

PNGS Reva Diamond Jewellery Limited

October 31, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	190.00 (Enhanced from 140.00)	CARE BBB+; Stable / CARE A2	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of PNGS Reva Diamonds Jewellery Limited (PRDJL) derive strength from extensive experience of promoters and the management team in the retail jewellery sector and strong regional brand recall of PNG. Ratings also factor in benefits derived by PRDJL from its linkages in the form of franchise agreement with P. N. Gadgil and Sons Limited (PNGS; rated CARE A+; Stable/ CARE A1) for retail diamond jewellery sales in PNGS stores for 10 years. Ratings also factor in PRDJL's healthy profitability, comfortable capital structure and debt coverage indicators and adequate liquidity position.

However, these strengths are partially offset by PRDJL's ongoing expansion plans to establish exclusive stores, where it is yet to build a track record. The company's profitability may be impacted in the near term, given the typical gestation period associated with setting up and stabilising new retail stores.

Ratings are also constrained due to working capital intensive operations, profitability remains exposed to volatility in diamond and gold prices and intense competition and fragmented nature of the industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total operating income (TOI) over ₹500 crore with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of over 20% on a sustained basis.
- Total debt (TD) to PBILDT of less than 2.50x on a sustained basis.
- Track record of profitable operations of new showrooms.

Negative factors

- Lower-than-envisaged turnover with TOI falling below ₹200 crore.
- Adverse change in terms of franchise agreement with PNGS.
- Overall gearing above 1.5x and/ or TD/PBILDT above 3.5x on a sustained basis.

Analytical approach: Standalone, factoring linkages with PNGS.

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that PRDJL will continue to benefit from its established market position, extensive experience of the management and strong brand recall in Maharashtra.

Detailed description of key rating drivers:

Key strengths

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Experienced Promoters and linkages with PNGS

The company's promoters belong to the Gadgil family, who entered the gold jewellery business in 1832, in Sangli, Maharashtra, titled 'Purushottam Narayan Gadgil Jewellers'. In 1958, the family ventured into the Pune market and commenced its first establishment under the alias 'P. N. Gadgil & Co.' In 2012, the P.N. Gadgil & Co was split to form P.N. Gadgil & Sons, later known as PNGS.

PNGS transferred its diamond jewellery business to PRDJL on a going concern basis. PRDJL is spearheaded by Govind Gadgil, a fifth-generation entrepreneur with over four decades of experience in the industry, in the capacity of Chairperson and Non-Executive Director. Promoters are supported by a qualified and experienced management team, led by Amit Modak, Whole-time Director and CEO.

PRDJL entered a 10-year franchise agreement with PNGS, covering 33 stores—32 under the franchise-owned company-operated (FOCO) model and one under the franchise-owned franchise-operated (FOFO) model. Under the agreed terms, PRDJL will operate from premises owned or leased by PNGS and will pay a commission, based on net sales.

This structure enables PRDJL to leverage PNGS's well-established brand equity, infrastructure, and customer footfall, while continuing to operate under its distinct brand identity. CareEdge Ratings believes that the company is well-positioned to benefit from its experienced leadership, linkages with PNGS providing revenue visibility and profitable operations.

Strong regional brand recall

PRDJL is strategically associated with PNGS, which has a legacy of over 150 years in the gems and jewellery sector. The brand name 'Reva' used by PRDJL also carries the trademark 'PNGS', reflecting the strong linkage between the two entities. The PNGS brand holds a leading position in the gold jewellery market in Maharashtra.

Growing scale of operations

PRDJL was formed following conversion of the partnership firm Gadgil Metals & Commodities (GMC; engaged in trading securities and commodities) and later acquired the diamond business of PNGS through a slump sale in January 2025. In FY25 (refers to April 01 to March 31), PRDJL reported TOI of ₹64.47 crore, which included two months of diamond jewellery operations. In H1FY26 (refers to April 01 to September 30), PRDJL achieved TOI of ₹156.72 crore. PRDJL commenced operations with an immediate business presence, having acquired a fully operational segment from PNGS, ensuring continuity of operations.

In FY24, this diamond jewellery business had reported TOI of ₹195.63 crore, which registered a growth of ~32%, reaching ₹258.18 crore in FY25 (includes 10 months of operations in PNGS and two months of operations under PRDJL). As part of its growth strategy to enhance geographical presence and scale of operations, the company is planning to expand its store network in new markets.

Healthy profitability

The company operates on an asset-light business model. Majority company expenses are variable in nature, providing greater operational flexibility. Currently, major costs include traded goods cost, followed by commission paid to PNGS and employee costs.

In FY25, the company reported healthy PBILDT and profit after taxation (PAT) margin of 31.02% and 23.04%, respectively. However, going forward, profitability is expected to moderate from existing level, considering incremental costs towards new store launches and full- year impact of commission paid to PNGS.

Comfortable capital structure and debt coverage indicators

PRDJL's capital structure remained comfortable, as reflected by a below-unity overall gearing of 0.91x as on March 31, 2025. The company has a healthy net worth base of ₹99.89 crore as on March 31, 2025. It does not have long-term debt and total debt primarily comprises working capital borrowings and minimal finance lease liabilities. Debt protection metrics also remain comfortable with TD to gross cash accruals (GCA) at 1.53x and an interest coverage ratio of 42.93x in FY25. These indicators are expected to moderate in the medium term due to the company's planned expansion through exclusive stores, which is likely to entail incremental borrowings.

Key rating weaknesses**Plans to expand presence through exclusive stores**

Presently, PRDJL benefits from the ready footfall at PNGS' stores. However, going forward, the company plans to set up its exclusive stores. PRDJL is yet to build a track record of operating such exclusive stores. The company's ability to attract footfall at these stores and ramp up of sales would remain a key rating monitorable.

Presence in a highly competitive and fragmented industry:

The Indian gems and jewellery (G&J) industry is highly fragmented, characterised by the presence of numerous unorganised participants alongside large integrated manufacturers, resulting in intense competition. PNGS faces direct competition from other entities operating under the 'PNG' brand. PRDJL's sales are presently concentrated across a few cities in Maharashtra and its ability to expand its presence in new regions will be crucial to drive the scale of operations further.

PRDJL's business profile is further influenced by rising consumer acceptance of lab-grown diamonds (LGD) and the Government of India's favourable policy push for the LGD segment. PRDJL's business remains exposed to such regulatory changes.

Working capital intensive operations

The jewellery retailing business is inherently working capital intensive, as it necessitates maintaining a diverse and extensive inventory across store locations to cater to varied customer preferences and drive footfall. PRDJL's working capital intensity is further elevated, given that diamond jewellery typically has a slower turnover compared to gold.

In FY25, the company had an inventory holding period of 341 days. PRDJL primarily sells on a cash and carry basis, while it receives a credit period of 45 to 60 days from its suppliers. As a result, the company's working capital cycle stood elongated at 289 days in FY25.

Exposure to volatility in diamond and gold prices

PRDJL's profitability remains exposed to fluctuations in gold and diamond prices, as raw materials account for ~65–70% of the total cost. The G&J sector remains susceptible to regulatory risks, and adverse policy changes by the Government could have a material impact on the company's business operations.

Liquidity: Adequate

PRDJL has adequate liquidity marked by nil term debt repayments and cash and bank balance of ₹39.36 crore as on March 31, 2025. Timely enhancement in sanctioned working capital limits provides additional liquidity cushion. Working capital requirements are likely to increase commensurate with addition of new stores, which will be supported by mix of internal accruals and additional limits.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Gems, jewellery and watches

Incorporated on December 20, 2024, PRDJL is engaged in retail sale of diamond and diamond-studded jewellery. The company was formed following conversion of the partnership firm Gadgil Metals & Commodities and later acquired the diamond business of PNGS through a slump sale in January 2025. PRDJL operates 33 stores across India under a franchise model, with PNGS providing retail space and logistical support in exchange for a sales-based commission. In June 2025, PRDJL has filed DRHP to raise up to ₹450 crore through an initial public offer (IPO).

Particular	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	64.47	156.72
PBILDT	9.94	NA
PAT	6.59	
Overall gearing (times)	0.91	
Interest coverage (times)	7.83	

Note: For FY25 financials are prepared from December 20, 2025, to March 31, 2025.

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/Non-fund-based-LT/ST		-	-	-	190.00	CARE BBB+; Stable / CARE A2

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based/Non-fund-based-LT/ST	LT/ST	190.00	CARE BBB+; Stable / CARE A2	1)CARE BBB+; Stable / CARE A2 (11-Aug-25)	-	-	-

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based/Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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