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**P N GADGIL JEWELLERS LIMITED**

(Please scan this QR code to view the RHP)

Our Company was originally incorporated as "P N Gadgil Jewellers Private Limited", a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 28, 2013, issued by the Registrar of Companies, Maharashtra at Pune (the "RMC"). The name of our Company was subsequently changed to "P N Gadgil Jewellers Limited", upon conversion of our Company from a private limited company pursuant to a board resolution dated February 18, 2023, and a shareholders' resolution dated March 10, 2023, and a fresh certificate of incorporation was issued on April 15, 2023, by the RoC. For details of the change in the name and the registered office of our Company, see "History and Certain Corporate Matters" on page 108 of the Red Herring Prospectus dated September 4, 2024 ("RHP" or "Red Herring Prospectus") filed with the RoC.  
 Registered Office: Hiranagar Path, Pune - 411009, Maharashtra, India. Telephone: +91 20 2442 8020. Corporate Office: PNG Jewellers, 209, Chhatralia Chowk, Laxmi Road, Hiranagar Path, Pune - 411009 Maharashtra, India. Telephone: +91 20 2447 8474.  
 Contact Person: Hiranagar Path, Company Secretary and Compliance Officer. Telephone: +91 20 2447 8474. E-mail: secretary@pngjewellers.com. Website: www.pngjewellers.com. Corporate Identity Number: U09192PN2013PLC0146268

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

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF P N GADGIL JEWELLERS LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹11,000 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹8,500 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,500 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 SHAREHOLDER 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* PER EQUITY SHARE (₹)
SVG Business Trust	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ 2,500 million.	13.44

\* WACA: Weighted Average Cost of Acquisition  
 # Calculated on a first-in/first-out basis. As certified by DDA & Associates, Chartered Accountants, Statutory Auditors of our Company, by way of their certificate dated September 4, 2024.

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 6(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 ₹10 EACH.

THE FLOOR PRICE AND THE CAP PRICE ARE 45.60 TIMES AND 48.00 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 Independent Directors of our Company, pursuant to their resolution dated September 4, 2024, the above provided 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**

- 1. Reputational damage risk:** We consider the recognition and reputation of our flagship brand "PNG", as well as our sub-brands "Saptam", "Swarajya", "Rings of Love", "The Golden Katha of Craftsmanship", "Flip", "Eiina", "PNG Solitaire", "Men 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 98.29%, 99.46% and 99.94% 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.
- 2. 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, ₹299.60 million and ₹91.62 million in Fiscal 2024, 2023 and 2022, respectively towards advertising & marketing.
- 3. 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 surplus 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.
- 4. 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%, 62.58% and 56.84% of our revenue from operations for Fiscals 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.
- 5. 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 ₹8,476.77 million in Fiscal 2024, ₹5,046.36 million in Fiscal 2023 and ₹5,626.37 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.
- 6. 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

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prices and an increase in our marketing and other expenses.

7. **Business Expansion Risk:** We have grown our operations to 39 stores as of July 31, 2024 with over 89.74% 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, legal 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.
  8. **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.
  9. **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.
  10. **Market Capitalisation Risk:** The market capitalization to revenue multiple, which is 1.06 times the cap price and 1.02 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.
  11. **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, Gurupushyamrut 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.
  12. **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.
- II. 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 (in ₹)	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>^</sup>
Last 18 months	15.26	31.45	10.00 – 23.22
Last three years	15.26	31.45	10.00 – 23.22

*\*As certified by GDA & Associates, Chartered Accountants, Statutory Auditors of our Company by way of their certificate dated September 4, 2024.*

*^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 NCRPS into CCNPS, which CCNPS were then converted into Equity Shares*

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

**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 36.70 respectively as compared to the average industry peer group PE ratio of 63.31**

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

Type of Transaction	Weighted average cost of acquisition per Equity Share (in ₹)	Floor Price of ₹ 456	Cap Price of ₹ 480
WACA of Primary Transactions	13.44	33.93 times	35.71 times
WACA of Secondary Transactions	23.22	19.64 times	20.67 times

*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 closed below the issue price on listing date.

Name of the BRLM	Total Public Issues	Issues closed below IPO price on listing date
Motilal Oswal Investment Advisors Limited**	11	5
Nuvama Wealth Management Limited** (formerly known as Edelweiss Securities Limited)	19	5
BOB Capital Markets Limited**	7	3
Common Issues of above BRLMs*	3	-
<b>Total</b>	<b>40*</b>	<b>13</b>

*\* 3 common issues 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 where there were no common BRLMs.*

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ANCHOR INVESTOR BIDDING DATE: MONDAY, SEPTEMBER 9, 2024\*\*

BID/OFFER PERIOD

BID/OFFER OPENS ON: TUESDAY, SEPTEMBER 10, 2024\*\*

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

(1) Our Company in consultation with the BSE may consider participation by Anchor Investors. Two Anchor Investor Bid Offer Periods shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid Offer Period shall be September 9, 2024. The UPI window shall end on September 12, 2024 at 05:00 p.m. on Bid/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

Submission of Bids (other than Bids from Anchor Investors):

Table with 2 columns: Bid/Offer Period (except the Bid/Offer Closing Date) and Only between 10.00 a.m. and 5.00 p.m. IST. Rows include Submission and revision in Bids, Bid/Offer Closing Date, Submission of Electronic Applications, Bid/Offer Period (except the Bid/Offer Closing Date), Modification of Bids by QIBs and NB Categories, and Upward or downward revision of Bids or Cancellation of Bids by RIBs.

\* QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids. \*\* UPI mandate and time and date shall be 5.00 p.m. on the Bid/Offer Closing Date.

Table with 3 columns: Bid/Offer Period, Event, and Indicative Date. Rows include Bid/Offer Closing Date, Finalization of Basis of Allotment with the Designated Stock Exchange, Initiation of refunds, and Allotment of Equity Shares.

(1) Our Company in consultation with the BSE may consider participation by Anchor Investors. Two Anchor Investor Bid Offer Periods shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI (ICDR) Regulations.

ASBA Simple, Safe, Smart way of Application!!! Application simplified by checked amount (ASBA) in a better way of applying to stocks by simply choosing the fund in the bank account. Further details, check section on ASBA.

UPI Now available to ASBA for Retail Individual Investors and Non-Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers. UPIs are available to all UPI Bidders also have the option to submit the application directly to the ASBA Bank (SBI) or to use the facility of linked debit/credit card and bank account. Investors are advised to ensure that their bank account used for bidding is linked to their PAN as Bids with Anchor and are in compliance with CBOI notification dated February 15, 2024 issued by the Central Board of Direct Taxes and the subsequent press releases, including Press Release dated June 25, 2021 and CBOI circular no. 1 of 2022 dated March 28, 2022 read with press release dated March 28, 2022 and any subsequent press releases in this regard.

THE EQUITY SHARES OF OUR COMPANY LISTED TO MAIN BOARD LISTING OF BSE AND NSE

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not extending to a total of 10 Working Days. In case of some major, banking major or similar unforeseen circumstances, our Company may, in consultation with the Book Running and Managers, for reasons to be recorded in writing, extend the Bid/Offer Period for a maximum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be uniformly disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the other Designated Stock Exchanges and the Sponsor Bank(s), as applicable. SCSSB. In this Offer, we are issuing in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"), read with Regulation 31 of the SEBI (ICDR) Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 31 of the SEBI (ICDR) Regulations, wherein not more than 30% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company, in consultation with the BSE, may allocate up to 60% of the QIB Portion to investors on a discretionary basis. The "QIB Portion" shall be available for allocation to QIBs, subject to the SEBI (ICDR) Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid bids being received from the domestic Mutual Funds and/or above the price at which an allocation is made to Anchor Investors ("Anchor Investor Allocation Price"), in the event of under-subscription or non-allocation in the Anchor Investor Portion. The balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "Non-QIB Portion"). Further, 5% of the Non-QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid bids being received at or above the Offer Price, and the remainder of the Non-QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors ("Non-Institutional Portion"), in accordance with the SEBI (ICDR) Regulations, of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 10 lakh and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1.00 million and/or subscription in other than these two sub-categories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI (ICDR) Regulations, subject to valid bids being received at or above the Offer Price. Further, not less than 30% of the Offer shall be available for allocation to Retail Individual Investors ("Retail Portion"), in accordance with the SEBI (ICDR) Regulations, subject to valid bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in the Offer only through the Bid Amount Supported by Blocked Amount ("ASBA") process and shall provide details of their respective bank account including UPI ID in case of UPI Bidders in which the Bid Amount will be blocked by the Self-Certified Electronic System ("SECS") or process in the UPI Mechanism, as applicable. Anchor Investors are advised to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 309 of the RHP.

Table with 3 columns: BOOK RUNNING LEAD MANAGERS, REGISTRAR TO THE OFFER, and COMPANY SECRETARY AND COMPLIANCE OFFICER. Lists various financial institutions and their contact details.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the section titled "Risk Factors" on page 29 of the RHP, before applying in the Offer. Access to the RHP shall be available on the website of the SEBI at www.sebi.gov.in, website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nse.com, respectively, and on the website of the Company at www.investorrelations.com and the website of the Book Running Lead Managers, i.e. Mettal/Orion Investment Advisors Limited, Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) or BOB Capital Markets Limited at www.metal.orioninvestors.com, www.nuvama.com, www.bobcap.com, respectively.

Availability of the Allotment Prospectus: A copy of the allotment prospectus shall be available on the website of the Company, the BSE, NSE and Registrar to the Offer at www.investorrelations.com, www.metal.orioninvestors.com, www.nuvama.com, www.bobcap.com, www.bighatsecurities.com, respectively.

AVAILABILITY OF THE BIDDING PORTAL: The Bidding Portal shall be available on the website of the Registrar to the Offer at www.investorrelations.com and the website of the Book Running Lead Managers, i.e. Mettal/Orion Investment Advisors Limited, Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) or BOB Capital Markets Limited at www.metal.orioninvestors.com, www.nuvama.com, www.bobcap.com, respectively.

AVAILABILITY OF THE BIDDING PORTAL: The Bidding Portal shall be available on the website of the Registrar to the Offer at www.investorrelations.com and the website of the Book Running Lead Managers, i.e. Mettal/Orion Investment Advisors Limited, Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) or BOB Capital Markets Limited at www.metal.orioninvestors.com, www.nuvama.com, www.bobcap.com, respectively.

SHIRAM FINANCE LIMITED (Formerly known as SHIRAM TRANSPORT FINANCE COMPANY LIMITED) PUBLIC NOTICE. This is to inform our customers and public at large that our... [Detailed address and contact information for multiple branches across India.]