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CM RATING 42 /100

# PNGS Reva Diamond Jewellery

## Diamond Jewellery Retailer

### Plans to open 15 new stores by FY2028

PNGS Reva Diamond Jewellery offers different types of jewellery using diamonds, precious and semi-precious stones, which are studded into precious metals such as gold and platinum.

P. N. Gadgil & Sons, its corporate promoter, divested its diamond business through a slump sale to PNGS Reva Diamond Jewellery under a business transfer agreement (BTA). Following this transaction, PNGS Reva Diamond Jewellery operates as a separate entity in the diamond jewellery segment.

Pursuant to the BTA, dated January 31, 2025, inventory of Rs 162.7 crore and gratuity liability related to diamond business of Rs 0.46 crore were transferred from P N Gadgil & Sons to PNGS Reva Diamond Jewellery.

The product offerings include rings, earrings, necklaces, pendants, solitaires, bangles, bracelets, mangalsutra, nose rings, and chains to cater to diverse customer segments and occasions. Prices start at around Rs 20,000 and go up to high-value jewellery pieces.

As of September 30, 2025, the company had 13 distinct jewellery collections, including in-house design team and curated selections from third-party manufacturers and Karigars.

The revenue mix in H1FY2026 was led by mangalsutra 21.34% and rings 20.84%, followed by gold 14.12%, earrings 12.23%, necklace 5.58%, precious stones 4.13%, bracelet 3.40%, bangles 2.84%, nose pins 2.75%, pendant 1.14% and chain 0.49%, with others contributing 11.15%.

The products are sold under flagship brand, Reva. The Reva brand aims to blend traditional elegance with modern aesthetics, offering customizable diamond jewellery that appeals to a broad customer base. The company generated revenue of Rs 156.71 crore from the sale of diamond-studded jewellery and gold, accounting for 99.75% of total income, in H1FY2026.

The company had 34 Stores across 25 cities in Maharashtra, Gujarat, and Karnataka, aggregating across an area of 647.15 running feet, as on 10 February 2026. These 34 stores are divided into three categories: franchise owned and company operated (FOCO), franchise owned and franchise operated (FOFO), and company owned and company operated (COCO).

Under the FOFO model, the retail space is owned or leased by the corporate promoter, P. N. Gadgil & Sons, while inventory, store operations and customer experience are managed by PNGS Reva Diamond Jewellery. The company operates majority of its stores under this model.

Stores operating under the FOFO model are mainly located in shopping malls. The retail space is leased by P N Gadgil & Sons. In these stores, inventory is transferred to the promoter to be sold under the Reva brand due to mall agreements that allow only one brand to operate in the same space.

The brand operates one COCO store that is fully owned and operated by PNGS Reva Diamond Jewellery.

FOCO stores contributed 91% to total revenue, FOFO 8.6%, and COCO 0.4% in H1FY2026.

In terms of geography distribution, Maharashtra contributed 97.54%, Gujarat 0.91%, and Karnataka 1.51% to H1 FY26 revenue.

The company currently does not operate an e-commerce platform and has not generated revenue from exports.

There are plans to expand footprint to 15 brand-exclusive stores by FY2028. These new stores will be owned and operated by the company. Moreover, there are plans to increase spending on marketing and promotional activities.

### **Offer and its objects**

The IPO comprises a fresh issue of equity shares worth up to Rs 380 crore.

The price band for the IPO is Rs 367 to Rs 386 per equity share of face value Rs 10 each.

The objectives for the fresh issue include Rs 286.56 for funding expenditure towards setting-up of 15 new stores, Rs 35.4 crore for marketing and promotional expenses, and remaining amount for general corporate purposes.

The promoters are Govind Vishwanath Gadgil, Renu Govind Gadgil and P. N. Gadgil & Sons. The promoters and promoter group hold an aggregate of 1,91,21,400 equity shares, aggregating 87.45% of the pre-offer issued and paid-up equity share capital. Their post-IPO shareholding is expected to be around 60.3%.

The issue, through the book-building process, will open on 24 February 2026 and will close on 26 February 2026.

### **Strengths**

A diversified product portfolio across categories and price points enables catering to a wide range of consumer preferences and purchasing capacities.

The asset-light model enables minimizing capital expenditure on standalone stores while maximizing visibility in high-traffic retail environments.

Expansion plans with new brand-exclusive stores could drive future growth and strengthen brand visibility.

Established presence across Tier-1, Tier-2 and Tier-3 cities in Maharashtra supports strong customer relationships and operational efficiency.

Strong capabilities in customized and high-value jewellery drive revenue and enhance brand appeal.

Positioned to benefit from growing demand for branded jewellery, supported by rising disposable incomes, increasing urbanization, evolving fashion preferences.

Extensive experience of promoters and senior management personnel.

### **Weaknesses**

Maharashtra accounted for 97.54% of revenue in H1 FY2026, making the business highly dependent on a single region. Any adverse developments in the state could impact financial performance.

Rising popularity and availability of lab-grown and synthetic diamonds may reduce demand for natural diamonds and gemstones, which could impact sales.

The Ebitda margin declined to 19.65% in H1 FY2026 from 30.83% in FY2025, reflecting recent pressure on profitability.

Exposed to volatility in gold and diamond market prices.

The nature of the business requires maintaining sufficient inventories and leads to high inventory costs.

Relatively smaller scale as compared with large, listed jewellery players.

Potential integration and transition risks following the restructuring and separation from the corporate promoter P N Gadgil & Sons.

Jewellery purchases are discretionary and often perceived as luxury purchases. Any factor negatively impacting discretionary spending by consumers may adversely affect business.

### Valuation

Net sales increased 32% to Rs 258.18 crore in FY2025 as compared with FY2024. OPM improved 214 bps to 30.83%, leading to a 42% increase in OP to Rs 79.61 crore. OI increased 53% to Rs 0.92 crore. Interest cost stood at Rs 1.29 crore as compared with Rs 0.06 crore. Depreciation costs stood at Rs 0.03 crore as compared with Rs 0.01 crore. PBT surged 40% to Rs 79.21 crore. Tax expenses were Rs 19.74 crore as compared with Rs 14.26 crore. PAT surged 40% to Rs 59.47 crore.

The FY2025 EPS on post-issue equity works out to Rs 18.8. At the upper price band of Rs 386, P/E is 21.

Listed peers such as Tribhovandas Bhimji Zaveri traded at TTM P/E of 7, Senco Gold at TTM P/E of 11, and Thangamayil Jewellery at TTM P/E of 46 as on 20 February 2026. OPM and ROE stood at 30.83% and 34.08% respectively, in FY 2025. These were 6.6% and 10.88% for Tribhovandas Bhimji Zaveri, 5.81% and 9.46% for Senco Gold, and 4.57% and 14.8% for Thangamayil Jewellery, respectively.

<b>PNGS Reva Diamond Jewellery: Issue highlights</b>	
For Fresh Issue Offer size (in no of shares)	
- On lower price band	1,03,54,233
- On upper price band	98,44,559
Offer size (in Rs crore)	380
Price band (Rs)	367-386
Minimum Bid Lot (in no. of shares)	32
Post issue capital (Rs crore)	
- On lower price band	32.22
- On upper price band	31.71
Post-issue promoter & Group shareholding (%)	60.30
Issue open date	24-02-2026
Issue closed date	26-02-2026
Listing	BSE, NSE
<b>Rating</b>	<b>42/100</b>

<b>PNGS Reva Diamond Jewellery: Restated Financials</b>				
	2303 (12)	2403 (12)	2503 (12)	2509 (6)
Sales	198.85	195.63	258.18	156.72
OPM (%)	34.56%	28.69%	30.83%	19.65%
OP	68.73	56.13	79.61	30.79
Other inc.	0.50	0.60	0.92	0.40
PBIDT	69.23	56.74	80.53	31.19
Interest	0.04	0.06	1.29	4.16
PBDT	69.19	56.68	79.24	27.03

Dep.	0.01	0.01	0.03	0.21
PBT	69.18	56.67	79.21	26.82
Share of Profit/(Loss) from Associates/JV	-	-	-	-
PBT before EO	69.18	56.67	79.21	26.82
Exceptional items	-	-	-	-
PBT after EO	69.18	56.67	79.21	26.82
Taxation	17.43	14.26	19.74	6.69
PAT	51.74	42.41	59.47	20.13
EPS (Rs)*	16.3	13.4	18.8	#
* EPS is annualized on post issue equity capital of Rs 31.71 crore of face value of Rs 10 each				
# EPS is not annualised due to seasonality of business				
EO: Extraordinary items. EPS is calculated after excluding EO and relevant tax				
Figures in Rs crore				
Source: Capitaline Corporate Database				