

THE ABOVE ANNOUNCEMENT FOR AN INITIAL PUBLIC OFFER (IPO) IS SUBJECT TO VARIOUS REGULATORY APPROVALS AND CONDITIONS. INVESTORS SHOULD CONSULT THEIR FINANCIAL ADVISORS AND READ THE OFFER DOCUMENTS CAREFULLY. THE OFFER DOCUMENTS WILL BE AVAILABLE ON THE COMPANY WEBSITE AND THROUGH THE LEAD MANAGERS. THE OFFER DOCUMENTS WILL BE AVAILABLE ON THE COMPANY WEBSITE AND THROUGH THE LEAD MANAGERS. THE OFFER DOCUMENTS WILL BE AVAILABLE ON THE COMPANY WEBSITE AND THROUGH THE LEAD MANAGERS.



## P N GADGIL JEWELLERS LIMITED



(Please scan this QR code to view the RHP)

Our Company is a public limited liability company incorporated in India under the Companies Act, 1956 and is a listed company on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company is a Jewellery Retailer and is engaged in the business of retailing of gold, silver, platinum and diamond jewellery. The Company is a Jewellery Retailer and is engaged in the business of retailing of gold, silver, platinum and diamond jewellery. The Company is a Jewellery Retailer and is engaged in the business of retailing of gold, silver, platinum and diamond jewellery.

**OUR PROMOTERS: SAURABH VIDYADHAR GADGIL, RADHIKA SAURABH GADGIL, AND SVG BUSINESS TRUST**

**INITIAL PUBLIC OFFER OF UP TO (a) EQUITY SHARES OF FACE VALUE OF ₹18 EACH ("EQUITY SHARES") OF P N GADGIL JEWELLERS LIMITED (OUR "COMPANY" OR THE "COMPANY") OR THE "ISSUER") FOR CASH AT A PRICE OF (1) (a) PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ (a) PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹150 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO (a) EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹150 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF (a) EQUITY SHARES AGGREGATING UP TO ₹150 MILLION (THE "OFFER FOR SALE") BY SVG BUSINESS TRUST (REFERRED TO AS THE "PROMOTER SELLING SHAREHOLDER" AND SUCH EQUITY SHARES OFFERED BY THE PROMOTER SELLING SHAREHOLDER, THE "OFFERED SHARES")**

### DETAILS OF THE PROMOTER SELLING SHAREHOLDER, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE

NAME OF THE PROMOTER SELLING SHAREHOLDER	TYPE	NO. OF EQUITY SHARES OFFERED	WACA <sup>1</sup> PER EQUITY SHARE (₹)
SVG Business Trust	Promoter Selling Shareholder	Up to (a) Equity Shares of face value of ₹18 each aggregating up to ₹ 2,500 million	13.44

WACA<sup>1</sup> - Weighted Average Cost of Acquisition  
<sup>1</sup> Calculation on a fully diluted basis. As on September 10, 2024. Source: Company records. Details as disclosed in the Offer Document. Company is a Jewellery Retailer and is engaged in the business of retailing of gold, silver, platinum and diamond jewellery.

**We offer precious metal/ jewellery products including gold, silver, platinum and diamond jewellery.**

**The Offer is being made through the Book-Building Process in accordance with Regulation 5(1) of the SEBI ICDR Regulations**  
**QIB Portion: Not more than 50% of the Offer | Non-Institutional Portion: Not less than 15% of the Offer | Retail Portion: Not less than 35% of the Offer**

**PRICE BAND: ₹456 TO ₹480 PER EQUITY SHARE OF FACE VALUE OF ₹ 18 EACH.**  
**THE FLOOR PRICE AND THE CAP PRICE ARE 45.88 TIMES AND 48.30 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY.**  
**BIDS CAN BE MADE FOR A MINIMUM OF 31 EQUITY SHARES AND IN MULTIPLES OF 31 EQUITY SHARES THEREAFTER.**

In accordance with the recommendation of the Committee of Independent Directors of our Company, pursuant to their resolution dated September 4, 2024, the above proposed price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section on page no. 111 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on page 111 of the RHP.

In making an investment decision and purchase in the Offer, in making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

### RISKS TO INVESTORS

For details refer to section titled "Risk Factors" on page 29 of the RHP

#### 1. Risk Factors associated with our Company

- Reputational/ brand risk:** We consider the reputation and reputation of our flagship brand "PNG", as well as our sub-brands "Saptarni", "Swarniya", "Rings of Love", "The Golden Asha of Craftsmanship", "Raj", "Eena", "PNG Solitaires", "Mat of platinum" and "Evergreen love", as being one of the key contributors to the growth and success of our business. Our main brand "PNG" contributed 58.25%, 58.46% and 59.94% to our revenue generated from sales for Fiscal 2024, 2023 and 2022 respectively. Any loss of trust in our products by consumers due to unsatisfactory quality control and assurance standards or negative reviews from our customers could adversely affect our brand reputation and subject us to additional risks and customer scrutiny.
- Marketing Risk** - Due to the competitive nature of the market, if we do not continue to develop our brands and differentiate our products from our competitors, we may fail to attract customers required to continue growing our business. To promote our brands and products, we have incurred, and expect to continue to incur, expenses related to advertising and other marketing efforts, including celebrity endorsements. However, there can be no assurance that our advertising or marketing efforts are or will be successful and result in increased sales. We have incurred ₹419.47 million, ₹299.50 million and ₹91.52 million in Fiscal 2024, 2023 and 2022, respectively towards advertising & marketing.
- Business/Operational Risk - Customer Demand and Inventory** - The success of our business depends upon our ability to anticipate and forecast customer demand and trends, specifically in Maharashtra, considering our concentrated presence in this region. Any error in our forecast could result in either stocking stock, which we may not be able to sell in a timely manner or at all, or under stocking, which could affect our ability to meet customer demand and loss of customers. Any material mismatch between our forecast and actual sales could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.
- Geographical concentration risk:** Our business is primarily concentrated in Maharashtra, especially Pune and is significantly dependent on top five of our stores located in Maharashtra for revenue generation. Our owned stores in Pune contributed to 64.61%, 62.98% and 59.94% of our revenue from operations for Fy 2024, 2023 and 2022 respectively. Due to the geographic concentration of the sale of our products in Maharashtra, and especially Pune in Maharashtra, our operations are susceptible to local and regional factors and this could have an adverse effect on our business, results of operations and financial condition.
- Working capital risk:** We have a substantial amount of working capital requirement, primarily to finance the purchase of raw materials. We intend to continue growing by setting up new stores operated by us for which we need incremental working capital. Our net working capital requirement was ₹6,478.77 million in Fiscal 2024, ₹5,046.26 million in Fiscal 2023 and ₹3,628.37 million in Fiscal 2022. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our plans or growth strategies or reduce capital expenditures and the size of our operations may get constrained.
- Competition risk:** We face significant competition from a number of competitors, some of which are large and have substantially greater resources than us including longer operating histories, better brand recognition, greater financial resources, more advanced technology, better research and development capabilities, greater market penetration, larger distribution networks, etc. We also face competition from smaller entities who may compete effectively against us in a particular region based on price, size and established regional trust with the local customers. If we do not compete in these areas effectively, this could lead to a decrease in our market share, experience downward pressure on prices and an increase in our marketing and other expenses.
- Business Expansion Risk:** We have grown our operations to 36 stores as of July 31, 2024 with over 85.74% of our stores being located in Maharashtra. Expansion into new

- geographic regions, including different cities and states in India and U.S., subjects us to various challenges, including those relating to our lack of familiarity with the culture, local regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions.
- Intellectual property rights risk:** We do not own the trademark for our flagship "PNG" brand and their respective logos. Such trademarks are registered in the name of P N Gadgil Jewellers (Firm), a member of our Promoter Group. We have further entered into a royalty agreement with the Firm which prohibits us from assigning or sub-licensing the trademarks to any person except our Subsidiaries, joint ventures or associates or franchise partners, without the prior written consent of the Firm.
- Litigation risk:** Our Company, Directors, Promoters and Subsidiaries are or may be involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations. Further, we cannot assure you that there will be no new legal and regulatory proceedings involving our Company, Promoters, Directors, Subsidiaries, and Group Companies in the future.
- Market Capitalization Risk:** The market capitalization to revenue multiple, which is 1.09 times the cap price and 1.82 times the floor price and the price to earnings ratio, which is 36.70 times the cap price and 22.23 times the floor price may not be indicative of the market price of the Equity Shares on listing and may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, etc.
- Seasonal Risk:** We have historically experienced higher sales volumes and profit margins during festival periods and other occasions such as Akshaya Tritiya, Navratri, Gudi Padwa, Gaurupatnam and Dhanteras. Any slowdown in demand for our jewellery during peak seasons or failure by us to accurately anticipate and prepare for such seasonal fluctuations could have an adverse effect on our business, financial condition and results of operations.
- Business / Operations Risk - Raw Materials:** The raw materials which we use for the jewellery, include gold, silver, platinum, diamonds and precious / semi - precious stones. Further, the jewellery industry generally is affected by fluctuations in the price and supply of gold, and there is a strong positive correlation between international and domestic gold prices in India. Fluctuations in gold prices may affect consumer demand as well as operating costs of our Company.
- Weighted average cost of acquisition of all Equity Shares transacted in past one year, eighteen months and three years preceding the date of the Red Herring Prospectus:**

Period preceding the date of RHP	Weighted average cost of acquisition (₹)	Cap Price (₹ 480) is 'X' times the weighted average cost of acquisition	Range of acquisition price: lowest price - highest price (in ₹)
Last one year	13.44	35.71	Not Applicable <sup>1</sup>
Last 18 months	15.26	31.45	10.00 - 23.22
Last three years	15.26	31.45	10.00 - 23.22

<sup>1</sup>We certified by GDM & Associates, Chartered Accountants, Statutory Auditors of our Company by way of their certificate dated September 4, 2024.

<sup>2</sup>No consideration was paid at the time of allotment of Equity Shares pursuant to conversion of CCNPS. The terms of the preference shares issued by the Company were changed from CCNPS into CCPS, which CCNPS were then converted into Equity Shares.

**Weighted Average Return on Net Worth for the Financial Years 2024, 2023 and 2022 is 26.55%**

Downloaded on 09/11/2024

IV. The Price to Earnings Ratio based on Basic and Diluted EPS for Fiscal 2024 at the upper end of the Price Band is 34.86 and 36.79 respectively as compared to the average industry peer group P/E ratio of 33.31

V. Weighted average cost of acquisition ("WACA"), floor price and cap price:

Table with 4 columns: Type of Transaction, Weighted average cost of acquisition per Equity Share (in ₹), Floor Price of ₹ 456, and Cap Price of ₹ 480. Rows include WACA of Primary Transactions and WACA of Secondary Transactions.

Note: As certified by GDA & Associates, Chartered Accountants, Statutory Auditors of our Company, pursuant to their certificate dated September 4, 2024.

VI. Other Risk: Our Company will not receive any proceeds from the Offer for Sale portion of the offer.

The 3 BRLMs associated with the issue have handled 40 public issues in the past three financial years and the current fiscal year upto the date of this price band advertisement out of which 13 issues are closed below the issue price or listing date.

Table with 3 columns: Name of the BRLM, Total Public Issues, and Issues closed below IPO price on listing date. Rows include Motilal Oswal Investment Advisors Limited, Nuvama Wealth Management Limited, BOB Capital Markets Limited, and Common issues of above BRLMs.

\* 3 common issuers where Motilal Oswal Investment Advisors Limited and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) were joint bankers. None of these three issues closed below the IPO price on the date of listing.
\*\* Issues handled above there were not common BRLMs.

BID/OFFER OPEN
BID/OFFER CLOSURE ON : THURSDAY, SEPTEMBER 12, 2024\*

The list indicates the time and date of the Bid/Offer Closing.
An indicative time table in respect of the Bid/Offer is set below:
Submission of Bids (other than Bids from Anchor Investors)

Table with 2 columns: Submission of Bids (other than Bids from Anchor Investors) and Bid/Offer Period (except the Bid/Offer Closing Date). Rows include Submission of Bids, Submission of Electronic Applications, and Modification of Bids.

Table with 2 columns: Event and Indicative Date. Rows include Bid/Offer Closing Date, Finalisation of Bids, Issuance of refunds, and Adjustment of Equity Shares.

ASBA logo and text: Simple, Safe, Smart way of Application. LPI logo and text: LPI is a platform for investors to apply for IPOs online.

NOTICE TO INVESTORS: CORRIGENDUM TO THE RHP ("THE CORRIGENDUM")
The above Prospectus and the RHP contain certain errors and omissions which have been corrected in this corrigendum.

THE EQUITY SHAREHOLDERS OF OUR COMPANY WILL BE REQUIRED TO SIGN AND SUBMIT TO THE REGISTRAR THE FOLLOWING DOCUMENTS...
Includes a table for the number of shares held by different categories of shareholders.

BOOK-BUILDING LEAD MANAGERS: Includes logos and contact information for Nuvama, BOBCAPS, and Redbus Securities Pvt. Ltd.
REGISTRAR TO THE OFFER: Includes contact information for the Registrar to the Offer.
COMPANY SECRETARY AND COMPLIANCE OFFICER: Includes contact information for the Company Secretary and Compliance Officer.

AVAILABILITY OF THE RHP: The RHP is available on the website of the Registrar to the Offer...
REGISTRATION OF INVESTORS: Investors are required to register with the Registrar to the Offer...
BID/OFFER CLOSURE: The Bid/Offer will close on Thursday, September 12, 2024.