



# IPO NOTE

## P N GADGIL JEWELLERS LIMITED



Rating:

**Subscribe**

(For listing gains & Long Term)



### ISSUE OFFER

Issue Opens on	SEP 10, 2024
Issue Close on	SEP 12, 2024
Total IPO size (cr)	₹1,100.00
Fresh issue (cr)	₹850.00
Offer For Sale (cr)	₹250.00
Price Band (INR)	456 - 480
Market Lot	31
Face Value (INR)	₹10
Listing At	NSE, BSE
Market Capitalization (cr)	6514

### ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 50%;"></div>	50%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 35%;"></div>	35%

### PROMOTER HOLDING %

Pre Issue	Post Issue
100%	83.11 %

### INDICATIVE TIMETABLE

Basis of Allotment	13-09-2024
Refunds/Unblocking ASBA Fund	16-09-2024
Credit of Share to Demat A/c	16-09-2024
Listing Date	17-09-2024

PN Gadgil Jewellers Limited offers a wide range of precious metal/jewelry products including gold, silver, platinum, and diamond jewelry under its brand name "PNG" in various price ranges and designs.

### OBJECTS OF THE ISSUE

- Funding expenditure towards setting up 12 new stores in Maharashtra.
- General corporate purposes.
- Payment of borrowings.

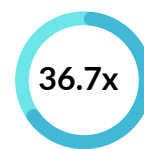
### FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2024	FY 2023	FY 2022
Equity Share Capital	118.0	55.2	55.2
Net Worth	534.37	365.73	282.0
ROCE %	27.31%	23.29%	19.89%
Revenue	6,110.94	4,507.51	2,555.64
Operating Profit Margin %	4.54%	3.87%	5.56%
Net Profit of the year	154.34	93.7	96.51

### FINANCIAL RATIOS OF FY24



D/E



P/E



Asset Turnover

### OUTLOOK & VALUATION

- P N Gadgil plans to utilize IPO funds for further expansion.
- The company has demonstrated consistent growth in both revenue and profit, with a recent improvement in margins after a temporary setback..
- The IPO's P/E valuation is considered fair.
- Investor outlook: While the company's overall outlook is positive, investors should be aware of potential fluctuations in listing gains due to the competitive IPO market. Long-term investors may consider subscribing to the IPO.



## COMPANY PROFILE

- The Company has 8 sub-brands offering gold jewelry collections for various occasions.
- The Company has grown to 33 stores, including 32 stores across 18 cities in Maharashtra and Goa and one store in the US.
- Its products are primarily sold under the flagship brand, 'PNG', and various sub-brands, through multiple channels.
- The manufacturing of all the jewellery is carried out by more than 75 experienced and skilled artisans.



## COMPETITIVE STRATEGIES

- Expand the retail network in western India by leveraging the brand.
- Continue to invest in the marketing and brand building initiatives.
- Focus on increasing footfalls in the existing stores.
- Increase the digital presence.
- Increase customer base and sales.



### KEY CONCERNS

- Requires significant amounts of working capital.
- Business is primarily concentrated in Maharashtra.
- Dependent on third-party artisans.
- Seasonal fluctuations.
- Volatility in the market price of gold.



### KEY STRENGTHS

- Trusted legacy brand.
- Second largest organized retail jewellery player in Maharashtra.
- Fastest growing brand.
- Diversified product portfolio.
- Experienced Promoter.
- Strong historical financial results.

## COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME (In CR.)	ROCE (%)
<b>P N Gadgil Jewellers Limited</b>	<b>21.59</b>	<b>45.29</b>	<b>22.23</b>	<b>6110.9</b>	<b>27.31%</b>
<b>Peer Group</b>					
Kalyan Jewellers India Limited	5.80	40.67	101.53	18548.2	15.65%
Senco Gold Limited	24.06	175.74	45.50	5241.4	12.49%
Thangamayil Jewellery Limited	44.91	179.74	42.89	3826.7	20.27%



## DISCLAIMER:

The information contained herein are strictly confidential and are meant solely for the information of the recipient and shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written permission of Swastika Investmart Ltd. ("SIL"). The contents of this document are for information purpose only. This document is not an investment advice and must not alone be taken as the basis for an investment decision. Before taking any decision to invest, the recipient of this document must read carefully the Red Herring Prospectus ("RHP") issued to know the details of IPO and various risks and uncertainties associated with the investment in the IPO of the Company. All recipients of this document must before acting on the given information/details, make their own investigation and apply independent judgment based on their specific investment objectives and financial position. They can also seek appropriate professional advice from their own legal and tax consultants, advisors, etc. to understand the risks and investment considerations arising from such investment. The investor should possess appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances before making any decisions on the investment. The Investor shall be solely responsible for any action taken based on this document. SIL shall not be liable for any direct or indirect losses arising from the use of the information contained in this document and accept no responsibility for statements made otherwise issued or any other source of information received by the investor and the investor would be doing so at his/her/its own risk. The information contained in this document should not be construed as forecast or promise or guarantee or assurance of any kind. The investors are not being offered any assurance or guaranteed or fixed returns on their investments. The users of this document must bear in mind that past performances if any, are not indicative of future results. The actual returns on investment may be materially different than the past. Investments in Securities market products and instruments including in the IPO of the Company are highly risky and they are generally not an appropriate avenue for someone with limited resources/ limited investment and low risk tolerance. Such Investments are subject to market risks including, without limitation, price, volatility and liquidity and capital risks. Therefore, the users of this document must carefully consider all the information given in the RHP including the risks factors before making any investment in the Equity Shares of the Company.

Swastika Investmart Ltd or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Swastika Investmart Ltd nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Swastika Investment Ltd may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the Subject Company or third party in connection with the Research Report.

CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000

Compliance Officer: Ms. Sheetal Duraphe Email: [compliance@swastika.co.in](mailto:compliance@swastika.co.in) Phone: (0731) 6644 241

Swastika Investmart Limited, SEBI Reg. No. : NSE/BSE/MSEI: INZ000192732 Merchant Banking: INM000012102 Investment Adviser: INA000009843 MCX/NCDEX: INZ000072532

CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.