
- Only well-informed/cash surplus/risk seekers may park moderate funds for long term.

About the Company

SMR Jewels Ltd. (SJL) specializes in Designer Heritage Jewellery that blends the richness of India's cultural and artistic traditions with modern aesthetics. Its jewellery reflects intricate craftsmanship, heritage artistry, and traditional motifs, while incorporating contemporary styles to suit the evolving tastes of today's customers. Each piece is created with its own storytelling, carrying cultural meaning, emotional value, and artistic expression. SJL's Theme-Based Designer Heritage Jewellery draws inspiration from mythology, spirituality, and cultural narratives. Collections include designs inspired by Radha-Krishna, Buddha, and other revered icons, celebrating India's legacy of storytelling and devotion.

These creations connect deeply with customers who view jewellery as more than ornamentation, but as a symbol of heritage, identity, and spirituality. Alongside Designer Heritage Jewellery, the Company also creates Nature-Inspired Jewellery, where designs are influenced by elements of the natural world such as flowers, leaves, vines, animals, and seasonal motifs. These pieces highlight harmony between nature and artistry, offering jewellery that represents freshness, beauty, and universal appeal.

The Company further specializes in Traditional Jewellery, which includes:

- Jadtar Jewellery – crafted with uncut natural diamonds and intricate handwork, representing time-honored artisanal traditions.
- Meenakari Jewellery – characterized by vivid enamel artistry, adding colour, depth, and elegance to gold jewellery.

- Polki Jewellery – featuring uncut diamonds in traditional frameworks, widely preferred for weddings and festive occasions for its grandeur and exclusivity.
- Bridal Festive & Bridal Jewellery – comprehensive collections designed for weddings, festivals, and cultural celebrations, ranging from ornate heritage sets to modern minimalist designs, tailored to meet the diverse preferences of brides and customers during festive occasions.

In addition to these categories, its portfolio also includes Daily Wear Jewellery designed with simplicity, comfort, and durability for everyday use. It does not maintain own manufacturing facility and instead outsource jewellery production to highly skilled artisans and craftsmen, engaged as Job Workers, with whom SJL has nurtured long-standing associations. Each piece is conceptualized and designed in-house, and its execution is carried out in close collaboration with these artisans, ensuring that every creation is handcrafted to align with regional tastes, fashion trends, and demographic preferences.

SJL's in-house design team forms the cornerstone of this process, developing original concepts, theme-based motifs, and customized designs that seamlessly blend tradition with modern sensibilities. Every design undergoes meticulous detailing—ranging from hand sketching and CAD modelling to prototype creation—before being entrusted to artisans for execution. This strong emphasis on in-house designing enables it to uphold originality, consistency, and exclusivity across collections, while ensuring that each piece embodies storytelling, authenticity, and a distinct identity.

In addition to its diverse product portfolio, the company also provides customization services that allow customers to personalize jewellery designs as per their unique preferences. The company specializes in recreating traditional and ancestral ornaments with modern styling, ensuring that timeless heritage is preserved while reflecting contemporary aesthetics. These value-added services not only enable customers to express their individuality but also ensure that jewellery retains its emotional and cultural relevance across generations.

As of the filing of the offer document, it had an order book worth Rs. 32.58 cr. As of March 31, 2026, it had 23 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 4980000 equity shares of Rs. 10 each to mobilize Rs. 67.23 cr. The IPO constitutes 4000000 fresh equity shares worth Rs. 54 cr. at the upper cap, and an Offer for Sale (OFS) of 980000 equity shares worth Rs. 13.23 cr. at the upper cap. The company has announced price band of Rs. 128 – Rs. 135 per share of Rs. 10 each. The minimum application to be made is for 2000 shares and in multiples of 1000 shares thereon, thereafter. The issue opens for subscription on May 26, 2026 and will close on May 29, 2026. The shares will be listed on BSE SME. The IPO constitute 26.70% of the post-IPO paid-up capital of the company. From the net proceeds of the equity issue, it will utilize Rs. 6.40 cr. for capex on jewellery studio construction, Rs. 6.50 cr. for repayment/prepayment of certain borrowings, Rs. 30.00 cr. for

working capital, and the rest for general corporate purposes. The offer document shows different time line for IPO (Please refer page 62 and 63), which needs clarifications.

The IPO is solely lead managed by Wealth Mine Networks Pvt. Ltd., and Purva Shareregistry (India) Pvt. Ltd. is the registrar to the issue. Rikhav Securities Ltd., is the market maker, as well as a syndicate member.

The company has issued initial equity capital at par value, it has issued fresh shares at a price of Rs. 40550 per share in August/September 2024. The company also bonus shares in the ratio of 400 for 1 in September 2024, and 2 for 1 in August 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 0.79, Rs. 1.00, Rs. 3.10, Rs. 3.54, and Rs. 33.71 per share.

Post-IPO, company's current paid-up equity capital of Rs. 14.65 cr. will stand enhanced to Rs. 18.65 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 251.83 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/net profit, of Rs. 67.53 cr. / Rs. 0.91 cr. (FY23), Rs. 124.52 cr. / Rs. 3.85 cr. (FY24), Rs. 263.25 cr. / Rs. 10.41 cr. (FY25). For 9M of FY26 ended on December 31, 2025, it earned a net profit of Rs. 18.56 cr. on a total income of Rs. 308.72 cr. The company marked quantum jump in its top and bottom lines from FY24 onwards. Sustainability of such margins going forward remains concern, as it is operating in a highly competitive and fragmented segment. Current scenario for the jewellery segment is sluggish amidst geopolitical tension and rising Dollar as well as Gold and Silver Prices. According to market grapevine, this segment is in for a down turn in near term.

For the last three fiscals, the company has reported an average EPS of Rs. 4.75 and an average RoNW of 62.45%. The issue is priced at a P/BV of 4.63 based on its NAV of Rs. 29.13 per share as of December 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 10.18, and based on FY25 earnings, the P/E stands at 24.19. The issue appears fully priced based on its recent earnings.

The company has posted PAT Margins of 1.35% (FY23), 3.09% (FY24), 3.96% (FY25), 6.01% (9M-FY26), and ROCE margins of 34.91%, 59.51%, 47.92%, 50.18%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends since incorporation. 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 Pushpa Jewellers, Khazanchi Jewellers, Sky Gold, as its listed peers. They are trading at a P/E of 12.2, 20.5, and 31.7 (as of May 22, 2026). However, they are not truly comparable on an apple-to-apple basis. This compare appears to be an eyewash. Its peer review auditor's certificate was valid only till December 31, 2025, (refer page no. 64 of the offer document), but the offer document carries its report for offer document dated May 18, 2026.

Merchant Banker's Track Record

This is the 3rd mandate from Wealth Mine Networks in the last two fiscals (including the ongoing one). Out of the last 2 listings, all listed at a discount to offer price on listing date. The Lead Manager has a poor track record so far.

Conclusion / Investment Strategy

SJL specializes in designer heritage jewellery marketing/trading. It does business under B2B segment with third party product supply. It has no manufacturing unit of its own. The company posted spectacular financial performance from FY24 onwards. It has orders worth Rs. 30+ cr. on hand as of December 31, 2025. Its bottom line with bumper numbers surprises all as it is operating in a highly competitive and fragmented segment. Based on its recent super financial data the issue appears fully priced. Only well-informed/cash surplus/risk seekers may park moderate funds for 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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