

Nityas Gems & Jewellery IPO

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- The company is engaged in designing, manufacturing, and marketing of lab-grown diamond studded gold jewellery in India.
- It operates under B2B, D2C models and has 10 stores across 8 cities of India.
- The company posted growth in its top and bottom lines for the reported periods.
- Boosted top and bottom lines for FY26 raise eyebrows and concern over its sustainability.
- Based on its recent average financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus investors may park moderate funds for long term.

About the Company

Nityas Gems & Jewellery Ltd. (NGJL) is engaged in the design, manufacturing and sale of lab-grown diamond studded gold jewellery in India, operating through an integrated business model comprising (i) business-to-business (“B2B”) manufacturing and distribution to organized retailers, standalone retailers and wholesalers, to support their inventory and design requirements; and (ii) direct-to-consumer (“D2C”) omnichannel retail operations through its subsidiary, Ayaani Diamonds and Jewellery Private Limited (“Ayaani”). Its operations span multiple stages of the jewellery value chain, including procurement and management of raw materials, product design, manufacturing, quality control, distribution, branded retail and direct-to-consumer sales.

NGJL offers a range of lab-grown diamond studded gold jewellery products across categories such as rings, earrings, pendants, bracelets, Mangalsutras, nose pins, necklaces, cufflinks and bangles, across daily wear, occasion-based, men’s jewellery and customized segments. While its product portfolio spans multiple price points and categories, it has strategically focused on the lightweight, affordable lab grown diamond-studded gold jewellery segment which caters to the growing demand for affordable luxury and daily-wear jewellery particularly among younger consumers.

As per CareEdge Report, lab-grown diamond are diamonds that are created in laboratories using advanced technological processes that replicate the natural conditions under which diamonds form beneath the earth’s surface. Lab-grown diamonds have the same chemical, physical, and optical properties as mined diamonds. They are made of pure carbon, have identical crystal structures, and display the same sparkle, hardness, and durability as that of natural mined diamonds. From a visual and structural standpoint, jewellery made with lab-grown diamonds are indistinguishable from jewellery made with natural diamonds, even to trained eyes, unless examined with specialized equipment.

NGJL's prominent B2B customers include established and organised jewellery retailers such as 'GIVA', 'Palmonas', 'ONYA', and 'Ladia Diamonds', among others. It also caters standalone retailers and wholesalers under B2B vertical. The company supplies lab-grown diamond studded gold jewellery to such customers based on designs developed by it and customized to their specific requirements, including purity standards, weight specifications, design preferences and finishing parameters. Its association with such customers is supported by its ability to offer design-led product development, consistent product quality and timely execution of orders.

In July 2025, the company expanded its business model through the acquisition of Ayaani, which was previously one of its key B2B customers. This acquisition enabled it to complement its manufacturing operations with a consumer-facing platform and strengthen presence across B2B supply and retail channels. Ayaani operate an omnichannel retail platform comprising an online storefront (<https://www.ayaani.in/>) and ten (10) physical retail stores across eight (8) cities in India, operated through a combination of company-operated and franchise-operated formats, as part of its asset-light model, with seven (7) stores being company-operated and three (3) stores being franchise-operated across Ahmedabad, Surat, Mathura, Delhi, Chandigarh, Jodhpur, Raipur and Udaipur. The integration of Ayaani provides it with direct access to end-consumer demand and insights into evolving customer preferences. B2B has a lion share (above 96%) in its top lines and the rest is from D2C. As of August 31, 2026, it had 29 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 14456000 equity shares worth Rs. 108.42 cr. at the upper cap. The company has announced a price band of Rs. 70 – Rs. 75 per equity shares of Rs. 5 each. The issue opens for subscription on September 30, 2026, and will close on or before October 05, 2026. The minimum application to be made is for 200 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 25.10% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 70.00 cr. for working capital, and the rest for general corporate purposes.

The company has reserved 100000 equity shares (worth Rs. xx cr. at the upper cap) for its eligible employees, and offering them a discount of Rs.7 per share. From the rest, it has allocated not more than 50% for QIBs, not less than 15% for HNIs, and not less than 35% for Retail investors.

The sole Book Running Lead Manager (BRLM) to this issue is Choice Capital Advisors Pvt. Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. Choice Equity Broking Pvt. Ltd. is a syndicate member.

Having issued initial equity shares at par value, the company has issued further equity shares at a fixed price of Rs. 130 per share (on the basis of Rs. 5 FV), in March 2025. The company also issued bonus shares in the ratio of 10 for 1 in March 2026. The average cost of acquisition of shares by the

promoters/selling stakeholders is Rs. 3.43, and Rs. 11.82 per share.

Post-IPO, its current paid-up equity capital of Rs. 21.57 cr. (43137248 equity shares) will stand enhanced to Rs. 28.80 cr. (57593248 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 431.95 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 53.66 cr. / Rs. 4.02 cr. (FY24), Rs. 96.85 cr. / Rs. 9.79 cr. (FY25), and Rs. 203.33 cr. / Rs. 22.32 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods. Boosted top and bottom lines for FY26 raise eyebrows and concern over its sustainability.

Its contingent liabilities stood at Rs. 2.88 cr. as of March 31, 2026., and surge in trade receivables to Rs. 21.46 cr. as of March 31, 2026 against Rs. 4.06 cr. as of March 31, 2024, raise concern.

For the last three fiscals, the company has posted an average EPS of Rs. 4.52 and an average RoNW of 65.67 %. The issue is priced at a P/BV of 4.96 based on its NAV of Rs. 15.13 as of March 31, 2026, and at a P/BV of 2.45 based on its post-IPO NAV of Rs. 30.65 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 19.38. Based on FY25 earnings, the P/E stands at 44.12. The issue appears aggressively priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 7.50% (FY24), 10.11% (FY25), 11.00% (FY26), and RoCE margins of 88.39%, 63.14%, 42.93%, respectively, for the referred periods.

Dividend Policy

To be updated soon

Comparison with Listed Peers

As per the offer document, the company has shown Golkunda Diamond, Goldiam Intl., Renaissance Global, as its listed peers. They are currently trading at a P/E of 14.1, 23.1, and 16.0 (as of September 29, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

The sole BRLM associated with this issue has handled 12 IPOs in the last three fiscals and out of which 4 IPOs closed below the issue price on listing date.

Conclusion / Investment Strategy

NGJL is engaged in designing, manufacturing, and marketing of lab-grown diamond studded gold jewellery in India. It operates under B2B, D2C models and has 10 stores across 8 cities of India. The company posted growth in its top and bottom lines for the reported periods. Boosted top and bottom lines for FY26 raise eyebrows and concern over its sustainability, as the segment has turned over-crowded. Based on its recent average financial data, the issue appears aggressively priced. Only well-informed/cash surplus investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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