Deepa Jewellers Limited

31-August-26

Subscribe for Long Term

Rinkle Vira
rinklevira@rathi.com

RINKLE SHAILESH VIRA
Digitally signed by RINKLE SHAILESH VIRA
Date: 2026.08.31 16:10:48 +05'30'

Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	4,600
Fresh Issue (No. of Shares in Lakhs)	141.2
Offer for Sale (No. of Shares in Lakhs)	118.5
Bid/Issue opens on	01-Sept-26
Bid/Issue closes on	03-Sept-26
Face Value	Rs.2
Price Band	Rs. 168-177
Minimum Lot	84

Objects of the Issue:

- **Fresh Issue: ₹2,500 Million**
  - Funding long-term working capital requirements towards procurement, maintenance and scaling up of inventory by the company.
  - General corporate purposes
- **Offer for sale: ₹2,100 Million**

Book Running Lead Managers
Emkay Global Financial Services Ltd
Registrar to the Offer
Bigshare Services Private Limited

Capital Structure (` Million)	Aggregate Value
Authorized share Capital	250
Subscribed paid up Capital (Pre-Offer)	164
Paid up capital (Post - Offer)	192

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	100.0%	73.0%
Public	0.0%	27.0%
Total	100%	100%

Financials

Particulars (Rs. In Million)	FY26	FY25	FY24
Revenue from operations	**19,267**	**13,970**	**10,246**
Operating expenses	17,804	13,410	9,889
EBITDA	**1,463**	**560**	**357**
Other Income	10	31	12
Depreciation	7	3	3
EBIT	**1,466**	**588**	**366**
Interest	63	44	40
Share of Profit / (Loss) of Associate	-	-	-
PBT	**1,403**	**544**	**326**
Exceptional Item	-	-	-
Tax	355	139	83
Consolidated PAT	**1,048**	**405**	**243**
EPS	12.8	4.9	3.0
Ratio	**FY26**	**FY25**	**FY24**
EBITDAM	7.6%	4.0%	3.5%
PATM	5.4%	2.9%	2.4%
Sales growth	37.9%	36.3%	-

Company Description

Incorporated in 2016, Deepa Jewellers is an organized business-to-business (B2B) gold jewellery designer, processor and supplier, primarily operating across Telangana, Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. The company primarily supplies hallmarked 22 karat gold jewellery to jewellery retail chains and standalone stores and is a key processor and supplier of vaddanam and CNC machine-cut bangles. Its customer base includes Joyalukkas India Limited, Kalyan Jewellers India Limited, Lalithaa Jewellery Mart Limited, Manoj Vaibhav Gems 'N' Jewellers Limited and Tribhovandas Bhimji Zaveri Limited, among others.

The company offers a diversified portfolio comprising 16 product categories and 110 SKUs, including vaddanam, CNC machine-cut bangles, Gents kada, vanky, kangan, earrings, necklaces, rings and other traditional and precious stone-studded jewellery. In Fiscal 2026, vaddanam and CNC machine-cut bangles contributed 41.9% and 30.9%, respectively, to revenue from operations, highlighting their importance within the product portfolio.

Deepa Jewellers follows an asset-light outsourced manufacturing model supported by a network of 41 karigars. The company supplies gold, alloys and precious stones to its karigars, who manufacture jewellery according to its designs and specifications. This model provides operational flexibility and scalability while limiting significant capital investment in manufacturing infrastructure. The company is, however, in the process of establishing an in-house manufacturing facility in Hyderabad, Telangana, to enhance production capacity, improve turnaround times and support future growth.

As of July 31, 2026, the company had a customer base of 373 customers, comprising 47 jewellery retail chains and 326 standalone stores, across 13 states and one union territory. It does not operate any standalone retail stores. Its 15-member in-house design team develops products based on customer requirements, regional preferences and prevailing market trends, while its B2B mobile application provides customers with digital access to its product catalogue.

Valuation:

Deepa Jewellers operates an organized B2B gold jewellery business, designing and supplying jewellery to retail chains and standalone stores. Its in-house design team develops products based on customer requirements, market trends and regional preferences, enabling a diverse and customized product portfolio.

The company is also well positioned to benefit from the favourable industry environment, with the Indian gold jewellery retail market expected to grow at 12–14% CAGR through FY30. Its upcoming 6,696 sq. ft. in-house manufacturing facility in Hyderabad, expected to be operational in H1 FY27, along with product diversification and expansion into higher-margin jewellery segments, provides additional growth opportunities.

At the upper price band, based on FY26 earnings, the issue is valued at 16.2x P/E, 5.45x P/BV and 12.39x EV/EBITDA, implying a post-issue market capitalization of ₹17,014 million, making the issue fairly priced. However, the business remains exposed to fluctuations in gold prices, dependence on outsourced karigars, working capital requirements, customer concentration and intense competition in the jewellery industry. With its strong B2B customer network, established position in vaddanam and CNC machine-cut bangles, experienced promoter group and planned in-house manufacturing facility, the company is well positioned to benefit from the growing demand for branded and hallmarked gold jewellery. Thus, we assign a **"Subscribe for Long Term"** rating for the issue.

Company Overview

Deepa Jewellers Limited is an organised B2B designer, processor and supplier of hallmarked gold jewellery, with a strong presence across Telangana, Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. The Company is among the key processors and suppliers of vaddanam and CNC machine-cut bangles, catering primarily to jewellery retail chains and standalone stores. Its business model is focused on designing, processing and supplying 22-karat plain and precious stone-studded gold jewellery, rather than selling directly to end consumers. The Company has an in-house design team that develops products based on customer requirements, prevailing market trends and regional preferences. Manufacturing is undertaken through an outsourced model supported by 41 karigars, to whom the Company supplies gold, alloys and precious stones along with designs and specifications. This model provides operational flexibility and scalability while limiting manufacturing-related capital requirements. In addition, the Company undertakes job-work services using customer-owned raw materials and trades in silver jewellery, 18- and 20-karat gold jewellery, precious stones and gold bullion. As on July 31, 2026, they have had a product portfolio of 16 products and 110 SKUs across their product categories as indicated in the chart below.

As of July 31, 2026, Deepa Jewellers Limited served 373 customers across 13 states and one Union Territory, comprising 47 jewellery retail chains and 326 standalone stores, without operating any standalone retail outlets of its own. Its broad product portfolio spans multiple price points, enabling the Company to address diverse customer segments and regional preferences. The Company is supported by an in-house team of 15 designers responsible for developing new designs based on customer requirements, prevailing market trends and regional preferences. This design capability enables Deepa Jewellers to maintain a differentiated and continually evolving product portfolio. The Company has established long-standing relationships with several established jewellery retailers, including Joyalukkas, Kalyan Jewellers, Lalithaa Jewellery Mart, Manoj Vaibhav Gems 'N' Jewellers and Tribhovandas Bhimji Zaveri, among others. These relationships provide access to an established customer base and support the Company's B2B distribution model across key jewellery markets in India. Their revenue from operations for the Fiscal 2026, Fiscal 2025 and Fiscal 2024 from sale of products through processing, sale of services through job work and sale of products through trade is as follows:

Particulars	FY2026 (₹ million)	FY2026 (%)	FY2025 (₹ million)	FY2025 (%)	FY2024 (₹ million)	FY2024 (%)
Sale of products – processing	19,074	99.0%	12,954	92.7%	10,104	98.6%
Sale of services – job work	172	0.9%	151	1.1%	140	1.4%
Sale of products – trade	20	0.1%	865	6.2%	2	0.0%
Total Revenue from Operations	**19,267**	**100.0%**	**13,970**	**100.0%**	**10,246**	**100.0%**

Further, the following table provides a detailed breakup of revenue from the sale of hallmarked jewellery, along with its proportion to total revenue from operations for the Fiscal 2026, Fiscal 2025 and Fiscal 2024.

Year/Period	Revenue from Sale of Hallmark Jewellery (₹ million)	Total Revenue from Operations (₹ million)	Contribution of Hallmark Jewellery (%)
FY2026	17,628	19,267	91.5%
FY2025	12,949	13,970	92.7%
FY2024	10,095	10,246	98.5%

India's jewellery consumption is broadly segmented into bridal wear, daily wear and fashion wear, accounting for approximately 50–55%, 35–40% and 5–10% of the market, respectively. Deepa Jewellers' key products, vaddanam and CNC machine-cut bangles, cater primarily to bridal and daily-wear segments. Vaddanam holds strong cultural significance among South Indian women, while CNC machine-cut bangles have wider applications across both segments. The Company offers a diversified portfolio ranging from traditional wedding jewellery to lightweight daily-wear products, supported by multiple designs to address evolving consumer preferences. The following table sets forth a breakdown of their revenue from operations from vaddanam, CNC machine cut bangle and their other products for the Fiscal 2026, Fiscal 2025 and Fiscal 2024.

Product Category	FY2026 (₹ million)	FY2026 (%)	FY2025 (₹ million)	FY2025 (%)	FY2024 (₹ million)	FY2024 (%)
Revenue from operations of Vaddanam	8,062	41.9%	4,831	34.6%	3,756	36.7%
Revenue from operations of CNC machine-cut bangles	5,949	30.9%	5,842	41.8%	4,076	39.8%
Revenue from operations of other products*	5,256	27.3%	3,297	23.6%	2,414	23.6%
Total	**19,267**	**100.0%**	**13,970**	**100.0%**	**10,246**	**100.0%**

**Other products include gents kada, vanky (armlet), dandpatti (bajuband), gundlamala haaram, gundlamala necklace, kangan, earrings, mangtika, maatil, champasaralu, jada, rings, precious stones, pearls, flat diamonds, cubic zirconia, gold bullion and precious beads.*

Deepa Jewellers Limited operates across the organised wholesale gold jewellery value chain, supported by an established procurement network, long-standing relationships with karigars, in-house design capabilities, quality controls and dedicated marketing resources. Demand for its products is supported by recurring occasions such as weddings, births, anniversaries and harvest seasons, creating multiple demand cycles throughout the year. To strengthen production capacity and improve turnaround times, the Company is setting up an in-house manufacturing facility in Hyderabad, Telangana. It also expanded its market presence by establishing a sales office in Vijayawada, Andhra Pradesh in November 2025. The Company sources gold and silver through multiple channels, including RBI-registered bullion banks, bullion dealers, India International Bullion Exchange, exchanges and customers. Its network of karigars supports timely production and consistent quality. Jewellery undergoes systematic checks for purity, design accuracy, structural integrity and finishing, followed by testing and government-approved hallmarking in accordance with BIS norms. It also participates in B2B exhibitions across key jewellery markets and operates a dedicated 12-member marketing team. Its mobile application enables B2B customers to access its design catalogue remotely. The promoters bring approximately 25 years of industry experience, while the next generation of leadership contributes technology-oriented and contemporary business perspectives.

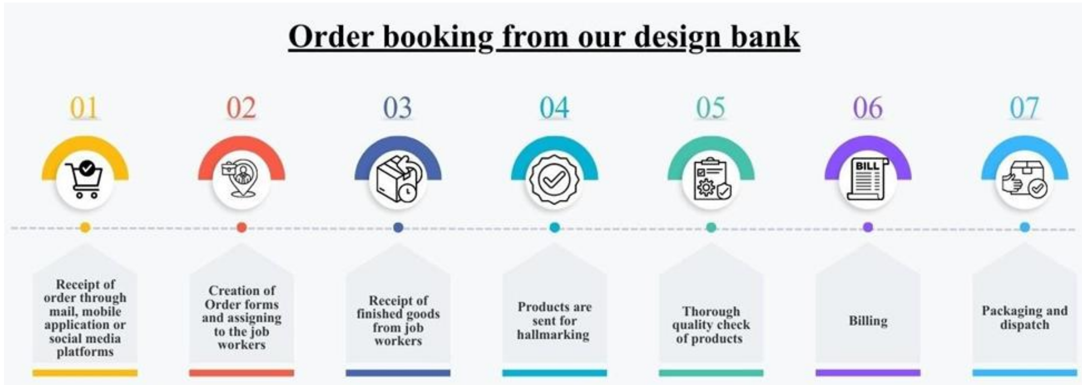
Product Portfolio: Their range of products primarily include vaddanam (waist belt), CNC machine cut bangles, gents kada, vanky(armlet), dandpatti (bajuband), gundlamala haaram (traditional neck piece), gundlamala necklace, kangan, earring, mangtika (forehead pendant), maatil (ear chain), champasaralu (ear to hair chain), jada (braid ornament), rings, bracelet and precious rings. As on July 31, 2026, they have had a product portfolio of 16 products including 110 SKU across their product categories. The table below sets out the details of their products:

Few Products of the Company

Sr. No.	Product name	Image and Description	SKU's
1.	Vaddanam (waist belts),	 Vaddanam is a traditional waist ornament worn by women in South India during weddings and other auspicious occasions. It is regarded as a symbol of prosperity, cultural heritage, and social significance. Typically crafted with intricate detailing, the vaddanam often features motifs inspired by temple art, including peacocks, lotuses, and deities. In addition to being an important bridal adornment, it is cherished as a family heirloom, passed down through generations, representing continuity, elegance, and tradition.	1. Vaddanam nakshi 2. Vaddanam sheet 3. Vaddanam sheet baby 4. Vaddanam sheet uncut 5. Vaddanam sidebelt 6. Junagadh mope 7. Pacchi mope 8. Casting mope 9. Junagadh mope uncut 10. Pacchi mope uncut 11. Casting mope uncut 12. Flexible hipchain 13. Vaddanam Anitique
2.	CNC machine cut bangles	 CNC machine cut bangles are crafted using CNC technology focusing on precise cutting, shaping, and engraving of intricate patterns on gold or silver. The process begins with digitally created designs that are executed by computer-controlled machinery. This process increases uniformity and precision across each piece. It also allows for the production of detailed and contemporary designs that meet the preferences of both bridal and daily-wear customers.	1. MC Plain 2. Flat khila 3. Half round pokhal 4. Kaanas thin 5. Rawa 6. CNC 7. Fancy 8. Ice cutting 9. Exfancy 10. Premium bangles 11. Bombay halfround 12. Calcutta 13. Handmade fancy 14. Andhra traditional 15. Karnataka traditional 16. Baby CNC bangles 17. Baby plain bangles 18. MC bangles air
3.	Gents kada	 A traditional rigid bracelet crafted in gold or silver is manufactured in plain, carved, or stone-studded designs. Suitable for festive, and daily wear.	1. Solid kada 2. Punjabi kada 3. Jaguar kada 4. Clip lock kada 5. CNC kada 6. Gods kadas 7. Fancy lock kada 8. Baby plain kada 9. Baby jaguar kada 10. High polish kada 11. V cut kada 12. Balaji Kada
4.	Vanky (armlet)		1. Vanky nakshi 2. Junagadh vanky 3. Pacchi vanky 4. Casting vanky 5. Junagadh vanky uncut 6. Pacchi vanky uncut 7. Casting vanky uncut 8. Coimbatore vanky 9. Baby vanky 10. Vanky colour stone
5.	Dandpatti (bajuband)	 Bajuband is a traditional armlet worn on the upper arm, by Indian women especially as a part of bridal jewellery.	1. Dandpatti Nakshi 2. Junagadh dandpatti 3. Pacchi dandpatti 4. Casting dandpatti 5. Junagadh dandpatti uncut 6. Pacchi dandpatti uncut 7. Bajuband antique 8. Bajuband casting
6.	Gundlamala haaram		1. Gundlamala haaram 2. Haaram antique 3. Haaram colour stone 4. Haaram filigri 5. Haaram pacchi 6. Haaram thappa

Their Operations: Deepa Jewellers Limited currently operates its registered office from the ground and first floors of a building in Basheerbagh, Hyderabad, Telangana, spanning 4,464 sq. ft. The Company is developing a proposed in-house manufacturing facility across the second, third and fourth floors of the same building, covering 6,696 sq. ft., which is expected to become operational during the first half of FY2027. The facility is expected to reduce dependence on external karigars and lower making charges, while providing greater control over manufacturing costs, quality and production timelines. It will also enable standardised processes, machine-led precision and direct supervision, supporting consistent craftsmanship and reducing defects. The facility will be equipped with a real wax 3D printer, vacuum pressure casting machine and induction melting furnace, with orders already placed. To strengthen its regional presence, the Company opened a leased sales office in Vijayawada, Andhra Pradesh in November 2025. The office had six employees as of July 31, 2026 and is expected to expand distribution, deepen existing customer relationships and access untapped markets across Southern India. As of July 31, 2026, the office held finished jewellery inventory of ₹4 million.

- *Operations Process:* Deepa Jewellers Limited serves customers through two channels: ready-stock sales and order-based sales from its design bank. For ready-stock sales, selected jewellery is sent to government-registered, BIS-approved hallmarking centres for purity verification and certification, followed by quality checks covering stone quality, setting, design symmetry and damages. After necessary repairs, products are billed, packed and dispatched through in-house delivery personnel or third-party logistics providers. For order-based sales, customer requirements are received through email, the Company's mobile application or social media platforms and converted into detailed orders specifying weight, dimensions, polish, stone type and delivery timelines. These orders are executed by job workers, followed by hallmarking, quality inspection, billing, packing and delivery.



- *Procurement of Raw Materials:* Deepa Jewellers Limited procures gold and silver from RBI-registered bullion banks, independent bullion dealers, the India International Bullion Exchange and customers, with emphasis on purity and quality. The Company sources gemstones, including rubies, pearls, flat diamonds and emeralds, from key markets such as Jaipur, Surat, Mumbai, Hyderabad and Thailand. Coloured gemstones are evaluated based on colour, clarity, cut and carat weight to ensure quality and consistency. Metals are further subjected to a controlled alloying process, wherein they are melted and combined in precise proportions to enhance durability, colour and workability. The cost of principal raw materials purchased in Fiscal 2026, Fiscal 2025 and Fiscal 2024 is set out as below:

Raw Material	FY2026 (₹ million)	FY2026 (%)	FY2025 (₹ million)	FY2025 (%)	FY2024 (₹ million)	FY2024 (%)
Gold Bullion	15,013	86.0%	12,469	94.7%	9,389	94.9%
Semi-finished 22 Kt Gold Ornaments	2,359	13.5%	628	4.8%	424	4.3%
Alloy	0	Negligible	0	Negligible	0	Negligible
Precious Stones	28	0.2%	37	0.3%	42	0.4%
Pearls	3	0.0%	3	0.0%	9	0.1%
Flat Diamonds	34	0.2%	35	0.3%	23	0.2%
Cubic Zircon	0	Negligible	0	Negligible	1	0.0%
Beads	1	0.0%	—	—	1	0.0%
Wax	—	—	—	—	0	Negligible
Silver	4	0.0%	0	Negligible	1	0.0%
18 Kt Gold Ornaments	3	0.0%	3	0.0%	1	0.0%
20 Kt Gold Ornaments	9	0.1%	—	—	—	—
Total	**17,452**	**100.0%**	**13,176**	**100.0%**	**9,890**	**100.0%**

Their vendor selection processes involve due diligence such as verification of trade licenses, regular audits, and inspections to ensure consistent quality standards throughout their supply chain. The table below sets forth the aggregate contribution of their top 10 suppliers to the total purchases of raw material for the periods stated below:

Supplier concentration*	FY2026 (₹ million)	FY2026 (%)	FY2025 (₹ million)	FY2025 (%)	FY2024 (₹ million)	FY2024 (%)
Supplier 1	4,220	24.2%	4,226	32.1%	3,418	34.6%
Supplier 2	2,693	15.4%	1,382	10.5%	1,765	17.9%
Supplier 3	2,062	11.8%	1,204	9.1%	1,305	13.2%
Supplier 4	1,700	9.7%	913	6.9%	1,208	12.2%
Supplier 5	1,428	8.2%	648	4.9%	1,109	11.2%
Supplier 6	1,218	7.0%	584	4.4%	287	2.9%
Supplier 7	890	5.1%	546	4.1%	212	2.2%
Supplier 8	762	4.4%	497	3.8%	165	1.7%
Supplier 9	677	3.9%	434	3.3%	66	0.7%
Supplier 10	372	2.1%	413	3.1%	48	0.5%
Total	**16,022**	**91.8%**	**10,846**	**82.3%**	**9,583**	**96.9%**

**Supplier concentration represents purchases from the top 10 suppliers as a percentage of total purchases.*

- *Customers:* As of July 31, 2026, the Company served 373 customers, including 47 retail chains and 326 standalone stores. 290 customers had relationships exceeding two years, highlighting established customer relationships. Their top 10 customers accounted for more than 50% of their revenue in the Fiscal 2026, Fiscal 2025 and Fiscal 2024. Set below is their revenue contribution from their top ten customers for the indicated period:

Customer concentration	FY2026 (₹ million)	FY2026 (%)	FY2025 (₹ million)	FY2025 (%)	FY2024 (₹ million)	FY2024 (%)
Customer 1	3,237	16.8%	1,982	14.2%	1,612	15.7%
Customer 2	1,779	9.2%	1,660	11.9%	1,592	15.5%
Customer 3	1,700	8.8%	1,629	11.7%	1,205	11.8%
Customer 4	1,032	5.4%	565	4.0%	572	5.6%
Customer 5	866	4.5%	563	4.0%	396	3.9%
Customer 6	840	4.4%	563	4.0%	373	3.6%
Customer 7	830	4.3%	554	4.0%	322	3.1%
Customer 8	822	4.3%	503	3.6%	314	3.1%
Customer 9	679	3.5%	488	3.5%	283	2.8%
Customer 10	677	3.5%	332	2.4%	233	2.3%
Total	**12,460**	**64.7%**	**8,839**	**63.3%**	**6,902**	**67.4%**

- *Product Development and Design & Product Pricing:* Deepa Jewellers Limited develops a diverse jewellery portfolio based on customer requirements, regional preferences and evolving market trends. Product development begins with market research, trend analysis and continuous customer engagement, supported by structured feedback mechanisms. The Company's 15-member in-house design team develops collections combining cultural heritage with contemporary styles, while senior management reviews and approves final designs before production. Manufacturing requirements are supported by independent skilled karigars across Telangana and Maharashtra. The Company is also focused on expanding into high-growth markets through premium and regional jewellery collections. Product pricing is determined based on raw material costs, labour charges, marketing expenses, operating overheads and other ancillary costs. While gold prices are primarily market-driven, labour charges vary depending on design complexity, craftsmanship requirements and production costs. The Company also offers discounts on labour charges for orders involving immediate payment, incentivising faster collections, improving working capital efficiency and strengthening customer relationships.

- *Quality Control:* Deepa Jewellers Limited follows a comprehensive quality control and assurance framework covering raw materials, manufacturing and finished jewellery. Every batch of raw materials is inspected before production to ensure compliance with defined quality and design specifications. Jewellery is evaluated at various stages for purity, structural integrity, design accuracy and finishing, with defects rectified before further processing. Finished jewellery received from karigars undergoes additional checks covering gold, gemstones and overall finishing before being added to inventory. Products are also tested for metal purity, gemstone authenticity and durability, followed by hallmarking at government-approved centres in accordance with BIS norms. Quality deviations and damages are reported to senior management, supporting supplier accountability and consistent product standards.

- *Inventory management, logistics and security & Marketing and advertising initiatives:* Deepa Jewellers Limited has established a systematic framework for inventory management, logistics, security and marketing. Inventory levels are monitored through targeted sales, turnover and ageing analysis, with daily checks and reconciliations by senior managers to ensure accurate stock tracking. Raw materials and finished products are transported through company-owned vehicles within Hyderabad and third-party logistics providers across India, using sealed and tracked shipments. Its presence in tier-2 and tier-3 cities also supports relatively economical logistics. Inventory security is supported by CCTV surveillance, intrusion alarms, secure storage rooms and 24-hour armed security. The Company strengthens brand visibility through B2B exhibitions, social media, its website and mobile application. It has participated in 41 B2B jewellery exhibitions and trade fairs since inception, helping showcase new collections, acquire customers and assess potential markets. Digital platforms including WhatsApp, Instagram, Facebook and YouTube are used for customer engagement, product promotion and feedback. Customer retention initiatives include jewellery cleaning and repair services, along with selective buyback of unsold jewellery to provide customers greater inventory flexibility.

- *Market Opportunity:* India's B2B gems and jewellery industry has witnessed strong growth, supported by rising jewellery demand, increasing penetration of organised manufacturers and technological advancements enabling greater adoption of machine-made and design-led jewellery. The industry expanded from ₹3,030 billion in FY2022 to ₹7,301 billion in FY2026, registering a 24.6% CAGR during the period. Growth was driven by higher retail demand, rising gold prices, deferred bridal jewellery purchases and increasing consumer disposable income. Following subdued demand during FY2020–FY2021 amid the pandemic and elevated gold prices, the market recovered strongly from FY2022 onwards. Going forward, the industry is expected to grow at a more moderate 2–3% CAGR during FY2026–FY2030, supported by stabilising gold prices and release of deferred demand, greater organised retail penetration, export growth and the emergence of new markets.

- *Gold Hedging:* Deepa Jewellers Limited follows a structured gold hedging policy to mitigate the impact of gold price volatility on procurement costs and margins. The Company uses Gold Metal Loans (GML), commodity exchange forward contracts and internal hedging, wherein gold prices are fixed with suppliers simultaneously with customer orders. Hedging tenures vary based on inventory requirements, seasonality, costs and customer credit periods. With an average inventory holding period of 18–22 days, the Company's hedging ratio increased from 53.0% in FY2024 to 76.0% in FY2025 and 84.0% in FY2026, with ₹697 million of inventory hedged against ₹829 million of total inventory. The Company targets hedging up to 100.0% of required gold inventory.

<u>Financial & Operational Performance Indicators:</u> The following table sets forth certain information relating to the company's key operational and financial metrics:

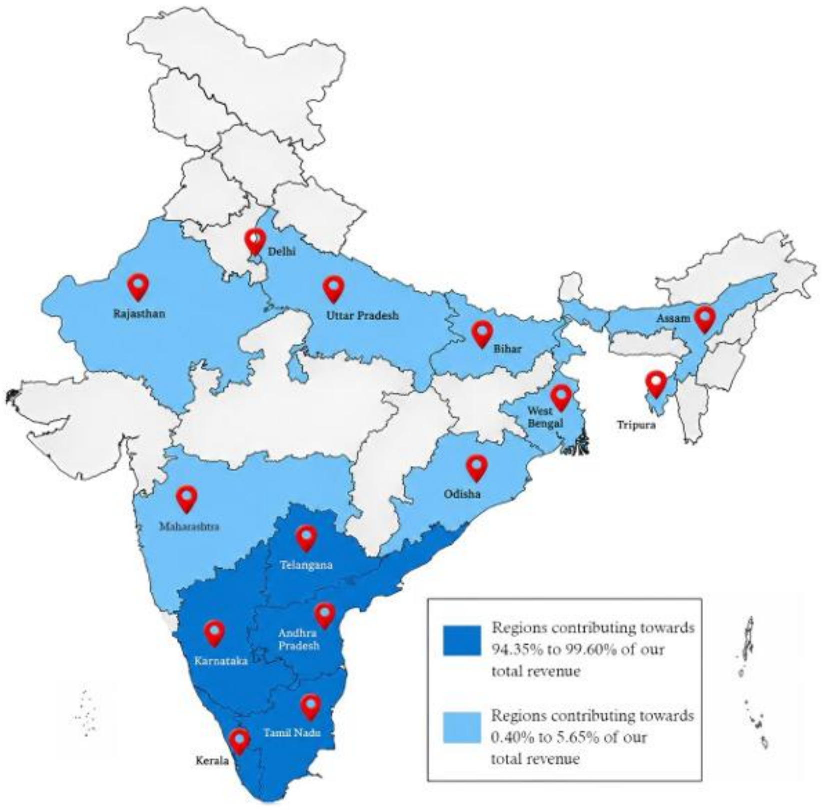
Particulars	FY2026	FY2025	FY2024
Financial KPIs			
Revenue from operations (₹ million)	19,267	13,970	10,246
EBITDA (₹ million)	1,463	560	358
EBITDA margin (%)	7.6%	4.0%	3.5%
Profit after tax (PAT) (₹ million)	1,048	406	243
PAT margin (%)	5.4%	2.9%	2.4%
Return on Equity (%)	56.5%	36.0%	30.3%
Return on Capital Employed (%)	52.1%	30.6%	22.8%
Debt-to-equity ratio	0.47	0.61	0.84
Operational KPIs			
Inventory holding period (days)	18	21	22
Debtors holding period (days)	36	29	32
Creditors holding period (days)	1	1	1
Net operating cycle (days)	53	49	53
Total quantity sold (kg)	1,644	1,889	1,739
Total quantity processed through job work (kg)	757	485	387
No. of customers	214	206	195
Total employee base	92	31	34
Geographic sales coverage (States/UTs)	10	9	9
Revenue per customer (₹ million)	90.03	67.82	52.54
No. of products (SKUs)	76	70	61
No. of product categories	14	13	11

Key Strengths:

➢ **Significant revenue contribution from Southern India**

Deepa Jewellers Limited has established a strong and recognizable presence across South India, the largest regional jewellery market in India, accounting for approximately 38–43% of national jewellery consumption. The South Indian gems and jewellery retail market was valued at approximately ₹5,026 billion in FY2026 and is expected to grow at a 6–7% CAGR through FY2030, providing a sizeable addressable market. The Company primarily serves customers across Telangana, Karnataka, Andhra Pradesh, Tamil Nadu and Kerala and has expanded its customer network across 13 states and one union territory as of July 31, 2026. Its established presence, regional understanding and growing customer base position it to benefit from the continued formalisation and expansion of the South Indian jewellery market.

Their presence across various states and union territory in India



They have witnessed consistent year on year growth in revenue across all the states in which they operate, except in other Indian states, which recorded a marginal decrease during the period as indicated in the table mentioned below. For the Fiscal 2026, Fiscal 2025 and Fiscal 2024, the contribution of South Indian states and other Indian states/union territory to their revenue from operations is presented as follows:

Particulars	FY2026 (₹ million)	FY2026 (%)	FY2025 (₹ million)	FY2025 (%)	FY2024 (₹ million)	FY2024 (%)
South Indian States						
Andhra Pradesh	3,715	19.3%	2,771	19.8%	2,196	21.4%
Telangana	8,011	41.6%	6,780	48.5%	4,507	44.0%
Tamil Nadu	4,532	23.5%	2,811	20.1%	2,554	24.9%
Karnataka	1,139	5.9%	882	6.3%	574	5.6%
Kerala	785	4.1%	494	3.5%	368	3.6%
Total of South Indian States (A)	**18,182**	**94.4%**	**13,738**	**98.3%**	**10,200**	**99.6%**
Other Indian States / Union Territory						
Maharashtra	1,073	5.6%	221	1.6%	40	0.4%
Delhi	—	—	—	—	3	0.0%
Assam	—	—	1	0.0%	—	—
Bihar	—	—	—	—	1	0.0%
Uttar Pradesh	7	0.0%	10	0.1%	2	0.0%
West Bengal	0	0.0%	—	—	—	—
Odisha	—	—	0	0.0%	—	—
Rajasthan	1	0.0%	—	—	—	—
Tripura	4	0.0%	—	—	—	—
Total of Other Indian States / Union Territory (B)	**1,085**	**5.6%**	**232**	**1.7%**	**46**	**0.4%**
Total (A+B)	**19,267**	**100.0%**	**13,970**	**100.0%**	**10,246**	**100.0%**

➢ **Well established customer base with long-standing relationship with jewellery retail chains and standalone stores**

Deepa Jewellers Limited has developed a diversified customer base comprising 373 customers as of July 31, 2026, including 47 jewellery retail chains and 326 standalone stores. The Company has established relationships with several prominent jewellery retailers, including Joyalukkas India, Kalyan Jewellers, Lalithaa Jewellery Mart, Bhima Jewels and Tribhovandas Bhimji Zaveri, reflecting its established position within the B2B jewellery supply chain. Its customer-oriented approach, diverse product portfolio and in-house design capabilities have supported long-term customer relationships. 18 customers have been associated with the Company since inception, while 168 customers have been associated for 2–4 years, 86 customers for 5–7 years and 36 customers for more than 7 years. The breadth and longevity of these relationships provide a stable customer base and support recurring business opportunities. Set below their state wise revenue split from jewellery retail chains and standalone stores, for the indicated periods.

Particulars	FY2026 Retail Chains (₹ million)	FY2026 Standalone Stores (₹ million)	FY2026 Total (₹ million)	FY2025 Retail Chains (₹ million)	FY2025 Standalone Stores (₹ million)	FY2025 Total (₹ million)	FY2024 Retail Chains (₹ million)	FY2024 Standalone Stores (₹ million)	FY2024 Total (₹ million)
South Indian States									
Andhra Pradesh	2,193	1,522	3,715	1,730	1,041	2,771	1,103	1,093	2,196
Telangana	6,087	1,924	8,011	4,880	1,900	6,780	3,348	1,159	4,507
Tamil Nadu	4,460	72	4,532	2,736	76	2,811	2,489	65	2,554
Karnataka	1,010	128	1,139	878	4	883	573	1	574
Kerala	781	4	785	494	—	494	367	1	368
Total South Indian States (A)	**14,532**	**3,650**	**18,182**	**10,717**	**3,021**	**13,738**	**7,879**	**2,320**	**10,200**
Other Indian States / Union Territory									
Maharashtra	124	949	1,073	179	42	221	40	—	40
Delhi	—	—	—	—	—	—	—	3	3
Assam	—	—	—	—	1	1	—	—	—
Bihar	—	—	—	—	—	—	—	1	1
Uttar Pradesh	7	0	7	—	10	10	—	2	2
West Bengal	—	0	0	—	—	—	—	—	—
Odisha	—	—	—	—	0	0	—	—	—
Rajasthan	—	1	1	—	—	—	—	—	—
Tripura	—	4	4	—	—	—	—	—	—
Total Other States / UT (B)	**131**	**954**	**1,085**	**179**	**53**	**232**	**40**	**6**	**46**
Total (A+B)	**14,663**	**4,604**	**19,267**	**10,896**	**3,074**	**13,970**	**7,919**	**2,326**	**10,246**

- **Diverse product portfolio with varied weight ranges, designs and specialisation in vaddanam and CNC machine cut bangles**

Deepa Jewellers Limited has established a differentiated product portfolio with a strong focus on vaddanam and CNC machine-cut bangles, two categories with significant relevance across South Indian bridal and daily-wear jewellery. As of July 31, 2026, the Company offered 16 product categories covering 110 SKUs, spanning products such as gents kada, vanky, dandpatti, necklaces, kangan, earrings, mangtika, jada, rings and bracelets. Its portfolio caters to a broad customer base through jewellery ranging from 2.5 grams to 300 grams, while customised designs enable customers to tailor products to their budgets, preferences and regional tastes. The Company continuously incorporates customer feedback, market research and emerging fashion trends into its product development process. An in-house team of 15 designers supports new collection development, combining traditional South Indian motifs with contemporary designs and enabling the Company to respond quickly to evolving consumer preferences. The following table sets forth a breakdown of their revenue from operations from vaddanam, CNC machine cut bangle and theirr other products for the Fiscal 2026, Fiscal 2025 and Fiscal 2024.

Product Category	FY2026 (₹ million)	FY2026 (%)	FY2025 (₹ million)	FY2025 (%)	FY2024 (₹ million)	FY2024 (%)
Revenue from operations of Vaddanam	8,062	41.9%	4,831	34.6%	3,756	36.7%
Revenue from operations of CNC machine-cut bangles	5,949	30.9%	5,842	41.8%	4,076	39.8%
Revenue from operations of other products*	5,256	27.3%	3,297	23.6%	2,414	23.6%
Total	**19,267**	**100.0%**	**13,970**	**100.0%**	**10,246**	**100.0%**

**Other products include gents kada, vanky (armlet), dandpatti (bajuband), gundlamala haaram, gundlamala necklace, kangan, earrings, mangtika, maatil, champasaralu, jada, rings, precious stones, pearls, flat diamonds, cubic zirconia, gold bullion and precious beads.*

- **Established procurement network and long -standing relationship with karigars**

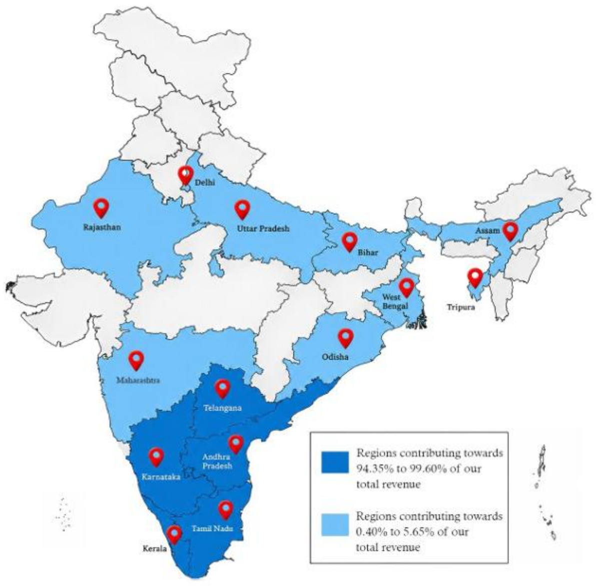
Deepa Jewellers Limited has developed an established procurement network and long-standing relationships with skilled karigars, supporting reliable production and timely fulfilment of customer orders. As of July 31, 2026, the Company worked with 41 karigars, primarily across Telangana and Maharashtra, of whom 29 had formal agreements and 25 had been associated with the Company for more than five years. The karigars undertake various stages of jewellery production, including crafting, polishing and finishing, enabling the Company to maintain consistent quality while responding to diverse customer requirements. On the sourcing side, the Company procures gold and silver through RBI-registered bullion banks, bullion dealers, the India International Bullion Exchange and customer exchanges. Gemstones such as rubies, pearls, flat diamonds and emeralds are sourced from established markets in India and Thailand. This combination of reliable sourcing relationships and an experienced artisan network supports supply-chain continuity, production efficiency and consistent product quality.

<u>Key Strategies:</u>

- **Significant revenue contribution from Southern India**

Deepa Jewellers Limited has established a strong and recognizable presence across South India, the largest regional jewellery market in India, accounting for approximately 38–43% of national jewellery consumption. The South Indian gems and jewellery retail market was valued at approximately ₹5,026 billion in FY2026 and is expected to grow at a 6–7% CAGR through FY2030, providing a sizeable addressable market. The Company primarily serves customers across Telangana, Karnataka, Andhra Pradesh, Tamil Nadu and Kerala and has expanded its customer network across 13 states and one union territory as of July 31, 2026. Its established presence, regional understanding and growing customer base position it to benefit from the continued formalisation and expansion of the South Indian jewellery market.

Their presence across various states and union territory in India



They have witnessed consistent year on year growth in revenue across all the states in which they operate, except in other Indian states, which recorded a marginal decrease during the period as indicated in the table mentioned below. For the Fiscal 2026, Fiscal 2025 and Fiscal 2024, the contribution of South Indian states and other Indian states/union territory to their revenue from operations is presented as follows:

Particulars	FY2026 (₹ million)	FY2026 (%)	FY2025 (₹ million)	FY2025 (%)	FY2024 (₹ million)	FY2024 (%)
South Indian States						
Andhra Pradesh	3,715	19.3%	2,771	19.8%	2,196	21.4%
Telangana	8,011	41.6%	6,780	48.5%	4,507	44.0%
Tamil Nadu	4,532	23.5%	2,811	20.1%	2,554	24.9%
Karnataka	1,139	5.9%	882	6.3%	574	5.6%
Kerala	785	4.1%	494	3.5%	368	3.6%
Total of South Indian States (A)	**18,182**	**94.4%**	**13,738**	**98.3%**	**10,200**	**99.6%**
Other Indian States / Union Territory						
Maharashtra	1,073	5.6%	221	1.6%	40	0.4%
Delhi	—	—	—	—	3	0.0%
Assam	—	—	1	0.0%	—	—
Bihar	—	—	—	—	1	0.0%
Uttar Pradesh	7	0.0%	10	0.1%	2	0.0%
West Bengal	0	0.0%	—	—	—	—
Odisha	—	—	0	0.0%	—	—
Rajasthan	1	0.0%	—	—	—	—
Tripura	4	0.0%	—	—	—	—
Total of Other Indian States / Union Territory (B)	**1,085**	**5.6%**	**232**	**1.7%**	**46**	**0.4%**
Total (A+B)	**19,267**	**100.0%**	**13,970**	**100.0%**	**10,246**	**100.0%**

- **Well established customer base with long-standing relationship with jewellery retail chains and standalone stores**

Deepa Jewellers Limited has developed a diversified customer base comprising 373 customers as of July 31, 2026, including 47 jewellery retail chains and 326 standalone stores. The Company has established relationships with several prominent jewellery retailers, including Joyalukkas India, Kalyan Jewellers, Lalithaa Jewellery Mart, Bhima Jewels and Tribhovandas Bhimji Zaveri, reflecting its established position within the B2B jewellery supply chain. Its customer-oriented approach, diverse product portfolio and in-house design capabilities have supported long-term customer relationships. 18 customers have been associated with the Company since inception, while 168 customers have been associated for 2–4 years, 86 customers for 5–7 years and 36 customers for more than 7 years. The breadth and longevity of these relationships provide a stable customer base and support recurring business opportunities. Set below their state wise revenue split from jewellery retail chains and standalone stores, for the indicated periods.

Particulars	FY2026 Retail Chains (₹ million)	FY2026 Standalone Stores (₹ million)	FY2026 Total (₹ million)	FY2025 Retail Chains (₹ million)	FY2025 Standalone Stores (₹ million)	FY2025 Total (₹ million)	FY2024 Retail Chains (₹ million)	FY2024 Standalone Stores (₹ million)	FY2024 Total (₹ million)
South Indian States									
Andhra Pradesh	2,193	1,522	3,715	1,730	1,041	2,771	1,103	1,093	2,196
Telangana	6,087	1,924	8,011	4,880	1,900	6,780	3,348	1,159	4,507
Tamil Nadu	4,460	72	4,532	2,736	76	2,811	2,489	65	2,554
Karnataka	1,010	128	1,139	878	4	883	573	1	574
Kerala	781	4	785	494	—	494	367	1	368
Total South Indian States (A)	**14,532**	**3,650**	**18,182**	**10,717**	**3,021**	**13,738**	**7,879**	**2,320**	**10,200**
Other Indian States / Union Territory									
Maharashtra	124	949	1,073	179	42	221	40	—	40
Delhi	—	—	—	—	—	—	—	3	3
Assam	—	—	—	—	1	1	—	—	—
Bihar	—	—	—	—	—	—	—	1	1
Uttar Pradesh	7	0	7	—	10	10	—	2	2
West Bengal	—	0	0	—	—	—	—	—	—
Odisha	—	—	—	—	0	0	—	—	—
Rajasthan	—	1	1	—	—	—	—	—	—
Tripura	—	4	4	—	—	—	—	—	—

Total Other States / UT (B)	**131**	**954**	**1,085**	**179**	**53**	**232**	**40**	**6**	**46**
Total (A+B)	**14,663**	**4,604**	**19,267**	**10,896**	**3,074**	**13,970**	**7,919**	**2,326**	**10,246**

- **Diverse product portfolio with varied weight ranges, designs and specialisation in vaddanam and CNC machine cut bangles**

Deepa Jewellers Limited has established a differentiated product portfolio with a strong focus on vaddanam and CNC machine-cut bangles, two categories with significant relevance across South Indian bridal and daily-wear jewellery. As of July 31, 2026, the Company offered 16 product categories covering 110 SKUs, spanning products such as gents kada, vanky, dandpatti, necklaces, kangan, earrings, mangtika, jada, rings and bracelets. Its portfolio caters to a broad customer base through jewellery ranging from 2.5 grams to 300 grams, while customised designs enable customers to tailor products to their budgets, preferences and regional tastes. The Company continuously incorporates customer feedback, market research and emerging fashion trends into its product development process. An in-house team of 15 designers supports new collection development, combining traditional South Indian motifs with contemporary designs and enabling the Company to respond quickly to evolving consumer preferences. The following table sets forth a breakdown of their revenue from operations from vaddanam, CNC machine cut bangle and theirr other products for the Fiscal 2026, Fiscal 2025 and Fiscal 2024.

Product Category	FY2026 (₹ million)	FY2026 (%)	FY2025 (₹ million)	FY2025 (%)	FY2024 (₹ million)	FY2024 (%)
Revenue from operations of Vaddanam	8,062	41.9%	4,831	34.6%	3,756	36.7%
Revenue from operations of CNC machine-cut bangles	5,949	30.9%	5,842	41.8%	4,076	39.8%
Revenue from operations of other products*	5,256	27.3%	3,297	23.6%	2,414	23.6%
Total	**19,267**	**100.0%**	**13,970**	**100.0%**	**10,246**	**100.0%**

**Other products include gents kada, vanky (armlet), dandpatti (bajuband), gundlamala haaram, gundlamala necklace, kangan, earrings, mangtika, maatil, champasaralu, jada, rings, precious stones, pearls, flat diamonds, cubic zirconia, gold bullion and precious beads.*

- **Established procurement network and long -standing relationship with karigars**

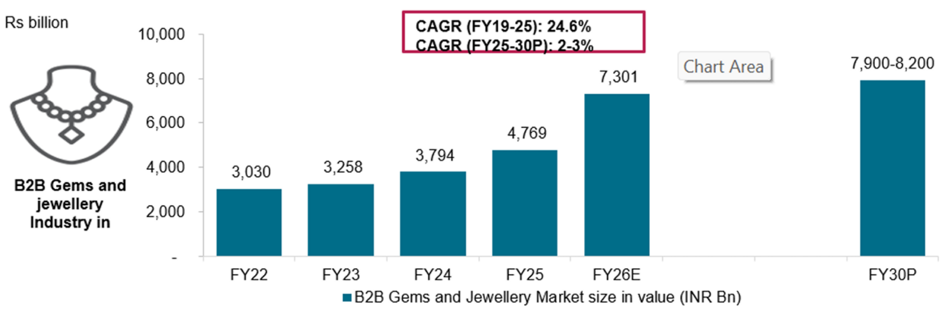
Deepa Jewellers Limited has developed an established procurement network and long-standing relationships with skilled karigars, supporting reliable production and timely fulfilment of customer orders. As of July 31, 2026, the Company worked with 41 karigars, primarily across Telangana and Maharashtra, of whom 29 had formal agreements and 25 had been associated with the Company for more than five years. The karigars undertake various stages of jewellery production, including crafting, polishing and finishing, enabling the Company to maintain consistent quality while responding to diverse customer requirements. On the sourcing side, the Company procures gold and silver through RBI-registered bullion banks, bullion dealers, the India International Bullion Exchange and customer exchanges. Gemstones such as rubies, pearls, flat diamonds and emeralds are sourced from established markets in India and Thailand. This combination of reliable sourcing relationships and an experienced artisan network supports supply-chain continuity, production efficiency and consistent product quality.

<u>Industry Snapshot:</u>

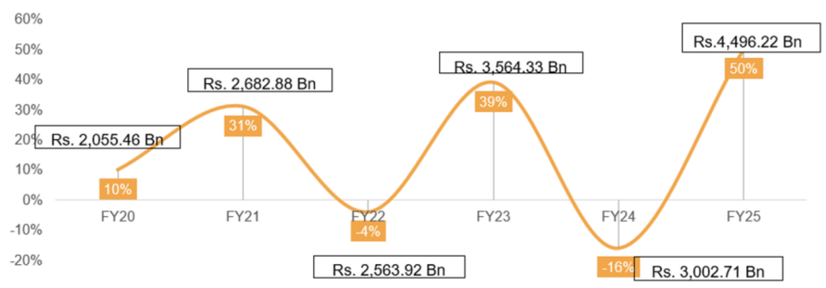
- **Overview of Gems and jewellery retail industry in India**

India's gems and jewellery industry is a major domestic and export-oriented sector comprising manufacturers, exporters and B2B wholesalers. The B2B gems and jewellery industry grew from ₹3,030 billion in FY22 to ₹7,301 billion in FY26, registering a 24.6% CAGR, driven by rising retail demand, higher gold prices, deferred bridal purchases and increasing disposable income. The industry is expected to grow at a moderated 2–3% CAGR during FY26-FY30, supported by organised retail penetration, exports, stabilising gold prices and emerging markets. B2B suppliers play a critical role between bullion and diamond dealers and downstream retailers by adding value through manufacturing, design, quality control and customisation. Aggregate revenue of key jewellery manufacturers and wholesalers increased 50% YoY to ₹4,496 billion in FY25, supported by export demand, higher jewellery realisations and organised-sector expansion. Going forward, rising international demand, increasing penetration of organised B2B manufacturers, automation, machine-made jewellery and design-led products are expected to support long-term industry growth.

B2B gems and jewellery industry in India – market size trends (FY22-FY30) (Rs. billion)



Aggregate sales revenue and growth of key jewellery manufacturers and wholesaler in India from FY20-25



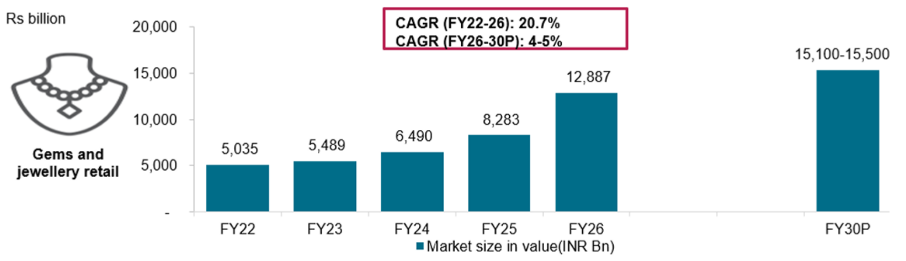
- *Outsourced manufacturing has a dominant share in the overall gems and jewellery industry in India:* Outsourced manufacturing dominates India's gems and jewellery industry, accounting for 70–75% of FY26 volumes versus 25–30% for in-house manufacturing. While outsourcing offers cost savings, scalability and specialised skills, in-house manufacturing provides greater quality control, design protection and delivery predictability. B2B suppliers increasingly act as strategic partners, enabling faster execution, design innovation and working capital efficiency.

- *B2B landscape dominated by large suppliers:* India's B2B gems and jewellery market remains highly fragmented, with large wholesalers accounting for 20–25% of FY26 market value and small wholesalers holding 75–80%, supported by their wider numbers, flexibility and close retailer relationships.

- *Demand in gems and jewellery retail industry in India:* The Indian gems and jewellery retail industry was valued at ₹12,887 billion in FY26, with gold jewellery dominating consumption. Despite weaker demand, higher gold prices supported value growth. The market is projected to grow at a 4–5% CAGR during FY25-FY30, reaching ₹15,100–15,500 billion by FY30.

➢ Overview of Indian gems and jewellery retail industry – Market Size Trends

The Indian gems and jewellery retail industry is dominated by gold jewellery, which accounts for 80–85% of the market, while studded jewellery typically offers higher gross margins. Online retail penetration increased to 5–7% in FY26, led by younger consumers aged 23–35 and metro cities, and is projected to reach 9–11% by FY30. The industry is also witnessing a structural shift towards organised jewellery retail chains, whose market share increased from 30–35% in FY20 to 37–42% in FY26 and is expected to reach 45–50% by FY30. The shift is supported by better inventory management, favourable credit terms, wider geographical reach and stronger brand awareness. This transition towards organised and omnichannel retailing is expected to create opportunities for B2B jewellery manufacturers and suppliers that can offer standardised quality, diverse designs, faster order execution and reliable supply to expanding retail chains.



- *Market share of gems and jewellery retail industry demand by various occasions:* Jewellery demand is primarily driven by bridal wear, which accounts for 50–55% of the market, followed by daily wear at 35–40% and fashion wear at 5–10%. Bridal jewellery is typically heavier, while daily and fashion jewellery are lightweight. By product type, bangles and chains lead with 30–40% each.

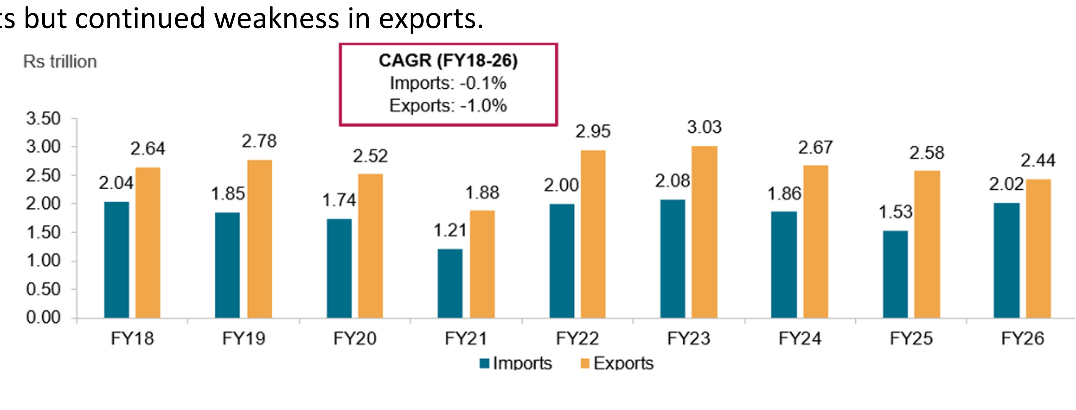
- *Market share of gems and jewellery retail industry demand by region:* Jewellery consumption in India is affected by various factors such as per capita income, traditions and regions. These factors are different for various states in the country, leading to difference in consumption of jewellery products. Among the four regions in India, the southern region has the highest market share in jewellery consumption, 38-43% market share, followed by the western region at 22-27%. Northern region has 18-23% share in jewellery consumption, while East India has the smallest market share of 13 17%.

➢ Overview of South India gems and jewellery retail industry

South India represents a significant jewellery market, with the region accounting for ~40% of India's overall gems and jewellery retail industry. The South Indian market was valued at ₹5,026 billion in FY26 and is expected to grow at 6–7% CAGR during FY26–30 to reach ₹6,200–6,600 billion. Growth is supported by strong cultural affinity towards gold, wedding and festive demand, rising disposable incomes, an expanding middle class and increasing penetration of organised retail. Jewellery purchases are particularly driven by festivals such as Pongal, Onam, Ugadi, Akshaya Tritiya and Dhanteras/Diwali. Traditional products such as vaddanam continue to benefit from wedding demand, while lighter and contemporary designs are gaining traction among younger consumers. Organised jewellery retail chains held 54–59% of the South Indian market in FY26 and are expected to increase their share to 58–63% by FY30, supported by growing consumer preference for branded outlets, hallmarking, transparent pricing and wider product assortments. India's gold jewellery retail industry was valued at ₹10,619 billion in FY26, with gold demand of 721 tonnes. Despite sensitivity to gold prices and macroeconomic conditions, the market is expected to grow at 12–14% CAGR during FY25–30, reaching ₹12,000–12,500 billion by FY30, supported by rising consumption and structural formalisation of the jewellery industry.

➢ Overview of Imports and exports of gems and jewellery industry in India

India's gems and jewellery exports remained under pressure amid geopolitical uncertainty, inflation and weak consumer demand in key export markets. Exports declined from ₹2.67 trillion in FY24 to ₹2.58 trillion in FY25 and further to ₹2.44 trillion in FY26, mainly due to subdued demand for cut and polished diamonds in the US and China. Gold jewellery exports remained relatively resilient. Imports, however, recovered to ₹2.02 trillion in FY26 from ₹1.53 trillion in FY25, reflecting improved raw-material procurement and inventory replenishment by manufacturers. The industry's dependence on imported raw materials, particularly rough diamonds, continues to make trade flows sensitive to global demand conditions. Overall, FY26 reflected a mixed recovery, with higher imports but continued weakness in exports.

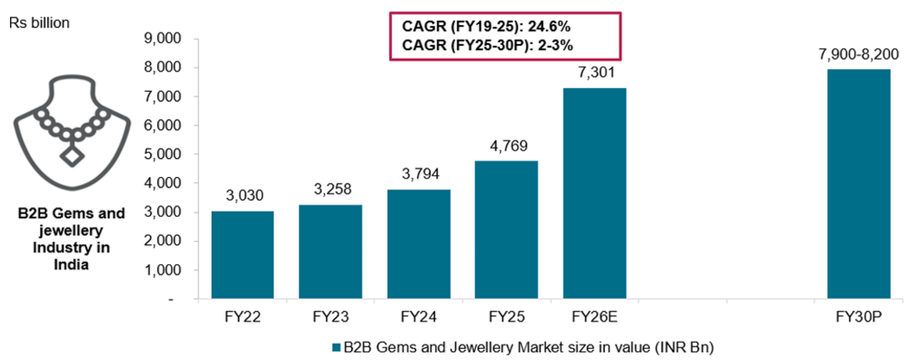


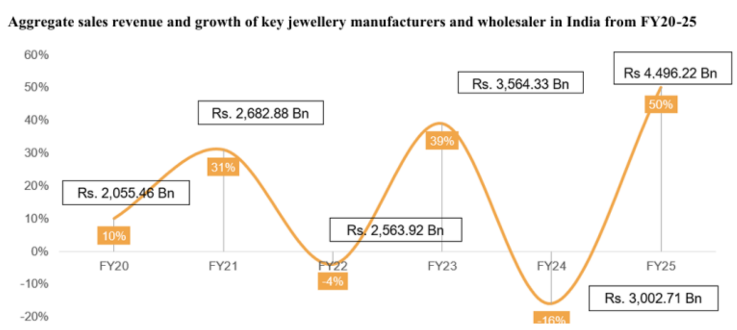
- *Demand drivers for gems and jewellery retail industry in India:* Key demand drivers for India's gems and jewellery industry include weddings, festivals and other auspicious occasions, which create recurring seasonal demand. Rising disposable income, with per capita income reaching ₹193,480 in FY25, is supporting higher spending on discretionary products. Gold's perception as a store of value also sustains demand. Government initiatives such as GST and mandatory hallmarking have improved transparency and credibility. Rising urbanisation, increasing smartphone and internet penetration, e-commerce adoption and digital payments are expanding consumer reach. Additionally, growing preference for branded, design-led jewellery, particularly among younger consumers exposed to global fashion trends, is encouraging organised players and supporting industry growth.

- *Key regulations impacting the gems and jewellery industry in India:* India's gems and jewellery industry is governed by regulations covering foreign investment, taxation, imports and quality standards. The sector permits 100% FDI under the automatic route. GST imposes 3% tax on gold jewellery, improving transparency and formalisation. Gold imports are subject to customs duties and RBI regulations, directly influencing bullion costs and jewellery demand. Mandatory BIS hallmarking and HUID requirements strengthen purity assurance and traceability. Government initiatives such as the Gold Monetisation Scheme and Gem & Jewellery Skill Council support gold mobilisation and workforce development. Changes in customs duties, import policies and annual Budget provisions remain key regulatory factors affecting industry economics, procurement costs and consumer demand.

➢ **Overview of B2B Gems and jewellery market in India**

The Indian B2B gems and jewellery industry has grown strongly, with market size rising from ₹3,030 billion in FY22 to ₹7,301 billion in FY26, a 24.6% CAGR. Growth was driven by higher gold prices, deferred bridal demand, rising incomes and increasing organised retail penetration. However, growth is expected to moderate to 2–3% CAGR through FY30 as gold prices stabilise. Aggregate revenues of key B2B manufacturers and wholesalers increased 50% YoY to ₹4,496 billion in FY25, highlighting strong recovery despite the sector's cyclical nature. Organised B2B suppliers benefit from design capabilities, quality assurance, scale and reliable order execution, while in-house manufacturing offers better security, lower wastage and labour-cost efficiencies. Nevertheless, outsourcing remains dominant, accounting for 70–75% of industry manufacturing due to lower costs, scalability and access to specialised skills. Overall, formalisation, technology adoption, machine-made jewellery, rising international demand and preference for reliable suppliers should support long-term industry growth.





- *Overview of dependence of retailers on B2B supplier:* Jewellery retailers depend on B2B suppliers for faster order execution, working capital support and continuous design innovation. Suppliers enable timely bulk and customised deliveries, provide flexible credit and metal-on-loan arrangements, and offer trend-aligned designs. Large B2B wholesalers account for 20–25% of the market, while smaller players hold 75–80%.

- *Key Success Factors for B2B Jewellery Manufacturers:* B2B jewellery manufacturers require a broad and market-aligned product portfolio, strong in-house design and customization capabilities, IP protection, and rapid speed-to-market. Efficient procurement, gold price-risk management, working capital discipline and traceability are critical. Scalable manufacturing, technology adoption, stringent quality control and geographic distribution further support cost efficiency, reliability, timely delivery and sustainable customer relationships.

➢ **Key segments within gems and jewellery retail industry in India**

Gold jewellery dominates India's gems and jewellery retail market with an estimated 80–85% share, supported by its role as both a consumption and savings asset, particularly in rural markets. Total gold demand reached 792 tonnes in FY25 but declined to 721 tonnes in FY26, as record-high prices reduced jewellery demand to 425 tonnes, while investment demand for bars and coins increased to 296 tonnes. Gold prices rose sharply, with FY26 average prices significantly above previous years, supporting value growth despite weaker volumes. Studded jewellery is gaining traction, particularly among younger urban consumers, driven by rising preference for lightweight, affordable and design-oriented diamond jewellery. The segment typically uses 14K–18K gold and offers higher gross margins than plain gold jewellery. Regional preferences, cultural factors, disposable income and gold-price movements remain key determinants of segment growth.

- *Market share of gems and jewellery retail industry demand by region:* India's jewellery retail market is geographically diverse, with South India remaining the largest regional market, supported by strong cultural affinity toward gold, weddings and festivals. Organised jewellery retailers have also expanded rapidly, with aggregate sales of leading retailers rising from ₹903.2 billion in FY20 to ₹2,540.0 billion in FY25, implying a strong growth trajectory. Growth accelerated to 29% in FY22 and 35% in FY23, before moderating to 25% in FY24 and 20% in FY25. The expansion has been driven by rising disposable incomes, wedding and festive demand, store expansion, increasing brand awareness and the shift toward organised retail. The sector's sales have nearly tripled over FY20–FY25, highlighting structural formalisation and sustained consumer preference for branded retailers.

➢ **Overview and demand trends for Vaddanam**

Vaddanam, or Oddiyanam, is a traditional South Indian waist-belt jewellery piece associated with weddings, festivals and auspicious occasions, symbolising prosperity and cultural heritage. Demand is supported by wedding and festive purchases, increasing preference for lighter and versatile designs, rising adoption among younger fashion-conscious consumers and availability across price points. Contemporary vaddanams increasingly combine traditional motifs with diamonds, gemstones and modern designs, broadening their appeal beyond bridal wear. Seasonal demand remains strong during Diwali, Pongal, Dussehra and family ceremonies. Within the broader jewellery market, bangles and chains are the largest categories, each accounting for 30–40% of retail sales, followed by necklaces at 15–20%, while earrings and finger rings account for 5–15% each. Bangles benefit from both bridal and daily-wear demand, while chains are integral to daily and fashion wear. This favourable category mix supports sustained demand for manufacturers focused on bangles and traditional jewellery products.

- **Overview of demand trends for CNC machine cut bangles**

CNC machine-cut bangles are gaining traction as consumers increasingly seek precision, intricate designs and customization. CNC technology enables manufacturers to produce complex patterns with consistent quality, faster turnaround and greater design flexibility across daily-wear and ceremonial jewellery. Rising adoption of CNC machinery by manufacturers is improving production efficiency while supporting competitive pricing and scalable output. Demand is expanding beyond metropolitan markets into Tier-2 cities, supported by greater consumer sophistication and increasing online shopping. The online jewellery channel has grown from 1–3% of industry sales in FY19 to an estimated 5–7% in FY26 and is projected to reach 9–11% by FY30. Younger consumers aged 23–35 are driving online adoption, particularly for lightweight daily and fashion jewellery. Omnichannel strategies are further integrating online discovery with offline purchases, while mandatory hallmarking and HUID are expected to strengthen consumer trust and support continued digital adoption.

Comparison with Industry listed peers

Name of the Company	Face Value per Equity Share (₹)	Revenue from Operations (₹ million)	Market Cap (₹ million)	P/B (x)	P/E (x)	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per Share)
Deepa Jewellers Limited	2	19,267	**17,014**	**5.45**	**16.23**	12.78	12.78	23.9%	32.45
Key Listed Peers									
Sky Gold and Diamonds Limited	10	47,084	124,457	11.17	57.56	13.97	13.96	56.5%	70.29
Shanti Gold International Limited	10	20,187	20,712	3.25	72.02	12.72	12.72	17.0%	83.00
Shringar House of Mangalsutra Limited	10	22,458	22,242	3.30	21.22	13.55	13.55	37.3%	70.29
RBZ Jewellers Ltd	10	6,365	5,526	1.86	26.29	10.08	10.08	32.5%	74.96
Khazanchi Jewellers Limited	10	20,492	19,868	6.21	22.22	36.10	36.10	20.1%	129.14

*Note – 1) P/E NAV, Ratio of listed peers has been computed based on the closing market price of equity shares on NSE on 28th August , 2026, other Financial highlights as on 31st March 2026.

2) NAV, EPS, P/E* of the Deepa Jewellers is calculated on EPS of FY26, and post issue no. of equity shares issued.

Key Risk:

- **Customer concentration risk:** The top 10 customers contributed 64.7% of revenue in FY2026, up from 63.3% in FY2025, indicating significant dependence on a limited customer base. Loss of key customers, reduction in order volumes or adverse changes in customer relationships could materially impact revenue, profitability and overall financial performance.

- **Product concentration risk:** Vaddanam and CNC machine-cut bangles together contributed 72.7% of revenue in FY2026, compared with 76.4% in FY2025 and 76.4% in FY2024. Dependence on these two product categories exposes the Company to changing consumer preferences, demand fluctuations and order cancellations, which could adversely impact revenue, cash flows and profitability.

- **Geographic concentration risk:** South Indian states contributed 94.4% of revenue in FY2026, down from 98.3% in FY2025 and 99.6% in FY2024, indicating high dependence on the region. Any regional economic slowdown, changes in consumer preferences, local disruptions or adverse market conditions could materially impact revenue and profitability.

- **Gold price and availability risk:** Gold bullion is the key raw material, with procurement prices and availability influenced by economic conditions, foreign exchange rates, supply, competition and import duties. Price volatility or supply disruptions could adversely affect margins and financial performance.

- **Supplier concentration risk:** The top 10 suppliers accounted for 91.8% of total purchases in FY26, 82.3% in FY25 and 96.9% in FY24. The absence of long-term contracts with bullion suppliers increases exposure to supply disruptions, regulatory changes and supplier performance risks.

- **Counterparty credit risk:** The Company generally provides customers with credit periods of 25–45 days, while supplier credit is typically only one day, creating potential cash flow mismatches. Trade receivables increased to ₹2,523 million in FY26, equivalent to 13.1% of revenue, with debtor days at 36. Delayed or non-receipt of customer payments could adversely affect liquidity and cash flows.

- **Design confidentiality risk:** The Company relies on 41 third-party karigars for manufacturing, of whom only 29 have formal agreements. As karigars are non-exclusive and may have access to proprietary designs, leakage, duplication or misuse of designs could erode product differentiation and adversely impact competitiveness, revenues and profitability.

Valuation:

Deepa Jewellers operates an organized B2B gold jewellery business, designing and supplying jewellery to retail chains and standalone stores. Its in-house design team develops products based on customer requirements, market trends and regional preferences, enabling a diverse and customized product portfolio.

The company is also well positioned to benefit from the favourable industry environment, with the Indian gold jewellery retail market expected to grow at 12–14% CAGR through FY30. Its upcoming 6,696 sq. ft. in-house manufacturing facility in Hyderabad, expected to be operational in H1 FY27, along with product diversification and expansion into higher-margin jewellery segments, provides additional growth opportunities.

At the upper price band, based on FY26 earnings, the issue is valued at 16.2x P/E, 5.45x P/BV and 12.39x EV/EBITDA, implying a post-issue market capitalization of ₹17,014 million, making the issue fairly priced. However, the business remains exposed to fluctuations in gold prices, dependence on outsourced karigars, working capital requirements, customer concentration and intense competition in the jewellery industry. With its strong B2B customer network, established position in vaddanam and CNC machine-cut bangles, experienced promoter group and planned in-house manufacturing facility, the company is well positioned to benefit from the growing demand for branded and hallmarked gold jewellery. Thus, we assign a **"Subscribe for Long Term"** rating for the issue.

DISCLAIMER:

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)

	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015, BSE Enlistment Number – 5048 date of Regn 25 July 2024), CIN - U67120MH1991PLC064106 is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL),Multi Commodity Exchange of India Limited (MCX),National Commodity & Derivatives Exchange Limited (NCDEX), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment /trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No
ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	No

NOTICE TO US INVESTORS:

This research report is the product of Anand Rathi Share and Stock Brokers Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated person(s) of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances, and trading securities held by a research analyst account.

Research reports are intended for distribution only to Major U.S. Institutional Investors as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act of 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this research report is not a Major U.S. Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated, and/or transmitted onward to any U.S. person which is not a Major U.S. Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major U.S. Institutional Investors, Anand Rathi Share and Stock Brokers Limited has entered into a Strategic Partnership and chaperoning agreement with a U.S. registered broker-dealer: Banc Trust Securities USA. Transactions in securities discussed in this research report should be affected through Banc Trust Securities USA.

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. As of the publication of this report, ARSSBL does not make a market in the subject securities.
6. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they

are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

As of the publication of this report, ARSSBL does not make a market in the subject securities.

Registration granted by SEBI, Enlistment as RA and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Additional information on recommended securities/instruments is available on request.

Compliance officer-Deepak Kedia, email id - deepakkedia@rathi.com, Contact no. +91 22 6281 7000.

Grievance officer-Madhu Jain-email id- grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.

Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.