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IPO Note
18th August 2026

Shankesh Jewellers Ltd

Neutral

Rating: Neutral	
Issue Offer	
Total issue size: Fresh Issue – INR 2,740 Mn (29.48 Mn Shares) OFS - INR 930 Mn (10 Mn shares)	
Issue Summary	
Price Band (INR)	88-93
Face Value (INR)	5
Implied Market Cap (INR mn)	13,674
Market Lot	160
Issue Opens on	18 August, 2026
Issue Close on	20 August, 2026
No. of share pre-issue	11,75,49,420
No. of share post issue	14,70,31,420
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Book Running Lead Managers

Aryaman Financial Services Limited
Smart Horizon Capital Advisors Private Limited

Registrar

Kfin Technologies Limited

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	95.48%	69.53%
Public & Others	4.52%	30.47%

Objects of the Offer	Exp. Amt (INR Mn.)
Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company	1,580
Funding working capital requirements of our Company	380
General Corporate Purposes	25% of gross proceeds of the fresh issue.

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Shankesh Jewellers Limited is a Mumbai-based wholesale jewellery company focused on hand-crafted gold jewellery and customised jewellery solutions for corporate and non-corporate clients across India. The business has a legacy of more than three decades, with the promoter family starting the hand-crafted gold jewellery business in 1992. The company follows an asset-light model and does not manufacture jewellery in-house; instead, it works with experienced Karigars through jobworkers while managing design, sourcing, quality checks and delivery. During FY26, the company was associated with 72 jobworkers, of which 66 had entered into agreements with the company. Its product range includes 22-karat and 18-karat jewellery across bangles, bridal jewellery, chokers, jhumkas, necklace sets, mangalsutras, rings and other traditional jewellery categories. The company serves a wide customer base spread across 21 states and 4 Union Territories, including established jewellery players such as Joyalukkas, P. N. Gadgil, Kalyan Jewellers and other regional jewellery retailers.

Investment Rationale:

Strong Revenue Growth & Margin Expansion: Shankesh Jewellers has delivered strong growth over the last three years, with revenue increasing at a healthy pace and profitability improving much faster. Revenue grew 16.2% YoY in FY26 to INR 1,630.8 crore, while EBITDA increased to INR 157.9 crore from INR 65.3 crore in FY25 and INR 28.6 crore in FY24. EBITDA margin consequently improved to 9.68% in FY26 from 4.65% in FY25 and 2.69% in FY24. PAT also increased to INR 106.7 crore in FY26 from INR 40.3 crore in FY25 and INR 12.8 crore in FY24, taking PAT margin to 6.54% from 2.87% and 1.21%, respectively. This shows that the company has not only grown its topline but has also seen a meaningful improvement in profitability.
Asset-Light Model & Established Customer Base: The asset-light model is a key strength as it allows the company to work with experienced Karigars without making heavy investments in manufacturing infrastructure, while keeping its focus on design, sourcing, inventory management, quality and customer relationships. The company worked with 90 jobworkers in FY24, 87 in FY25 and 72 in FY26, with 66 jobworkers having formal agreements as of FY26. Its customer base includes several established jewellery brands, while repeat customers increased to 334 in FY26 from 291 in FY25. The top 10 customers contributed 39.6% of FY26 revenue, providing a strong base of established customers.
Improving Balance Sheet Through IPO Debt Repayment: The company's next phase of growth will require additional working capital because the jewellery business needs funds for gold procurement, inventory and customer receivables. As of March 31, 2026, its working capital facilities stood at INR 167.0 crore. The company plans to use INR 158.0 crore of the IPO proceeds for repayment/prepayment of borrowings and INR 38.0 crore for working capital requirements. This should reduce dependence on debt and provide greater financial flexibility to support business growth. Net debt-to-equity has already improved from 1.80x in FY24 to 1.44x in FY25 and 0.80x in FY26, while net debt-to-EBITDA declined from 3.79x to 2.22x and 1.06x over the same period.

Valuation & Outlook: Shankesh Jewellers is well placed to benefit from the Indian gold jewellery market, which is expected to grow at a CAGR of 11.4% between CY25 and CY30. The company plans to grow by adding customers, increasing business from existing clients and strengthening its marketing efforts. With FY26 revenue of INR 1,630.8 crore, PAT of INR 106.7 crore and net debt-to-equity at 0.80x, the company has a stronger base to support growth. The planned INR 158 crore debt repayment and INR 38 crore working capital funding should further improve financial flexibility, while managing gold prices, working capital and margins will remain key. **At the upper price band of INR 93, the issue is priced at a P/E of 12.82x based on the post-IPO FY26 EPS of INR 7.26. We recommend a "Neutral" rating for the issue.**

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	10,617.83	14,038.26	16,307.87
Growth (%) YoY	-	32.21%	16.178%
EBITDA	285.99	653.47	1,579.00
Margins (%)	*2.69%*	*4.65%*	*9.68%*
PAT/(Loss)	128.16	403.12	1,066.81
Margins (%)	1.21%	2.87%	6.54%

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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