# Gargi by PNG & Sons

**by**

*Rajesh Pandey & Raj Sharma*

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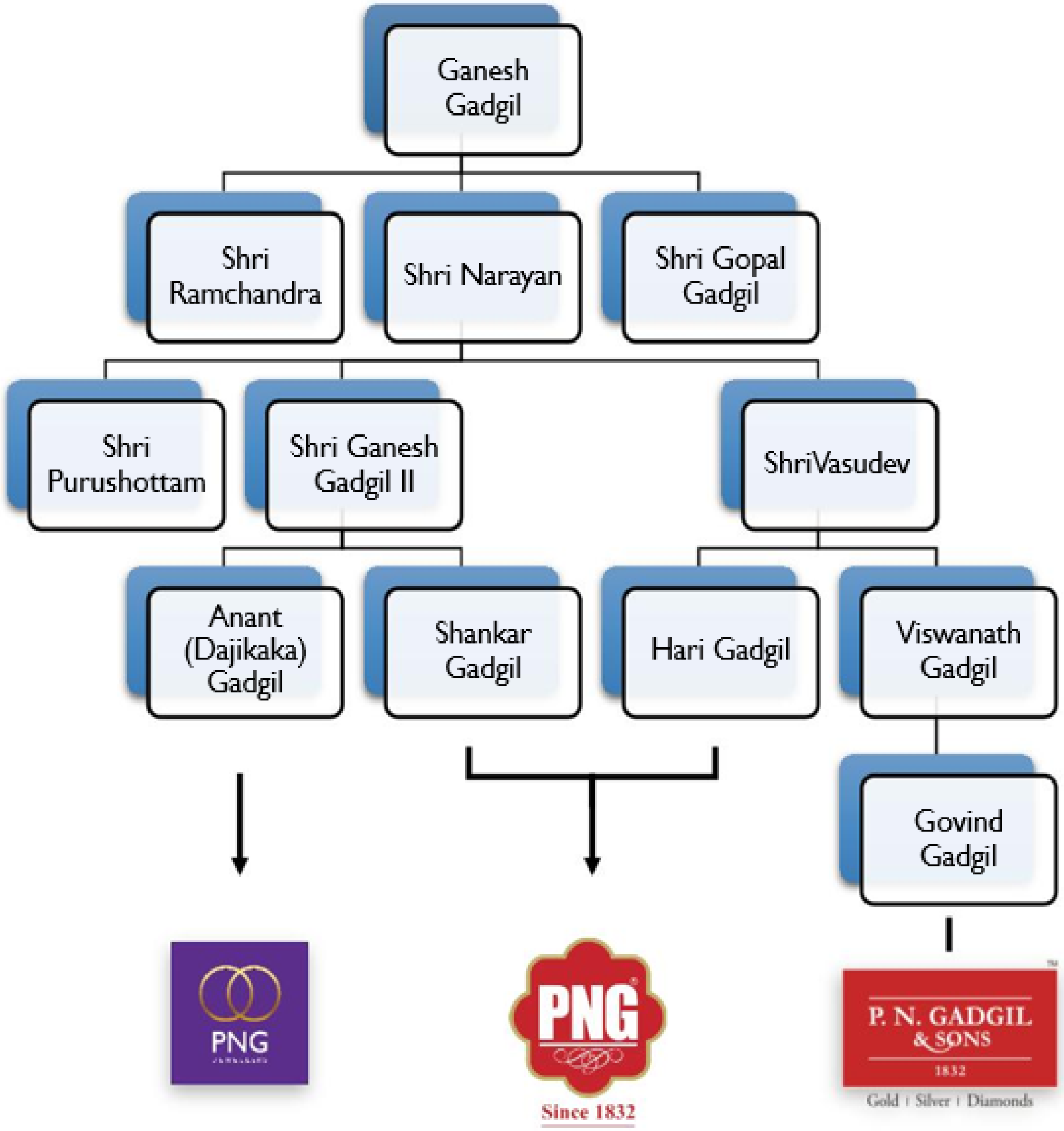
# A brief history of PNG group

# HISTORY




1832 - 1890

1880-1920

1957

2012

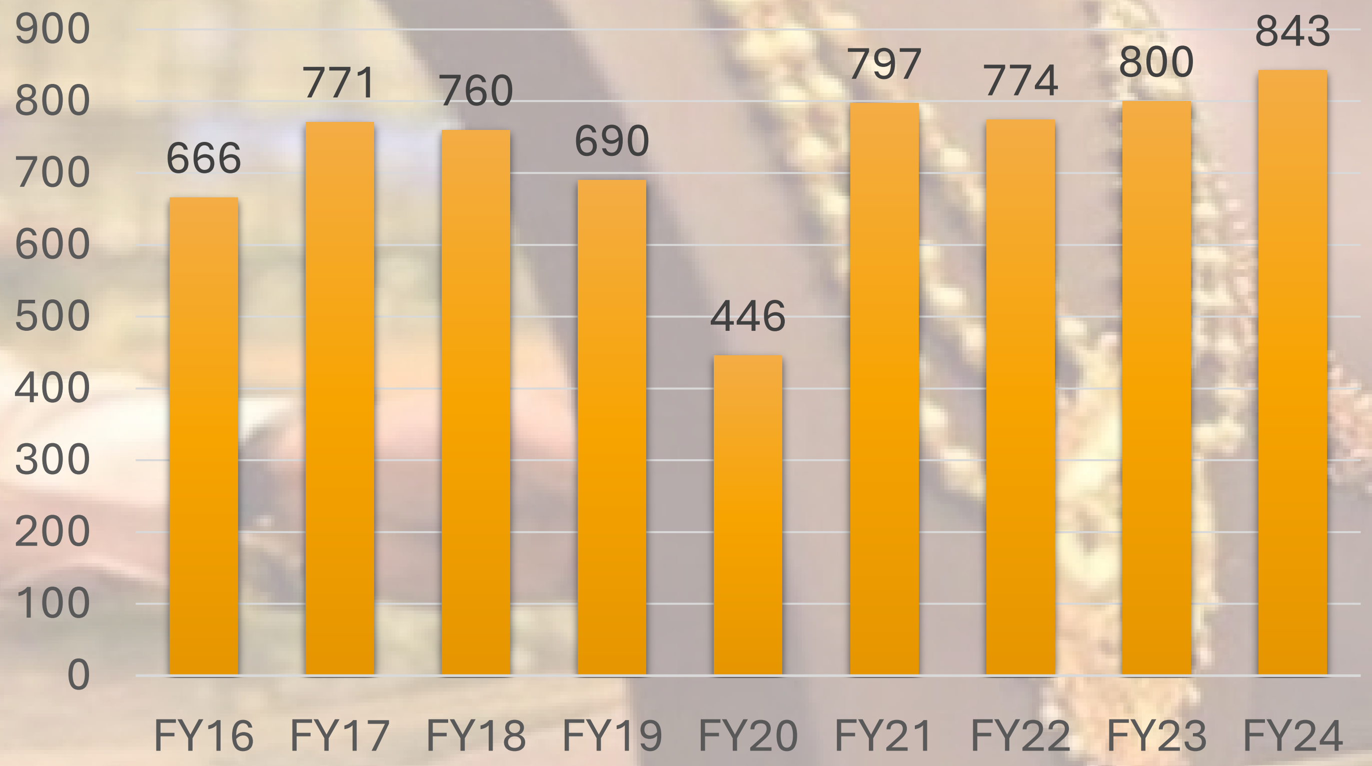
# PNG GROUP OF COMPANIES

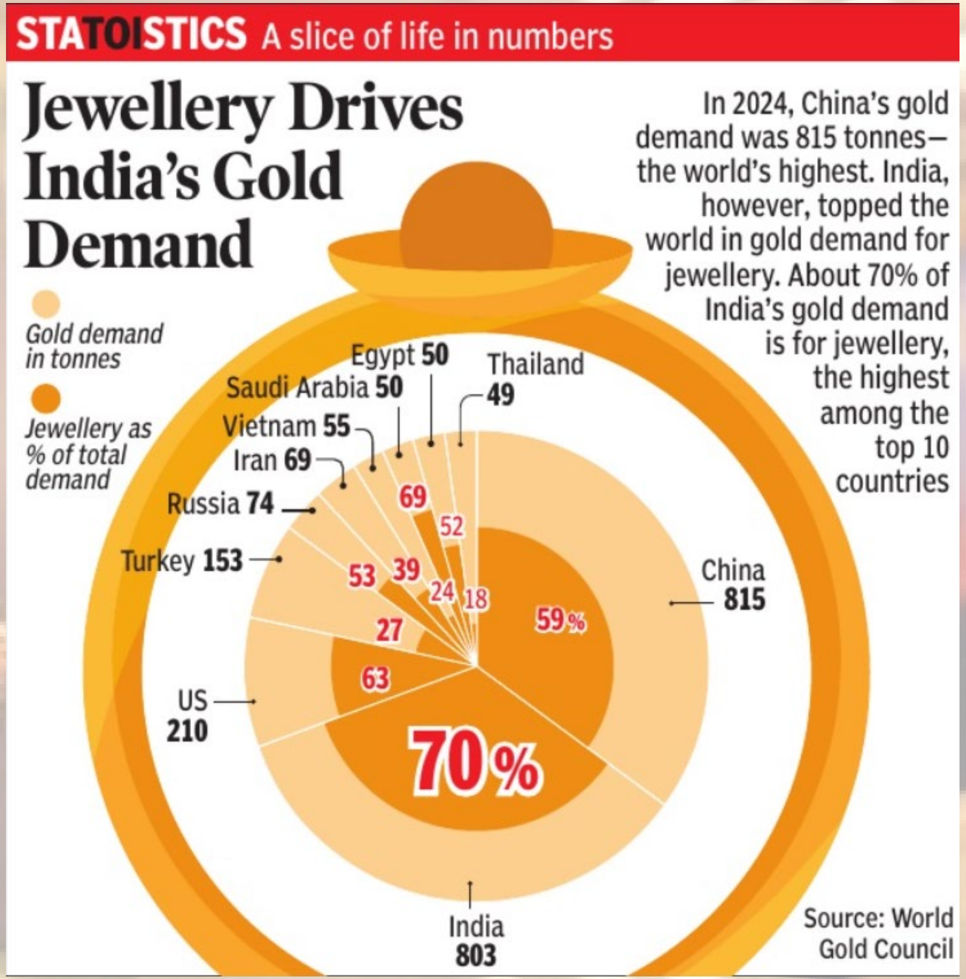
Gadgil Family

| M/s. Purushottam Narayan Gadgil Saraf & Jewellers (Since 1832) | PNG Jewellers | P. N. Gadgil & Sons 1832 (Gold I Silver I Diamonds) |
| --- | --- | --- |
| Revenues ~ ₹2000 Cr | Revenues : ₹7700 Cr | Revenues : ₹10000 Cr |
| Store count ~ 8 | Store count ~ 53 | Store count ~ 33 |

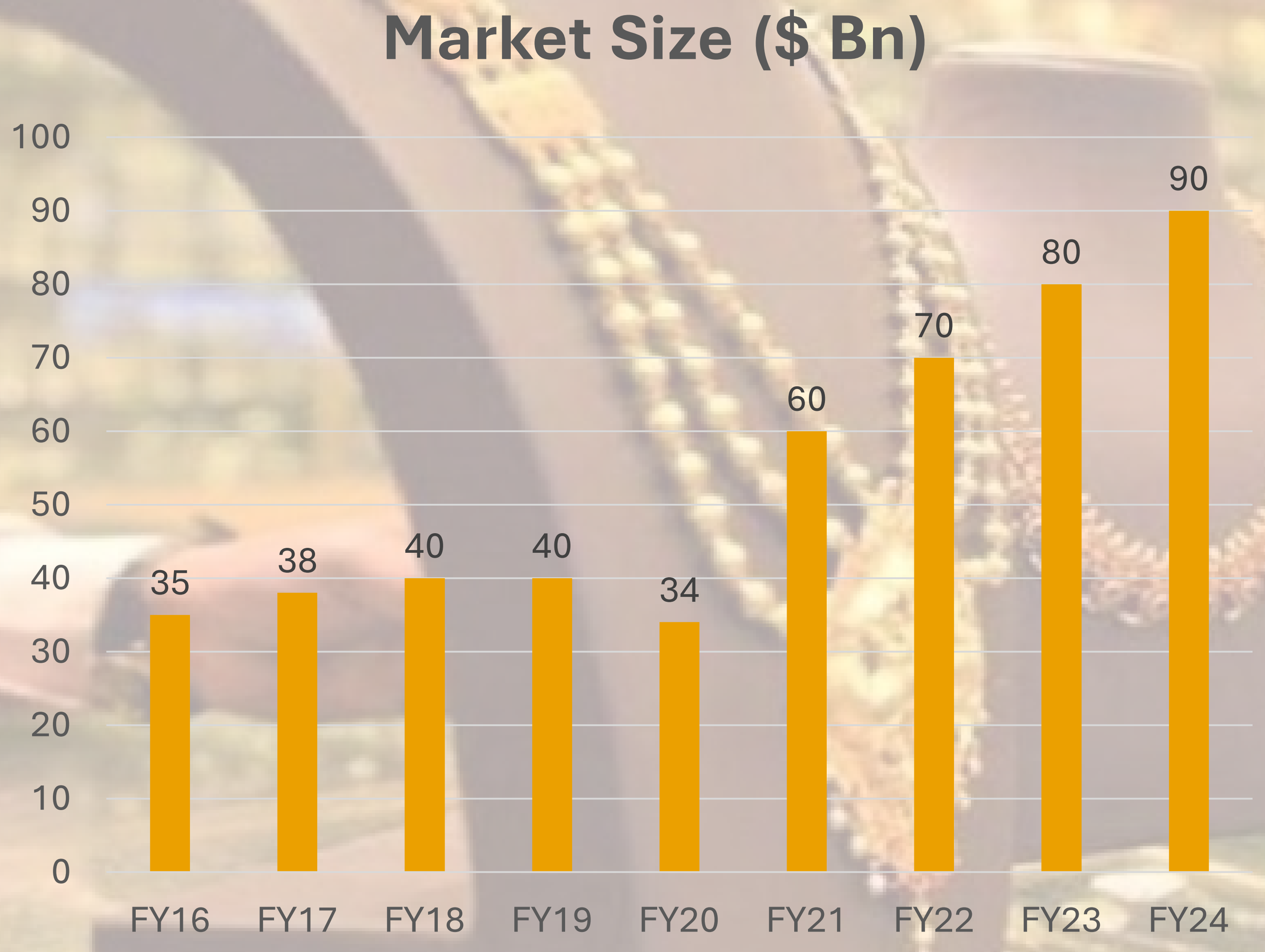
# Jewellery landscape India

## Gold Demand In India (Tonnes)

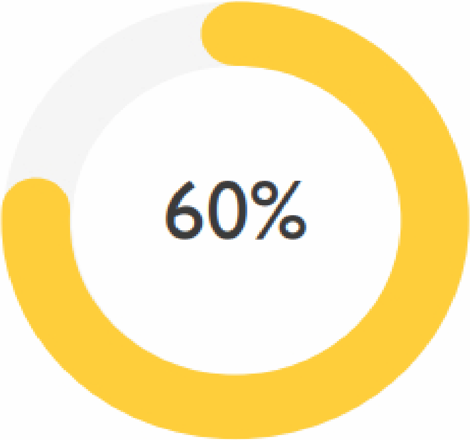


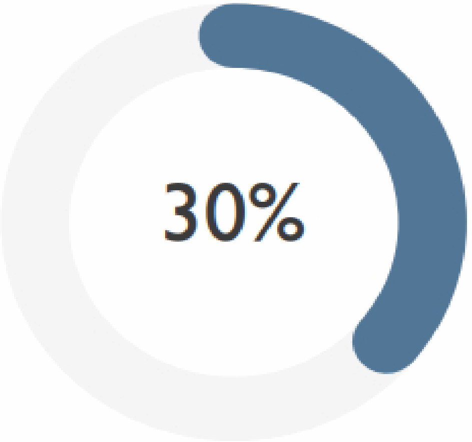
# Jewellery Landscape India



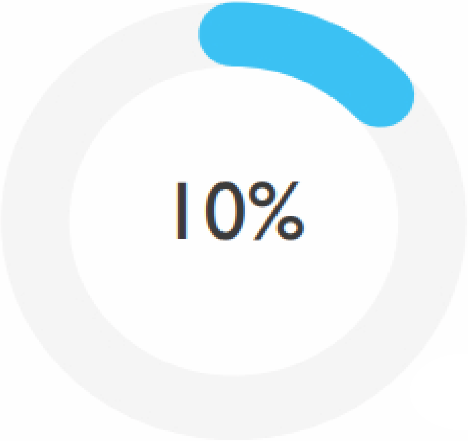

# Jewellery landscape India




Plain gold jewellery market share




Daily wear jewellery market share

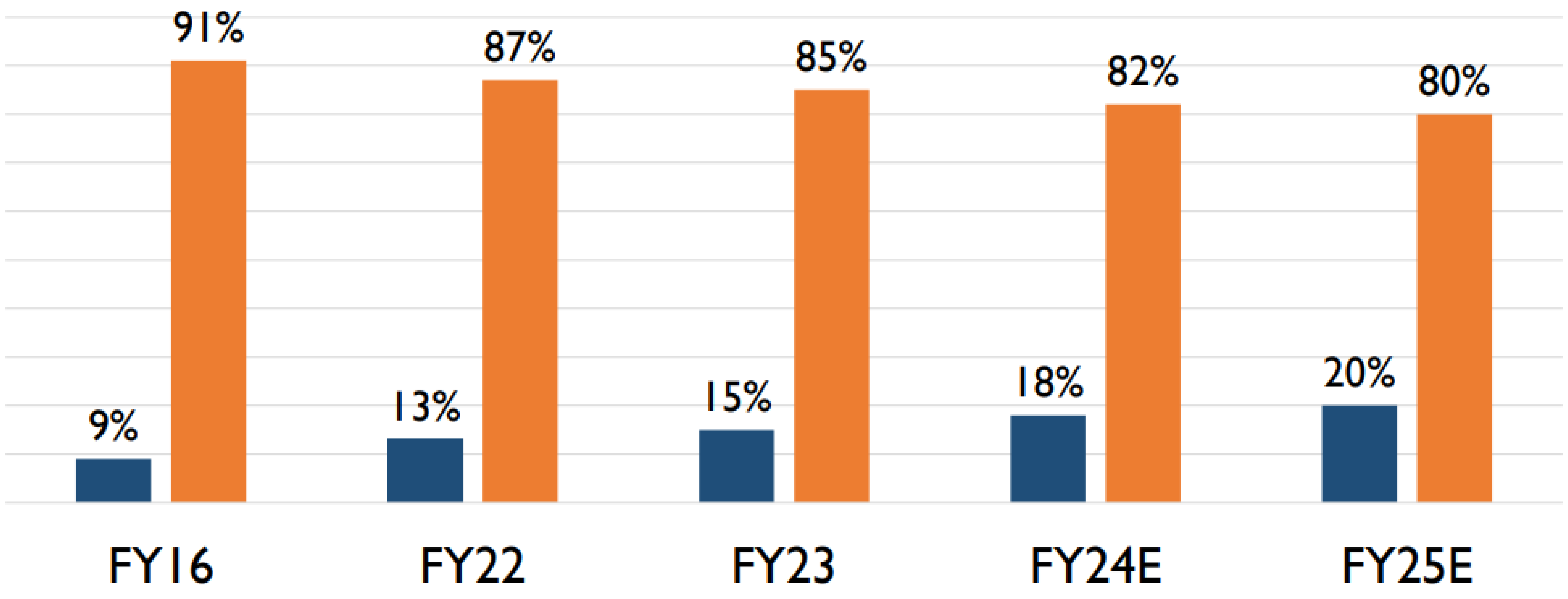



Fashion jewellery market share

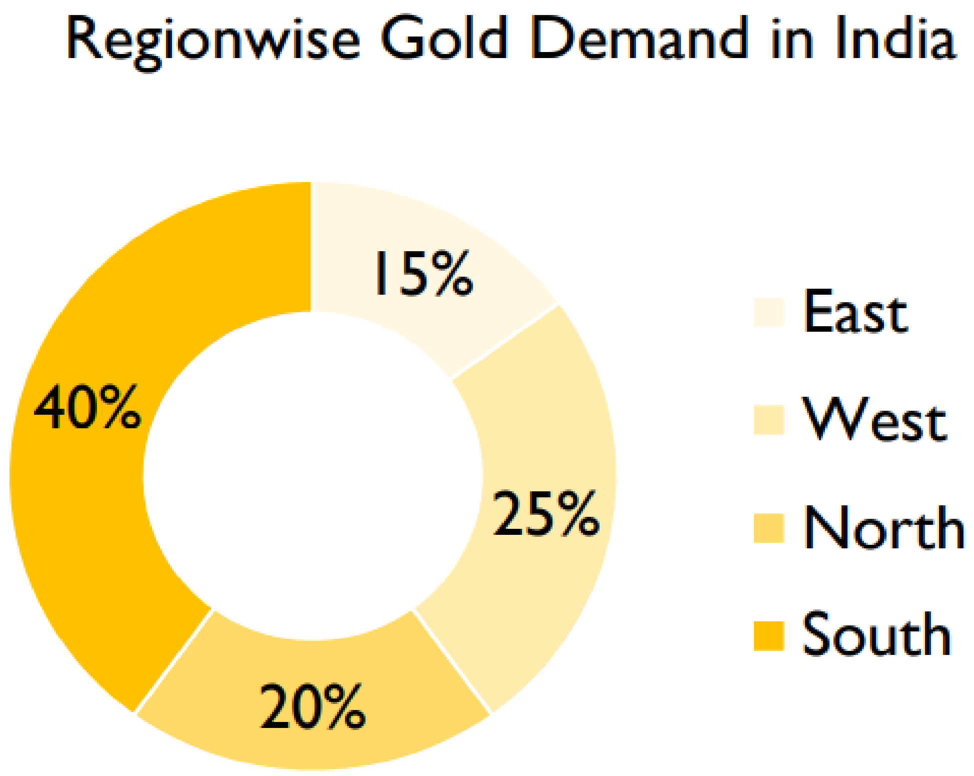
Majority of this is 22-cart gold, although the market for 18-carat gold is also growing

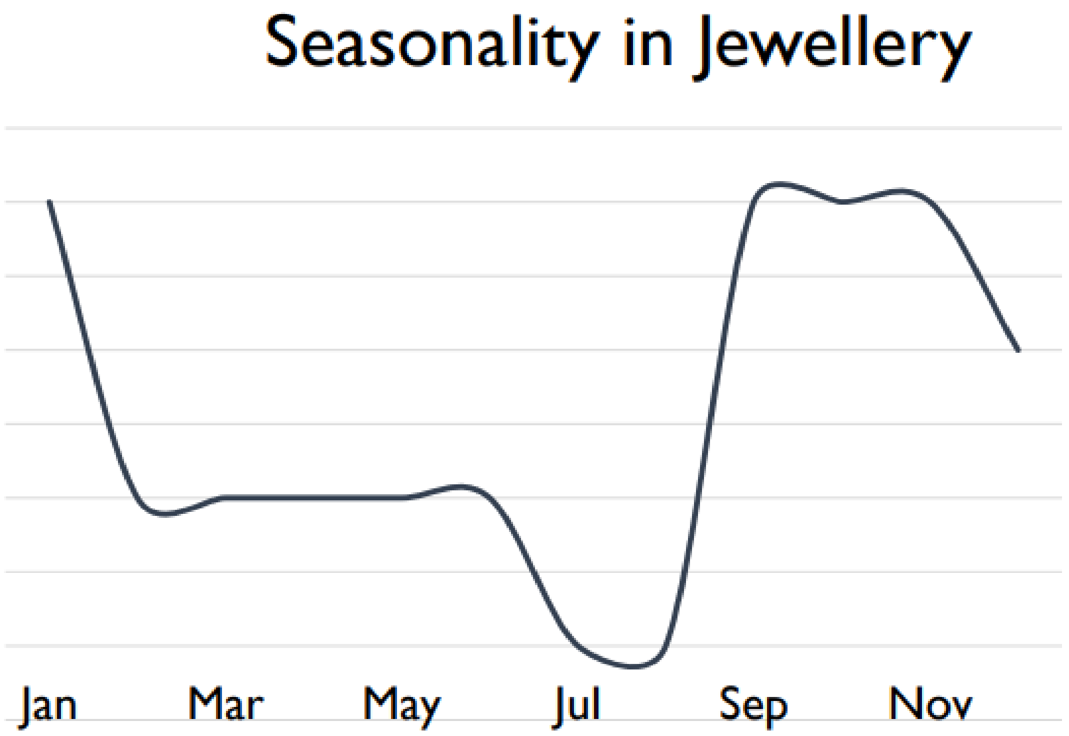
# INDIAN COSTUME JEWELLERY MARKET

Market Share of Organised & Unorganised Retail in Overall Jewellery Segment



# Jewellery landscape India



# Key Management Team : PNGS SONS & Gargi by PNGS

**Mr. Govind Gadgil**
Chairman and non-executive director

**Mr. Amit Modak**
Non-executive director

**Mr. Aditya Modak**
Non-executive director

Earrings

Finger Rings

Bracelet

Mangalsutra

Necklace

Necklace Set

Nose Pins

# Gargi’s Jewellery Collection at a glance

Mangalsutra

Bracelet

Tops

Nose Pins

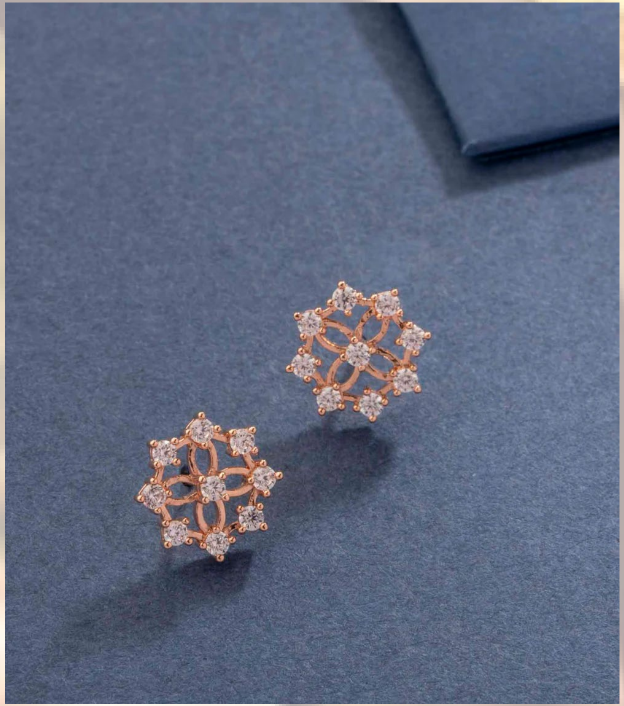
Earrings

Necklace

Anklets

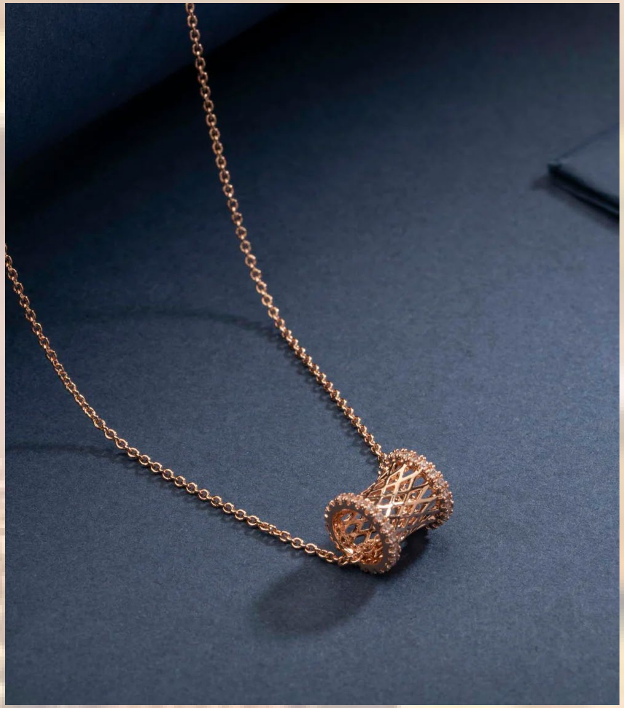
Men Accessories

# Brass collection

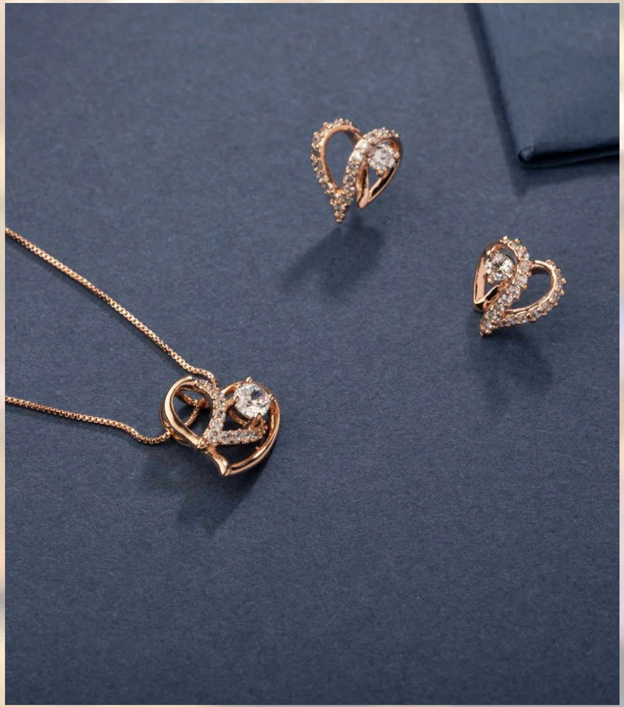


Floral Tops
Price Rs 1650

Bracelet
Price Rs 1425



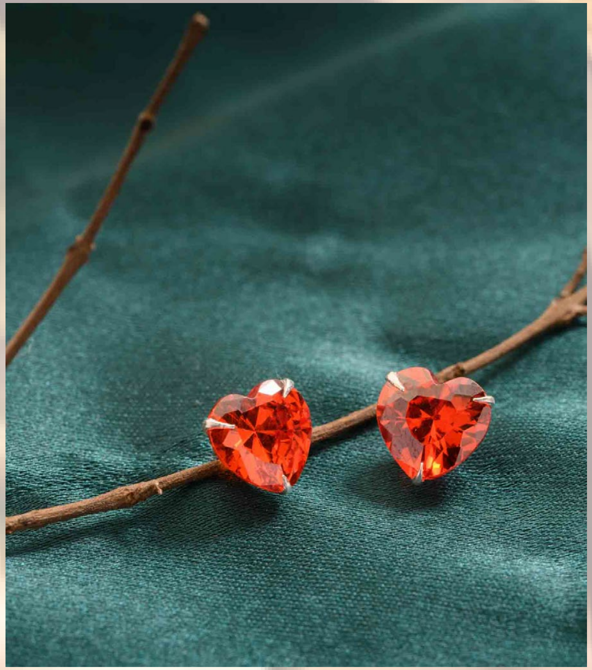
Pendants
Price Rs 1500

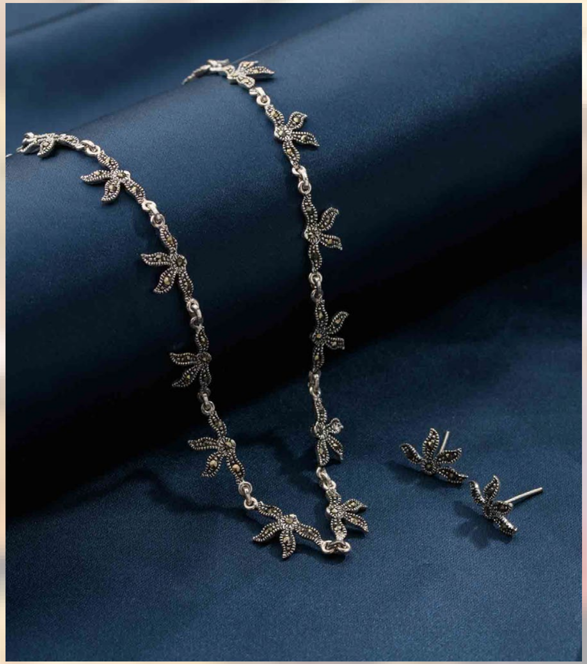


Necklace Set
Price Rs 2,000

Online Price Range
Rs 400 to Rs 3000

# Silver collection





Tops
Price ~ 400 onwards

Earrings
Price Rs 4500

Antique Mangalsutra Set
Price  Rs 2800

Necklace
Price Rs 5.900

Online Price Range
Rs 170 to Rs 6000

# Natural Diamond Collection

Diamond Bracelets
Price ~ 14,000 onwards

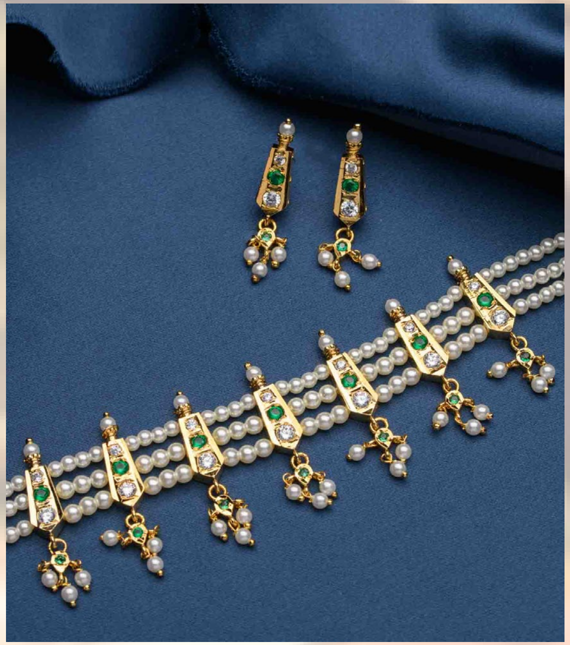
Rings
Price ~ 13,000 onwards

Ear Tops
Price ~ 15,000 onwards

Diamond Necklace
Price ~ 17,000 onwards

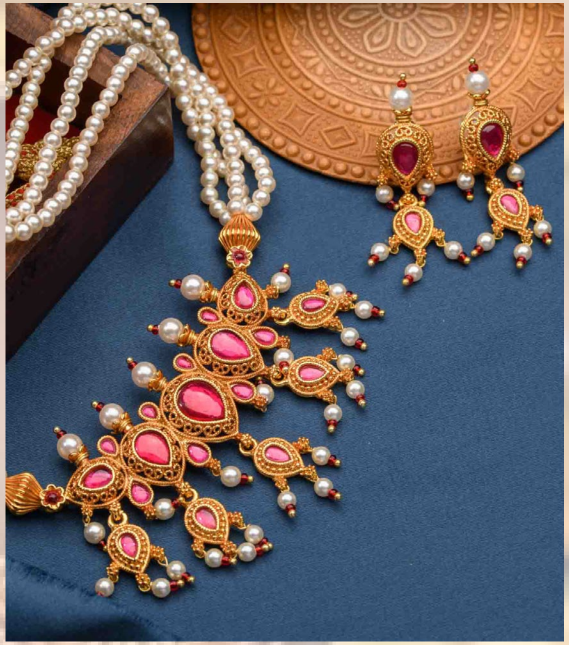
Online Price Range
Rs 4,500 to Rs 240,000

# Festivewear

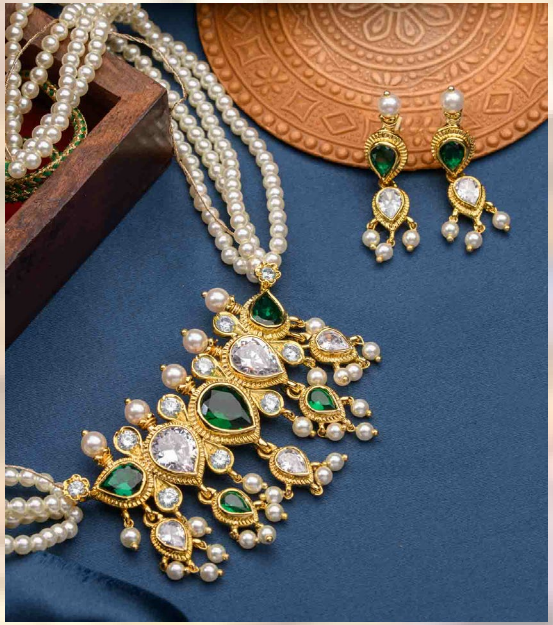


Chinchpeti Collection
Price ~ 5000 onwards

Silver Moti Necklace
Price ~ 3000 onwards



Tanmani Collection
Price ~ 10,000 onwards



Tanmani Collection
Price ~ 9,000 onwards

Online Price Range
Rs 3,200 to Rs 18,500

# Kids Collection

**Moonshine Silver Bracelet**
**Price ~ Rs 1850**

**Boba Tea Necklace**
**Price ~ Rs 1387**

**Unicorn Silver Tops**
**Price ~ Rs 712**

**Butterfly Silver Necklace**
**Price ~ Rs 3150**

**Online Price Range**
**Rs 650 to Rs 3200**

# Utsaav By Gargi

- **Utsaav** is a **costume Jewellery line** launched by PNGS Gargi Fashion Jewellery Limited in Feb 2025.

- It's made of primarily from **Brass, Silver Alloy, Kundan Stones, Oxidised Metal, Faux Pearls, Gold Plated.**

- **Designs are Bold, Fun, Quirky** targeted at **Gen Z (15yrs-28yrs)**

- Average pricing is around **Rs, 150 to Rs 7,500** (complete set)

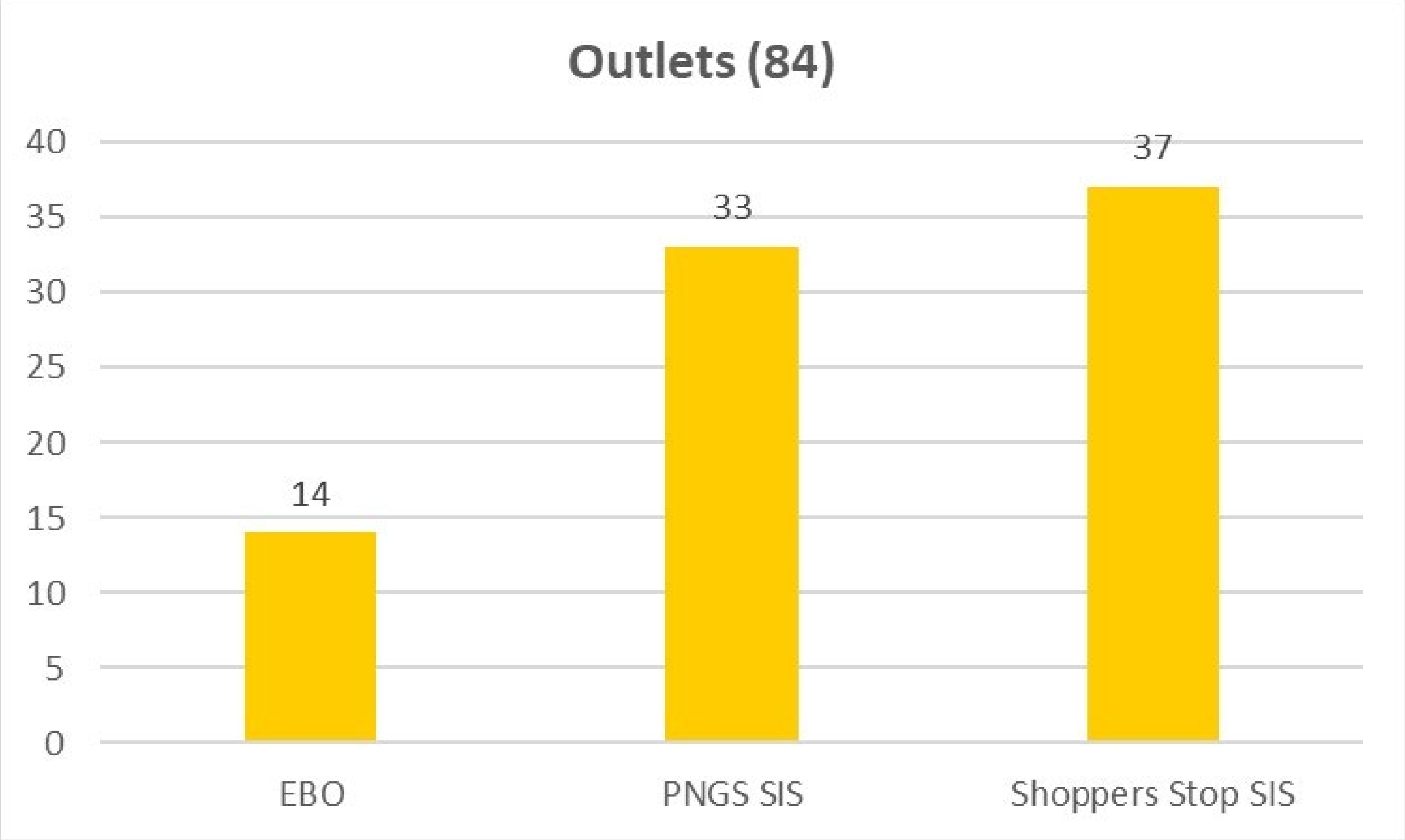
- It aims to capture the "**occasion wear segment**" (Weddings/Sangeet/ Haldi/Festivals etc) at much lower price point.

- Primarily sold online (www.utsaav.shop).

- Tied up with **Blinkit for under Rs.1000** Fast Fashion Jewellery items, delivered at the doorstep under 10 minutes




# Gargi's Store Count




FY26 growth: 100+ Outlets

- 15 new EBOs planned
- 2-3 new PNGS SIS

* The bar chart is based on FY25 data.

# Financial Snapshot

**Profit & Loss**

| | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|---|---|---|---|---|
| **Sales -** | **6** | **29** | **50** | **126** |
| Sales Growth % | | 383% | 76% | 150% |
| Expenses + | 4 | 22 | 39 | 89 |
| **Operating Profit** | **2** | **7** | **11** | **37** |
| OPM % | 26% | 23% | 22% | 30% |
| Other Income + | 0 | 0 | 1 | 2 |
| Interest | 0 | 0 | 0 | 0 |
| Depreciation | 0 | 0 | 0 | 1 |
| **Profit before tax** | **1** | **6** | **11** | **39** |
| Tax % | 26% | 26% | 25% | 26% |
| **Net Profit +** | **1** | **5** | **8** | **29** |
| EPS in Rs | 1,110.00 | 4.87 | 8.79 | 27.81 |
| Dividend Payout % | 0% | 0% | 0% | 0% |

**Balance Sheet**

| | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|---|---|---|---|---|
| Equity Capital | 0.01 | 10 | 10 | 10 |
| Reserves | 1 | 11 | 19 | 89 |
| Borrowings + | 5 | 1 | 2 | 4 |
| Other Liabilities + | 2 | 2 | 7 | 14 |
| **Total Liabilities** | **8** | **24** | **39** | **117** |
| Fixed Assets + | 0 | 1 | 1 | 5 |
| CWIP | 0 | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 | 0 |
| **Other Assets -** | **8** | **23** | **37** | **112** |
| Inventories | 7 | 10 | 32 | 32 |
| Trade receivables | 0 | 0 | 2 | 14 |
| Cash Equivalents | 1 | 11 | 1 | 54 |
| Loans n Advances | 0 | 0 | 0 | 4 |
| Other asset items | 0 | 1 | 2 | 9 |
| **Total Assets** | **8** | **24** | **39** | **117** |

**Cash Flow Statement**

| | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|---|---|---|---|---|
| Cash from Operating Activity + | -4 | 2 | -12 | 18 |
| Cash from Investing Activity + | 0 | -1 | 0 | -39 |
| Cash from Financing Activity + | 5 | 10 | 1 | 39 |
| **Net Cash Flow** | **1** | **11** | **-11** | **19** |

**Financial Strength**

- **Strong margins:**
  - Gross Margin: 40%
  - OPM: 31%
  - PAT Margin: 23%
- **Capital efficiency:**
  - ROCE 37%,
  - ROE 45%,
  - ROIC 29%
- **Zero debt,**
- **54 Cr + cash on books .**
- Positive Cash from Operations.

# Revenue Mix:

***By sales channel***

| Sales Channel | % of Sales |
|---|---|
| PNGS stores | 79.5% |
| EBO | 10% |
| Shopper’s stop SIS | 6% |
| Online | 4.5% |

***By category***

| Category | % of Sales |
|---|---|
| Diamond | 45% |
| Others(Silver/Brass etc..) | 55% |
| | |

| | **FASHION** *JEWELRY* | **FINE** *JEWELRY* | **HIGH** *JEWELRY* |
|---|---|---|---|
| DURABILITY | NOT DURABLE | VERY DURABLE | VERY DURABLE |
| COST | LOW | MIDDLE-HIGH | HIGH |
| RESIZE | NO | YES | YES |
| METALS | NON PRECIOUS METALS | PRECIOUS METALS | PRECIOUS METALS |
| GEMSTONES | SIMULATED STONES AND IMITATIONS | PRECIOUS AND NON PRECIOUS GEMSTONES | PRECIOUS GEMSTONES, ONE OF KIND STONES |

# Competitor Analysis

| Brand | Year of Incorporation | No of Stores | FY24 Revenue (₹ cr) | FY24 Profit/Loss (₹ cr) | FY25 Revenue (₹ cr) | FY25 Profit/Loss (₹ cr) | Revenue Growth (FY25 over FY 24) | Funding / Notes |
|---|---|---|---|---|---|---|---|---|
| INDIAN PEERS | | | | | | | | |
| GIVA | 2019 | 210 | 274 | (-59) | 510 | (-42) | 86% Growth in Revenue but PAT Negative, in Loss | ₹696 cr total PE Investment, Series C ₹450–530 cr at ~₹3,950 cr valuation. |
| GARGI By PNGS | 2021 | 85 | 50 | 8 | 126 | 29 | 152% Growth in Revenue and 260% growth in PAT | Backed by Parent company PNG Sons , no external fundraising. |
| MIA by TANISHQ | 2011 | 620 | 740 | Not Disclosed | 1000 | Not Disclosed | 35% Growth in Revenue | Backed by Titan, Mia not listed seperately (Revenue 60/40 split Tanishq /Mia Brand Store). |
| KUSHALS | 2006 | 100 | 190 | 16 | 311 | 20 | 63% Growth in Revenue and 25% PAT growth | ₹284 cr PE investment in Feb 2024 (Lighthouse Funds); national expansion focus. |
| INTERNATIONAL PEERS | | | | | | | | |
| LOVISA | 2010 | 900 | 596 Million USD | 68 Million USD | 698 Million USD | 82 Million USD | 17% revenue growth and 20% PAT growth | Fast Fashion Jewellery |
| PANDORA | 2000 | 7800 | 4.1 Billion USD | 688 Million USD | 4.5 Billion USD | 758 Million USD | 10% revenue and PAT growth | Affordable Luxury Jewellery |

# Buyer Decision Process

**Need recognition**
Triggered by internal and/or external stimuli

**Information search**
From multiple sources (personal, commercial, public, experiential)

**Evaluation of alternatives**
Processing information to arrive at brand choices

**Purchase decision**
The act by which the consumer buys the most preferred brand

**Post-purchase decision**
Satisfaction or dissatisfaction the consumer feels about the purchase

TRUST ~ DESIGN ~ ACCESS ~ VALUE

# Investment thesis

**Strong Brand : Trust & Legacy**

- Focus on **quality, customer relationships and satisfaction**
- Strong **brand trust** built over 192 years with deep regional roots in Maharashtra.

**Strong Management**

- **Trusted Legacy : 5th generation Jewellers** with deep domain understanding.
- **Employee Friendly** Strong traditional company culture, Low Attrition.
- **Customer focused: Offline Format, Natural Diamonds & Value driven (18k/14k//Utsaav) & Asset Light**
- **Investor-friendly**: No cash burn, increasing promoter holding.
  (Preferential Allotment @ 970 at above market price of 880, signals strong promoter trust in long-term value).
  Transparent & ethical: Regular con-calls, meeting all compliances, zero legal issues, long-term focus
  No Royalty on PNGS Brand Name Usage, implying cost efficiency and direct brand leverage.
- **Strong in Execution**
  No Store Shut Down
  Conservative guidance with aggressive execution
  IPO listed at 30 Cr M cap achieved nearly 30 Cr PAT in FY25, current Mcap : 900 cr,30X in less than 2.5 years.
  Achieved 29 cr. to100 cr. revenue in 2 years, Validating the Fast Fashion Model and proving it was the right strategy

## Favourable Tailwinds

- **Rapidly Growing Demand** :Fashion Jewellery market growing at 20%+ CAGR. Gold prices increasing, pushing consumers towards 14K/18K gold and 925 silver alternatives.

- **Rising Disposable Income :** Growing middle class, Female workforce participation fuels demand for office-friendly, affordable jewellery.  Income Tax Slab Revision (up to 12L) increases spending potential.

- **Work force Migration**: Population Urban Migration creating a shift toward modern, branded retail.

- **Changing Taste** : Preference for lighter, attire-matching designs over traditional heavy gold. Shift from heavy traditional Jewellery to light weight contemporary affordable Occasion-Less & Jewellery. no longer only for weddings and festivals. Growth in birthday, friendship, anniversary, and self-gifting segments.

- **Preference for Brands :** Shift from Unorganized to Organized Retail, creating a platform for brands like Gar**gi.**

- **Smart Money :** PE investments in peers like Giva and Kushal's reflects strong market confidence and high valuation

- **Growth of ecommerce and quick delivery**.

- **Social media and creator economy**

**Business Model Strength & Unique Market Position**

- **Validated Model**: PNGS share in total revenue dropped from 90% to 78% – EBO traction rising.
- **Asset-Light Model** supports scalability and agility. Focus on finding the right franchise partners, not just ROI-based expansion.
- **Strong supply chain**, refresh stock **4 times/year**.
- **Zero Debt**: Strong financial discipline and low risk.
- **Q-commerce Ready**: Fast fulfilment expectations align with trends in e-retail.
- **Currently only listed player in Fashion Jewellery** segment currently.

**Expanding Customer Base & Market Strategy**

- **2L+ online customer visits, Big customer base**
- **Huge design collection.**
- Growing **online + offline** reach, with **Blinkit and Shoppers Stop partnerships**.
- **Halo Marketing strategy**: Entry via affordable SKUs; upsell across gifting, kid's, men's, gifting, and festive collections.

**Tech & Digital Focus**

- Building presence on **Amazon, Social Media (Instagram), own Gargi by PNG app launched**
- Embracing tech-led distribution and customer acquisition.

**Moats & Entry Barriers**

- **Brand Power &Trust of PNG Sons**
- **Access to cheap capital without loosing control/dilution**
- **Access to trained, loyal and cost-effective manpower**
- **Access Evolved Supply Chain/Design/Tech/Business Development Team/Marketing Team**
- **Access to a loyal Customer Base**
- **High Competition but Low Profitability**, high ad-spend requirements create further moat.

**Valuation Opportunity**

- Stock corrected **40%** recently due to market drawdown.
- Management guidance of 200 cr by FY2028 (3 yrs) for a CAGR of approx 30-35%

**Low float / Relatively Undiscovered**

- Only 1 Cr shares, **only 9% with public**, rest with **management (70%+)** and **HNI/institutions (17%)**. **Only 2348 retail investors — undiscovered microcap**, no major analyst coverage yet.

**Future Triggers**

- **Migration to main board post Dec 2025** – will increase institutional and retail interest.
- **Future IPO's and PE exits (Giva, Kushal's)** to drive sector multiples.
- **Big Marketing Push** (7 Cr planned this year).
- **All India Retail Expansion.**
- **Maharashtra potential still under-penetrated**. Large untapped potential in Maharashtra.
- **15 new EBO's planned for 2025 (FY26)**
- **PNGS 2-3 new store opening per year.** Gargi will get entry to all new PNGS stores.
- **REVA IPO to open up new growth opportunities for PNGS Gargi**
- **Online Sales** to drive 8% sales in few years (up from 4% now).
- **New Optionality's** : 9K gold (1.99 gm)
- **Blinkit /Shoppers Stop Partnership Scale up**

# Risks:

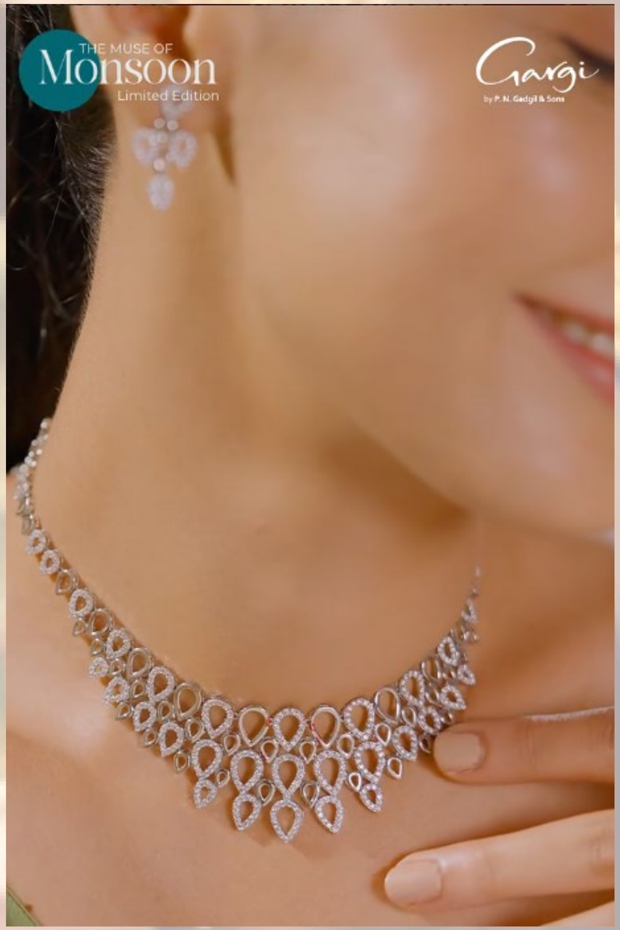
- Competition from unorganized sector and other branded players, and VC funded  players like Giva/Kushal.
- Low brand awareness outside Maharashtra
- Seasonality of sales
- Shorter fashion trends requiring frequent churning of Inventory which could lead to inventory loss
- Price volatility in Gold/Silver, Import duties.
- Marketing/Employee costs likely to escalate with planned expansion beyond home states
- Margin Pressure
- Returns online : Logistically challenging (high volume/ low value).
- New Designs can get copied
- Platform dependence for Online Sales (Amazon, Shopper's Stop, Blinkit)

# How the company maintains such high margins??

- Measured expansion – limited number of EBOs opened so far.
- Asset light model
- Negligible promoter salary
- Advantage of parent’s legacy – limited advertising cost initially as parent is well known in the state of Maharashtra
- Advantage of presence in parent’s store

# FAQ:

1. Are these high margins sustainable?
2. PNG Jewellers and PNG & Sons are they same? – refer slide 8
3. PNG Jewellers have launched a fashion jewellery brand (lite style). How does it impact Gargi in the local markets?
4. Why the recent preferential fund raise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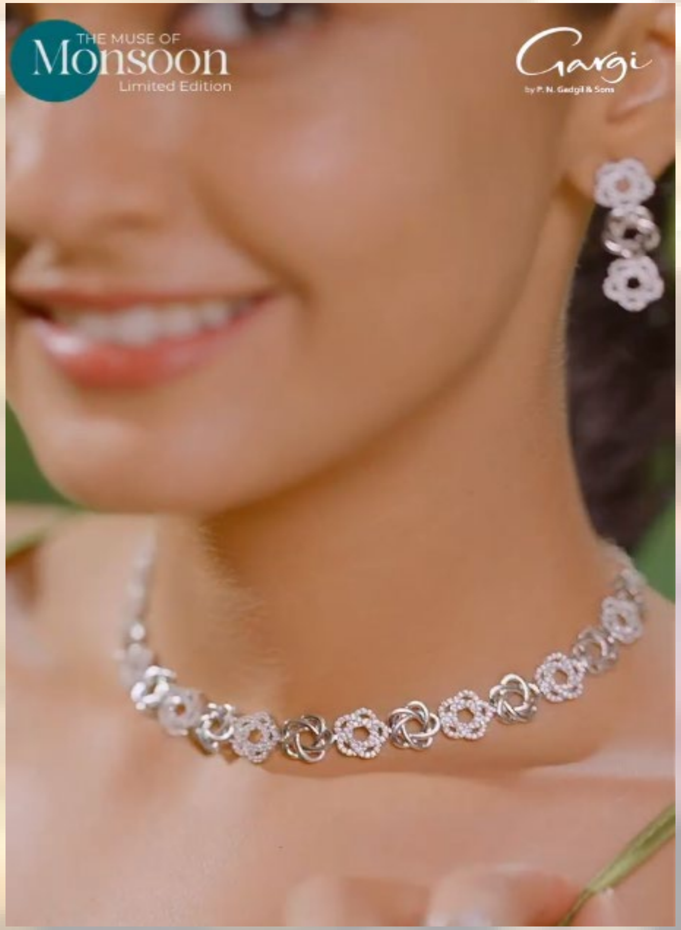
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# Questions?