

Priority Jewels Limited

October 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	99.00	CARE BBB; Stable / CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of Priority Jewels Limited (PJL) derives strength from its experienced promoters and well-established track record in the diamond-studded gold jewellery business. PJL benefits from a diversified market presence and long-standing relationships with reputed clientele. Ratings also factor in the company's adequate liquidity position and moderate capital structure.

However, rating strengths continue to be tempered by PJL's moderate scale of operations and profitability margins due to the competitive nature of the industry, moderate debt coverage indicators, working capital intensive operations, and profitability margins susceptible to foreign exchange fluctuation risk and volatility in diamond prices.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistently growing scale of operations over ₹550 crore with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 6% on a sustained basis.
- Total debt to gross cash accruals (TD/GCA) below 8x on a sustained basis.
- Operating cycle of less than 110 days on sustained basis.

Negative factors

- Decline in total operating income (TOI) and/or profitability margins from the envisaged levels, leading to significant deterioration in cash accruals on a sustained basis.
- Deterioration in capital structure marked by overall gearing above 1.50x on a sustained basis.
- Elongation in operating cycle to over 170 days on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the company shall sustain its operational metrics and financial risk profile in the medium term.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with established track record

PJL has operational history of over 15 years in manufacturing studded gold jewellery. The company benefits from a robust in-house design team and operates from a dedicated manufacturing facility in Mumbai. PJL's business is led by Shailesh H Sangani, Managing Director, who has over 30 years of experience in the gems and jewellery industry. He is supported by Tushar Mehta,

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Chief Financial Officer, and Manisha Sangani, co-promoters. The management team is further supported by experienced professionals overseeing day-to-day operations. The second generation of promoters has been inducted into the business to gradually take on future leadership responsibilities.

Diversified market presence and long-standing relationships with reputed clientele

PJL has a well-diversified market presence, with domestic segment accounting for ~64% of the TOI in FY25 (refers to April 01 to March 31), against ~58% in FY24. To cater to the domestic demand, PJL has multiple regional offices across India. The balance revenue is derived from exports to multiple international markets including the UAE, Hong Kong, the USA, and Norway. PJL has a reputed and diversified client base comprising independent jewellers and reputed jewellery retailers. The company enjoys long-standing relationships with its customers, which supports repeat business and contributes to revenue stability.

Moderate capital structure

PJL's total debt primarily comprises working capital borrowings, unsecured interest-free loans (USL) from promoters, and minimal term debt. PJL has a moderately leveraged capital structure, as reflected by an overall gearing of 1.41x as on March 31, 2025, compared to 1.32x as on March 31, 2024.

Key weaknesses

Moderate scale of operations and profitability

PJL's scale of operations has remained moderate and range-bound over the past four years ending FY25. The company reported a growth of ~6% in TOI, reaching ₹435.06 crore in FY25 against ₹410.02 crore in FY24, supported by healthy demand from the domestic market, partially offset by subdued performance in the export segment. The profitability margin also improved, with PBILDT margin increasing to 5.48% in FY25 from 4.63% in FY24, primarily due to lower raw material costs. In line with the operating margin, profit after taxation (PAT) margin also improved to 2.50% in FY25 (PY: 1.74%). In Q1FY26 (refers to April 01 to June 30), the company achieved TOI of ₹99.66 crore with a PBILDT margin of 5.81%.

Moderate debt protection metrics

The debt coverage metrics, though improved, remained moderate. TD/GCA, though improved, stood high at 11.78x as on March 31, 2025, against 14.33x as on March 31, 2024. Interest coverage ratio remained moderate at 3.02x in FY25 against 2.28x in FY24 owing to higher PBILDT.

Working capital intensive operations

PJL's operations remain working capital intensive, as reflected in the elongated working capital cycle at 164 days in FY25 (157 days in FY24). The company's working capital is primarily blocked in receivables and inventory. While inventory days improved marginally to 107 days in FY25 (PY: 110 days), collection period increased to 99 days in FY25 from 92 days in FY24, primarily due to higher sales booked towards the end of Q4FY25 (refers to January 01 to March 31).

Susceptible to raw material price volatility and foreign exchange fluctuation risk

PJL procures polished diamonds largely from the open market. This apart, the company procures gold from banks through gold metal loan and fixes purchase price of gold on the date of selling gold, which helps to mitigate risk of volatility in gold prices to an extent. Profit margins for players in the gems and jewellery (G&J) business remain susceptible to raw material price volatility. PJPL derived ~36% of its overall revenues from the export sales in FY25. The company is a net exporter, and forex risk is partly hedged by entering into forward contracts. The company also gets some benefit of natural hedge. However, the company is exposed to volatility due to timing differences, making it susceptible to foreign exchange fluctuations.

Intense competition and fragmented nature of industry

The G&J industry is fragmented with a high level of competition from organised and largely unorganised sectors, involving small and medium-sized players manufacturing diamond and gold jewellery, which largely limits its pricing power. The global macroeconomic environment continues to remain uncertain and poses a major challenge for the G&J industry, which is mainly export-driven.

Liquidity: Adequate

The liquidity position remained adequate marked by sufficient cushion in accruals against its repayment obligations. The company is expected to generate cash accruals in the range of ₹10-15 crore against term loan repayment obligation of ₹3-4 crore. The free cash balance stood at ₹2.37 crore as on March 31, 2025. The average utilisation of its working capital limits for 12 months ending July 31, 2025, stood at 68.56%. The company generated cash flow of ₹3.71 crore from operating activities and current ratio stood at 1.30x as on March 31, 2025. The company has given margin money and availed gold metal loans (GML), current ratio adjusting for margin money against GML stood at 1.46x as on March 31, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Gems, jewellery and watches

Incorporated on October 12, 2007, PJPL commenced operations on January 16, 2008. The company is jointly promoted by Shailesh H Sangani, Manisha Sangani, and Tushar Mehta. It is engaged in manufacturing and selling diamond-studded gold/silver/platinum jewellery. The company has two manufacturing facilities in Andheri (Mumbai) with total annual capacity of 700 KG jewellery. In April 2025, PJL filed DRHP to raise funds through an initial public offer (IPO).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	410.02	435.06	90.66
PBILDT	18.97	23.85	5.27
PAT	7.15	10.89	
Overall gearing (times)	1.32	1.41	NA
Interest coverage (times)	2.28	3.02	

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/Non-fund-based-LT/ST		-	-	-	99.00	CARE BBB; Stable / CARE A3+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based/Non-fund-based-LT/ST	LT/ST	99.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3+ (04-Oct-24)	1)CARE BBB; Stable / CARE A3+ (09-Oct-23)	1)CARE BBB; Stable / CARE A3+ (06-Oct-22)

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based/Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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