Our latest research offering *Proton* unlocks investment opportunities in small-cap and mid-cap companies that clients would otherwise miss out on. *Proton* is not an attempt to cover every small-cap and mid-cap (SMID) stock; it is a select coverage of quality SMIDs wherein we see a positive charge—reasonably strong fundamentals, a structural investment theme and growth enablers.

The inspiration for *Proton* comes from catching early fundamentally strong SMID companies. This assumes urgency given India's Atmanirabhar push and a fraying world order that demands SMID companies to step up.

In character and quality, our investment framework for *Proton* stocks is no different. Each recommendation must pass muster on rigorous research, and we will keep tabs on each parameter and development that feeds into our recommendation. Investors stand to gain from the robust Nuvama franchise, which shall help them look past typical SMID-related concerns of low liquidity, questionable corporate governance and professional access to management.

We are cognisant that SMIDs' growth journey is typically non-linear, may be even jagged. That's not a bug, just the nature of the beast. During such times, we trust our investment rigour to cut the noise out. To avoid noise, we would not write previews or reviews on *Proton* coverage.

As always, we'd be happy to hear your thoughts about *Proton*, and how we can continue to sharpen our research.

Regards
Shiv Diwan
Managing Director & Head - Institutional Equities

Abneesh Roy
Head of Research Committee

October 2025

Initiating Coverage

Sky Gold And Diamonds

Volume-led Growth to Add Shine

Ashish Vanwari

Ashish.Vanwari@nuvama.com

SKY GOLD

INITIATING COVERAGE

KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	342
12 month price target (INR)	450
52 Week High/Low	489/246
Market cap (INR bn/USD bn)	52/0.6
Free float (%)	39.6
Avg. daily value traded (INR mn)	373.5

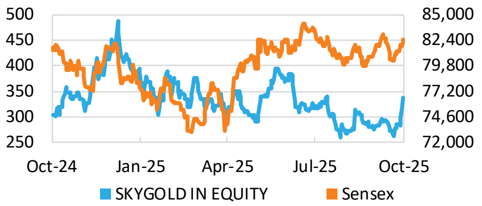
SHAREHOLDING PATTERN

	Jun-25	Mar-25	Dec-24
Promoter	53.9%	58.2%	58.2%
FII	0.9%	0.4%	0.9%
DII	9.4%	7.1%	6.6%
Pledge	0%	0%	0%

FINANCIALS (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	35,480	54,520	73,523	89,496
EBITDA	1,964	3,186	4,336	5,430
Adjusted profit	1,327	2,103	2,928	3,648
Diluted EPS (INR)	9.0	14.3	20.0	24.9
EPS growth (%)	(70.4)	58.5	39.3	24.6
RoAE (%)	28.6	26.7	28.1	26.6
P/E (x)	37.8	23.9	17.1	13.8
EV/EBITDA (x)	27.7	17.4	12.5	10.0
Dividend yield (%)	0	0	0	0

PRICE PERFORMANCE



Volume-led growth to add shine

Sky Gold shines out as a leading B2B pure-play designer and manufacturer of gold jewellery, and its clientele is studded with giants of Indian jewellery retailing. Recent capacity expansion along with acquisitions over past two years in newer categories make the company a perfect proxy for rising formalisation of a largely unorganised sector. Future efficiency and growth will be driven by untapped levers, including the advance gold model, expanding GML share and scaling up the less working capital-intensive export business.

All in all, we project revenue/EBITDA/PAT CAGR would be 36%/40%/40% over FY25–28E and assign the stock a target valuation of 20x Sep-27E TTM PAT, yielding a TP of INR450; initiate at 'BUY'.

Poised for robust volume growth

Sky Gold turned in a strong 39% revenue CAGR over FY15–25 driven by a sharp ramp-up in volume, swelling clientele revenue, aggressive store openings and healthy same store sales growth (SSSG). This growth was further aided by favourable gold price trends, adding lustre to the company's overall profitability and market penetration. Sky Gold's substantial unutilised capacity (~57% at end-Q1FY26) in the wake of recent expansions and acquisitions fit in well with aggressive growth plans of national and regional jewellers. Scalable capacity combined with efficient operations allow for a rapid ramp-up to meet expanding demand. Recent acquisitions have not only enhanced capacity, but also capability, marking its entry into newer categories and extending its reach to new clientele. Of late, management has been focusing on lifting the share of advanced gold business, which would enhance the profitability profile and improve working capital. We are forecasting a 39% revenue CAGR over FY25–28 backed by strong volume growth from existing clients (given their store addition momentum), new clients and thrust on exports.

Margins to shine through; working capital to improve

We forecast Sky Gold's profitability and working capital days shall improve. The levers would be the rising mix of the advance gold model (low working capital), mainly from new clientele such as Caratlane and Novel (Aditya Birla's jewellery division) and the thrust on exports, which yield superior margins given favourable gold pricing. Moreover, the export business offers better payment terms. All in all, we are building in an uptick in PAT margin of 40bp over FY25–28E—enhanced flow-through from EBITDA margin (+50bp) from a 50bp pickup in gross margin. This translates to a 44% PAT CAGR over FY25–28E.

Key risks

Sky Gold's low free cash flow generation necessitates frequent capital raising to sustain its rapid growth while meeting ongoing working capital requirements amid soaring gold prices. Another significant risk is its high client concentration with over 40% of revenue derived from its top-ten customers.

Ashish Vanwari
AshishK.Vanwari@nuvama.com

The Story in Charts

Exhibit 1: Glittering revenue growth momentum...

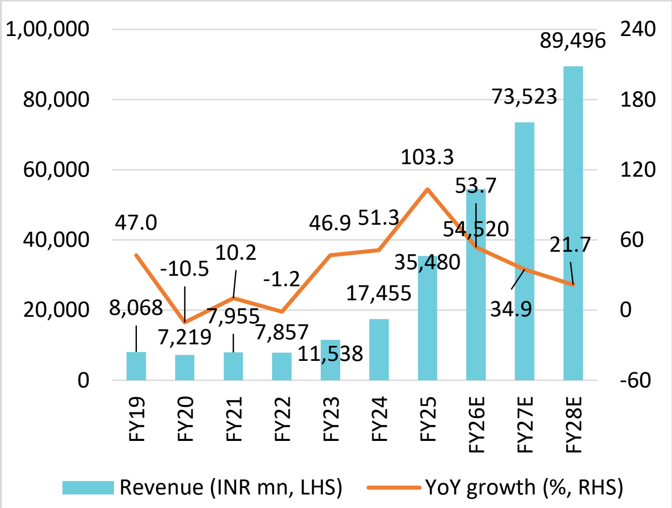


Exhibit 2: ...aided by improving volumes and...

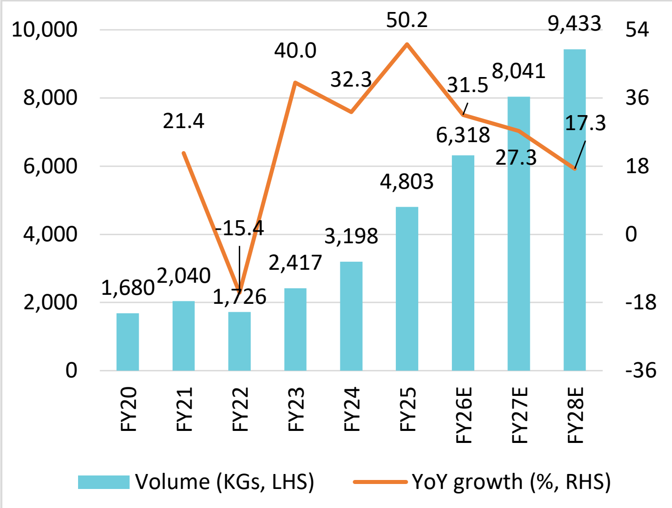


Exhibit 3: Higher realisation (rising gold price) and better mix

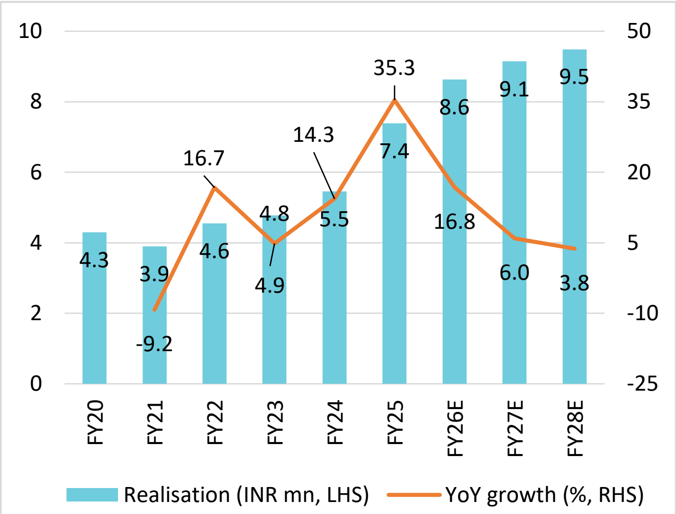


Exhibit 4: Improving share of job work business to...

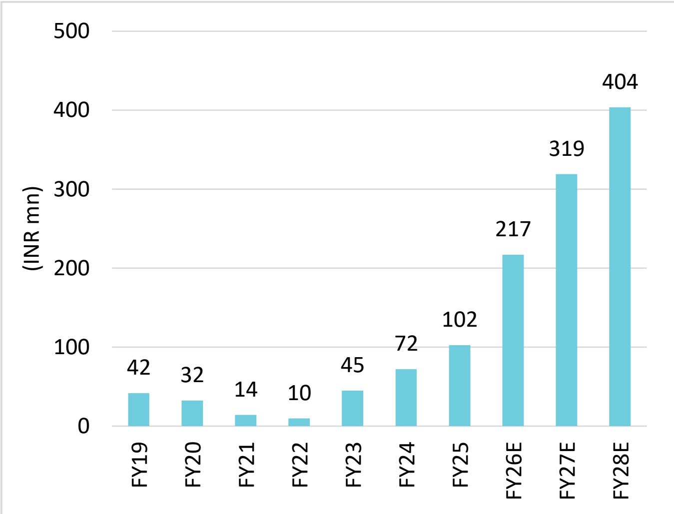


Exhibit 5: ....haul up gross margin as well as...

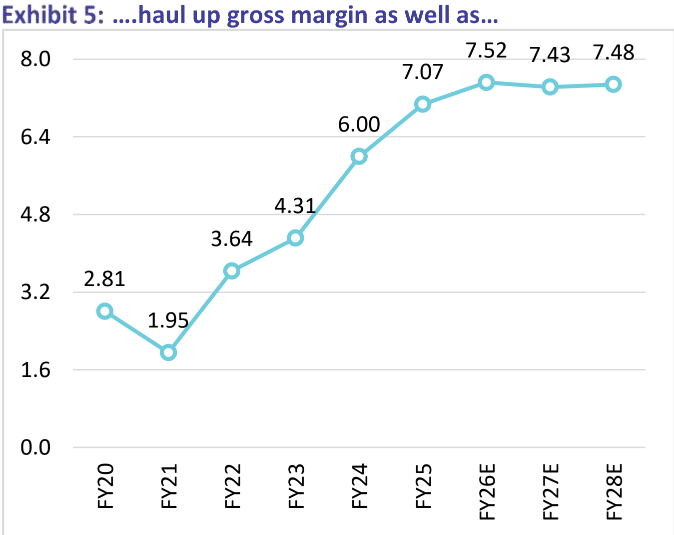
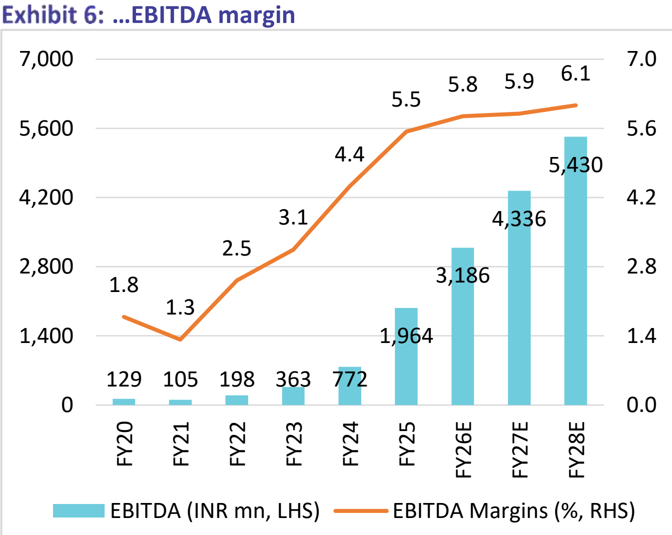


Exhibit 6: ...EBITDA margin



Source: Company, Nuvama Research

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	35,480	54,520	73,523	89,496
Gross profit	2,509	4,101	5,461	6,694
Employee costs	294	580	700	771
Other expenses	252	335	425	493
EBITDA	1,964	3,186	4,336	5,430
Depreciation	107	139	169	216
Less: Interest expense	444	569	609	723
Add: Other income	330	363	399	439
Profit before tax	1,742	2,841	3,957	4,929
Prov for tax	416	739	1,029	1,282
Less: Other adj	0	0	0	0
Reported profit	1,327	2,103	2,928	3,648
Less: Excp.item (net)	0	0	0	0
Adjusted profit	1,327	2,103	2,928	3,648
Diluted shares o/s	147	147	147	147
Adjusted diluted EPS	9.0	14.3	20.0	24.9
DPS (INR)	0	0	0	0
Tax rate (%)	23.9	26.0	26.0	26.0

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	1,467	1,467	1,467	1,467
Reserves	5,371	7,474	10,402	14,049
Shareholders funds	6,838	8,941	11,869	15,516
Minority interest	0	0	0	0
Borrowings	6,049	6,845	9,174	11,131
Trade payables	260	276	373	454
Other liabs & prov	151	223	295	356
Total liabilities	13,568	16,528	21,925	27,642
Net block	364	471	548	1,378
Intangible assets	455	455	455	455
Capital WIP	6	6	6	6
Total fixed assets	824	931	1,008	1,838
Non current inv	0	0	0	0
Cash/cash equivalent	1,751	1,561	5,089	7,055
Sundry debtors	4,522	5,975	6,043	7,356
Loans & advances	0	0	0	0
Other assets	4,238	5,874	7,642	9,297
Total assets	13,568	16,528	21,925	27,642

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Volume (Kgs per annum)	4,803.0	6,318.0	8,040.9	9,433.5
Capacity (Kgs per annum)	12,600.0	14,400.0	14,400.0	14,400.0
Realisation (INR mn per kg)	7.4	8.6	9.1	9.5
EBITDA margin (%)	5.5	5.8	5.9	6.1
Net profit margin (%)	3.7	3.9	4.0	4.1
Revenue growth (% YoY)	103.3	53.7	34.9	21.7
EBITDA growth (% YoY)	154.2	62.2	36.1	25.2
Adj. profit growth (%)	227.7	58.5	39.3	24.6

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	1,327	2,103	2,928	3,648
Add: Depreciation	107	139	169	216
Interest (net of tax)	297	381	408	484
Others	(117)	(175)	(198)	(200)
Less: Changes in WC	4,346	3,000	1,668	2,827
Operating cash flow	(2,732)	(553)	1,639	1,321
Less: Capex	(143)	(200)	(200)	(1,000)
Free cash flow	(2,875)	(753)	1,439	321

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.3	6.5	6.5	6.5
Repo rate (%)	5.3	5.3	5.3	5.3
USD/INR (average)	85.0	85.0	85.0	85.0

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	28.6	26.7	28.3	26.8
RoCE (%)	23.6	23.8	24.8	23.7
Inventory days	37	34	34	35
Receivable days	29	35	30	27
Payable days	2	2	2	2
Working cap (% sales)	23.6	20.8	17.7	17.7
Gross debt/equity (x)	0.9	0.8	0.8	0.7
Net debt/equity (x)	0.6	0.6	0.3	0.3
Interest coverage (x)	4.2	5.4	6.8	7.2

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	37.8	23.9	17.1	13.8
Price/BV (x)	7.3	5.6	4.2	3.2
EV/EBITDA (x)	27.7	17.4	12.5	10.0
Dividend yield (%)	0	0	0	0

Source: Company and Nuvama estimates

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	(70.4)	58.5	39.3	24.6
RoE (%)	28.6	26.7	28.1	26.6
EBITDA growth (%)	154.2	62.2	36.1	25.2
Payout ratio (%)	0	0	0	0

Investment Rationale

- Robust volume-led growth plans with capacities in place to double production
- Advance gold scheme to free up working capital and improve gross margin
- Shift to gold metal loans to cut interest costs and boost PAT margins

Volume-led top-line growth aided by recent acquisitions, client adds

Sky Gold has had a strong growth trajectory with revenue from operations increasing to INR35.5bn in FY25 from INR1.8bn in FY16, a 39% CAGR. This growth is primarily driven by volumes increasing at a 15% CAGR (up from 1.4 tons per annum in FY16 to 4.8 tons per annum in FY25) anchored by its position as a leading B2B supplier to India's top jewellery retailers.

Organic growth

The foundation of Sky Gold's organic growth is its new manufacturing facility (on lease) in Navi Mumbai. This facility has significantly increased the company's monthly production capacity from 225kg to 750kg. Following recent acquisitions, the group’s total monthly capacity is now 1,200kg.

The new facility is larger and technologically advanced, equipped with German and Italian machinery, which allows for domestic production of intricate designs hitherto imported. This vertical integration fosters gross margin, cuts turnaround time and reduces dependence on external supply chains. Management has articulated a long-term vision to further scale up this monthly capacity to 4.5 tons post-FY27E, indicating the potential for future growth.

Inorganic growth: Targeted acquisition strategy

Sky Gold has leveraged bolt-ons to accelerate its strategy of becoming a one-stop solution for its B2B clients. Each acquisition has filled a white space in its product portfolio and manufacturing capabilities.

Starmangalsutra and Sparkling Chains (acquired in June 2024)

Deal structure: Sky Gold acquired 100% stakes in both entities for an aggregate consideration of ~INR500mn (Starmangalsutra: INR240mn; Sparkling Chains: INR260mn). Both these companies were promoter group companies. The transaction was structured as a share swap via a preferential issue of 417,542 equity shares at an issue price of INR1,197 per share (prior to 9:1 bonus issue).

Apart from this, the company has infused ~INR1.4bn total in both companies to fund the obligations as well as repay director loans to the tune of ~INR335mn on a net basis with the balance being used to fund growth.

Strategic rationale: These acquisitions provided SkyGold with specialised manufacturing capabilities in mangalsutras and gold chains—two high-volume product categories in the Indian market. This move allows it to capture a larger share of its existing customers' procurement budgets and enhance its value proposition. These two acquisitions added capacity of 300 kg per month taking the total capacity to 1,050kg per month

Financial impact: The acquired entities cumulatively generated INR3.7bn in turnover and INR18.2mn in PAT during FY24. The acquisitions are likely to be margin-accretive. Management has guided for 50–75bp expansion in the consolidated EBITDA margin and an increase in PAT margin to 3% (from 2.6% in FY24) within 12–18 months of the deal's completion, which management had achieved in FY25 with PAT margins coming in at 3.7%.

Valuation: The acquisition was carried out at a trailing valuation of 2.75x FY24 PAT. It was valuation-accretive, considering Sky Gold was then trading at 40x on trailing FY24 PAT. The company had combined revenue/PAT of INR6.27bn/INR215mn in FY25, thereby translating to a one-year forward valuation of ~2.3x on FY25 PAT.

Exhibit 7: Acquisition summary

Acquired Company	Date of Acquisition	Acquisition Cost (INR mn)	% shareholding	Business Specialization	Turnover (INR mn)	PAT (INR mn)	Total Debt (INR mn)
Starmangalsutra Private Limited.	Jun-24	240 (via Share Swap, acquired 200,334 shares at Rs1,197 each)	100%	Mangalsutra Jewellery	1,715 (FY24), 3,146 (FY25)	77 (FY24), 111 (FY25)	296 (FY24)
Sparkling Chains Private Limited	Jun-24	260 (via Share Swap, acquired 217,208 shares at Rs1,197 each)	100%	Gold Chains	2,009 (FY24), 3,129 (FY25)	105 (FY24), 104 (FY25)	326 (FY24)
Ganna N Gold Private Limited	H1 FY26	2,250 (via Share Swap)	100%	Machine-made & Handmade Bangles	349 (FY24) 870 (FY25)	44 (FY24) 71 (FY25)	

Source: Company, Nuvama Research

Speed Bangle Private Limited (erstwhile Ganna N Gold – H1FY26)

Deal structure: Sky Gold acquired 100% of Ganna N Gold for INR2.25bn—again through a share swap involving a preferential allotment of 6,095,074 equity shares at INR369 apiece (after a 9:1 bonus issue in Sky Gold). It recently renamed it Speed Bangle Private Limited.

Strategic rationale: This deal provided an entry into the specialised and technically demanding machine-made and handmade bangles segment. Furthermore, the company is into new-age Italian Jewellery, which very few players manufacture in the country currently. Ganna N Gold's business model, which includes a zero-inventory setup and a lower corporate tax rate of 15% under Section 115BAA, made it an attractive target. The acquisition added monthly capacity of 150kg.

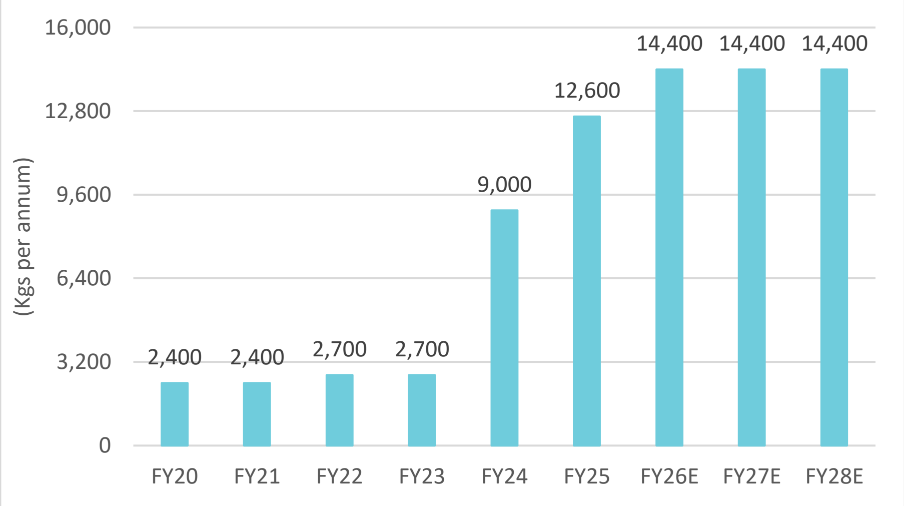
This capacity enhancement provides substantial headroom for volume growth without the need for immediate, large-scale capital outlay. Alongside, the company made three acquisitions namely, Sparkling Chains, Star Mangalsutra, Ganna and Gold, expanding product categories and improving the capacity to 1,200kg per month.

Sky Gold acquired Ganna N Gold at 32x PE (trailing) and is at about 11.8x on FY26 (management estimates).

This enhanced capacity allows the company to:

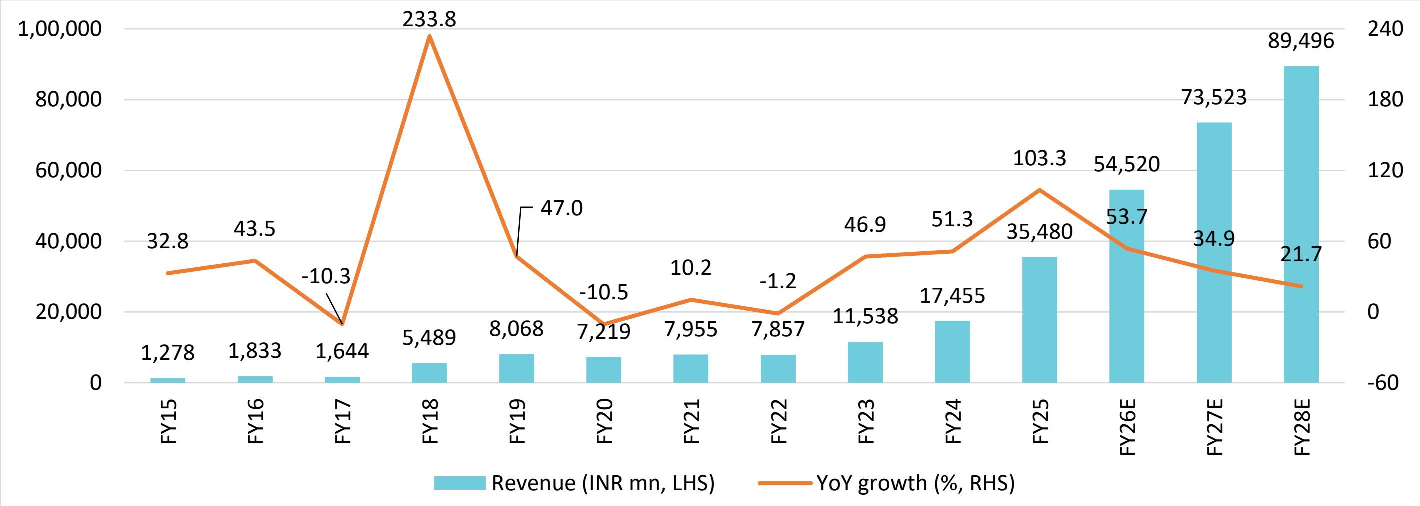
1. deepen relationships with existing anchor clients such as Malabar Gold & Diamonds, Kalyan Jewellers, Joyalukkas, Senco and Caratlane;
2. onboard new large-format retailers, further diversifying its client base; and
3. capitalise on the ongoing formalisation of the Indian jewellery industry, where organised players are gaining market share.

Exhibit 8: Capacity shoots up post-acquisitions



Source: Company, Nuvama Research

Exhibit 9: Robust revenue growth momentum



Source: Company, Nuvama Research

Advance scheme to free up working capital and enhance margins

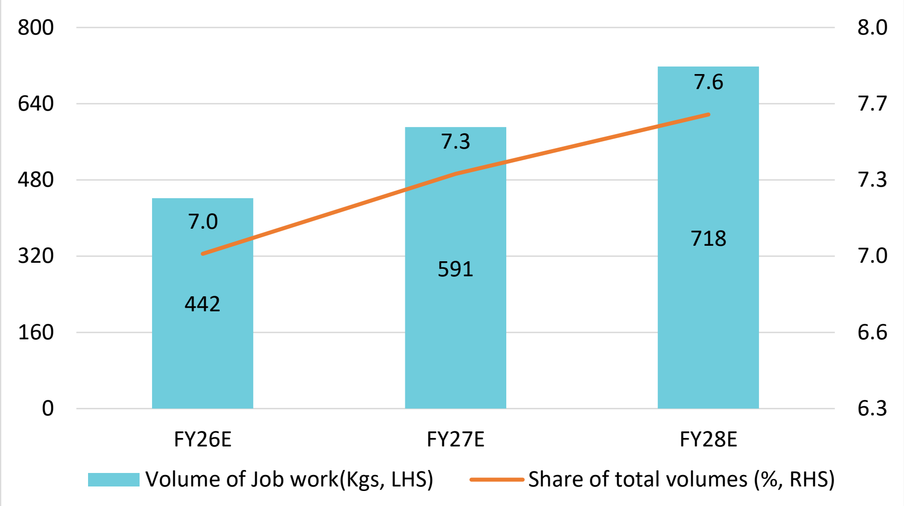
A key strategic initiative is the company's customer advance gold scheme. Under this model, customers pay for gold in advance, effectively creating a negative working capital cycle for that portion of the business. By Q1FY26, Sky Gold had achieved about 5% of total volumes under this business model.

The dual benefits of this scheme are significant:

- **Working capital efficiency**: Gold received in advance significantly frees up capital, lowers leverage and improves balance sheet quality. A higher proportion of sales through this channel would lead to a marked improvement in the company's cash conversion cycle.

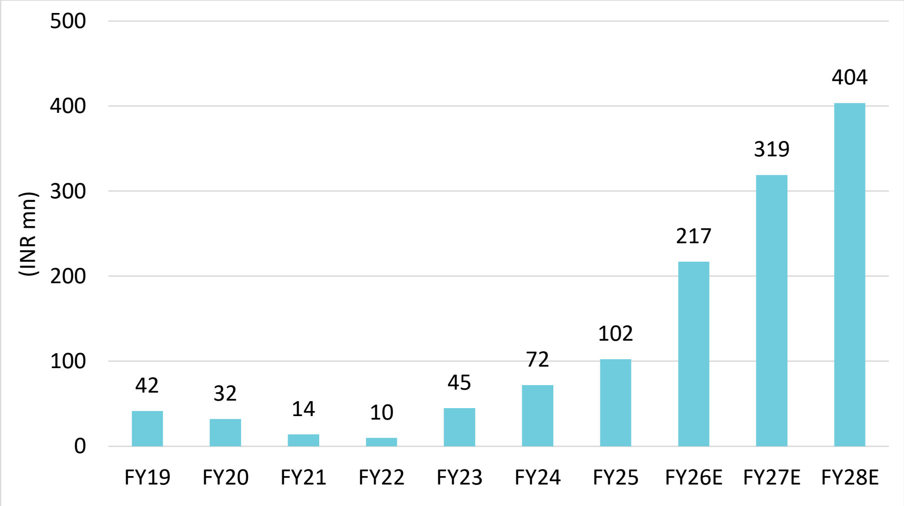
- **Gross margin accretion:** Under this model, the company only books the processing fee as revenue (5–5.5%), which has a 100% flow through from gross margin and hence significantly margin-accretive. As the share of the advance gold scheme business increases with better developing relations with the newly signed up 'big-box' retailers such as Caratlane and Aditya Birla's Novel, the proportion of this business shall significantly improve. We are forecasting a 41bp pickup in gross margin primarily due to an improving mix of advance gold.

Exhibit 10: Projected ramp-up of advance gold business model



Source: Company, Nuvama Research

Exhibit 11: Expansion of advance gold/job work business



Source: Company, Nuvama Research

Shift to gold metal loans to reduce interest costs

Historically, Sky Gold has relied on traditional cash credit (CC) limits from banks to finance its gold inventory. The company is now actively transitioning towards Gold Metal Loans (GML), a more cost-effective financing instrument specific to the jewellery industry.

The economic advantage is clear.

- **Cash credit (cc) interest rates:** Typically priced between 9% and 11%.
- **Gold metal loan (GML) interest rates:** Typically priced between 3% and 4%.

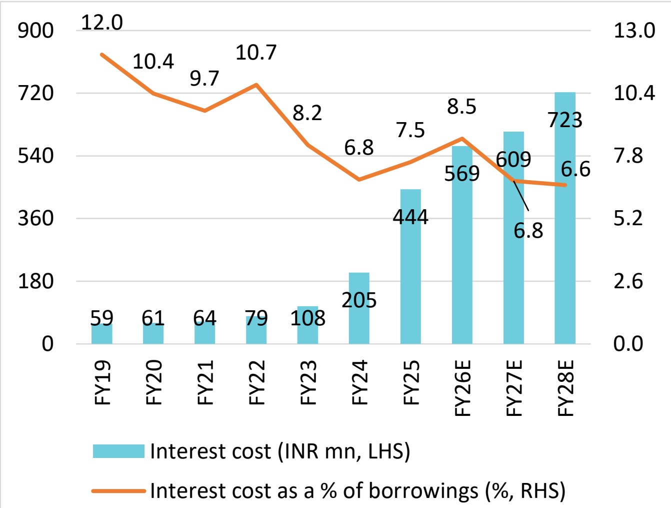
This transition from high-cost cash debt to low-cost commodity debt shall have a direct and material impact on the company's finance costs. Management is planning a transition of ~80% of inventory procurement through gold metal loan financing, which would lead to significant savings on the average borrowing costs for the company, thereby improving the PAT profile.

Exhibit 12: Shift in borrowing mix towards GML

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Short term borrowings excluding GML	490	586	661	739	1,311	2,811	5,885	5,316	6,175	6,657
GML						203		1,365	2,834	4,310
Total borrowings	**490**	**586**	**661**	**739**	**1,311**	**3,014**	**5,885**	**6,681**	**9,010**	**10,967**
Mix (%)										
Short term borrowings excluding GML	100%	100%	100%	100%	100%	93%	100%	80%	69%	61%
GML						7%	0%	20%	31%	39%

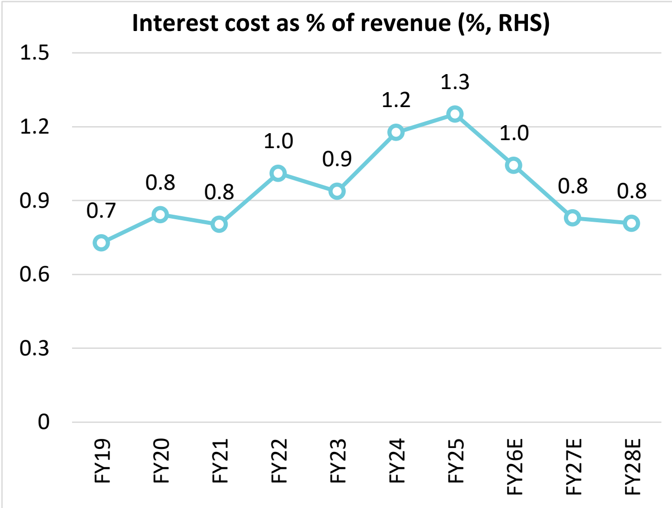
Source: Company, Nuvama Research

Exhibit 13: Borrowings cost slips due to shift towards GML…



Source: Company, Nuvama Research

Exhibit 14: …with benefits translating to P&L



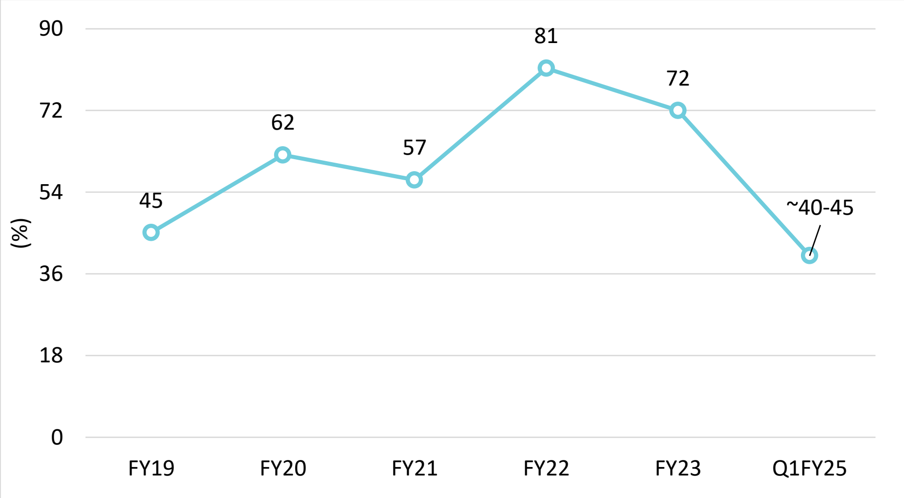
Source: Company, Nuvama Research

Valuation

We are valuing the company at 20x TTM Sep-27E earnings. We arrive at the target multiple/valuation considering the below-mentioned factors:

i) **High customer concentration warrants discount to gold retailers:** Sky Gold has significant dependence on a few clients. Top-ten customers have been contributing more than 70% to the business as on FY23, which has come down to the range of 40–45% as on Q1FY25 and is on a downward trend as recent new signings start to scale up. Top-five customers account for over 50% while Top-three customers would be contributing anywhere close to 25–30% of the business. Loss of one or more of these key clients could affect its financial performance.

Exhibit 15: Contribution from Top-ten clients



Source: Company, Nuvama Research

ii) **Sky Gold's free cash flow (FCF) is weak** even after adjusting for inventory changes. To fuel its rapid volume expansion, the company has had to raise INR5.5bn in external capital over the last three years (INR4bn in equity and INR1.5bn in debt). This external funding combined with INR2.1bn in internal cash profit was primarily consumed by INR3.2bn growth in inventory and INR4.1bn increase in accounts receivable. This persistent reliance on third-party funding to support working capital and growth warrants a valuation discount.

iii) Considering the above factors, we are ascribe the stock a target PE of 20x on TTM Sep-27E earnings (~15% discount to mid-sized jewellers).

Exhibit 16: Key valuation metrics

	FY20-25 CAGR (%)			FY25-FY28 CAGR (%)					
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	ROE (%)	ROCE (%)	5-year average 2 year Blended Forward P/E multiple
Titan	23%	18%	17%	18.0%	22.3%	27%	31.8	14.4	55
Kalyan	20%	15%	38%	24.1%	25.9%	35%	15.9	9.8	27
Senco	21%	10%	12%	17.9%	27.0%	34%	9.6	7.3	22
PN Gadgil	25%	27%	52%	19.5%	31.2%	29%	20.9	15.6	20

Source: Company, Nuvama Research

Exhibit 17: Valuation summary

	Period	
PAT	H1FY28	3,299
Multiple		20
Target MCap		65,986
Number of equity shares		147
Target price		**450**
CMP		342
Upside		**32%**

Source: Company, Nuvama Research

Financial Outlook

- Revenue to compound at 36% with a 25% volume CAGR fuelling growth
- EBITDA margin improvement of 53bp over FY25–28E over improving product mix
- PAT margin improvement of 36bp over FY25–28E driven by higher flow-through from EBITDA and savings in borrowing cost
- RoCE profile to improve marginally driven by improving working capital turns.

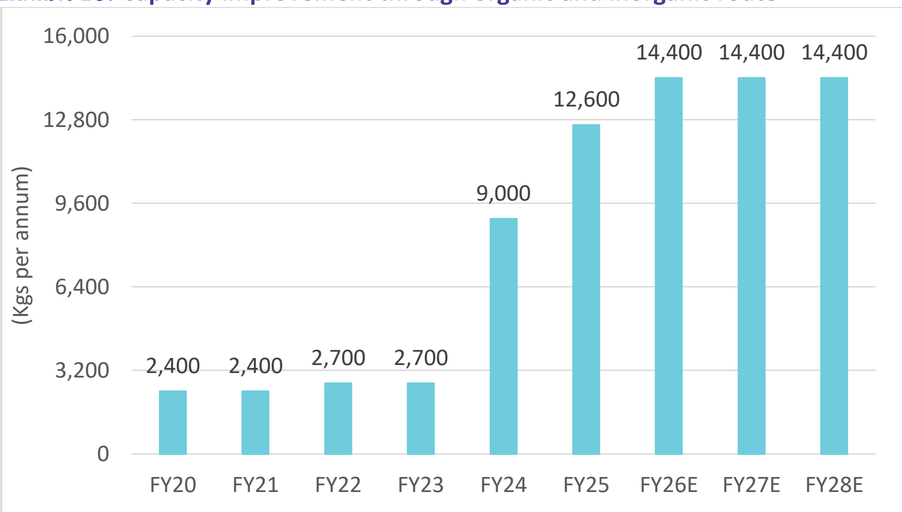
Revenue to compound at 36% with a 25% volume CAGR fuelling growth

Sky Gold in the past has been able to maintain a 39% revenue CAGR over FY15–25 against an estimated volume CAGR of 26%. This growth was fuelled primarily by organic expansion and partly by inorganic growth, which included the acquisition of the StarMangalsutra and Sparkling chains in FY25.

The organic growth was largely fuelled by two factors: the acquisition of new clients and elevated demand from existing retailers. The addition of new and large clients—such as Caratlane and Aditya Birla's jewellery division (Novel) on the 'big-box' retail side—as well as numerous small regional chains (ranging from four to 50 stores) drove a key part of this expansion. Simultaneously, demand from the existing clientele surged due to the rapid store expansion spree by major retailers, including Malabar, Kalyan, Joyalukkas, Senco, Lalitha, Thangamayil and PN Gadgil.

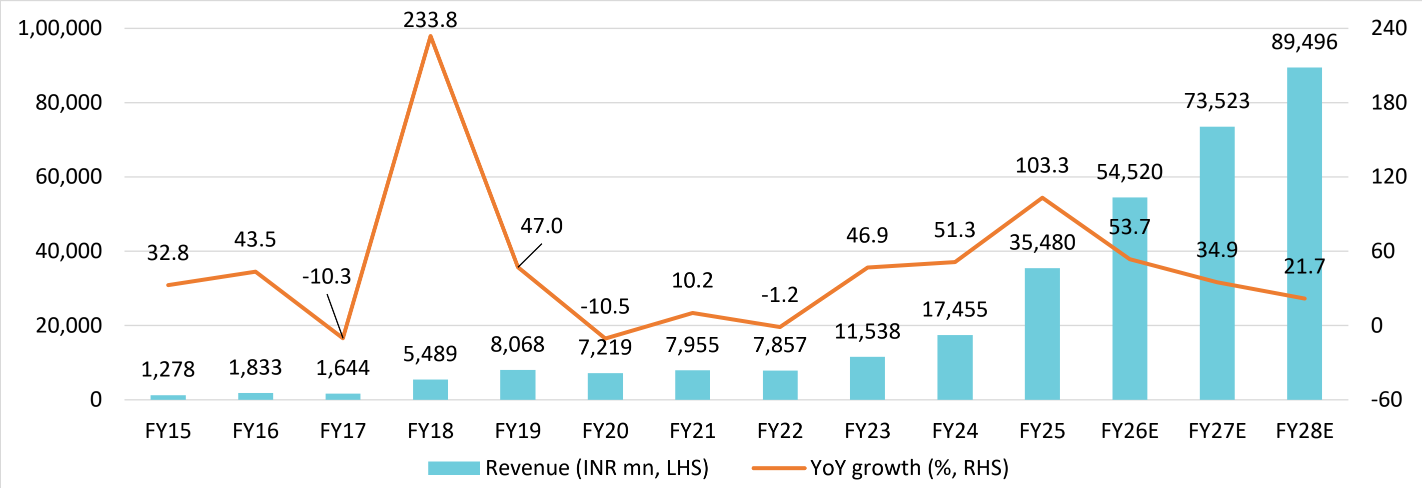
This store growth, combined with jewellers' increased investments in inventory per store, to account for rising gold prices, provided a significant tailwind for Sky Gold's organic expansion.

Exhibit 18: Capacity improvement through organic and inorganic route



Source: Company, Nuvama Research

Exhibit 19: Robust consolidated revenue growth momentum



Source: Company, Nuvama Research

Exhibit 20: Acquisition summary

Acquired Company	Date of Acquisition	Acquisition Cost (INR mn)	% shareholding	Business Specialization	Turnover (INR mn)	PAT (INR mn)	Total Debt (INR mn)
Starmangalsutra Private Limited	Jun-24	240 (via Share Swap, acquired 200,334 shares at Rs1,197 each)	100%	Mangalsutra Jewellery	1,715 (FY24), 3,146 (FY25)	77 (FY24), 111 (FY25)	296 (FY24)
Sparkling Chains Private Limited	Jun-24	260 (via Share Swap, acquired 217,208 shares at Rs1,197 each)	100%	Gold chains	2,009 (FY24), 3,129 (FY25)	105 (FY24), 104 (FY25)	326 (FY24)
Ganna N Gold Private Limited	H1FY26	2,250 (via Share Swap)	100%	Machine-made and Handmade bangles	349 (FY24) 870 (FY25)	44 (FY24) 71 (FY25)	

Source: Company, Nuvama Research

Exhibit 21: Retailers' compelling growth a distinct tailwind for Sky Gold

Store count	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR FY19-25
Titan#	320	369	397	444	541	665	768	15.7%
Kalyan	137	144	146	154	182	253	388	18.9%
Senco*			112	127	136	159	179	12.4%
PN Gadgil	23	26	28	32	34	36	54	15.3%
Thangamayil	39	43	43	47	51	53	60	7.4%
Average Inventory per store (INR mn)	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**CAGR FY19-25**
Titan#	230	235	220	324	337	316	393	9.4%
Kalyan	349	336	366	386	417	381	302	-2.4%
Senco*			93	110	139	155	184	18.7%
PN Gadgil	299	333	290	302	245	347	459	7.4%
Thangamayil	142	138	151	167	200	229	350	16.2%
Average revenue per store (INR mn)	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**CAGR FY19-25**
Titan#	587	539	502	620	770	824	923	7.9%
Kalyan	757	719	591	721	838	853	781	0.5%
Senco*			457	559	580	624	646	9.0%
PN Gadgil	1,147	1,123	864	850	1,192	1,460	1,484	4.4%
Thangamayil	431	407	413	423	487	643	736	9.3%
Average gold rate (INR/gram)	**3,699**	**4,797**	**4,803**	**5,272**	**6,061**	**7,574**	**9,504**	**17.0%**

Source: Company, Nuvama Research

*#: Revenue and Inventory data for Titan is considered for the entire business, *: CAGR for Senco is calculated from FY21*

Exhibit 22: Key organised players: Growth in purchases/manufacturing

COGS (A)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR FY19-25
Titan Standalone	1,39,872	1,45,120	1,57,690	2,06,580	2,90,460	3,69,420	4,37,400	20.9%
Kalyan Standalone		64,549	60,841	76,693	97,740	1,34,915	1,88,815	23.9%
Senco	21,111	19,961	22,854	29,805	34,219	44,401	54,765	17.2%
P N Gadgil	22,046	21,844	17,454	23,055	41,454	55,982	69,898	21.2%
Thangamyil	12,903	14,814	15,928	19,749	28,164	34,198	44,127	22.7%
DP Abhushan	7,539	7,436	11,324	16,110	18,413	21,771	30,449	26.2%
Malabar	1,26,849	1,49,042	2,26,945	2,99,306	3,77,959	4,59,162		29.3%
Change in Inventory (B)								
Titan Standalone	9,700	10,218	2,430	48,030	21,650	19,220	76,430	
Kalyan Standalone		772	7,524	3,575	9,682	10,266	8,274	
Senco	316	2,187	-476	3,518	4,942	5,716	8,422	
P N Gadgil	1,260	1,079	-1,172	653	-1,067	3,620	10,620	
Thangamyil	281	599	853	1,008	2,323	2,069	7,893	
D.P. Abhushan	369	451	903	302	-42	1,083	2,675	
Malabar	876	5,177	4,951	7,591	14,823	13,452		
Goods purchased/manufactured (A+B)								
Titan Standalone	1,49,572	1,55,338	1,60,120	2,54,610	3,12,110	3,88,640	5,13,830	22.8%
Kalyan Standalone		65,321	68,365	80,268	1,07,422	1,45,180	1,97,088	24.7%
Senco	21,426	22,148	22,378	33,323	39,161	50,116	63,188	19.8%
P N Gadgil	23,306	22,923	16,282	23,709	40,388	59,602	80,519	23.0%
Thangamyil	13,184	15,413	16,781	20,757	30,487	36,267	52,020	25.7%
D.P. Abhushan	7,908	7,887	12,227	16,413	18,371	22,854	33,125	27.0%
Malabar	1,27,725	1,54,219	2,31,896	3,06,897	3,92,782	4,72,614		29.9%
Absolute increase in goods purchased/manufactured YoY								
Titan Standalone		5,767	4,782	94,490	57,500	76,530	1,25,190	
Kalyan Standalone			3,045	11,902	27,155	37,758	51,908	
Senco		722	229	10,946	5,838	10,955	13,072	
P N Gadgil		-383	-6,641	7,426	16,679	19,214	20,917	
Thangamyil		2,229	1,368	3,976	9,730	5,780	15,753	
D.P. Abhushan		-21	4,340	4,186	1,959	4,483	10,271	
Malabar		26,494	77,677	75,001	85,885	79,832		
Total Change		**34,808**	**84,800**	**2,07,927**	**2,04,746**	**2,34,551**	**2,37,111**	

Source: Company, Nuvama Research

Exhibit 23: Growth in volume of organised players

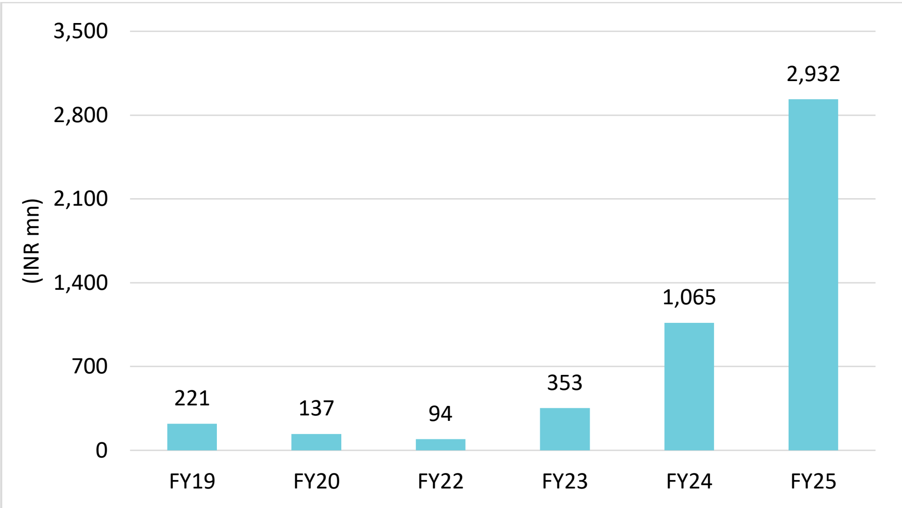
	FY18	FY20	FY21	FY22	FY23	FY24	CAGR FY18-FY24
Jewellery + Bar and Coin consumption (Tonnes)	760.4	446.4	797.3	774.1	761.0	802.8	0.9%
Organised	30%	32%	33%	34%	37%	37%	
Unorganised	70%	68%	67%	66%	63%	63%	
Organised Volume	228.1	142.8	263.1	263.2	281.6	297.0	4.5%
Unorganised volume	532.3	303.5	534.2	510.9	479.4	505.8	-0.8%

Source: WGC, PNG DRHP, Nuvama Research

The company's share of exports in total revenue has moved to 8.3% in FY25 from 2.7% in FY19. To further enhance its visibility in the international market as well as secure gold for the international markets at a competitive rate, Sky Gold recently opened a sales and sourcing office in Dubai.

Management aims to take the share of exports to 20% by end-FY27. The company already has a pipeline of scaling up the exports to 150–200kg per month by end-FY26E. Another advantage of the model is that Sky Gold receives a significant chunk in the form of advance, which in turn reduces upfront investment in processing orders, thereby greatly improving the RoCE profile.

Exhibit 24: Ramp-up of export business



Source: Company, Nuvama Research

The company has mentioned that it does get a differential +0.5% gross margin in exports primarily due to pricing difference in international gold markets, particularly in the UAE, where the company is setting up a front office, and local markets.

Developments on export orders

The company has recently signed up a strategic customer in Malaysia and has confirmations on orders, which would gradually scale up to 200kg per month by year-end. Engagement with the customer has started with a pilot order of 60kg. For this client, Sky Gold shall receive advance for gold purchases and thus will save up working capital investment and cut cost as well. This business itself will translate to 2,400kg (200*12) growth in FY27E apart from other growth levers in place.

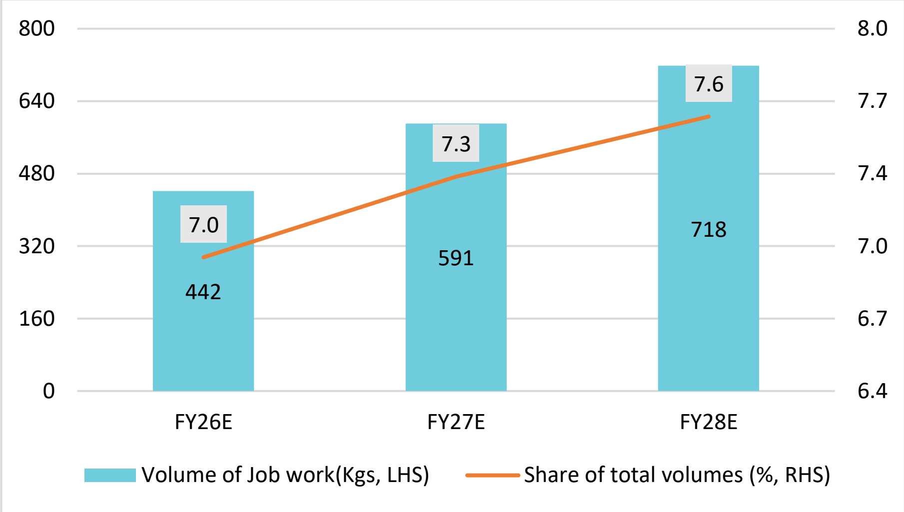
While we have built in gradual growth in overall volumes, the actual ramp-up of these exports shall influence our overall volume estimates and pose an upside risk on execution.

The company is also slowly ramping up the advance gold business, wherein the retailer provides the gold on the job work and the company processes the gold into jewellery. A few ‘big-box’ retailers such as Caratlane, Aditya Birla’s jewellery arm (Novel) and Reliance Jewels follow this model. This model does not need any heavy working capital investment (in inventory and receivables) by the company as gold, which forms majority of the investment, and the cost is taken care of by the retailer.

For this, Sky Gold records only the service fees of 5–5.5% depending on the terms with the retailer; however, this service fees—revenue from job work—has a 100% flow-through to gross margin given that the cost of gold is borne by the retailer. This business is particularly margin-accretive. Accordingly, an increasing proportion of this business shall improve the overall margin trajectory of the business.

At present, 5% of its total volume processed for the quarter is under advance gold business model and Sky Gold plans to ramp this up to more than 10% by FY27E.

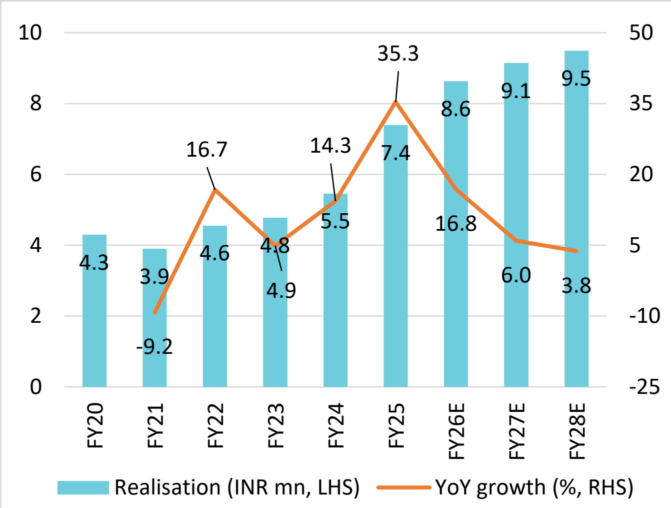
Exhibit 25: Increasing contribution of advance gold business model



Source: Company, Nuvama Research

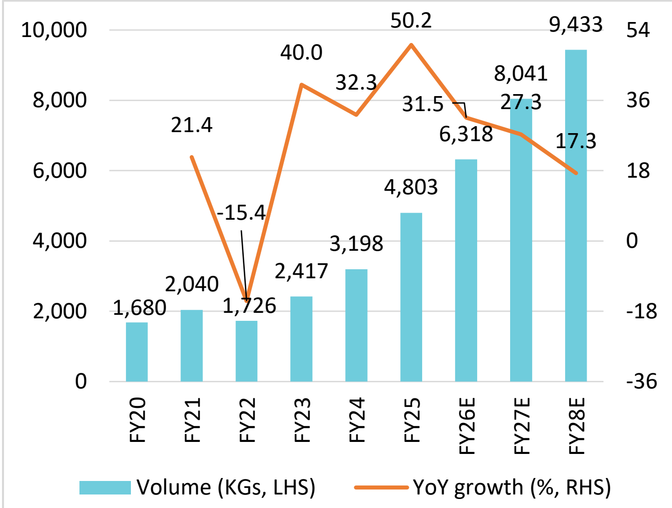
Given continued investments by retailers on store network expansion along with the company on-boarding new clients, both domestic and export, and improving capabilities of Sky Gold backed by recent acquisitions, we forecast a revenue a CAGR of 36% over FY25–28E driven by a solid volume CAGR of 25% and the balance driven by improvement in realisations.

Exhibit 26: Rising gold prices and better mix lift realisation



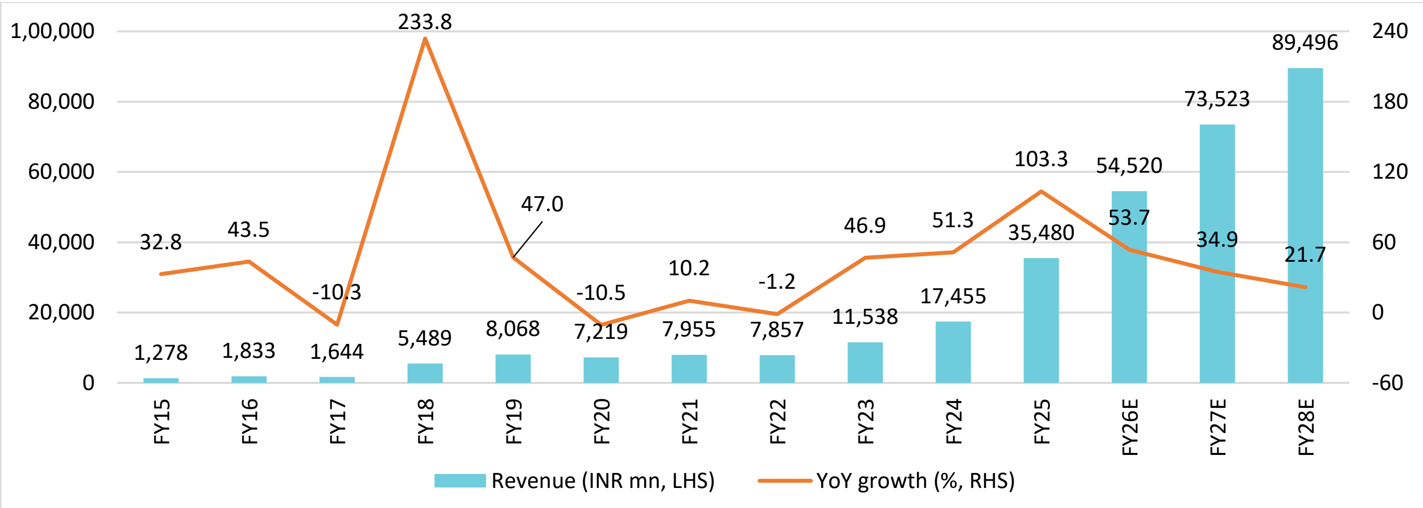
Source: Company, Nuvama Research

Exhibit 27: Volume growth led by retailers, client-adds



Source: Company, Nuvama Research

Exhibit 28: Revenue growth driven by improving realisations and volume

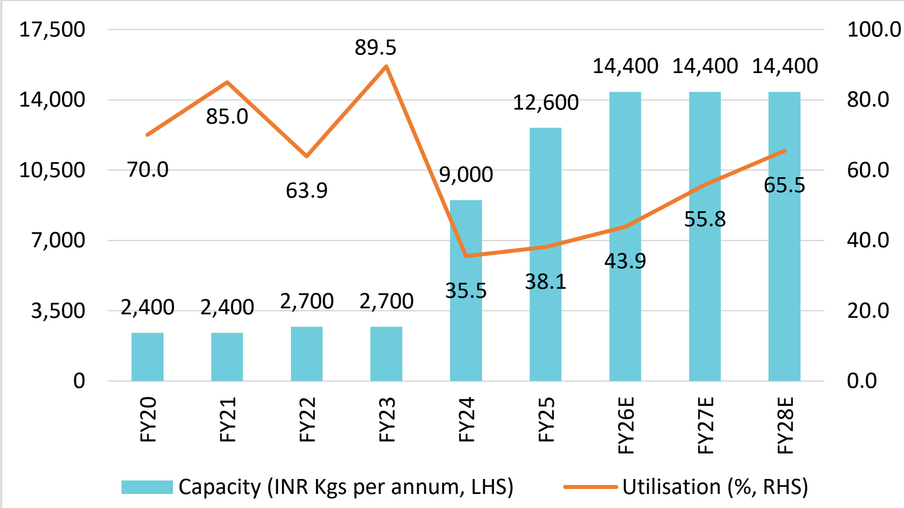


Source: Company, Nuvama Research

The company had transitioned to its new facility in Navi Mumbai (81,000 sq. ft.)—from Mulund (25,000 sq. ft.) in Aug-23 as it had sweated out the capacity and had visibility of higher demand given ongoing expansion of retailers. The jump in capacity was significant from ~200kg/month to 750kg/per month.

Furthermore, the company's recent acquisitions of Sparkling Chains and Star Mangalsutra added capacity of 300kg/month, taking the total to 1,050kg/month. The company also recently acquired the business of Speed Bangles Private Limited (Ganna and Gold was recently renamed to Speed Bangles), which has the capacity of another 150kg/month. The total capacity is now at 1,200kg/month. The acquisitions were done with a view to enhance capabilities in a particular product or gain access to a specific type of clientele.

Exhibit 29: Capacity utilisation trends



Source: Company, Nuvama Research

Sky Gold is currently working out of rented premises in Navi Mumbai. That said, it has procured land worth INR1bn for its next phase of expansion planned post-FY28. The new capacity enhancement will entail a further investment of INR2.5bn and take the processing capacity to upwards of ~4 tonnes/month from the current 1.2 tonnes per month (spread over 500,000 sq. ft. from current 81,000 sq. ft.).

The rationale for shifting to own premises can also be understood from efficiencies that can be built in a system as the company would design and build the facility from scratch and arrest gold wastage, which in itself would fund the facility's cost over its life. The added advantage of the owned setup is higher trust of the 'big-box' retailers in increasing the share of advance gold business. Furthermore, it could use the property as collateral for getting bank credit.

We are building in a volume CAGR of 25% and realisation improvement of 9% CAGR over FY25–28E, translating to a 36% revenue CAGR.

Margin improvement

SkyGold used to record a gross margin of sub-5% during FY15–23, wherein the product mix was mainly tilted towards traditional offerings with relatively low margins along with higher gold metal loss in processing.

- **Baseline loss (prior to FY22–23):** Historically, when processing 100 gram of gold, initial losses were ~5% to 6%. After recovery efforts, the net loss was typically reduced to 2–2.5%.
- **Strategic focus on gold loss reduction (FY23 onwards):** Management prioritised reducing gold loss as a core strategy for improving operational efficiency and gross margin. This focus was formalised with the shifting of operations to a larger, technologically advanced facility in Navi Mumbai (81,000 sq. ft).
    - New German and Italian machinery and cutting-edge filtration equipment were ordered and installed, specifically aimed at minimising gold loss during production.
    - The company also began implementing an ERP system, which is designed to allow for close monitoring and tracking of gold loss.
    - Experts were hired to optimise production, including minimising gold loss in the manufacturing process.

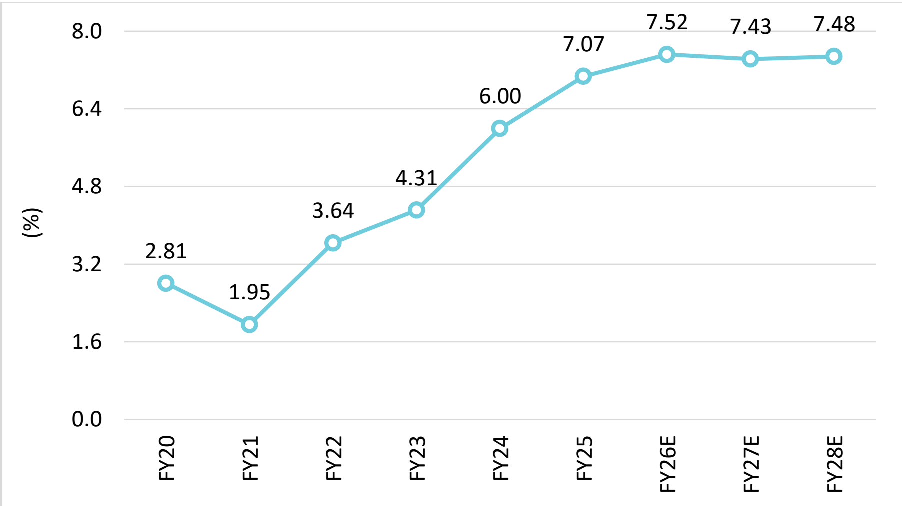
- **Recent improvement (FY24–25):** The efforts culminated in tangible results.
  - Management reported that since the arrival of the professional responsible for ERP implementation and gold loss reduction, gold loss has halved.
  - Lower gold loss is cited as a factor driving gross margin expansion. The gross profit (GP) percentage improved from 4.3% in FY23 to 7.1% in FY25.
  - Consolidating operations at the new large Navi Mumbai facility is also likely to further reduce gold loss percentages.

Going ahead, the company's increasing mix towards advance gold model (100% gross margin business) and exports business (+0.5% to average gross margins) shall enhance gross margin hereon. We are building in an improvement in gross margin of 41bp over FY25–28E based on an improvement in share of advance gold model and export business.

Sky Gold has also recently started catering to the lower karatage gold products along with lightweight gold jewellery in 22 karat gold, such as 20 karat, 18 karat, 9 karat and so on along with focus on improving the studded mix. All of these products as well carry higher margins and would be margin-accretive.

In Q1FY26, the company had volume contribution of 7% from 18-karat jewellery and studded mix will be 0.7–1%. The company does a mix of products in the 18 karat gold jewellery including the Rose gold and White gold category, which command higher margins comparatively.

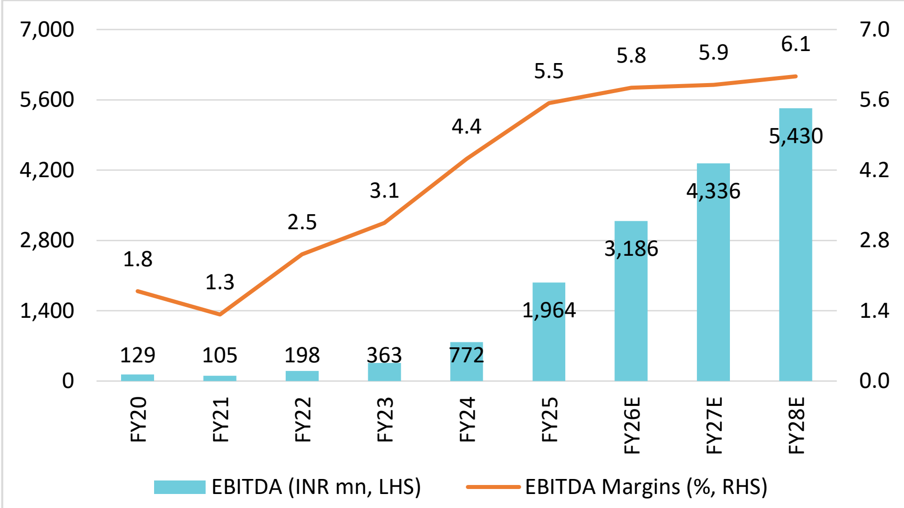
Exhibit 30: Gross margin trend



Source: Company, Nuvama Research

EBITDA margin improvement would mostly flow through from gross margin improvement along with uptick in operating leverage, which shall lead to an improvement in EBITDA margin by 53bp to 6.1%.

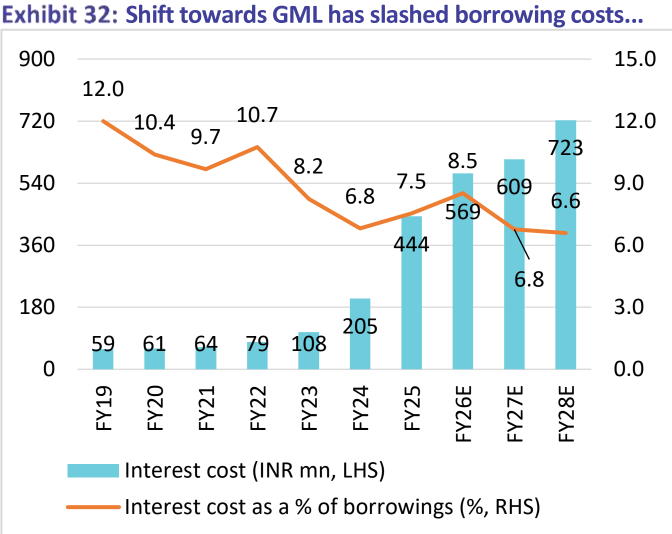
Exhibit 31: EBITDA trends



Source: Company, Nuvama Research

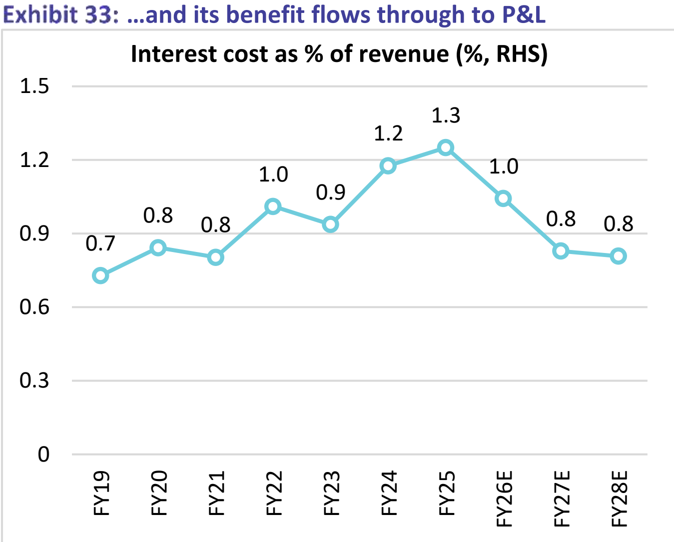
We are building in improvement in interest cost based on a change in borrowings mix due to increased use of gold metal loan (GML) to fund inventory purchases as that will serve a dual purpose of funding the working capital and acting as a hedging tool. GML also comes at a lower cost of 3–4% yearly compared with the traditional working capital borrowing cost, which is 9–12% yearly.

Exhibit 32: Shift towards GML has slashed borrowing costs…



Source: Company, Nuvama Research

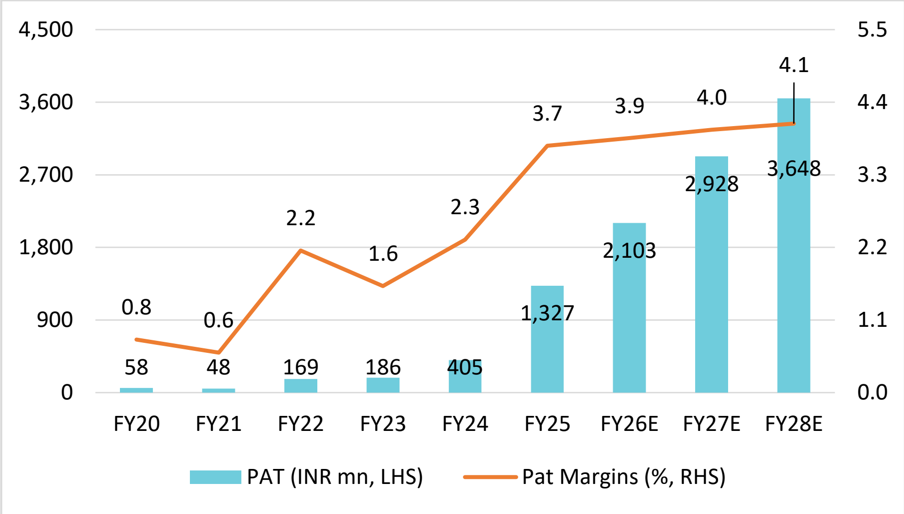
Exhibit 33: …and its benefit flows through to P&L



Source: Company, Nuvama Research

Overall, we are building in PAT margin improvement of 36bp over FY25–28E primarily driven by improved flow-through from EBITDA and savings in interest cost.

Exhibit 34: PAT trend



Source: Company, Nuvama Research

We are building in a reduction in overall working capital days driven by:

i) improved terms of business with existing clients; and

ii) a reduction in overall inventory days due to a higher contribution of advance gold model and exports (entailing advances against orders).

Exhibit 35: Improvement in working capital days driven by increasing share of advance gold business

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Inventory	423	339	683	744	852	2,661	3,969	5,462	7,086	8,620
Debtors	303	466	234	436	670	1,021	4,522	5,975	6,043	7,356
Creditors	1	10	1	14	15	43	260	276	373	454
Core working capital	**725**	**795**	**917**	**1,165**	**1,508**	**3,639**	**8,231**	**11,160**	**12,756**	**15,523**
Inventory days on COGS	20	18	32	36	28	59	44	40	38	38
Debtors days on Sales	14	24	11	20	21	21	47	40	30	30
Creditors days on COGS	0	1	0	1	0	1	3	2	2	2
Working capital days	**33**	**41**	**43**	**55**	**49**	**80**	**88**	**78**	**66**	**66**

Source: Company, Nuvama Research

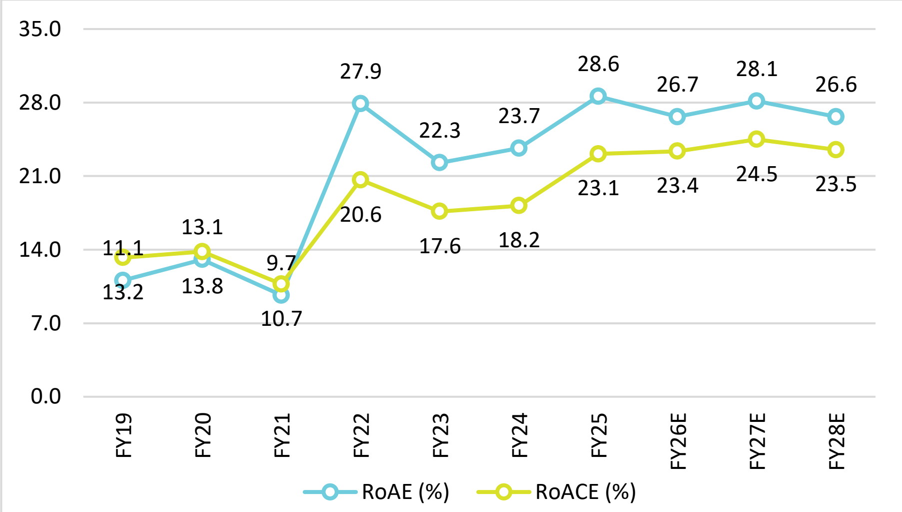
Exhibit 36: DuPont Analysis

DU Pont Analysis	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Net Profit margin (A)	0.4	0.8	0.6	2.2	1.6	2.3	3.7	3.9	4.0	4.1
Asset turnover (B)	10.3	7.3	6.8	5.5	5.6	4.2	3.7	3.7	3.9	3.7
Leverage (C)	2.8	2.2	2.3	2.4	2.4	2.4	2.0	1.9	1.8	1.8
ROAE (%) [(A)*(B)*(C)]	**11.0**	**13.0**	**9.7**	**27.9**	**22.3**	**23.7**	**28.6**	**26.7**	**28.1**	**26.6**

Source: Company, Nuvama Research

Despite the capital-intensive nature of its growth, Sky Gold has maintained a solid return profile. Return on equity (RoE) has been robust, ranging between 21% and 29% over the past four years. Similarly, return on capital employed (RoCE) has been in the 17–24% range.

Exhibit 37: RoCE and RoE profile



Source: Company, Nuvama Research

Exhibit 38: Financing profile

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity	416	475	523	692	981	2,441	6,838	8,941	11,869	15,516
Gross Debt	490	586	733	913	1,459	3,190	6,049	6,845	9,174	11,131
Net Debt	477	582	728	899	1,275	2,423	3,240	4,514	3,314	3,306
Gross Debt: EBITDA	4.8	4.5	6.9	4.6	4.0	4.1	3.1	2.1	2.1	2.1
Net Debt: EBITDA	4.6	4.5	6.9	4.5	3.5	3.1	1.6	1.4	0.8	0.6
Gross Debt/Equity	1.2	1.2	1.4	1.3	1.5	1.3	0.9	0.8	0.8	0.7
Net Debt/Equity	1.1	1.2	1.4	1.3	1.3	1.0	0.6	0.6	0.3	0.3
Interest coverage ratio	1.7	2.0	1.6	2.4	3.2	3.5	4.2	5.4	6.8	7.2

Source: Company, Nuvama Research

The increase in trade receivables in FY25, particularly towards the end of the year, was a result of a combination of aggressive sales strategies (extending the collection period by seven–ten days), a surge in gold prices and the timing of major festival orders (Akshaya Tritiya and Gudi Padwa).

Exhibit 39: Cash flow summary

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBT	75	61	61	217	250	541	1,742	2,841	3,957	4,929
Depreciation	5	5	4	8	14	64	107	139	169	216
Operating profit before WC	127	127	103	192	360	777	1,978	3,186	4,336	5,430
Change in Inventory	-175	84	-344	-61	-109	-1,809	-961	-1,493	-1,624	-1,535
Change in Receivables	-7	-163	232	-201	-235	-351	-3,191	-1,453	-68	-1,313
Change in Payables	1	9	-10	14	1	29	154	17	97	81
Net change in WC	-175	39	-31	-43	-353	-2,015	-4,346	-3,000	-1,668	-2,827
OCF	**-133**	**153**	**114**	**203**	**7**	**-1,239**	**-2,369**	**186**	**2,668**	**2,603**
Tax paid	-19	-14	19	33	-71	-142	-363	-739	-1,029	-1,282
OCF (after tax)	**-133**	**153**	**114**	**203**	**-65**	**-1,381**	**-2,732**	**-553**	**1,639**	**1,321**
Capex	-4.2	3	27	6	-23	-227	-143	-200	-200	-1,000
Free cash flow	**-137**	**155**	**142**	**209**	**-88**	**-1,608**	**-2,875**	**-753**	**1,439**	**321**
Free cash flow before inventory investment (A)	**38**	**116**	**172**	**252**	**265**	**407**	**1,471**	**740**	**3,064**	**1,856**
PAT (B)	**30**	**58**	**48**	**169**	**186**	**405**	**1,327**	**2,103**	**2,928**	**3,648**
Cash Conversion ex of inventory investment [(A)/(B)]	**1.24**	**2.00**	**3.57**	**1.49**	**1.42**	**1.01**	**1.11**	**0.35**	**1.05**	**0.51**

Source: Company, Nuvama Research

Key Risks

Working capital stress and negative operating cash flow

A significant red flag is Sky Gold's inability to generate positive cash flow from its core business operations despite reporting substantial revenue growth. This indicates that the sharp growth has been capital-intensive. Any further run-up in gold prices would add to the working capital strain.

Persistent negative cash flow from operations (CFO): CFO has stayed consistently negative, worsening substantially to negative INR2.7bn in FY25 from negative INR1.4bn in FY24. This deterioration stems primarily from two factors: the rapid increase in gold prices and the company's efforts to drive organic volume growth.

Deteriorating working capital cycle: The net working capital cycle elongated significantly to 64 days in FY25, up from 56 days in FY24 and 43 days in FY23. This was driven by a sharp increase in inventory days and a rise in debtor days. An expanding working capital cycle puts a strain on liquidity and requires continuous external funding to support operations.

Operational and financial risks

High customer concentration: Sky Gold has a significant dependence on a small number of clients. Top-ten customers have been contributing more than 70% to the business on average until FY23. The same has been trending downwards with the scale up of newer clients. At the same time, Top three clients have been contributing 25–30% of the business. The loss of one or more of these key clients could affect the company's financial performance.

Low profitability margins: The business operates on structurally thin margins due to its B2B model and the competitive nature of the industry. The company's five-year average EBITDA margin is a low 3.4%. While the recent performance shows improvement, the inherent low-margin nature of the business provides little cushion against operational or financial headwinds.

Company Description

Sky Gold's history demonstrates its rapid evolution within the Indian jewellery sector. Founded as a partnership firm in 2005 and formally incorporated in 2008, the company was established by the Chauhan family with a primary focus on designing and manufacturing 22-karat casting-based gold jewellery.

Manufacturing facilities

The company has significantly scaled up manufacturing capabilities. Initially operating from a 2,740 sq. ft. facility in Mulund (Mumbai), Sky Gold has transitioned to a modern, 1,30,000 sq. ft. advanced rented facility in Navi Mumbai. This new hub is equipped with German and Italian machinery, enabling the domestic production of intricate designs that were previously imported.

This expansion has increased the standalone production capacity from 225kg/month to 750kg/month. Following its recent acquisitions, total group capacity is now at 1,200kg per month, with a long-term target to scale up to 4.5 tons/month post-FY27E.

Strategic acquisitions

Sky Gold has embedded M&A in its strategy to accelerate its journey of becoming a comprehensive B2B solutions provider. Each acquisition has been targeted to fill specific gaps in its product portfolio.

The two promoter entities were merged at favourable valuations.

Exhibit 40: Acquisition summary

Acquired Company	Date of Acquisition	Acquisition Cost (INR mn)	% shareholding	Business Specialization	Turnover (INR mn)	PAT (INR mn)	Total Debt (INR mn)
Starmangalsutra Private Limited	Jun-24	240 (via share swap, acquired 200,334 shares at INR1,197 each)	100%	Mangalsutra Jewellery	1,715 (FY24), 3,146 (FY25)	77 (FY24), 111 (FY25)	296 (FY24)
Sparkling Chains Private Limited	Jun-24	260 (via Share Swap, acquired 217,208 shares at Rs1,197 each)	100%	Gold Chains	2,009 (FY24), 3,129 (FY25)	105 (FY24), 104 (FY25)	326 (FY24)
Ganna N Gold Private Limited	H1 FY26	2,250 (via Share Swap)	100%	Machine-made & Handmade Bangles	349 (FY24) 870 (FY25)	44 (FY24) 71 (FY25)	

Source: Company, Nuvama Research

Business model and value proposition

Sky Gold operates on a B2B-centric model, serving as a manufacturing partner to many of India's prominent jewellery retailers. Its core business involves the design, manufacturing and marketing of a diverse range of gold jewellery, which is then sold through the retail networks of its clients.

The company's client roster includes major industry participants such as Malabar Gold and Diamonds, Joyalukkas and Kalyan Jewellers. In a notable development, Sky Gold has recently added Titan's subsidiary Caratlane and the Aditya Birla Group's jewellery venture Novel Jewels to its clientele. Its extensive product portfolio encompasses rings, pendants, bracelets, earrings and necklaces. Through recent strategic acquisitions, this has been expanded to include high-volume, specialised categories such as mangalsutras and gold chains.

In addition to its domestic business, the company is developing the export business, with a presence in markets across the Middle East (GCC), Asia (Singapore, Malaysia). The company has set a target for exports at ~20% of its total revenue by FY27E, providing an avenue for geographic diversification.

Competitive advantages

Sky Gold has cultivated distinct competitive advantages that support its business.

Operational costs: Management indicates a structural cost advantage with combined employee and other operating expenses comprising ~1.5% of sales.

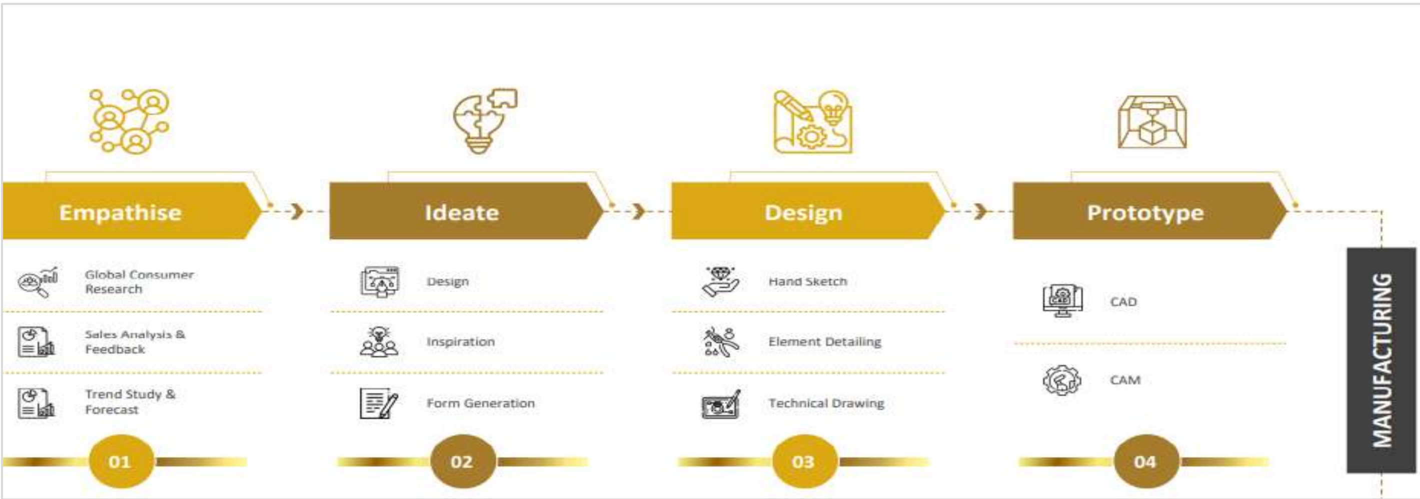
Speed-to-market: In a fashion-driven industry, speed is important. Sky Gold's design-to-delivery turnaround time of 15–25 days is faster than the industry average of 30–45 days, providing an advantage to its retail partners.

Design capability: An in-house team of ~110-plus designers generates 2,500+ new designs every month, contributing to a catalogue of over 900,000 SKUs. This design capability allows it to cater to diverse regional tastes and evolving trends.

Exhibit 41: Strong client relationships across the spectrum

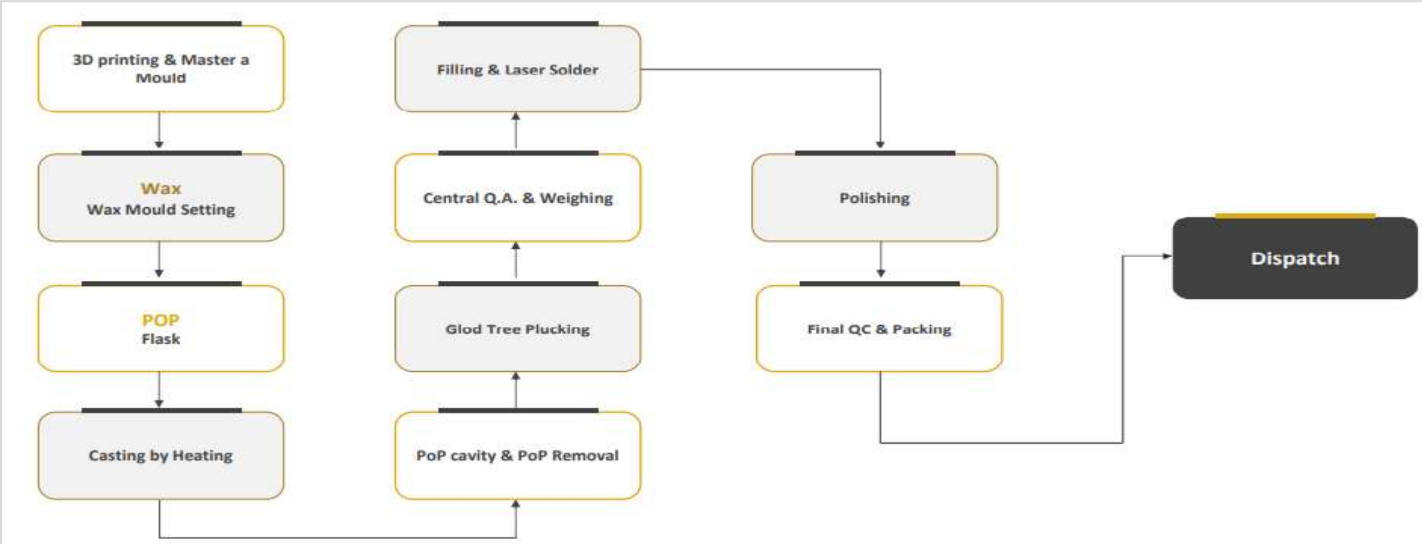
Source: Company

Exhibit 42: Designing process



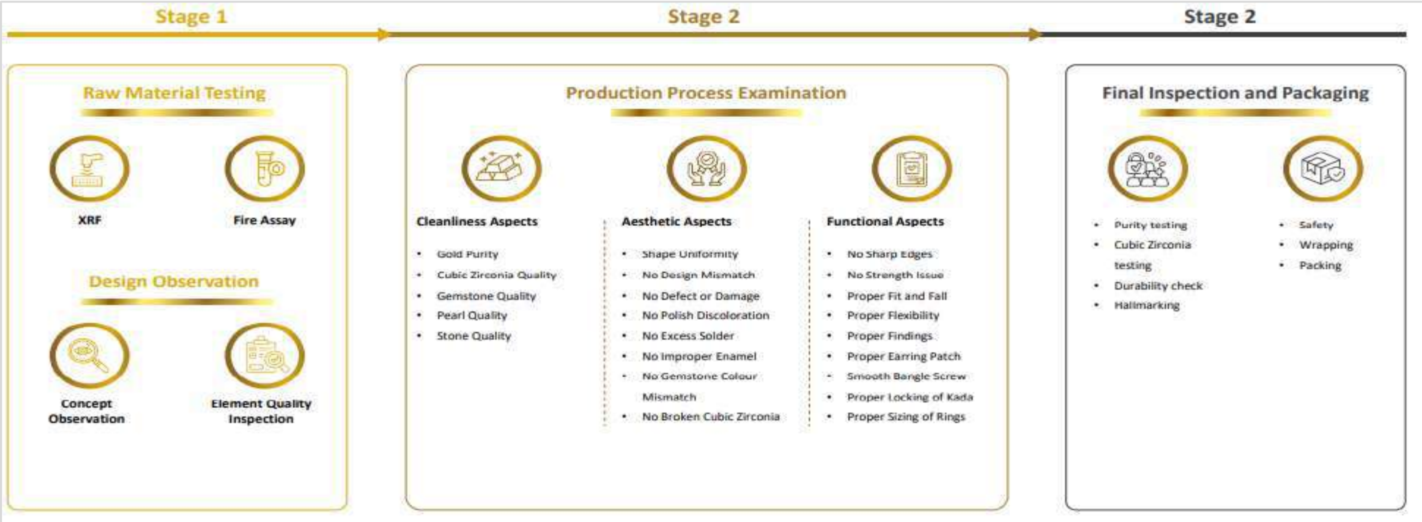
Source: Company

Exhibit 43: Manufacturing process



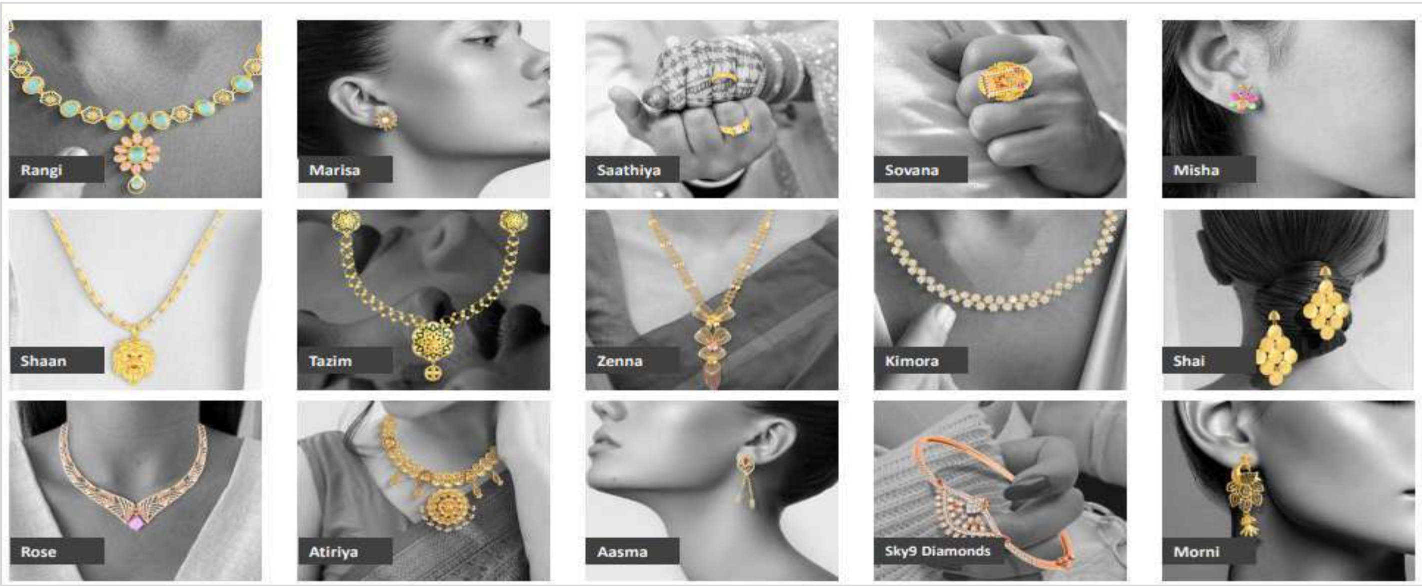
Source: Company

Exhibit 44: Quality control testing



Source: Company

Exhibit 45: Sub brands of Sky Gold



Source: Company

Exhibit 46: Timeline of key events

2005–08	Incubated as Sky Gold. Started as a partnership firm, laying the foundation of its remarkable journey in jewellery industry
2018	Listed on BSE SME Platform with an IPO of ~INR256mn Crossed turnover of INR5bn
2023	Listed on main board of NSE and BSE
	New 81,000 sq. ft. manufacturing facility
	Fund raise from UHNI and warrants issuance to promoters (INR1.28bn)
2024	Acquisition of Star Mangalsutra and Sparkling Chains adding capacity of 300kg/month in total and entering new categories
	Successful completion of QIP of INR2.7bn
	Bonus issue of 9:1
2025	Purchase of 10,500 sq. metre industrial land for future business growth in Navi Mumbai with planned capacity of 4.5 tons/month
	Acquisition of Ganna N Gold- entry into new segment of lightweight bangles. Opened Dubai office for facilitating export sales

Source: Company, Nuvama Research

Management Overview

Exhibit 47: Management details

Name	Designation	Remarks
Mr Mangesh Chauhan	Managing Director	Co-founder with over 20+ years of industry experience. Previously held the dual role of MD and CFO.
Mr Mahendra Chauhan	Whole-time Director	Co-founder overseeing production, design and quality control.
Mr Darshan Chauhan	Whole-time Director	Co-founder with over 18+ years of experience, responsible for sales & marketing, product enhancement and commercial development.
Mr Siddharth Sipani	Chief Financial Officer (CFO)	Appointed with effect from September 27, 2025. Over two decades of experience, including with Big-four firms.
Mr Akash Talesara	President : Sales and Business Development	He has 20-plus years of experience in the jewellery industry. He has worked with Asian Star, Emeralde Jewels, Gold Star and other key jewellery players.

Source: Company, Nuvama Research

Peer Analysis

Exhibit 48: Tracking size of key players

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR FY19-25
Emerald*	40,534	39,588	39,763	47,228	58,276	66,846		10.5%
Sky Gold	8,068	7,219	7,955	7,857	11,538	17,455	35,480	28.0%
Pushpa jewellery#				1,077	1,658	2,553	2,811	37.7%
Asian Star	24,502	21,628	16,874	30,342	34,270	26,983	23,364	-0.8%
Speed Bangle Pvt Ltd (Ganna and Gold)@				69	29	349		124.7%
Utsav CZ			1,202	1,233	2,382	3,402		41.4%
Shringar House Of Mangalsutra^				8,102	9,502	11,015	14,298	20.8%
Gold Star Jewellery&	8,053	8,326	11,103	17,398	16,716			20.0%

Source: Company, Nuvama Research

**: CAGR for Emerald from FY19–24, #: CAGR for Pushpa Jewellery from FY22–25, @: CAGR for Speed Bangle from FY22–24, ^: CAGR for Shringar house of Mangalsutre from FY22–25, and: CAGR for Gold Star Jewellery from FY19–24*

Profitability in gold jewellery processing would be 7–8%. Players with a heavy mix of studded such as Asian Star or a heavy mix of job work model such as Speed Bangle, wherein they receive gold in advance for processing, make significantly higher margins, but have comparatively higher working capital investments too as inventory turns are at the lower end along with higher receivables.

Exhibit 49: Profitability profile of key players

Gross Margin	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Emerald	8.8%	9.7%	9.1%	10.0%	10.0%	10.6%	
Sky Gold	2.1%	2.8%	2.0%	3.6%	4.3%	6.0%	7.1%
Pushpa jewellery				11.8%	11.8%	10.9%	14.3%
Asian Star	19.2%	22.0%	19.3%	18.0%	17.3%	20.2%	19.4%
Speed Bangle Pvt Ltd (Ganna and Gold)				28.0%	45.6%	19.3%	
Utsav CZ			5.5%	9.4%	8.7%	9.4%	
Shringar House Of Mangalsutra				5.5%	5.6%	6.1%	8.0%
Gold Star Jewellery	18.5%	17.3%	16.0%	17.1%	17.0%		
EBITDA margins							
Emerald	3%	4%	4%	3%	3%	4%	
Sky Gold	1%	2%	1%	3%	3%	4%	6%
Pushpa jewellery				8%	8%	8%	11%
Asian Star	4%	3%	3%	3%	3%	4%	3%
Speed Bangle Pvt Ltd (Ganna and Gold)				14%	19%	16%	
Utsav CZ			3%	5%	5%	6%	
Shringar House Of Mangalsutra				4%	4%	5%	6%
Gold Star Jewellery	5%	4%	5%	5%	4%		

Source: Company, Nuvama Research

Exhibit 50: Working capital structure of key players

Inventory days on sales	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Emerald	58.8	65.0	78.7	76.8	66.0	66.7	
Sky Gold	15.2	19.3	23.5	33.1	25.2	36.7	34.1
Pushpa jewellery				50.5	42.6	37.3	41.4
Asian Star	83.8	94.5	112.4	63.1	70.9	114.1	130.0
Speed Bangle Pvt Ltd (Ganna and Gold)				53.9	90.2	36.0	
Utsav CZ			30.8	43.6	33.2	24.6	
Shringar House Of Mangalsutra				50.0	41.2	41.0	47.5
Gold Star Jewellery	60.7	66.9	52.3	43.3	57.3		
Receivable days on sales							
Emerald	10	12	10	8	6	4	
Sky Gold	14	19	16	16	17	18	29
Pushpa jewellery				11	10	8	16
Asian Star	126	121	159	112	112	144	158
Speed Bangle Pvt Ltd (Ganna and Gold)				0	0	10	
Utsav CZ			65	65	42	47	
Shringar House Of Mangalsutra				12	14	18	19
Gold Star Jewellery	150	147	146	118	126		
Payable days on sales							
Emerald	25	22	14	11	11	12	
Sky Gold	0	0	0	0	0	1	2
Pushpa jewellery				1	2	2	2
Asian Star	32	28	38	34	39	51	49
Speed Bangle Pvt Ltd (Ganna and Gold)				9	11	0	
Utsav CZ			1	1	0	0	
Shringar House Of Mangalsutra				3	2	2	7
Gold Star Jewellery	75	70	60	53	55		
Working capital days on sales							
Emerald	45	55	75	74	61	59	
Sky Gold	29	38	39	48	42	54	61
Pushpa jewellery				61	51	43	55
Asian Star	178	187	234	140	144	208	239
Speed Bangle Pvt Ltd (Ganna and Gold)				45	79	46	
Utsav CZ			95	108	74	72	
Shringar House Of Mangalsutra				58	53	57	60
Gold Star Jewellery	136	144	139	108	129		

Source: Company, Nuvama Research

Additional Data

Management

Managing Director	Mangesh Chauhan
CFO	Siddharth Sipani
President Sales and business development	Akash Talesara
Chairman	
Auditor	M/s. V J Shah & Co.

Holdings – Top 10*

	% Holding		% Holding
Motilal Oswal A	4.22	Navi AMC	0.11
Acron Consultan	2.73	AssetPlus Inves	0.06
Bank of India I	1.88	State Street Co	0.02
Kotak Mahindra	1.70		
Principal Finan	1.02		

**Latest public data*

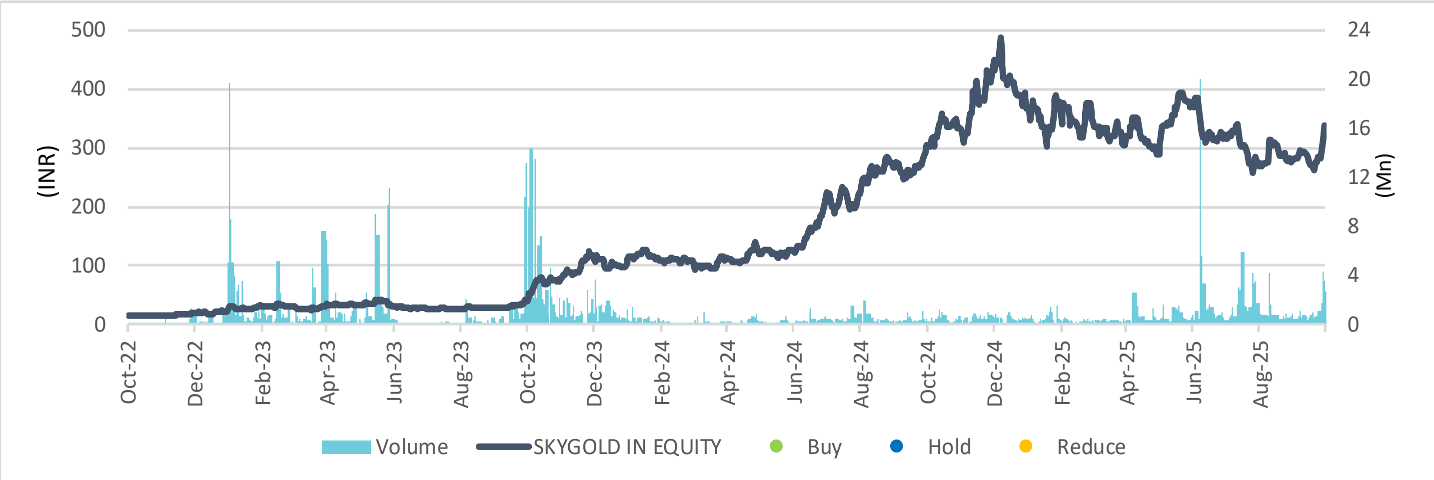
Recent Company Research

Date	Title	Price	Reco

Recent Sector Research

Date	Name of Co./Sector	Title
07-Oct-25	Retail	GST rate cuts to fuel demand sentiments; *Sector Update*
06-Oct-25	Electronics Mart	Poised to capitalise on GST cuts; *Company Update*
28-Aug-25	Aditya Vision	Takeaways from conference; *Company Update*

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	202
Hold	<15% and >-5%	69
Reduce	<-5%	37

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Abneesh Roy
Head of Research Committee
Abneesh.Roy@nuvama.com

ABNEESH KUMAR ROY

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Nuvama Institutional Equities, Inspire BKC, G Block, 8th Floor, Bandra Kurla Complex, Mumbai 400 051
Tel: +91 22 6620 3030. Email: research@nuvama.com