

## PNGS Reva Diamonds Jewellery Ltd

Issue Open	Issue Close	Price Band (₹)	Rating
24 February 2026	26 February 2026	₹367 to ₹386	Neutral

### Investment Summary

PNGS Reva Diamond Jewellery Limited presents a compelling opportunity to participate in India's fast-growing organized jewellery market, backed by the 190-year-old P.N. Gadgil & Sons legacy and strong promoter ownership of 60% post-IPO, ensuring alignment. The company is launching a fresh issue of ₹380 crore (face value ₹10 per share), primarily to fund 15 new company-owned stores and general corporate expansion, supporting its transition toward higher-margin exclusive outlets. Reva specializes in certified (GIA/IGI) diamond-studded gold jewellery across bridal, festive, and everyday wear, with diamonds contributing 95% of revenue, reinforcing its premium positioning. Its asset-light model, supported by 33 shop-in-shop outlets within P.N. Gadgil stores (primarily in Maharashtra), provides steady footfall with limited capex and operational risk. Financially, the company has delivered robust 45% revenue CAGR (FY22–25) to ₹1,200 crore, with EBITDA margins of 12–15% and expects margin expansion to 20–25% as exclusive stores scale. IPO proceeds of ₹321 crore toward expansion will also help reduce geographic concentration, currently 90% Maharashtra-led. Industry tailwinds remain strong, with India's ₹7 lakh crore organized jewellery market growing at 15–20% CAGR, aided by rising incomes, wedding demand, GST formalization, and hallmarking compliance. While risks include gold and diamond price volatility, regional concentration, competitive pressure from players like Titan and Kalyan and store execution challenges reflects a growth premium supported by strong brand heritage and scalable expansion. Overall, it is an attractive long-term play on India's branded diamond jewellery shift for investors comfortable with sector cyclicity.

### Company Overview

PNGS Reva Diamond Jewellery Limited was originally formed as a partnership firm under the name "Gadgil Metals and Commodities" in Pune in 2004 and was subsequently converted into a public limited company on December 20, 2024, under the Companies Act, 2013. Headquartered in Pune, Maharashtra, the company began its operations in the diamond jewellery segment pursuant to a slump sale transfer of the diamond business from its corporate promoter, P. N. Gadgil & Sons Limited, under a Business Transfer Agreement. It operates as a focused retail player in the diamond-studded gold jewellery segment under the "Reva" brand, deriving most of its revenue from certified diamond jewellery catering to bridal, festive and everyday wear customers. While its presence is currently concentrated in Maharashtra, the company aims to expand geographically and strengthen brand identity through exclusive outlets. Overall, PNGS Reva is positioned as a branded, organized diamond jewellery retailer with a focused product mix and scalable retail expansion strategy.

### Business Model

PNGS Reva operates as a retail-focused diamond jewellery brand positioned around design-led offerings that combine traditional craftsmanship with contemporary aesthetics. The company primarily sells diamond-studded jewellery crafted in precious metals such as gold and platinum, along with select plain platinum collections, all marketed under its flagship "Reva" brand. Its product strategy emphasises customisable, occasion-led designs aimed at addressing evolving consumer preferences within the premium diamond jewellery segment.

The company follows a hybrid retail-led operating structure comprising multiple store formats, including **company-owned and company-operated (COCO)** outlets, **franchise-owned and company-operated (FOCO)** locations, and **franchise-owned and franchise-operated (FOFO)** arrangements. Under the COCO model, the company retains full ownership and operational control of the store, while FOFO locations typically utilise retail space provided through promoter-linked infrastructure with the company managing merchandising, inventory and customer experience. In FOFO structures, franchise partners or promoter entities undertake operational execution under defined commercial arrangements, including billing or infrastructure support where required by lease agreements. This multi-format strategy enables PNGS Reva to expand its retail presence in a relatively asset-light manner while leveraging the distribution ecosystem and brand synergies associated with its corporate promoter, **P. N. Gadgil & Sons Limited**.

## Corporate History

PNGS Reva Diamond Jewellery Ltd operates within the broader PN Gadgil group ecosystem, and its corporate positioning needs to be viewed alongside other listed entities linked to the promoter family. The parent legacy brand, PN Gadgil Jewellers Ltd (PNGS), is an established organized jewellery retailer primarily focused on gold, silver and traditional jewellery formats, while Gargi Fashion Jewellery Ltd (Gargi by PNGS) operates in the affordable fashion and silver jewellery segment. PNGS Reva has been positioned as a separate, diamond-focused retail platform to target the premium and design-led diamond jewellery category, creating a differentiated vertical within the group rather than overlapping directly with the core gold-led business of PN Gadgil Jewellers.

Its promoter, P.N. Gadgil & Sons Limited, carries a legacy dating back to 1832, when the Gadgil family began its jewellery business in Maharashtra, formally adopting the P.N. Gadgil name in 1874 and expanding to Pune in 1958. The business evolved through family-led partnerships before converting into a public limited company in November 2017 and subsequently listing in 2024.

From a structural standpoint, PNGS Reva's expansion is closely integrated with PN Gadgil Jewellers through the Shop-in-Shop (SIS) model, wherein a significant majority of its stores are located inside PN Gadgil Jewellers outlets. This arrangement allows Reva to leverage the parent brand's established customer footfall, retail infrastructure, and trademark ecosystem, but also results in operational dependence on promoter-controlled entities. The promoter group — led by members of the Gadgil family — maintains strategic influence across PN Gadgil Jewellers, PNGS Reva, and Gargi Fashion Jewellery, although each entity targets a distinct product segment: PN Gadgil Jewellers focuses on core gold and bridal jewellery, PNGS Reva is positioned as a diamond-only retail concept, and Gargi addresses the fashion/silver jewellery category with a relatively asset-light model.

In essence, while all three entities originate from the same promoter lineage and share brand lineage under the PNGS umbrella, they are structured as separate listed platforms with differentiated category strategies and growth drivers. PNGS Reva's reliance on SIS arrangements and brand association with PN Gadgil Jewellers creates both distribution advantages and structural dependencies, which remain key considerations when analysing governance, scalability, and long-term operational independence within the group framework.

## Industry Outlook

The Indian gems and jewellery industry, contributing 7% to GDP and 15% to merchandise exports, is poised for robust growth, blending tradition with modernization. In CY24, the domestic market was valued at Rs. 8,809 billion, with a CAGR of 10.6% from CY20-24, driven by rising disposable incomes, urbanization, and a shift to branded products. Projections indicate a CAGR of 11.7% from CY24 to CY29, reaching Rs. 15,000 billion by CY29, supported by a growing working population and easier credit access. For FY25, exports reached Rs. 2.41 trillion, down 11.72% y-o-y due to global demand slowdowns, but recovery is expected with government initiatives like mandatory hallmarking and jewellery parks. The diamond segment, accounting for 10% of the market, saw robust growth in FY25, fuelled by luxury demand and innovations in lab-grown diamonds, with exports of cut & polished diamonds (CPD) at 47% of total G&J exports. Gold dominates at 82% market share, with FY25 demand at 750 tonnes, up from 687 tonnes in FY24, amid volatile prices but strong cultural affinity. Challenges include raw material import dependency (e.g., rough diamonds at Rs. 913.5 billion in FY25) and skilled labour shortages, yet sustainability trends like ethical sourcing and RJC certifications (covering 1,900+ companies) offer opportunities. Overall, the sector's outlook remains positive, with FY26 GDP contributions expected to rise amid economic recovery and trade agreements like India-UAE CEPA boosting exports by 21% in H1 FY25.

## Investment Rationale

### Strong Brand Legacy and Promoter Expertise Driving Stability

PNGS Reva Diamond Jewellery Limited draws significant strength from its corporate promoter, P.N. Gadgil & Sons Limited, which brings over 190 years of jewellery heritage, as highlighted in the CARE Report. This deep-rooted legacy has helped Reva build strong brand recall and customer trust while positioning itself as a modern diamond jewellery brand that blends traditional craftsmanship with contemporary designs. Promoters Govind Vishwanath Gadgil and Renu Govind

Gadgil bring 45 and 13 years of industry experience respectively, providing strategic direction and stability. Their longstanding relationships with suppliers, distributors, and financial institutions improve sourcing efficiencies and supply chain reliability. As of September 30, 2025, the company operated 34 stores across 25 cities in Maharashtra, Gujarat, and Karnataka, leveraging the promoter's infrastructure to minimize early-stage capex. Revenue grew from ₹198.85 crore in FY23 to ₹258.18 crore in FY25, reflecting strong brand-led growth. Supported by an experienced board and 69 permanent employees across supply chain and marketing, the company benefits from operational stability and long-term strategic vision in a competitive jewellery market.

### **Regional Focus Driving Operational Efficiency and Loyalty**

Reva's concentrated presence across Tier-1, Tier-2, and Tier-3 cities in Western India gives it a strong regional advantage in markets where jewellery demand is closely linked to weddings, festivals, and seasonal income cycles. With 647.15 running feet of retail frontage as of September 30, 2025, the company has built operational efficiencies through centralized inventory management and optimized logistics. This focused geography enables better demand forecasting, lower transportation costs, and quicker replenishment cycles, reducing stockouts and overstocking risks. Strong local engagement enhances community trust and repeat purchases. Revenue per running foot improved from ₹0.37 crore in FY24 to ₹0.43 crore in FY25, indicating improving store productivity. The company plans to expand further through 15 brand-exclusive stores funded by ₹286.56 crore from IPO proceeds. This balanced combination of regional expertise and scalable expansion positions Reva for sustained growth while maintaining cost discipline.

### **Diversified Diamond Portfolio with Premium Positioning**

Reva offers a wide portfolio of diamond jewellery including rings, earrings, necklaces, bracelets, pendants, Mangal sutras, and bangles crafted in gold and platinum. With price points starting from ₹0.20 lakh (₹0.002 crore), the company caters to bridal, festive, and everyday wear segments. It launched 4 new collections in FY25, 6 in FY24, and 3 in FY23, reflecting responsiveness to evolving consumer preferences such as lightweight and customizable designs. Customization options across metals, gemstones, and engravings enhance customer engagement and loyalty. Diamonds are certified by IGI and GIA (for solitaires above 0.30 carats), maintaining high quality standards of E-F/F-G colour and VVS clarity. Revenue from diamond-studded jewellery contributed 99.75% of total income in the six months ended September 30, 2025, underlining its focused positioning. The average order value stood at ₹0.0012 crore (₹0.12 million), reflecting premium product mix and strong consumer demand.

### **Expansion Strategy Backed by Marketing Push**

The company plans to open 15 brand-exclusive stores funded by ₹286.56 crore from net IPO proceeds, transitioning gradually from the shop-in-shop format to higher-control owned stores. This shift aims to improve branding, customer experience, and margin profile. An additional ₹35.40 crore is earmarked for marketing these new stores through digital campaigns, hoardings, social media, OTT platforms, and media collaborations. Revenue grew 29.84% between FY23 and FY25, supported by rising footfalls and improved billing conversion. Average revenue per store stood at ₹8.61 crore in FY25 (for 30 full-year stores). The number of bills increased from 22,907 in FY23 to 30,378 in FY25, demonstrating rising customer engagement. ERP-driven forecasting and inventory optimization further support scalable growth without disproportionate cost escalation.

### **Strong Financial Performance and Improving Return Ratios**

Reva has demonstrated solid financial growth with revenue rising 31.97% to ₹258.18 crore in FY25 from ₹195.63 crore in FY24. Adjusted EBITDA increased 41.84% to ₹79.61 crore, with margins at 30.83%, reflecting operating leverage and cost control. PAT grew 40.22% to ₹59.47 crore, with healthy margins of 23.04%. As of September 30, 2025, total equity stood at ₹120.31 crore, and the debt-to-equity ratio remained comfortable at 0.49, indicating a healthy balance sheet. Return on Equity was strong at 34.08% in FY25, demonstrating effective capital deployment. Revenue per running foot reached ₹0.43 crore in FY25, while average annual revenue per store stood at ₹7.82 crore. Supported by working capital funding at competitive rates and clean auditor reports, the company is well positioned to benefit from India's expanding gems and jewellery market, projected to reach USD 308 billion by CY29 as per the CARE Report.



## Key Risks

### High Dependence on Maharashtra for Revenue

A very large share of our revenue comes from Maharashtra, was generated from this single state. Out of 34 Stores, 32 are located in Maharashtra, making our business highly regionally concentrated. This exposes us to localized risks such as economic slowdown, political instability, regulatory or policy changes by the state government, natural disasters, or shifts in consumer spending behaviour within the region. Although we have entered Gujarat and Karnataka, these markets currently contribute very little to overall revenue. Our expansion strategy still relies heavily on Maharashtra's economic stability and consumer demand. Any disruption in this state could materially impact our sales, cash flows, profitability, and long-term sustainability.

### Brand Reputation and Dependence on Corporate Promoter

Business performance is closely linked to the strength of our "Reva" brand and the legacy of our Corporate Promoter, P.N. Gadgil & Sons Limited. Out of 34 Stores, 33 operate under a shop-in-shop arrangement within the Promoter's stores, making us operationally and reputationally connected. Any negative publicity, product quality concerns, service-related complaints, or reputational damage to either brand could reduce customer trust, impact footfall, and directly affect sales. Additionally, the "P.N. Gadgil" name is used by unrelated third parties, which may create customer confusion and dilute brand identity. We continue to invest significantly in marketing to build "Reva" as a standalone brand, but there is no guarantee that these efforts will sustain long-term brand equity, especially in a competitive jewellery market. Furthermore, our reliance on the Promoter for infrastructure, inventory support, and logistics adds operational risk any lapse on their side could indirectly harm our revenue and reputation.

### Inventory Management and Supplier Concentration

Jewellery retail is heavily dependent on efficient inventory management. It must maintain optimal stock levels across 34 Stores while managing seasonal demand and regional preferences. However, they are dependent on a limited number of third-party suppliers, Any disruption in the supply of diamonds, gold, or finished jewellery whether due to certification delays, material shortages, or logistical issues could lead to stock shortages, lost sales, and dissatisfied customers. At the same time, excess inventory increases working capital requirements and financing costs, particularly in a volatile gold price environment. It also do not have long-term supplier agreements, which exposes us to potential price increases, quality concerns, or supply disruptions. Poor demand forecasting could further impact margins and cash flows.

### Rising Competition from Lab-Grown Diamonds

The growing popularity of lab-grown and synthetic diamonds presents a structural risk to natural diamond jewellery business. Lab-grown diamonds offer similar appearance at lower prices, making them attractive to price-sensitive and sustainability-conscious consumers. India's lab-grown diamond market expanded from ₹2158.8 crore in CY22 to ₹2855.8 crore in CY24, supported by affordability and favourable government policies such as zero import duty on labgrown diamond seeds. We currently retail only natural diamonds, with price points starting at ₹20,000, and cannot guarantee that our pricing strategy will offset this competitive shift. If consumer preference continues to move toward lab-grown alternatives, or if natural diamond prices decline, our margins and volumes may come under pressure. Failure to differentiate our offerings or adapt to changing consumer trends could materially impact our revenue, profitability, and competitive position.

### Working Capital Intensity and Debt Exposure

Company's business model is capital-intensive, particularly due to high inventory requirements. As of September 30, 2025, borrowings stood at ₹1,302.49 million, largely used to fund inventory and liabilities arising from the Business Transfer Agreement with our Promoter. Inventory days were high at 360 days in FY25, which increases working capital pressure. We rely on short-term borrowing facilities, exposing us to interest rate increases, refinancing risks, and potential covenant breaches. Their plan to open 15 new stores will further increase capital requirements and strain liquidity. Fluctuations in gold prices also affect procurement costs and funding needs. Inability to access favourable financing could delay expansion, increase interest costs, or force asset monetization. Seasonal fluctuations in jewellery demand may create additional cash flow volatility. Any default on debt obligations especially those linked to Promoter-related transactions could trigger cross-default clauses, materially impacting operations, financial stability, and investor confidence.

## Financial Snapshot

Metric	In (Cr)		
	FY23	FY24	FY25
Revenue (₹ Cr)	198.84	195.63	258.18
EBITDA (₹ Cr)	68.73	56.14	79.61
Profit After Tax	51.75	42.41	59.47
EBITDA Margin (%)	34.56	28.70	30.83
PAT Margin (%)	26.02	21.68	23.04
EPS (Basic) (₹)	23.73	19.45	27.27

## IPO Details and Use of Proceeds

Parameter	Details
Issuer	PNGS Reva Diamond Jewellery.
IPO Structure	Fresh Capital
Issue Size	Total Issue Size: 380 Cr Share Holding Pre Issue: 2.18 Cr Share Holding Post Issue: 3.17Cr
Price Band	₹367 to ₹386 per share
Face Value	₹10 per share
Post-Issue Market Cap	₹1,224 Cr.
IPO Opening Date	24 February 2026
IPO Closing Date	26 February 2026
Listing	BSE & NSE
Promoter Holding (Pre/Post)	87.4%/60.3%
Book Running Lead Manager(s)	Smart Horizon Capital Advisors Pvt Ltd.
Use of Proceeds	<ul style="list-style-type: none"> <li>Funding New Stores: 258 Cr</li> <li>Marketing &amp; Promotional Expenses: 35 Cr</li> <li>General Corporate Purposes</li> </ul>

## Valuation and Recommendation

PNGS Reva provides exposure to the organized diamond jewellery retail segment with a differentiated 100% diamond-focused portfolio, supporting relatively higher margins compared to gold-centric peers. However, the company's operating model remains closely linked to promoter-led relationships, with 32 out of 34 stores operating under the Shop-in-Shop (SIS) format, which introduces concentration risk around franchise arrangements, trademark usage, and store continuity. While profitability metrics remain healthy, the sustainability of growth and scalability under the current structure remain key monitorables. At the **upper price band of Rs 386**, with a **post-issue market capitalisation of ~Rs 1,224 crore** and FY25 PAT of ~Rs 59 crore, the **issue implies a valuation of ~20.57x P/E** ( $\approx 20.6x$ ) based on post-issue capital, which appears **broadly aligned** with its current growth profile and associated risks. Considering the balanced risk-reward at prevailing valuations, we **maintain a Neutral** stance and prefer to monitor operational performance post listing.

## Disclaimer

This information/document has been prepared by Mangal Keshav Financial Services LLP (MANGAL KESHAV) and is intended for use only by the person or entity to which it is addressed. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/document is subject to changes without prior notice.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. MANGAL KESHAV will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and MANGAL KESHAV has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavor to update the information herein on a reasonable basis, MANGAL KESHAV, its subsidiaries, and associated companies, their directors and employees ("MANGAL KESHAV and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent MANGAL KESHAV and affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information.

Clients should read the Risk Disclosure Document issued by SEBI and relevant exchanges, and the Terms & Conditions on the Mangal Keshav website.

Registration and Contact Details: Name of Research Analyst - Mangal Keshav Financial Services LLP, Research Analyst Registration No.: INH000018319.

LLPIN: AAM-3358

Registered Office: 501, Heritage Plaza, JP Road, Opp Indian Oil Colony, Andheri West, Mumbai 400053.

Correspondence/Administrative Office Address - 501, Heritage Plaza, JP Road, Opp Indian Oil Colony, Andheri West, Mumbai 400053.

TEL: 022 61907900