



IPO RESEARCH REPORT

Nityas Gems & Jewellery Limited

Lab-Grown Diamond Jewellery Manufacturer — Explosive Growth, Unproven Durability

IPO Open: Sep 30, 2026 IPO Close: Oct 5, 2026 Listing: Oct 8, 2026 (BSE, NSE)

OUR RECOMMENDATION

NEUTRAL*

*Selective — only well-informed, long-term investors with spare capital

PRICE BAND

₹70 - ₹75

Lot: 200 shares | ₹15,000 min.

GMP (AS OF SEP 30, 2026)

₹3 (~4%)

Est. listing ₹78 | Unofficial

This report is a research summary for informational purposes only and does not constitute investment advice. GMP figures are unofficial grey-market indicators and may change materially before listing. Please read Section 13 (Disclaimer) before acting on this report.

1. IPO AT A GLANCE

Nityas Gems & Jewellery Limited is a Surat-based designer, manufacturer and seller of lab-grown diamond-studded gold jewellery, operating an integrated model that spans business-to-business (B2B) manufacturing and distribution alongside direct-to-consumer (D2C) omnichannel retail under the “Ayaani” brand. The company is raising ₹108.42 crore entirely through a fresh issue of equity shares — there is no offer-for-sale component. The issue opened on September 30, 2026 and closes on October 5, 2026, with listing on the BSE and NSE tentatively scheduled for October 8, 2026.

Issue Details

Particulars	Details
IPO Type	Mainboard — Book Built Issue
Issue Size	₹108.42 Cr (1,44,56,000 shares at upper band)
Fresh Issue	₹108.42 Cr (entire issue) — 100% fresh issue
Offer for Sale (OFS)	None — entirely a fresh issue
Face Value	₹5 per share
Price Band	₹70 – ₹75 per share
Lot Size	200 shares
Minimum Retail Investment	₹15,000 (1 lot, upper band)
Employee Discount	₹7 per share
IPO Open Date	September 30, 2026
IPO Close Date	October 5, 2026
Basis of Allotment	October 6, 2026
Listing Date (Tentative)	October 8, 2026 on BSE & NSE
Market Cap at Upper Band	₹431.95 Cr (post-listing, approx.)
Promoter Holding (Pre- / Post-Issue)	58.1% / 43.51%
Book Running Lead Manager	Choice Capital Advisors Pvt. Ltd.



Particulars	Details
Registrar to the Issue	Bigshare Services Pvt. Ltd.

Quota / Reservation Table

Investor Category	% of Net Issue
Qualified Institutional Buyers (QIB)	50%
Non-Institutional Investors (NII / HNI)	15%
Retail Individual Investors (RII)	35%
Total	100%

Investors should confirm exact category share-count cut-offs from the final RHP/bid-lot circular before applying.

2. COMPANY OVERVIEW

History & Incorporation

Nityas Gems & Jewellery Limited is headquartered in Surat, Gujarat — a key hub for India's diamond and jewellery manufacturing industry — and is led by Rajnikant Lallubhai Chanchad as Chairman and Managing Director, alongside promoters Sonalben Rajnikant Chanchad and Savaliya Dhruv Janakbhai. The company's IPO follows what its own management describes as a steep growth phase in the lab-grown diamond jewellery category.

Business Model

Nityas Gems & Jewellery designs, manufactures and markets lab-grown diamond-studded gold jewellery through two complementary channels: a B2B manufacturing and distribution business serving distributors and institutional buyers, and a D2C omnichannel retail business operated through subsidiary Ayaani Diamonds and Jewellery Private Limited, combining physical stores with digital sales under the “Ayaani” brand. The company emphasises design-led product development supported by in-house artisans (karigars).

Scale & Facilities

As of the RHP date, the company operated 10 D2C retail stores across 8 cities in India, alongside its core B2B manufacturing and distribution operations based in Surat. Management has stated an intention to further strengthen design-led product innovation, broaden the product portfolio, and expand the “Ayaani” D2C omnichannel presence to reach a wider consumer base.

Promoters

Promoter	Details
Rajnikant Lallubhai Chanchad	Chairman and Managing Director
Sonalben Rajnikant Chanchad	Promoter
Savaliya Dhruv Janakbhai	Promoter

Promoter shareholding is expected to fall from approximately 58.1% pre-issue to approximately 43.51% post-issue, reflecting the dilution from this fully fresh-issue IPO.

3. ORDER BOOK / KEY OPERATING METRICS

For a fast-scaling jewellery manufacturer and retailer, growth rate, margin trajectory, customer/geographic concentration and cash-flow quality are the key operating signals — particularly important here given the magnitude of recent growth.



94.46% 2-Year Revenue CAGR, FY24–FY26 (per RHP)	₹202.89 Cr FY26 Revenue from Operations (up from ₹53.66 Cr in FY24)	15.27% FY26 EBITDA Margin (up from 10.21% in FY24)	11.00% FY26 PAT Margin (up from 7.50% in FY24)
43.75% FY26 Return on Net Worth (RoNW)	42.93% FY26 Return on Capital Employed (RoCE)	10 Stores D2C “Ayaani” Retail Network, Across 8 Cities	~55–61% Top-10-Customer Revenue Share, FY26 (down from 84.24% in FY24)
82.27% Revenue from Top 5 States, H1 FY26	-₹14.73 Cr FY26 Operating Cash Flow (negative, working-capital driven)	0.29x Debt / Equity, FY26 (improved from ~0.7x historically)	100% Fresh Issue — No OFS Component

Source: RHP; company disclosures via Equity Research India, Univest, Religare Broking, IPO Watch, IPOIndex and InvestorGain. The improvement in customer concentration is partly attributable to the Ayaani acquisition converting a former top customer into a consolidated subsidiary, rather than being purely organic diversification.



4. FINANCIAL PERFORMANCE

3-Year Financial Snapshot (₹ in Crore, consolidated)

Particulars	FY24	FY25	FY26	CAGR / YoY
Revenue from Operations	53.66	96.85	202.89	94.5% CAGR; +109.5% YoY (FY26)
EBITDA	5.48	12.90	30.97	+140.1% YoY (FY26)
EBITDA Margin (%)	10.21	~13.3	15.27	Improving
Profit After Tax (PAT)	4.02	9.79	22.32	+128.0% YoY (FY26)
PAT Margin (%)	7.50	10.11	11.00	Improving
Return on Net Worth (RoNW)	n.a.	n.a.	43.75	Very high
Return on Capital Employed (RoCE)	88.39	63.14	42.93	Declining, but still high
Total Equity	5.33	22.57	79.43	+251.9% YoY (FY26)
Debt / Equity (x)	~0.7*	n.a.	0.29	Improving
Operating Cash Flow	n.a.	n.a.	-14.73	Negative — working-capital driven

*Pre-restatement Debt/Equity of approximately 0.7x for an earlier period is cited by one tracker (Religare Broking); the exact FY24 figure on the final restated basis could not be independently confirmed from the sources reviewed. RoCE's declining trend (88.39% → 63.14% → 42.93%) partly reflects a rapidly growing equity/capital base rather than deteriorating absolute returns — all three years remain well above typical industrial RoCE levels.

Analyst Notes on Financial Trends

- **Growth has been extraordinarily fast — and extraordinarily recent:** Revenue from operations grew at a 94.46% two-year CAGR (per the RHP's own calculation), with FY26 revenue more than doubling year-on-year. At least one independent reviewer (IPO Watch) explicitly flags that such “boosted top and bottom lines for FY26 raise eyebrows and concern over sustainability,” a view we think is reasonable to weigh carefully given the short history involved.
- **Margin expansion looks genuine, not just acquisition-driven:** EBITDA margin improved from 10.21% (FY24) to 15.27% (FY26) and PAT margin from 7.50% to 11.00%, which independent analysis attributes at least partly to real operating leverage rather than purely to the consolidation of the Ayaani subsidiary.
- **Operating cash flow has turned sharply negative even as reported profit has grown:** FY26 saw a negative operating cash flow of approximately ₹14.73 Cr, driven by rising working-capital needs (gold, lab-grown diamonds and finished inventory funded ahead of customer collections) — a meaningful disconnect between accounting profit and cash generation that is common, but still worth close scrutiny, in fast-scaling inventory-heavy retail/manufacturing businesses.
- **Return ratios remain exceptionally high, though RoCE is trending down as the capital base grows:** RoCE fell from 88.39% (FY24) to 42.93% (FY26) as equity more than quadrupled over two years — a natural consequence of rapid capital growth rather than a sign of weakening unit economics, but the trajectory is still worth monitoring as the business scales further.

Figures sourced from RHP-based summaries (Equity Research India, Univest, Religare Broking, IPOIndex, InvestorGain, IPO Watch) which are broadly consistent with one another; minor rounding/classification differences exist between “total income” and “revenue from operations” figures, and PAT figures range narrowly between ₹22.32 Cr and ₹22.77 Cr across trackers. Investors should cross-check exact line items against the final RHP financial statements before investing.

5. VALUATION ANALYSIS



Metric	Value
P/E (x) — post-issue, upper band, on FY26 earnings	19.36 – 19.38
P/E (x) — on FY25 earnings	~44.1
EV/EBITDA (x)	14.2 – 14.8
NAV / Share (₹, as of Mar 31, 2026)	15.13
P/BV (x)	2.45 – 4.96 (varies by source; see note)
Listed peer-group median P/E (x)	~18.6
Market Cap at Upper Band (₹ Cr)	431.95

P/BV estimates vary meaningfully across trackers (2.45x to 4.96x), likely reflecting different combinations of pre- vs. post-issue share count and book value; investors should rely on the RHP's own valuation-workings section for the precise basis. At least one brokerage, cited in financial media, explicitly describes the issue as "fully priced" at 19.4x FY26 P/E and 14.8x FY26 EV/EBITDA.

Peer Valuation Context

The RHP names three listed peers: Golkunda Diamonds and Jewellery, Goldiam International and Renaissance Global. At a post-issue P/E of roughly 19.4x on FY26 earnings, Nityas Gems is priced modestly above the peer-group median of approximately 18.6x — in other words, this issue is priced broadly in line with, not at a meaningful discount to, its peer group on the most recent (and least-tested) year's earnings. On FY25 earnings, the implied P/E rises to roughly 44x, meaning the entire valuation case rests on FY26's elevated profitability proving durable. On return on net worth, Nityas Gems' FY26 figure of 43.75% is far ahead of all three named peers (none exceed approximately 19%), though all three peers are substantially larger by revenue (ranging from roughly ₹281.5 Cr to ₹2,813 Cr, versus Nityas's ₹202.9 Cr).

Company	EPS (Basic, ₹)	NAV / Share (₹)	RoNW (%)
Nityas Gems and Jewellery Limited (self)	5.52	15.13	43.75
Golkunda Diamonds and Jewellery Limited	19.66	115.22	18.81
Goldiam International Limited	n.a.†	n.a.†	n.a.†
Renaissance Global Limited	n.a.†	n.a.†	n.a.†

† Complete per-share figures for Goldiam International and Renaissance Global were not available in the sources reviewed for this report; both are named as RHP peers and are each substantially larger than Nityas Gems by revenue. All peer figures are based on closing NSE/BSE prices as of September 10, 2026, per the RHP.

6. USE OF FRESH ISSUE PROCEEDS

Since the entire issue is a fresh issue with no OFS component, all net proceeds accrue to the company. The bulk of the raise is intended to strengthen working capital — jewellery manufacturing and omnichannel retail both require funding for gold, lab-grown diamonds and finished inventory well before customers pay, a need made more acute by the company's rapid recent growth. Unlike some other current issues, this fresh issue is not primarily directed at fixed-asset capacity expansion, debt repayment, or acquisitions; it is substantially a working-capital raise to support continued scaling of the existing business.

Exact line-item allocation of the ₹108.42 Cr fresh issue (working capital vs. general corporate purposes vs. any other named objects) should be confirmed from the RHP's "Objects of the Issue" section, as a detailed breakdown was not consistently available across the sources reviewed for this report.

7. INDUSTRY OVERVIEW & TAILWINDS

- **Rising consumer adoption of lab-grown diamonds:** Lab-grown diamond jewellery continues to gain acceptance in India as a value-conscious, ethically positioned alternative to natural diamonds, supporting category-wide demand growth that smaller, design-focused manufacturers like Nityas Gems can participate in.



- **Surat's manufacturing ecosystem advantage:** A Surat base places the company within one of India's most established diamond and jewellery manufacturing clusters, supporting access to skilled artisans, raw materials and ancillary services.
- **Omnichannel retail expansion opportunity:** The combination of B2B wholesale distribution with a growing D2C store and digital presence under the "Ayaani" brand gives the company multiple growth levers beyond a single channel.
- **Category-level pricing and competitive risk:** Lab-grown diamond jewellery also faces structural risk from falling lab-grown diamond production costs globally, intensifying price competition and potential margin pressure across the category over time — a tailwind for consumer demand but a headwind for industry-wide margins.

8. KEY STRENGTHS

- **Participation in a fast-growing category:** The company is well positioned to benefit from rising consumer adoption of lab-grown diamond jewellery in India, a segment still in a relatively early growth phase.
- **Integrated B2B + D2C model:** Combining wholesale manufacturing/distribution with a growing omnichannel retail footprint (10 stores, 8 cities) under the "Ayaani" brand supports a diversified, multi-channel growth base.
- **Genuine margin expansion alongside growth:** EBITDA margin improved from 10.21% to 15.27% and PAT margin from 7.50% to 11.00% between FY24 and FY26, evidencing real operating leverage rather than margin dilution as the business has scaled.
- **Outstanding return ratios versus listed peers:** FY26 RoNW of 43.75% is far ahead of all three named listed peers, none of which exceed approximately 19%, reflecting strong capital efficiency on the current (smaller) revenue base.
- **Improving leverage profile:** Debt/Equity has improved to 0.29x in FY26 from a meaningfully higher level previously, reducing balance-sheet risk even as the business has grown rapidly.
- **No promoter cash-out at IPO:** The entirely fresh-issue structure means no OFS component and no promoter monetisation at listing, aligning promoters with the company's post-listing performance.
- **Improving (though still meaningful) customer concentration:** Top-10-customer revenue share has fallen from 84.24% (FY24) to roughly 55–61% more recently, even though part of this improvement reflects the Ayaani acquisition rather than purely organic diversification.
- **Design-led positioning:** An emphasis on design-led product innovation and in-house manufacturing capability (karigars) supports differentiation versus purely wholesale-focused competitors.



9. KEY RISKS & CONCERNS

We flag the following risk factors, colour-coded by our assessment of relative severity. Investors should also review the detailed “Risk Factors” section of the RHP for the complete and legally exhaustive list of risks disclosed by the Company.

Risk Factor	Description	Severity
Unproven durability of extremely rapid recent growth	Revenue grew at a 94.46% two-year CAGR and more than doubled in FY26 alone; at least one independent reviewer explicitly flags concern over whether such “boosted” FY26 performance is sustainable, given the very short track record at this scale.	HIGH
Negative operating cash flow despite rising reported profit	FY26 operating cash flow was negative at approximately ₹14.73 Cr, driven by working-capital needs, even as reported PAT grew 128% YoY — a cash-quality gap investors should watch closely in subsequent periods.	HIGH
Cooling grey-market sentiment and soft day-one demand	GMP reportedly declined from an initial ₹5–6 (6–8% implied gain) to around ₹3 (roughly 4%) just as the issue opened, and the issue was booked only about 11% by midday on its opening day — both early signs of tepid market reception.	HIGH
Valuation rests on FY26's elevated earnings holding up	At ~19.4x FY26 P/E the issue is priced roughly in line with (not at a discount to) the peer median of ~18.6x; on FY25 earnings the implied P/E rises to ~44x, and at least one brokerage has explicitly called the valuation “fully priced.”	MEDIUM
High geographic and customer concentration	The top 5 states accounted for 82.27% of H1 FY26 revenue, and the top 10 customers still represented roughly 55–61% of revenue — meaningful concentration despite recent improvement.	MEDIUM
Small scale relative to established listed peers	All three RHP-named peers (Golkunda Diamonds and Jewellery, Goldiam International, Renaissance Global) are substantially larger by revenue, ranging from roughly ₹281.5 Cr to ₹2,813 Cr versus Nityas's ₹202.9 Cr, implying a shorter operating and public-market track record at comparable scale.	MEDIUM
Working-capital-intensive fresh issue	Proceeds are directed primarily at working capital rather than fixed-asset capacity, meaning continued growth will likely require managing receivables and inventory carefully rather than benefiting from a one-time capacity step-up funded by this raise.	MEDIUM
Customer-concentration improvement partly inorganic	The reduction in top-10-customer revenue share is partly explained by the Ayaani acquisition converting a former top customer into a consolidated subsidiary, rather than being purely the result of organic customer diversification.	MEDIUM
Category-level pricing and demand risk	Lab-grown diamond jewellery faces ongoing competitive pricing pressure as global lab-grown diamond production costs continue to fall, which could compress margins across the category over time.	MEDIUM

10. IPO TIMELINE & HOW TO APPLY

Event	Date
IPO Opens	September 30, 2026
IPO Closes	October 5, 2026
Basis of Allotment (Tentative)	October 6, 2026



Event	Date
Refund / Demat Credit (Tentative)	October 7, 2026
Listing Date (Tentative)	October 8, 2026 (BSE, NSE)

How to Apply – ASBA / UPI

- Apply through your bank's ASBA facility (net-banking) or a broker/app supporting UPI-based bidding; funds are blocked in your account, not debited, until allotment.
- Select “Nityas Gems & Jewellery Limited” IPO, choose the retail category if applying as an individual, and bid at the cut-off price or within the ₹70–₹75 band.
- Minimum retail application is 1 lot of 200 shares (≈₹15,000 at the upper band).
- Approve the UPI mandate request promptly (within the specified window) to ensure your bid is registered before the issue closes.
- Track allotment status via the registrar, Bigshare Services Pvt. Ltd., using your PAN, application number or demat details after the basis-of-allotment date.

11. GMP & INVESTOR SENTIMENT

Metric	Value
Grey Market Premium — earlier sessions (ahead of opening)	₹5–6 (~6–8% implied gain)
Grey Market Premium — as of opening day (Sep 30, 2026)	≈₹3 (~4% implied gain); unofficial trading seen around ₹78 vs. ₹75 issue price
Day-1 Subscription Status (as of 12:05 PM, Sep 30, 2026)	~11% subscribed (1.61 million shares bid vs. 14.45 million shares on offer)

GMP has visibly softened in the run-up to and at the opening of this issue, falling from an initial ₹5–6 to roughly ₹3 as trading began — a meaningfully smaller implied listing gain than the issue first commanded. Combined with reported subscription of only around 11% by midday on the opening day, this points to a cooler-than-ideal initial market reception, even though at least one brokerage has still framed the business case as a reasonable long-term bet despite calling the valuation “fully priced.” Investors should track subscription momentum across the QIB, NII and retail categories through the remaining bidding days, as late-stage institutional demand can shift the picture materially by close.

GMP (Grey Market Premium) is an informal, unregulated indicator quoted in the unofficial “grey market” and is not published or endorsed by any stock exchange, SEBI, or Ganesh StockInvest. It reflects prevailing sentiment at a point in time, can swing sharply — including turning negative — right up to the listing date, and should never be the sole basis for an investment decision. Actual listing price performance may differ materially from GMP-implied levels.



12. GANESH STOCKINVEST RECOMMENDATION

GANESH STOCKINVEST RECOMMENDATION: NEUTRAL — SELECTIVE, LONG-TERM ONLY

Promising category and margins, but unproven growth durability and soft day-one sentiment warrant caution

Investment Rationale

- **Genuine thematic and margin story:** Exposure to the fast-growing lab-grown diamond jewellery category, combined with real EBITDA margin expansion (10.21% to 15.27%) and RoNW far ahead of listed peers, offers a credible long-term growth narrative.
- **Improving balance sheet:** Debt/Equity has improved to 0.29x, and the entirely fresh-issue structure means no promoter cash-out at listing, aligning incentives with post-listing performance.
- **Reducing, though still meaningful, concentration:** Customer concentration has eased materially from FY24 levels, even if the improvement is partly acquisition-driven rather than purely organic.

Caution Factors

- The company's FY24–FY26 growth has been extremely rapid (94.46% CAGR) and recent, with at least one independent reviewer explicitly flagging sustainability concerns over the FY26 numbers.
- FY26 operating cash flow was negative (~₹14.73 Cr) even as reported profit rose sharply — a gap between accounting profit and cash generation that is important to monitor going forward.
- GMP cooled from ₹5–6 to roughly ₹3 and subscription was soft (~11%) by midday on the opening day — early signals of tepid, not enthusiastic, market reception.
- At ~19.4x FY26 P/E the issue is priced roughly in line with its peer median (not at a discount), and at ~44x on FY25 earnings if the FY26 improvement does not prove durable; at least one brokerage has called the valuation “fully priced.”
- The company remains small and geographically/customer-concentrated relative to its three substantially larger listed peers.

Suitability – Target Investor Types

Investor Profile	Suitability
Retail investors seeking listing-day gains	Less suitable — cooling GMP and soft day-one subscription offer little visible listing-pop cushion at this time
Long-term, well-informed equity investors with spare capital	Suitable with caution — acceptable only if comfortable that FY26's growth and margin levels prove durable through at least one more reporting cycle
Conservative / risk-averse investors	Less suitable — a two-year-old scale-up story with negative operating cash flow and an unproven track record sits outside a conservative risk tolerance
Institutional / QIB investors with sector expertise	Suitable with caution — best positioned to independently assess whether FY26's growth and margin gains reflect a durable step-change or a difficult-to-repeat peak

Overall View: Nityas Gems & Jewellery offers genuine exposure to a fast-growing category with real margin improvement and standout return ratios versus its listed peers, backed by an entirely fresh-issue structure that avoids promoter cash-out. However, the growth underpinning this story has been extraordinarily rapid and recent, operating cash flow has turned negative even as reported profit has grown, and the market's own early reaction — a cooling GMP and soft day-one subscription — echoes an independent reviewer's own caution that this is a name for “only well-informed/cash



surplus investors” to park moderate funds in for the long term, not a broad-based subscribe-for-everyone or listing-gains candidate. We rate this issue NEUTRAL, selective and long-term-oriented only.



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