

Rating: Subscribe for listing gains

### Issue Offer

An Offer for Sale of 5,208,333 shares equity shares amounting to INR 2500 Mn, and a Fresh Issue of 17,708,334 equity shares amounting to INR 8500 Mn.

#### Issue Summary

Price Band INR	456-480
Face Value INR	10
Implied Market Cap INR Mn.	65,140
Market Lot	31
Issue Opens on	Sep 10, 2024
Issue Close on	Sep 12, 2024
No. of share pre-issue	118,000,000
No. of share post issue	135,708,334
Listing	NSE, BSE

#### Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

#### Registrar

Bigshare Services Pvt Ltd

#### Book Running Lead Managers

Motilal Oswal Investment Advisors Ltd,  
Nuvama Wealth Management Ltd and Bob  
Capital Markets Ltd

#### Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	100%	83.11%
Public & Others	-	16.89%

#### Objects of the issue

- Funding expenditure towards setting up 12 new stores in Maharashtra (New Stores)
- Repayment or pre-payment, in full or part, of certain borrowings availed by the Company
- General corporate purposes

**Abhishek Jain**

[abhishek.jain@arihantcapital.com](mailto:abhishek.jain@arihantcapital.com)

022-422548871

**Kunjali Agarwal**

P N Gadgil Jewellers Limited, established in 2013, is a leading organized jewelry retailer in Maharashtra, India, with 39 stores across Maharashtra, Goa, and the U.S. The company offers a wide range of jewelry products, including gold, silver, platinum, and diamond pieces, under its "PNG" brand, catering to various customer needs from everyday wear to special occasions. Leveraging its strong heritage dating back to 1832, PNG Jewellers has become the fastest-growing jewelry brand among organized players in India, achieving a revenue CAGR of 54.63% and an EBITDA growth of 39.78% between FY22 and FY24. Operating through a combination of owned and franchise-owned stores, PNG Jewellers also has a robust online presence and plans to expand further by opening 12 new stores in Maharashtra by FY26. The company focuses on quality, with strict hallmarking and conflict-free certifications, and employs diverse marketing strategies, including event-based campaigns and celebrity endorsements, to strengthen its brand presence

#### Investment Rationale

**Well-Established and Trusted Legacy Brand in Maharashtra-** The company boasts a rich heritage and strong brand recognition in Maharashtra, which has cultivated a foundation of customer loyalty and trust. This established reputation has enabled the company to expand successfully, operating 39 stores across 21 cities in Maharashtra and Goa, as well as one store in the U.S. Its diverse product portfolio spans gold, diamond, silver, and platinum jewellery, offering designs that cater to various occasions and preferences, from traditional to contemporary. The company's commitment to quality, highlighted by BIS hallmarking and conflict-free diamond certification, enhances its reputation. Effective marketing strategies, including celebrity endorsements and innovative campaigns, further position PNG Jewellers for continued growth and market expansion.

**Second Largest Organized Retail Jewellery Player in Maharashtra-** As the second-largest organized retail jewellery player in Maharashtra, It demonstrates significant market leadership and growth potential. The company is one of India's fastest-growing brands, with a remarkable revenue growth of 54.63% CAGR between FY 2022 and FY 2024, and the highest revenue per square foot among major organized jewellery players. This strong market position underlines its capability to capture a larger share of the organized jewellery market. Strategic expansion into underserved Tier II and Tier III cities, combined with a growing e-commerce presence, supports PNG Jewellers' potential for continued growth and increased market dominance.

**Diversified Product Portfolio Across Categories and Price Points-** The company offers an extensive range of over 38,000 SKUs across gold, silver, platinum, and diamond categories, featuring a variety of designs and price points. This comprehensive product range meets diverse customer needs, from special occasions like weddings to everyday wear. By providing a broad selection, the company appeals to a wide customer base and adapts to evolving consumer trends. Its deep understanding of regional preferences, particularly in Maharashtra, allows it to tailor collections to local tastes, creating a "one-stop-shop" experience that drives sales stability and growth.

**Increased Digital Presence to Expand Customer Base and Sales-** The company is enhancing its digital presence through its website and mobile app to broaden its customer base and increase sales. This digital expansion allows the company to reach a larger audience with minimal costs. By offering products online and through various marketplace platforms, PNG Jewellers boosts brand awareness and caters to a wider customer segment. Additionally, its digital channels provide valuable insights into demand patterns, aiding in informed decision-making for future store expansions. The continued investment in digital strategies is designed to engage customers and boost sales both online and offline, offering a cost-effective alternative to physical store investments.

**Valuation and View :** PNG Jewellers is strategically positioned to capitalize on its strong brand reputation, extensive product portfolio, and significant market presence. With its robust domestic footprint and growth potential in both existing and new markets, the company is set to benefit from expanding its store network, enhancing its digital presence, and leveraging effective marketing strategies. It has demonstrated impressive financial performance with substantial revenue growth, rising to INR 6,119 Mn in FY24 from INR 4,559 Mn in FY23, a 34% increase. At the upper price band of INR 480 per share, the IPO is valued at a P/E of 42.2x based on an FY24 EPS of INR 11.4. **We recommend to "SUBSCRIBE FOR LISTING GAIN"**

**Arihant Research Desk**

Email: [instresearch@arihantcapital.com](mailto:instresearch@arihantcapital.com)

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 <sup>st</sup> Floor Andheri Ghatkopar Link Road Chakala, Andheri E Mumbai – 400093 Tel: 91-22 42254800 Fax: 91-22 42254880	6 Lad Colony Y.N Road Indore - 452003, M.P. Tel: 0731-4217100 Fax: 91-731 3016199

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
<b>INH000002764</b>	<b>SMS: 'Arihant' to 56677</b>	<a href="http://www.arihantcapital.com">www.arihantcapital.com</a>	<a href="mailto:instresearch@arihantcapital.com">instresearch@arihantcapital.com</a>

**Disclaimer:** This document has been prepared by Arihant Capital Markets Ltd. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. 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. The user assumes the entire risk of any use made of this information. Arihant may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd.  
1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri E  
Tel. 022-42254800 Fax. 022-42254880