Priority Jewels Ltd.

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IPO Note **27th August 2026**

Company Overview

Priority Jewels Ltd. designs, manufactures, and sells lightweight, affordable diamond-studded gold and platinum jewellery, primarily to independent jewellers and jewellery chains in India, along with select international markets. Its customer base includes leading jewellery retailers such as CaratLane Trading Private Limited, Kalyan Jewellers India Limited, Reliance Retail Limited, Malabar Gold & Diamonds FZCO, Tribhovandas Bhimji Zaveri Limited and Senco Gold Limited. The Company offers a portfolio focused on daily-wear jewellery, including rings, earrings, pendants, neckwear and bracelets, as well as occasion and couture jewellery, with a strong emphasis on contemporary designs, modern aesthetics and affordability. It also manufactures lab-grown diamond jewellery against specific customer orders. The manufacturing process encompasses designing, rapid prototyping, model and mould making, waxing, casting, finishing, stone setting, polishing, rhodium plating and quality control, enabling the Company to combine craftsmanship with modern manufacturing techniques. Incorporated in 2007, the Company has over 16 years of experience in the jewellery manufacturing industry, while its Promoters, Shailesh Sangani and Tushar Mehta, have around three decades of experience in the gems and jewellery industry. As of June 30, 2026, the Company had a customer base of over 200 customers, including 125 independent jewellers and 53 jewellery chains, with several relationships spanning multiple years. Its products are sold across 21 states and 3 union territories in India, while exports span 13 countries, including the United States, UAE, Hong Kong and Norway, with exports primarily catering to overseas stores of Indian jewellery chains serving the Indian diaspora. With its focus on lightweight and affordable diamond-studded jewellery, broad customer network, contemporary product portfolio and established industry expertise, the Company is positioned to benefit from rising demand for accessible, designer and daily-wear jewellery in India and overseas markets.

Objects of the issue

The net proceeds of the fresh issue are proposed to be utilized in the following manner:

⇒ Repayment/pre-payment, in full or in part, of certain working capital borrowings availed by the Company; and

⇒ General corporate purposes.

Investment Rationale

Strong Design-led Portfolio Positioned to Capture Rising Demand for Affordable Daily-wear Jewellery

The Company has a diversified and evolving product portfolio focused on the aspirational yet affordable jewellery segment, comprising rings, earrings, pendants, neckwear, bracelets, mangalsutras and other traditional as well as contemporary daily-wear jewellery. The launch of its couture line in 2021 further expanded its offerings into occasion-based jewellery, enabling the Company to address varied customer preferences, price points and usage occasions across geographies. Its product development is supported by strong in-house design capabilities, with the 39-member design team developing 4,168 designs in the three months ended June 30, 2026 and 8,356, 6,401 and 5,231 designs in FY26, FY25 and FY24, respectively. The Company also works closely with customers to develop bespoke products and collaborates with an international design partner to align its offerings with evolving global trends. This customer-centric and design-led approach, supported by continuous market research, customer feedback and sales insights, enables the Company to respond quickly to changing consumer preferences and differentiate its products. The Company is well positioned to benefit from the growth in India's daily-wear gems and jewellery market, which is estimated at Rs. 1,191.7 billion in CY25 and projected to reach Rs. 2,357.0 billion by CY30P, implying a CAGR of 14.6%, driven by rising disposable incomes, increasing preference for branded jewellery and evolving fashion trends.

Issue Details	
Offer Period	28th Aug 2026 - 01st Sept 2026
Price Band	Rs. 190 to Rs. 200
Bid Lot	75
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	0.5
Issue Size (Rs. in Cr.)	92
Face Value (Rs.)	10

Issue Structure	
QIB	50%
NIB	15%
Retail	35%

BRLM	Mefcom Capital Markets Limited.
Registrar	MUFG Intime India Pvt. Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	93.9%	70.0%
Public	6.1%	30.0%
Total	**100.0%**	**100.0%**

(Assuming issue subscribed at higher band)

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Priority Jewels Ltd.

Integrated Manufacturing Infrastructure Enabling Cost Efficiency, Quality Control and Faster Execution

The Company operates integrated manufacturing facilities across MIDC and SEEPZ, Mumbai, providing end-to-end control over its jewellery production process. Its MIDC facility, established in 2008 and spread across 19,009 sq. ft., is equipped with advanced casting and CAD/CAM technologies, including 3D printing capabilities, which help reduce production timelines by eliminating certain traditional mould-making processes. The Company's second facility at SEEPZ, established in 2012 and spread across 6,822 sq. ft., supports growing export demand. Its integrated operations cover design conceptualization, manufacturing, quality control and distribution, enabling better control over metal losses, production costs and product quality while allowing cost savings to be passed on to customers. Quality assurance is embedded throughout the manufacturing process through continuous CCTV monitoring, stringent security protocols and centralized oversight of design and production. The Company also provides end-to-end, customized jewellery manufacturing solutions, enabling customers to procure ready-to-sell products with shorter turnaround times. Further, sourcing relationships across Mumbai, Surat and Udaipur support access to quality diamonds and platinum, while gold metal loan arrangements help mitigate exposure to gold price volatility. Overall, its integrated manufacturing infrastructure, established operational systems and sourcing network provide a competitive advantage through cost optimization, consistent quality, faster execution and efficient supply chain management.

Valuation

Priority Jewels Limited operates in the B2B fine jewellery segment, specializing in lightweight, affordable diamond-studded gold and platinum jewellery alongside customized lab-grown diamond offerings. The company benefits from over 16 years of operational history, strong design and prototyping capabilities, and established relationships with prominent jewellery retail chains such as CaratLane, Kalyan Jewellers, Reliance Retail, Malabar Gold & Diamonds, TBZ, and Senco Gold. India's gems and jewellery industry continues to experience structural growth driven by rising disposable incomes, rapid urbanization, and increasing consumer preference for contemporary daily-wear and branded jewellery. Priority Jewels' integrated manufacturing facilities in Maharashtra, extensive distribution network covering over 200 customers across India and 13 export markets, and deep promoter expertise position it well to capture these secular tailwinds. Financially, the company has delivered solid performance, with revenue from operations growing from Rs. 410.5 crores in FY24 to Rs. 539.0 crores in FY26 at a CAGR of 14.6%, while Profit After Tax (PAT) expanded from Rs. 7.1 crores to Rs. 17.7 crores at a CAGR of 57.1% over the same period, demonstrating healthy operating leverage and expanding net margins (rising from 1.7% in FY24 to 3.3% in FY26). The growth momentum has sustained into the three months ended June 30, 2026, delivering a revenue of Rs. 146.7 crores and a PAT of Rs. 6.5 crores. Going forward, planned debt repayment utilizing 75% of the net fresh issue proceeds will materially reduce finance costs (which stood at Rs. 8.38 crores in FY26), while growing export demand, higher capacity utilization, and expansion into high-margin lab-grown diamond jewellery are expected to further bolster profitability. **At the upper price band of Rs. 200, Priority Jewels Ltd. is valued at a P/E multiple of 14.3x based on FY26 earnings. Given the company's historical growth track record, expanding margins, scalable business model and industry growth potential, we believe the valuation is justified. Thus, we recommend a "SUBSCRIBE" rating for this issue with a medium to long-term investment horizon.**

Key Risks:

⇒ The company derives a significant portion of its revenue from a concentrated client base, with the top 5 and top 10 customers accounting for 33.4% and 53.2% of revenue from operations, respectively, for the period ended June 30, 2026. Without long-term supply agreements, any loss of key clients or reduction in their order volumes could materially impact revenue and profitability.

⇒ Raw material consumption (gold, diamonds, and precious metals) constitutes the vast majority of operating expenses, accounting for 108.1% of total expenses for the three months ended June 30, 2026 (and 92.5% in FY26). With no long-term supply contracts in place, sharp fluctuations in commodity prices or supply disruptions could adversely inflate production costs, delay delivery schedules, and strain operating margins.

Priority Jewels Ltd.

Income Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26	3MFY26
Revenue				
Revenue from operations	411	435	539	147
Total revenue	**411**	**435**	**539**	**147**
Expenses				
Cost of material consumed	346	359	477	150
Changes in inventory of finished goods, stock in trade and work in progress	7	10	(18)	(26)
Employee benefit expenses	12	13	15	5
Other expenses	27	29	32	8
Total operating expenses	**391**	**411**	**505**	**136**
EBITDA	**19**	**24**	**34**	**10**
Depreciation & amortization expenses	2	2	2	1
EBIT	**18**	**23**	**32**	**10**
Finance costs	8	8	8	2
Other Income	0	0	0	1
PBT	**10**	**15**	**23**	**9**
Total tax	2	4	6	2
Net Profit	**7**	**11**	**18**	**6**
Basic EPS (Adjusted with Bonus Shares)	**5.7**	**8.3**	**14.0**	**5.0**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26	3MFY26
Cash Flow from/(used in) operating activities	(2)	3	18	(6)
Cash flow from/(used in) investing activities	5	(19)	18	(2)
Net cash flows (used in) / from financing activities	(12)	13	(35)	6
Net increase/(decrease) in cash and cash equivalents	**(10)**	**(3)**	**0**	**(2)**
Cash and cash equivalents at the beginning of the period	**15**	**5**	**2**	**3**
Cash and cash equivalents at the end of the period	**5**	**2**	**3**	**1**

Source: RHP, BP Equities Research

Priority Jewels Ltd.

Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26	3MFY26
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	15	15	17	18
(b) Capital work-in-progress	0	2	2	2
(c) Financial Assets				
Non-current investments	0	0	0	0
Other Financial Assets	3	3	1	1
(d) Deferred Tax Assets (Net)	1	0	1	1
Total Non-Current Assets	**19**	**21**	**20**	**21**
Current assets				
(a) Inventories	136	108	122	130
(b) Financial Assets				
Trade receivables	91	147	133	142
Cash and cash equivalents	15	27	7	5
(c) Current Tax Assets (Net)	1	1	1	0
(d) Other Current Assets	8	6	10	12
Total Current Assets	**250**	**289**	**272**	**289**
Total Assets	**269**	**309**	**292**	**311**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	3	13	13	13
(b) Other Equity	92	92	125	132
(c) Non Controlling Interest	0	0	0	0
Total Equity	**95**	**105**	**139**	**146**
Liabilities				
Non Current Liabilities				
(a) Financial liabilities				
Borrowings	4	0	11	10
Lease Liabilities	0	1	2	2
Provisions	1	2	2	2
Deferred Tax Liabilities	0	0	0	0
Total Non Current Liabilities	**5**	**3**	**15**	**14**
Current liabilities				
(a) Financial liabilities				
Borrowings	121	146	92	100
Trade Payables	45	52	44	47
(b) Other current liabilities	2	3	2	2
(c) Provisions	0	0	0	0
(d) Current Tax Liabilities	0	0	0	1
Total Current Liabilities	**169**	**201**	**139**	**151**
Total Liabilities	**269**	**309**	**292**	**311**

Source: RHP, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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