Shankesh Jewellers Ltd

IPO Note



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From Regional Legacy to Scalable Retail Play: Evaluating Shankesh Jewellers' Growth Trajectory

Shankesh Jewellers Limited, incorporated in 2005 and headquartered in Mumbai, Maharashtra, is a jewellery manufacturing company specializing in handcrafted gold jewellery. The company manufactures 22K and 18K gold jewellery, including bridal jewellery, necklaces, bangles, chokers, jhumkas, mangalsutras and rings, catering primarily to organized jewellery retailers and regional jewellery chains across India.

Its operating model is asset-light, with production supported through a network of skilled artisans and job workers. The company works with around 87 job workers and over 66 specialised karigars, enabling flexible production capacity with limited fixed manufacturing investments. Its design capabilities and focus on handcrafted jewellery help it cater to varied customer requirements. The company has a presence across 21 states and 4 union territories, serving 457 customers in FY25. Corporate clients contributed 55.8% of revenue, highlighting its strong B2B customer base and relationships with jewellery retailers.

Key strengths include an asset-light manufacturing model, established customer relationships, experienced promoters, diversified product portfolio and flexible production capabilities. Key risks include exposure to gold price fluctuations, working capital requirements, dependence on skilled artisans and customer concentration. Financially, revenue increased from INR 909.19 crore in FY23 to INR 1,403.83 crore in FY25, implying a CAGR of ~24.2%. PAT increased from INR 10.44 crore to INR 40.31 crore during the same period, translating into a PAT CAGR of ~96.5%. EBITDA increased from INR 22.60 crore in FY23 to INR 65.46 crore in FY25, with EBITDA margin improving from ~2.5% to ~4.7%. ROE stood at 40.07% in FY25. The IPO comprises a fresh issue and an Offer for Sale. The proceeds will be utilised towards repayment/pre-payment of borrowings, funding working capital requirements and general corporate purposes.

Overall, Shankesh Jewellers provides exposure to the growing organised jewellery ecosystem through an asset-light manufacturing model. Growth will depend on expansion of organised jewellery retailers, increasing outsourcing by jewellery chains and the company's ability to scale production while maintaining profitability and working capital efficiency.

Industry	Jewellery Retailing

Scrip Details	
Listing	BSE &NSE
Open Date	Aug 18, 2026
Close Date	Aug 20, 2026
Price Band	INR 88 – 93
Face Value	INR 5
Market Lot	160 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	367
Issue Size (Shares Cr)	3.94
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre Issue sh. (cr)	11.75
Post Issue sh. (cr)	14.70
Post Issue Market Cap (cr)	1367.39

Shareholding	Pre (%)	Post (%)
Promoter	95.48	67.53
Public	4.52	30.47
TOTAL	**100.0**	**100.0**

Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	PAT	EBITDA %	PAT%	adj EPS	Adj BVPS	ROE	ROIC	EV/EBITDA	P/BV	P/E
FY24	1,061.8	28.6	12.8	2.7	1.2	0.9	4.1	21.3	12.2	51.6	22.7	106.7
FY25	1,403.8	65.3	40.3	4.7	2.9	2.7	6.8	40.1	19.6	23.1	13.6	33.9
FY26	1,630.8	157.9	106.7	9.7	6.5	7.3	14.2	50.9	30.9	9.7	6.5	12.8

Source: Ventura Research & Company update

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Issue Structure and Offer Details

Lalithaa Jewellery Mart IPO is a book-built issue aggregating up to INR 367.18 crore. It comprises a fresh issue aggregating up to INR 274 crore and an offer for sale aggregating up to INR 93 crore.

Issue Structure

Investor Category	Allocation
QIB	**Not more than 50.00% of the Net Offer**
NII (HNI)	**Not less than 15.00% of the Net Offer**
Retail	**Not less than 35.00% of the Net Offer**

Number of shares based on a higher price band of INR 293

Source: Company Reports

Objects of the Issue:

The Company proposes utilizing the Net Proceeds from the Offer towards the following objects:

1. Repayment/pre-payment of certain borrowings — INR 158.00 cr
2. Funding working capital requirements — INR 38.00 cr
3. General Corporate Purposes

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Financial Summary

Fig in INR Cr (unless specified)	FY24	FY25	FY26
Income Statement			
Revenue	1,061.8	1,403.8	1,630.8
YoY Growth (%)		*32.2*	*16.2*
Raw Material Cost	1,016.4	1,325.8	1,450.4
RM Cost to Sales (%)	*95.7*	*94.4*	*88.9*
Employee Cost	14.5	9.7	17.8
Employee Cost to Sales (%)	*1.4*	*0.7*	*1.1*
Other Expenses	2.3	3.1	4.7
Other Exp to Sales (%)	*0.2*	*0.2*	*0.3*
EBITDA	28.6	65.3	157.9
Margin (%)	*2.7*	*4.7*	*9.7*
YoY Growth (%)		*128.5*	*141.6*
Depreciation & Amortization	0.8	0.8	1.3
EBIT	27.8	64.5	156.6
Margin (%)	*2.6*	*4.6*	*9.6*
YoY Growth (%)		*132.3*	*142.8*
Other Income	0.1	0.1	0.1
Bill discounting & other charges	10.7	10.6	13.3
Fin Charges Coverage (X)	2.6	6.1	11.7
Exceptional Item	0.0	0.0	0.0
PBT	17.2	54.0	143.4
Margin (%)	*1.6*	*3.8*	*8.8*
YoY Growth (%)		*213.5*	*165.4*
Tax Expense	4.4	13.7	36.7
Tax Rate (%)	*25.6*	*25.4*	*25.6*
PAT	12.8	40.3	106.7
Margin (%)	*1.2*	*2.9*	*6.5*
YoY Growth (%)		*214.5*	*164.6*
Min Int/Sh of Assoc	0.0	0.0	0.0
Net Profit	12.8	40.3	106.7
Margin (%)	*1.2*	*2.9*	*6.5*
YoY Growth (%)		*214.5*	*164.6*
Balance Sheet			
Share Capital	2.8	9.8	58.8
Total Reserves	57.5	90.8	150.7
Shareholders Fund	60.3	100.6	209.4
Long Term Borrowings	0.0	0.0	0.0
Deferred Tax Assets / Liabilities	0.0	0.0	0.0
Other Long Term Liabilities	0.8	0.5	0.3
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	0.2	0.3	0.3
Total Liabilities	61.3	101.4	210.0
Net Block	1.2	3.4	2.5
Capital Work in Progress	0.0	0.0	12.5
Intangible assets under developme	0.0	0.0	0.0
Non Current Investments	0.0	0.0	0.0
Long Term Loans & Advances	0.0	0.0	0.0
Other Non Current Assets	1.8	2.4	2.1
Net Current Assets	58.4	95.7	192.9
Total Assets	61.3	101.4	210.0

Fig in INR Cr (unless specified)	FY24	FY25	FY26
Per share data & Yields			
Adjusted EPS (INR)	0.9	2.7	7.3
Adjusted Cash EPS (INR)	0.9	2.8	7.3
Adjusted BVPS (INR)	4.1	6.8	14.2
Adjusted CFO per share (INR)	0.1	(1.6)	0.0
CFO Yield (%)	0.1	(1.7)	0.0
Adjusted FCF per share (INR)	0.0	(1.7)	(0.8)
FCF Yield (%)	0.0	(1.9)	(0.9)
Solvency Ratio (X)			
Total Debt to Equity	1.8	1.4	0.8
Net Debt to Equity	1.8	1.4	0.8
Net Debt to EBITDA	3.8	2.2	1.1
Return Ratios (%)			
Return on Equity	21.3	40.1	50.9
Return on Capital Employed	16.4	26.3	41.6
Return on Invested Capital	12.2	19.6	30.9
Working Capital Ratios			
Payable Days (Nos)	0	0	1
Inventory Days (Nos)	45	42	54
Receivable Days (Nos)	14	21	28
Net Working Capital Days (Nos)	59	62	81
Net Working Capital to Sales (%)	16.1	17.1	22.3
Valuation (X)			
P/E	106.7	33.9	12.8
P/BV	22.7	13.6	6.5
EV/EBITDA	51.6	23.1	9.7
EV/Sales	1.4	1.1	0.9
Cash Flow Statement			
PBT	17.2	54.0	143.4
Adjustments	11.0	10.7	14.2
Change in Working Capital	(22.4)	(74.8)	(126.2)
Less: Tax Paid	(4.4)	(13.0)	(31.1)
Cash Flow from Operations	1.5	(23.1)	0.3
Net Capital Expenditure	(1.0)	(2.6)	(12.7)
Change in Investments	0.0	(0.3)	0.0
Cash Flow from Investing	(1.0)	(2.9)	(12.7)
Change in Borrowings	10.2	36.4	23.6
Less: Finance Cost	(10.7)	(10.6)	(13.3)
Proceeds from Equity	0.0	0.0	2.1
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	0.0	0.0	0.0
Cash flow from Financing	(0.5)	25.8	12.4
Net Cash Flow	(0.0)	(0.2)	0.0
Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	0.20	0.17	0.02
Closing Balance of Cash	0.18	0.02	0.02

Source: Company Reports

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