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PRIORITY JEWELS LTD

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IPO Report

29th Aug 26

Snapshot

Company is engaged in designing, manufacturing and sale of a wide range of light-weight, affordable diamond-studded gold and platinum fine jewellery. Company sell directly to independent jewellers and jewellery chains in India as well as select international markets. Company supply its products to jewellery chains, including CaratLane Trading Private Limited, Kalyan Jewellers India Limited, Reliance Retail Limited, Malabar Gold & Diamonds FZCO, Tribhovandas Bhimji Zaveri Limited and Senco Gold Limited. Company's ability to blend craftsmanship with innovation has enabled it to establish long-standing relationships with major Indian retail jewellery players, reinforcing company's position as a trusted supplier to its customers. Company's manufacturing process begins with designing and then involves rapid prototyping, model making, mould making, waxing, casting, sprue grinding, filing, polishing, stone setting, final polishing, rhodium plating, and quality control.

VALUATION

Company is bringing the issue at price band of Rs 152-160 per share at p/e multiple of 14x on post issue annualized Q1FY27 basis.

Company has diversified product portfolio supported by design capabilities and customer-centric approach with integrated manufacturing facilities and established operational systems. Company has experienced promoters and leadership team with longstanding relationships with customers; and strong presence across domestic and international markets..

Hence, we recommend "Subscribe" to issue.

Price Band (Rs./Share)	**190-200**
Opening date of the issue	**28th Aug '2026**
Closing Date of the issue	**01st Sept '2026**
No of shares pre issue	1,34,25,000 Eq Shares
Issue Size	Rs 86.93-91.50 Cr
Fresh Issue	45,75,000 Eq Shares
Face Value (Rs/ share)	Rs 10/share
Bid Lot	75
BIDDING DETAILS	
QIBs (Including Anchor)	50% of the offer (Approx 22,87,500 eq Shares)
Non-Institutional	15% of the offer (Approx 6,86,250 eq Shares)
Retail	35% of the offer (Approx 16,01,250 eq Shares)
Lead managers	Mefcom Capital Markets Limited
Registrar to the issue	MUFG Intime India Pvt Ltd

WHAT WE LIKE

Diversified product portfolio supported by design capabilities and customer-centric approach

Company offer a broad and evolving range of jewellery products within the aspirational yet affordable segment, including rings, earrings, pendants, neckwear, bracelets, and traditional pieces such as mangalsutras. Company's product portfolio is designed to cater to a wide spectrum of customer preferences, price points, and usage occasions, encompassing both contemporary and traditional styles suitable for daily wear. With the introduction of company's couture line in 2021, company have expanded to cover special occasions as well.

Integrated manufacturing facilities and established operational systems

Company operates integrated manufacturing facilities strategically located in MIDC and SEEPZ, Mumbai. The MIDC facility, established in 2008, spans 19,008.79 square feet and incorporates advanced casting and CAD/CAM technology, including 3D printing capabilities for direct casting wax patterns and 3D models. This technological edge reduces production timelines by bypassing traditional mold-making steps.

Longstanding relationships with customers

In India, company's key customers include prominent retail brands such as CaratLane Trading Private Limited, Kalyan Jewellers India Limited, Reliance Retail Limited, Tribhovandas Bhimji Zaveri Limited, and Senco Gold Limited, as well as several family-run jewellers, including Om Jewellers Private Limited, Manubhai Gems Private Limited and Mahendra Jewellers. Internationally, company maintain business relationships with selected groups in Dubai (including the Bafleh Gems & Jewellery LLC, Bafleh Jewellery LLC and Malabar Gold & Diamonds FZCO), and in the United States of America (including DV Jewelry Corporation).

COMPANY BACKGROUND

Company's portfolio primarily comprises daily wear jewellery, including rings, earrings, pendants, neckwear, bracelets and occasion couture jewellery, all of which are developed using contemporary design approaches and modern manufacturing techniques. Company also manufacture lab-grown diamond jewellery based on specific orders received from company's customers. Company's product portfolio is
centred on light-weight, affordable, daily wear pieces that are crafted for a wide audience across the country. By focusing on innovative designs, modern aesthetics and functionality, company uniquely position its offerings to target growing demand from a diverse consumer base with rising disposable incomes and preferences for designer jewellery that reflect both style and practicality.
Incorporated in 2007, company have over 16 years of experience in the jewellery manufacturing industry. Company's Promoters, Shailesh Sangani and Tushar Mehta, have about three decades of experience in the gems and jewellery industry. Shailesh Sangani is also a trustee on the board of the Gemmological Institute of India and a former convenor of the IIJS at the GJEPC.
As of June 30, 2026, company have over 200 customers, predominantly in India, including 125 independent jewellers and 53 jewellery chains. Several of the independent jewellers and jewellery chains company serve are long-standing customers. Over the years, company have expanded its market presence across 21 states and 3 union territories in India and have exported products to 13 countries globally, including the United States of America, UAE, Hong Kong and Norway. Most of its exports are to overseas stores of Indian jewellery chains, primarily catering to the Indian diaspora.
Company's strategic focus on the light weight, affordable diamond-studded jewellery segment and industry expertise positions company well to capitalise on recent trends and growth opportunities in the Indian jewellery market.

Company have established two jewellery manufacturing facilities in India that cater to its domestic and export sales. Company's integrated manufacturing facility, spanning 19,008.79 square feet (as certified by Shwetendu Sharad Dhanuka, Independent Chartered Engineer, pursuant to a certificate dated August 06, 2026), is located at Plot No. 121, Street No. 15/18, MIDC, Andheri (East), Mumbai, Maharashtra. The facility is equipped with advanced casting as well as modern CAD/CAM and 3D printing technology, enabling precision manufacturing and superior product quality. To cater to increasing overseas demand, company established a second manufacturing unit in 2012 at Unit No. G-43, Gems & Jewellery Complex-I, SEEPZ SEZ, Andheri East, Mumbai, spanning 6,821.84 square feet (as certified by Shwetendu Sharad Dhanuka, Independent Chartered Engineer, pursuant to a certificate dated August 06, 2026). With a workforce of over 400 employees, and integrated manufacturing capabilities, company offer end-to-end jewellery manufacturing solutions to its clients.

OBJECTS OF OFFER

Issue of up to 45,75,000 Equity Shares of face value ₹10 (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] million.
Company proposes to utilise the Net Proceeds towards funding the following objects:
1. Repayment/pre-payment, in full or in part, of certain working capital borrowings availed by Company; and
2. General corporate purposes.
(collectively, referred to herein as "Objects")

RISKS

Company derived 53.19% of its revenue from its top ten customers for the period ended June 30, 2026, of which 33.36% of its revenue was derived from its top five customers. Loss of such customers or reduction in business from such customers will have a significant adverse impact on its business and results of operation.

Source:RHP

Consolidated Financials (Rs in Mn)

Financials	FY24	FY25	FY26	Q1FY27
Total Revenue (A)	4105.05	4354.95	5389.49	1467.26
Total Expenditure (B)	3911.58	4112.16	5053.26	1364.34
EBIDTA	193.47	242.79	336.23	102.92
EBIDTA Margin	4.71	5.58	6.24	7.01
Other Income	1.09	3.70	0.77	6.73
Depreciation	16.13	1.00	18.48	5.91
EBIT	178.43	245.49	318.52	103.74
Interest	81.99	78.93	83.78	18.31
PBT	96.44	166.56	234.74	85.43
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	96.44	166.56	234.74	85.43
Exceptional	0.00	0.00	0.00	0.00
PBT	96.44	166.56	234.74	85.43
Tax	24.97	44.78	58.24	20.67
PAT	71.47	121.78	176.50	64.76
NPM	1.74	2.80	3.27	4.41
ROE%	7.54	10.02	12.73	4.44
EPS	5.67	8.34	14.03	4.99
Eq Cap	31.50	126.00	134.25	134.25
Net Worth	947.82	1,048.86	1,386.06	1,456.63

(Source: RHP)

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