

Retail Research	IPO Note
Sector: Gems & Jewellery	Price Band (Rs): 367 – 386
19th February 2026	Recommendation: NEUTRAL

PNGS Reva Diamond Jewellery Ltd.

Company Overview:

PNGS Reva Diamond Jewellery Ltd. (PNGSREVA) is a Pune-based retail-focused diamond jewellery brand operating under its flagship label 'Reva'. The company specializes in selling natural diamond jewellery crafted with precious and semi-precious stones set in gold and platinum, including rings, earrings, necklaces, pendants, solitaires, bangles, bracelets, mangalsutras, nose rings, and chains. The company neither currently or in the near future has plans to deal in Lab-grown diamonds, as these are products with no value growth. As of Dec'25, the company operates 34 stores across 25 cities in Maharashtra, Gujarat and Karnataka under FOCO, FOFO and COCO retail models, offering 13 distinct jewellery collections with prices starting from ~Rs 20,000.

Key Highlights:

1. Regional and product expertise: P. N. Gadgil & Sons Ltd., the corporate promoter of PNGS Reva has its presence across Maharashtra, Gujarat and Karnataka. This gives the company strong insights into these markets and their product demand. The company has a team of designers which focuses on creating flagship designs for their seasonal collections. A diversified product portfolio serves as a competitive strength, enabling them to cater to a wide spectrum of consumer preferences and purchasing capacities. This product portfolio features jewellery designs across multiple categories, with price points starting from ~Rs 20,000.

2. Store Mix: PNGS Reva currently operates through 34 stores across 25 cities. These 34 stores are a mix of 1 COCO store, 1 FOFO store and 32 Store-In-Store (SIS) format stores housed inside parent PNGS stores. Operating within PNGS outlets helps Reva leverage their strong retail presence and customer trust. These SIS format stores run operations independent of the parent.

3. Hedging through Gold Metal Loan (GML) and parent hedging policy: Although there are no formal means of hedging diamond prices, hedging in gold prices is crucial for jewellery business given the volatility of the commodity. PNGS Reva has a sanctioned loan worth Rs 190 cr of which Rs 60 cr (Rs 30 cr each from HDFC bank and Federal Bank) can be converted to GML to Hedge against gold price volatility if required. In addition to this, the parent company P. N. Gadgil & Sons Ltd holds gold reserves of 2,000 kg as a hedge.

4. Internal control, Inventory processes and Quality control: The company has implemented strong governance, inventory controls, and centralized procurement processes to maintain operational integrity while scaling. Its ERP-driven tracking, barcode-based item identification, and regular internal and third-party audits enhance transparency and efficiency across the supply chain. Robust security measures and comprehensive insurance coverage further mitigate operational and transit risks, ensuring consistent product availability across retail formats.

Valuation: PNGSREVA is a structurally differentiated play on India's organized diamond jewellery retail segment. Unlike gold-centric peers whose margins are constrained by commodity-linked revenues, Reva's 100% diamond focus generates PAT margins of ~23% (FY25) — among the highest in Indian jewellery retail. However, PNGS Reva's business model is highly dependent on its promoters, as 32 out of 34 stores are operated under the Shop-in-Shop (SIS) format. Any unfavorable modifications to the franchise or trademark agreements could significantly impact Reva's customer footfall, sales, and overall operations. At the upper price band of Rs 386, the issue is valued at P/E multiple of 20.6x respectively based on post-issue capital. We maintain a NEUTRAL view on the IPO and intend to observe its performance post listing.

Issue Details	
Date of Opening	24 th February 2026
Date of Closing	26 th February 2026
Price Band (Rs)	367 – 386
Issue Size (Rs cr)	380.0
Fresh Issue (Rs cr)	380.0
Offer for sale (Rs cr)	-
Total issue size	98,44,560 shares @ UB
Face Value (Rs)	10.0
Post Issue Market Cap (Rs cr)	380.0
BRLMs	Smart Horizon Capital Advisors Pvt Ltd
Registrar	Bigshare Services Pvt Ltd
Bid Lot	32 shares and in multiple thereof
QIB shares	75%
Retail shares	10%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilization (Rs cr)
Funding expenditure towards setting-up of 15 New Stores	286.6
Marketing and promotional expenses related to the launch of the 15 New Stores, aimed at enhancing local brand awareness and visibility of the flagship brand, "Reva".	35.4
General corporate purposes	.*
Gross proceeds from the issue	380.0

**To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The aggregate amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds*

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	1,91,21,400	87.4
Public & Others	27,45,000	12.6
Total	2,18,66,400	100.0
Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	1,91,21,400	60.3
Public & Others	1,25,89,560	39.7
Total	3,17,10,960	100.0

Source: RHP, SBICAP Securities Research

Key Financials & KPIs

Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from operations	198.8	195.6	258.2	156.7
Shop Sales Area (in running feet)	480.3	528.2	599.2	647.2
Revenue from operations per running feet	0.4	0.4	0.4	0.2
EBITDA	68.7	56.1	79.6	30.8
PAT	51.7	42.4	59.5	20.1
EBITDA Margin (%)	34.6	28.7	30.8	19.6
PAT Margin (%)	26.0	21.7	23.0	12.8
Advertising and Sales Promotion Expenses	1.5	1.4	1.4	0.1
Advertising and Sales Promotion Expenses as a percentage of revenue from operations (in %)	0.7	0.7	0.6	0.1
RoE (%)	(99.5)	(148.8)	59.4	33.5
RoCE (%)	(133.1)	(199.1)	42.2	24.7
P/E (x)*	16.3	19.9	14.2	21.0

*Pre-issue P/E based on upper price band

Source: RHP, SBICAP Securities Research

Risk Factors

- A. Promoter dependency:** 32 of 34 stores operate as shop-in-shop units inside P. N. Gadgil & Sons outlets. Any operational, financial, or reputational issues at PNGS, or adverse changes in the franchise/trademark arrangement, could materially affect Reva's footfall, sales, and operations.
- B. Lab-grown diamond (LGD) risk:** India's LGD jewellery market grew from Rs 2,158.8 cr (CY22) to Rs 2,855.8 cr (CY24) aided by 0% import duty on LGD seeds. Rising LGD popularity could erode demand and pricing power for natural diamond jewellery — the core of Reva's revenue.
- C. High inventory holding risk:** Inventory days stand at 316 (FY23), 364 (FY24) and 360 (FY25) — approximately a full year's worth. Gold and diamond price volatility directly impacts the value of this inventory, creating significant working capital and mark-to-market risk on the balance sheet.
- D. Limited Risk Hedging:** The company currently does not hedge its exposure to gold or diamond price volatility, though it has the option to deploy gold hedging via Gold Metal Loan (GML) facilities of up to Rs 60 cr. While average cost inventory valuation smooths near-term margin impact, prolonged commodity upcycles can still pressure earnings and working capital. Additionally, the growing availability and acceptance of lower-priced lab-grown diamonds may constrain consumers' willingness to pay for natural stones, limiting premium pricing and potentially compressing margins over time.
- E. Geographic concentration risk:** Maharashtra accounts for ~97% of total revenue (97.54% in H1FY26), with 5 stores alone contributing 31.43% of H1FY26 revenue. Any regional economic slowdown, regulatory changes, or social developments in Maharashtra could disproportionately impact business and financial performance.
- F. Funds raised through the IPO will be used towards setting-up of 15 new stores.** Unlike the previous 32 SIS stores these 15 new stores will be operated in a COCO model. This is likely to lead to higher operational costs on account of rental expense. Going forward, margins are likely to remain under pressure, till the time new stores reaches system level sales.

Growth Strategies

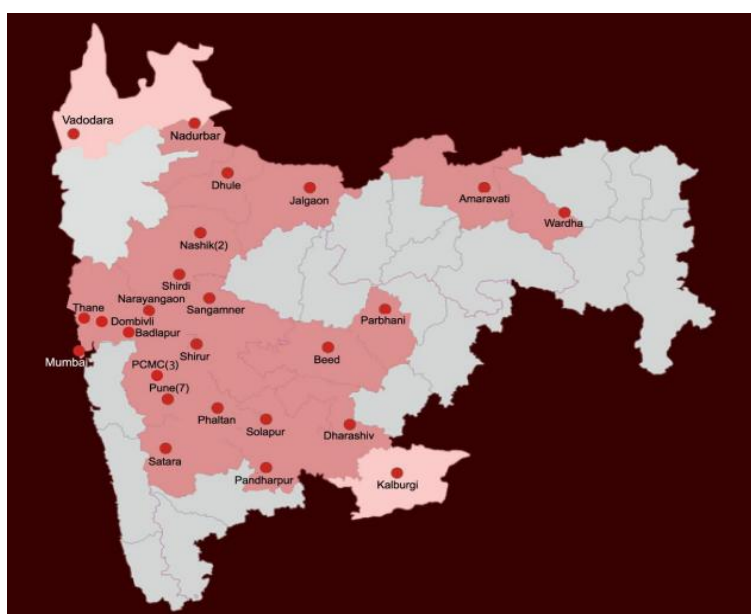
- Adding 15 new COCO stores across major markets.
- Marketing and Promotional activities aimed at enhancing brand awareness and visibility of the flagship brand, "Reva".
- Increasing revenue from existing stores by increasing the AOV (bill value) from the current level of Rs 1,20,000.
- Focus on increasing digital presence to solidify its presence online and drive growth in both customer acquisition and sales.

Product Offerings via PNGS Reva

Product	Price Range (in Rs)	
	From	To
Diamond rings made in gold	20,000.0	2,00,000.0
Diamond earrings made in gold	20,000.0	2,00,000.0
Diamond bracelets made in gold	30,000.0	5,00,000.0
Diamond set with pendant and earrings made in gold	30,000.0	5,00,000.0
Diamond necklace set with earrings made in gold	1,25,000.0	40,00,000.0
Diamond mangalsutra made in gold	30,000.0	5,00,000.0
Diamond bangles made in gold	1,25,000.0	40,00,000.0
Semi-precious jewellery	20,000.0	5,00,000.0
Platinum Jewellery	20,000.0	2,00,000.0

Source: RHP, SBICAP Securities Research

Market Presence – PNGS Reva



Location	Store count	Location	Store count
Pune & PCMC	10	Marathwada	3
North MH	7	Vidarbha	2
West MH	6	Gujarat	1
MMR	4	Karnataka	1

Source: RHP, SBICAP Securities Research

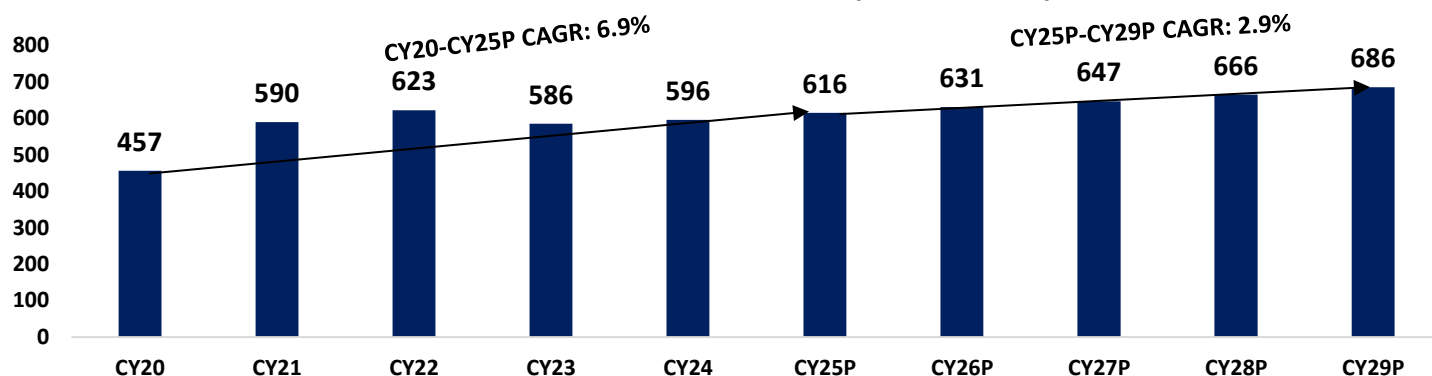
Revenue Split – PNGS Reva

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Diamond studded jewellery including precious stones	198.8	100.0	195.6	100.0	258.2	100.0	134.6	85.9
Gold Sales	-	-	-	-	-	-	22.1	14.1
Total Revenue (TR)	198.8	100.0	195.6	100.0	258.2	100.0	156.7	100.0

Source: RHP, SBICAP Securities Research

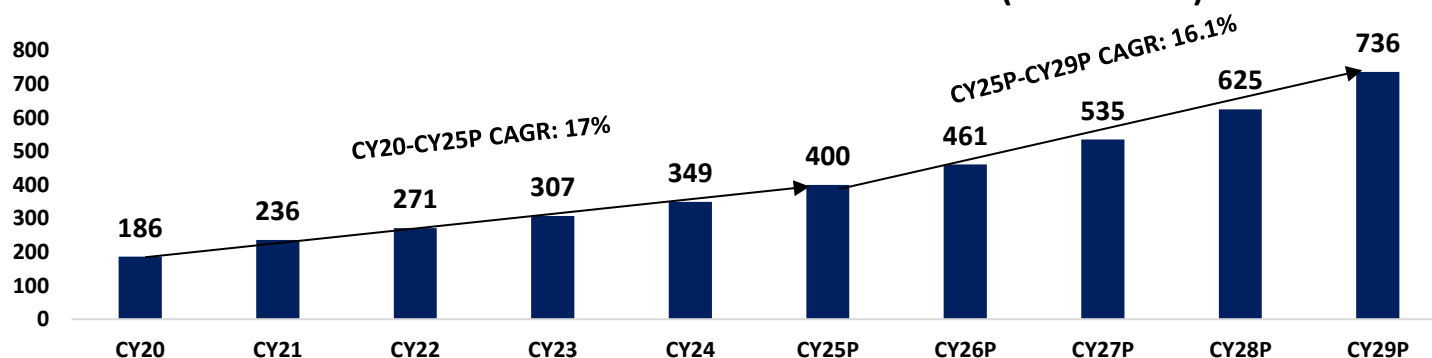
Industry Overview

India - Diamond market size (in Rs Billion)



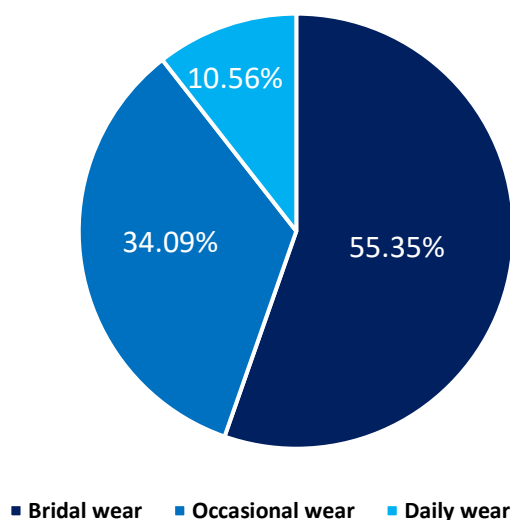
Source: RHP, SBICAP Securities Research

Diamond-Studded Gold Wholesale Market Size (in Rs Billion)



Source: RHP, SBICAP Securities Research

Indian Wholesale Gold Jewellery Market Breakup by Wearing (in %), CY24



Source: RHP, SBICAP Securities Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from Operations	199	196	258	157
YoY growth (%)	-	(1.6%)	32.0%	-
COGS (incl. stock adj.)	123	132	167	115
Gross Profit	75	63	92	42
Gross margin (%)	38.0%	32.4%	35.4%	26.7%
Employee Cost	2	3	4	3
Other Operating Expenses	5	5	8	8
EBITDA	69	56	80	31
EBITDA margins (%)	34.6%	28.7%	30.8%	19.6%
Other Income	0	1	1	0
Interest Exp.	0	0	1	4
Depreciation	0	0	0	0
PBT	69	57	79	27
Exceptional item	-	-	-	-
Tax	17	14	20	7
PAT	52	42	59	20
PAT margin (%)	26.0%	21.7%	23.0%	12.8%
EPS (Rs)	23.7	19.4	27.2	9.2
Adj. PAT	52	42	59	20
Adj. PAT margin (%)	26.0%	21.7%	23.0%	12.8%
Adj. EPS	23.7	19.4	27.2	9.2

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Assets				
Net Block*	-	-	0	1
Intangible Assets*	-	-	0	0
Right of use assets*	-	-	0	2
Other Non-current Assets	7	1	0	3
Current Assets				
Current Investment*	1	1	-	-
Inventories	115	149	179	313
Trade receivables	-	-	0	1
Cash and Bank Balances	1	1	39	15
Short-term loans and advances	-	-	-	-
Other Current Assets	0	6	7	17
Total Current Assets	117	157	226	346
Current Liabilities & Provisions				
Trade payables	8	19	32	88
Other current liabilities	0	167	3	11
Short-term provisions*	0	0	0	0
Total Current Liabilities	9	186	35	99
Net Current Assets	108	(29)	191	247
Total Assets	115	(28)	192	254
Liabilities				
Share Capital	9	9	5	22
Reserves and Surplus	(61)	(38)	95	98
Total Shareholder's Funds	(52)	(28)	100	120
Total Debt	-	-	91	130
Long Term Provisions*	0	0	0	1
Lease Liabilities*	-	-	0	3
Other Long-Term Liabilities	167	-	-	-
Total Liabilities	115	(28)	192	254

*Numbers are in Lakhs.

CASHFLOW STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Cash flow from Operating Activities	39	18	39	(55)
Cash flow from Investing Activities	0	1	(159)	(5)
Cash flow from Financing Activities	(1)	(0)	173	36
Free Cash Flow	39	18	39	(54)

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Capital Employed	-	-	42.2%
Return on Equity	-	-	59.4%
Margin Analysis			
Gross Margin	38.0%	32.4%	35.4%
EBITDA Margin	34.6%	28.7%	30.8%
Net Profit Margin	26.0%	21.7%	23.0%
Short-Term Liquidity			
Current Ratio (x)	13.7	0.8	1.8
Quick Ratio (x)	0.2	0.0	0.4
Receivable Days	-	-	0
Inventory Days**	211	278	254
Payable Days	23	50	66
Fixed asset turnover (x)	-	-	1,223.6
Debt-service coverage (x)	1,648.1	1,031.5	0.9
Long-Term Solvency			
Total Debt / Equity (x)	-	-	0.9
Interest Coverage Ratio (x)	1,648.1	1,031.5	62.4
Valuation Ratios*			
EV/EBITDA (x)	12.3	15.0	11.3
P/E (x)	16.3	19.9	14.2
P/B (x)	(16.2)	(29.6)	8.4
EV/Sales (x)	4.2	4.3	3.5
P/Sales (x)	4.2	4.3	3.3
ROU & Intangible Assets / Net Block (x)	-	-	2.6

*Valuation ratios are based on pre-issue capital at the upper price band

** Inventory Days outstanding calculated on Revenue from Operations

Source: RHP, SBICAP Securities Research

Peer Comparison – FY25

Particulars (Rs cr)	PNGS Reva Diamond Jewellery Ltd	Thangamayil Jewellery Ltd	Tribhovandas Bhimji Zaveri Ltd	Senco Gold Ltd
CMP (Rs)	386	3,632	155	341
Sales	258	4,911	2,620	6,328
EBITDA	80	219	173	368
Net Profit	59	119	68	159
Mkt Cap.	1,224	11,311	1,033	5,583
Enterprise Value	960	12,193	1,764	7,433
EBITDA Margin (%)	30.8	4.5	6.6	5.8
Net Profit Margin (%)	23.0	2.4	2.6	2.5
P/E (x)	20.6	95.3	15.1	35.0
EV/EBITDA (x)	12.1	55.7	10.2	20.2
RoE (%)	59.4	10.2	9.8	7.5
RoCE (%)	42.2	9.6	11.4	8.1
EV/Sales (x)	3.7	2.5	0.7	1.2

Source: RHP, Exchange Filings, SBICAP Securities Research

For PNGS Reva Diamond Jewellery Limited, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

CMP for peer companies is closing price as of 18th February, 2026.

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