Deepa Jewellers Ltd.

August 27, 2026



SMC Ranking

★½☆☆☆ (2/5)

Issue Highlights

Industry	Jewellery
Offer for sale (Shares)	11,848,340
Fresh Issue (Shares)	14,124,293
Net Offer to the Public	2,59,72,633
Issue Size (Rs. Cr.)	436-460
Price Band (Rs.)	168-177
Offer Date	1-Sep-26
Close Date	3-Sep-26
Face Value	2Lot Size 84

Issue Composition

	In shares
Total Issue for Sale	25,972,633
QIB	12,986,317
NIB	3,895,895
Retail	9,090,422

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	100.00%	72.98%
QIB	0.00%	13.51%
NIB	0.00%	4.05%
Retail	0.00%	9.46%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding long-term working capital requirements towards procurement, maintenance and scaling up of inventory by the Company
2. General corporate purposes

Book Running Lead Manager

- Emkay Global Financial Services Limited
- Valmiki Leela Capital Private Limited

Name of the registrar

- Bigshare Services Private Limited

About the company

Incorporated in 2016, Deepa Jewellers Ltd. is engaged in the retail and wholesale trading of gold and diamond jewellery, offering traditional and contemporary designs across diverse customer preferences. Its portfolio includes 16 products and 110 SKUs, comprising vaddanam, CNC-cut bangles, gents kada, vanky, dandpatti, traditional necklaces, kangan, earrings, mangtika, maatil, champasaralu, jada and rings. The company focuses on quality materials, skilled craftsmanship, purity, transparent pricing and customer trust. As of July 31, 2026, its customer network covered 13 states and one union territory, with 373 customers, including 47 jewellery retail chains and 326 standalone stores. To strengthen brand visibility and reach remote customers, the company also operates a third-party mobile application displaying high-resolution images of selected jewellery designs and product collections.

Strength

Significant Revenue Contribution from Southern India: According to the CRISIL Report, Southern India has the highest share of jewellery consumption in India at 38–43%, followed by Western India at 22–27%, Northern India at 18–23% and Eastern India at 13–17%. The South Indian gems and jewellery retail market was valued at Rs.5,02,600 crore in FY2026, around 40% of India's overall market. It is expected to grow at a CAGR of 6–7% during FY2026–FY2030 and reach Rs.6,20,000–Rs.6,60,000 crore by FY2030. Deepa Jewellers Ltd. is an organised B2B designer, processor and supplier of hallmarked gold jewellery, mainly serving Telangana, Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. Its customer network covers 13 states and one union territory.

Well-Established Customer Base: Deepa Jewellers Ltd. has built long-standing relationships with major jewellery retail chains and standalone stores, including Joyalukkas India, Kalyan Jewellers India, Lalithaa Jewellery Mart, Manoj Vaibhav Gems 'N' Jewellers, Tribhovandas Bhimji Zaveri, Bhima Jewels and other established retailers. The company's customer-focused approach has helped it build trust in the jewellery market. As of July 31, 2026, Deepa Jewellers Ltd. had 373 customers across 13 states and one union territory. This included 47 jewellery retail chains and 326 standalone stores. Importantly, 18 customers have been associated with Deepa Jewellers Ltd. since its inception, reflecting strong customer relationships and business continuity.

Diverse Product Portfolio and Specialisation: Deepa Jewellers Ltd. is a key processor and supplier of vaddanam and CNC machine-cut bangles to jewellery retailers. Its portfolio covers 16 products and 110 SKUs, including vaddanam, bangles, gents kada, vanky, dandpatti, traditional necklaces, kangan, earrings, mangtika, maatil, champasaralu, jada, rings, bracelets and

precious rings. The products are available across weight categories from 2.50 grams to 300 grams. This allows Deepa Jewellers Ltd. to serve different budgets and customer preferences. The company also offers customised designs and lightweight jewellery for daily wear. As of July 31, 2026, its in-house design team had 15 designers supporting new collections and regional design requirements.

Established Procurement Network and Long-Standing Karigar Relationships: Deepa Jewellers Ltd. has developed a strong network of skilled karigars, mainly in Telangana and Maharashtra. As of July 31, 2026, the company worked with 41 karigars, including 29 under formal agreements. The remaining karigars have been associated through long-standing working relationships. Importantly, 25 of the 41 karigars have worked with Deepa Jewellers Ltd. for more than five years. They support various stages of jewellery production, including crafting, polishing and finishing. The company sources gold and silver from RBI-registered bullion banks, independent dealers, the India International Bullion Exchange and customers. Gemstones such as rubies, pearls, diamonds and emeralds are sourced from India and Thailand.

Experienced Promoters and Professional Management: Deepa Jewellers Ltd. is led by promoters and professionals with extensive experience in the jewellery industry. Promoter, Chairman and Managing Director Ashish Agarwal and Promoter and Non-Executive Non-Independent Director Seema Agarwal entered the gems and jewellery industry in 2001 and have around 25 years of experience. Promoter and Whole-Time Director Dev Agarwal joined the company in 2021 and represents the next generation of leadership. He brings a modern, technology-focused and contemporary approach to the business. The management team also includes professionals with experience in marketing, corporate governance, accounting, retail and finance. This combination supports strategic decision-making, operational execution and long-term business growth.

Robust Financial Performance with Consistent Growth: Deepa Jewellers Ltd. has demonstrated consistent financial performance during FY2024, FY2025 and FY2026. The company attributes its growth to higher productivity, cost optimisation and improved operational efficiency. Effective working capital management has also supported business performance and profitability. The company's established customer relationships, diversified product portfolio and strong presence in Southern India provide a stable operating base. Its focus on vaddanam and CNC machine-cut bangles further strengthens its position in specialised jewellery categories. Continued demand from jewellery retailers, evolving consumer preferences and the growth of the organised jewellery market can provide further opportunities. However, maintaining growth will depend on efficient operations, customer retention and effective management of working capital.

Strategy

Setting Up an In-House Manufacturing Facility: According to the CRISIL Report, India's gold jewellery retail industry was valued at Rs.10,61,900 crore in FY2026, with gold demand of 721 tonnes. The market is expected to grow at a CAGR of 12–14% between FY2025 and FY2030. It may reach Rs.12,00,000–Rs.12,50,000 crore by FY2030. To meet rising demand, Deepa Jewellers Ltd. is setting up a 6,696 sq. ft.

manufacturing facility in Hyderabad. The facility is expected to start operations before the end of H1 FY2027. It will have a 3D printer, vacuum pressure casting machine and induction melting furnace. As of March 31, 2026, Deepa Jewellers Ltd. had spent Rs.2.28 crore on the facility.

Benefits of In-House Manufacturing: Deepa Jewellers Ltd.'s proposed manufacturing facility is expected to reduce its dependence on karigars and improve control over production. In-house manufacturing can help reduce making charges and improve cost efficiency. It can also provide better control over production timelines and manufacturing expenses. Machine-based processes are expected to support consistent quality and precision. Direct supervision can help reduce defects and meet customer specifications. The facility can also help Deepa Jewellers Ltd. increase production during peak demand periods and reduce labour-related disruptions. In-house manufacturing may further reduce the risk of pilferage and material loss. Controlled production can also protect new jewellery designs and maintain confidentiality.

Strengthening Presence in Southern India: According to the CRISIL Report, the South Indian B2B gems and jewellery market was valued at Rs.2,84,700 crore in FY2026. It is expected to reach Rs.3,20,000–Rs.3,45,000 crore by FY2030. Deepa Jewellers Ltd. opened a sales office in Vijayawada, Andhra Pradesh, in November 2025. The company plans to open another sales office in Bengaluru in FY2027. The Vijayawada office had six employees as of July 31, 2026. It is expected to expand the distribution network, increase recurring sales and reach new customers. The office also supports faster response and delivery. As of July 31, 2026, it held finished jewellery inventory worth Rs.0.38 crore.

Expanding Product Portfolio: Deepa Jewellers Ltd. had 16 product categories and more than 110 SKUs as of July 31, 2026. Its products range from 2.50 grams to 300 grams. The company plans to add two new product categories and 22 additional SKUs by FY2027. It intends to enter products such as paper casting and nakshi kundan jewellery, which may offer higher margins. Deepa Jewellers Ltd. uses social media insights and customer interactions to identify changing trends. The company plans to increase its design team from 15 to 20 members. A larger team can support faster product development and more frequent launches. The proposed facility will also support new design variations.

Brand Building and Marketing Initiatives: Deepa Jewellers Ltd. plans to strengthen its brand through trade exhibitions and marketing activities. The company participated in B2B exhibitions across Mumbai, Hyderabad, Bengaluru, Chennai and Vijayawada during FY2024–FY2026. These events help the company showcase products, connect with existing customers and reach new retail jewellers. As of July 31, 2026, Deepa Jewellers Ltd. had 12 marketing employees in Hyderabad and Vijayawada. The company plans to increase this team to 25 employees. It also intends to participate in more regional and national exhibitions. Advertising and sales promotion expenses were Rs.0.61 crore in FY2026, Rs.0.79 crore in FY2025 and Rs.0.49 crore in FY2024.

Leveraging Technology for Operational Efficiency: Deepa Jewellers Ltd. uses technology to improve customer engagement and business operations. The company uses the third-party "Deepa Jewellers Limited" application to provide B2B customers

with high-resolution images of jewellery designs. The application is available on Android and iOS platforms. Customers can access the complete catalogue after approval. The platform is used for design selection, while order acceptance and fulfilment remain with Deepa Jewellers Ltd. The company also plans to implement technology-based inventory management to track stock, improve procurement planning and reduce working capital needs. It plans to introduce systems for gold recovery, including filtration, extraction and dust-collection mechanisms, to reduce gold wastage.

Technology-Driven Order Management: Deepa Jewellers Ltd. plans to implement a technology-driven order management system to improve the complete order process. The system will cover activities from order receipt to final fulfilment. It is expected to provide real-time tracking of customer orders and automate order allocation and processing. The system will also improve coordination between production, inventory and dispatch teams. Better coordination can help Deepa Jewellers Ltd. respond faster to customer requirements and improve operational efficiency. The company has also placed orders for advanced imported machinery to support gold recovery and wastage control. These technology initiatives are expected to improve production efficiency, inventory management, gold recovery and overall business operations.

Key Risk Factors

- It's top 10 customers contributed Rs.1,246.03 crore, Rs.883.93 crore and Rs.690.19 crore in FY2026, FY2025 and FY2024, accounting for 64.67%, 63.27% and 67.36% of revenue, respectively, creating high customer concentration risk.
- The company depends heavily on vaddanam and CNC machine-cut bangles, which together contributed a significant share of revenue, making the company vulnerable to order cancellations or lower demand.
- It generates most of its revenue from Southern India, which accounted for 94.37%, 98.33% and 99.55% of total revenue in FY2026, FY2025 and FY2024, exposing it to regional market risks.
- The company must manage its inventory efficiently, as poor demand forecasting or excess inventory could adversely affect its financial performance and cash flows.
- The company depends on gold bullion, and volatility in gold prices, supply shortages, import duties and other external factors could adversely affect its margins and profitability.
- It's top 10 suppliers accounted for 91.81%, 82.32% and 96.89% of total purchases in FY2026, FY2025 and FY2024, respectively, creating significant supplier concentration risk.
- It does not have long-term contracts with its bullion suppliers, so regulatory changes or supply disruptions could affect its operations, financial performance and cash flows.

Peer Comparison

Company	Total Sales	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Sky Gold & Diam.	7176.44	335.02	21.63	39.19	10.95	77.39	10	847.60	13127.11
Shringar House	2461.71	120.99	12.55	17.34	3.10	70.29	10	217.65	2098.84
Shanti Gold	2442.32	186.36	18.26	14.59	4.36	61.11	10	266.35	2043.96
Khazanchi Jewell	2231.19	102.10	41.25	19.35	5.69	140.29	10	798.15	1975.17
RBZ Jewellers Lt	681.69	56.76	14.19	10.53	1.99	74.96	10	149.35	597.40
Deepa Jewellers Ltd.	1926.68	104.79	10.90	16.24	3.49	50.77	2	177.00	1701.40

*Peer companies financials are TTM based

*** Deepa Jewellers Ltd. financials are based on FY26

Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs. 177, the stock is priced at pre issue P/E of 13.85x on FY2026 EPS of Rs. 12.78. Post issue, the stock is priced at a P/E of 16.24x on its EPS of Rs. 10.90. Looking at the P/B ratio at Rs. 177, pre issue, book value of Rs. 29.03 of P/BV 6.10x. Post issue, book value of Rs. 50.77 of P/BV 3.49x.2.

Considering the P/E valuation, on the lower end of the price band of Rs. 168, the stock is priced at pre issue P/E of 13.15x on FY 2026 EPS of Rs. 12.78. Post issue, the stock is priced at a P/E of 15.41x on its EPS of Rs. 10.90. Looking at the P/B ratio at Rs. 168, pre issue, book value of Rs. 29.03 of P/BV 5.79x. Post issue, book value of Rs. 50.77 of P/BV 3.31x.

Industry Overview

India's gems and jewellery industry is a major domestic and export-oriented sector. The B2B market grew at a 24.6% CAGR from Rs.3,03,000 crore in FY2022 to Rs.7,30,100 crore in FY2026, mainly due to higher gold prices and demand recovery. It is expected to grow 2–3% through FY2030. The jewellery retail market reached Rs.12,88,700 crore in FY2026 and is projected to grow 4–5% annually to Rs.15,10,000–Rs.15,50,000 crore by FY2030. Gold jewellery dominates with an 80–85% share. South India leads consumption at 38–43%, while organised retail chains are gaining share. Online jewellery sales are also rising, with penetration expected to reach 9–11% by FY2030. The industry benefits from rising incomes, weddings, festivals, technology adoption and organised retail expansion, but remains sensitive to gold prices, regulation, imports and consumer demand.

Outlook

Deepa Jewellers Ltd. has a positive growth outlook, supported by strong demand for gold jewellery in India and the expanding South Indian market. Its established B2B customer base, specialised product portfolio and experienced management provide a strong foundation for growth. The proposed Hyderabad manufacturing facility could improve cost efficiency, production control and margins. Expansion through new sales offices, additional SKUs, technology adoption and stronger marketing may further support revenue growth. However, high customer and supplier concentration, dependence on Southern India and exposure to gold price volatility remain key risks. Sustained growth will depend on successful execution, customer diversification and effective working capital management.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Tue, Sep 1, 2026
IPO Close Date	Thu, Sep 3, 2026
Tentative Allotment	Fri, Sep 4, 2026
Initiation of Refunds	Mon, Sep 7, 2026
Credit of Shares to Demat	Mon, Sep 7, 2026
Tentative Listing Date	Tue, Sep 8, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	1926.68	1397.01	1024.57
Total expenditure	1780.34	1341.00	988.80
Operating Profit	146.34	56.01	35.77
OPM%	7.60	4.01	3.49
Other Income	1.05	3.09	1.16
Total Net Income	147.39	59.10	36.93
Interest	6.31	4.36	3.96
PBDT	141.07	54.73	32.97
Depreciation	0.74	0.26	0.29
PBT	140.33	54.47	32.68
Tax	35.55	13.89	8.34
Profit & Loss	104.79	40.58	24.35

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Non-current assets			
Non-current assets			
Property Plant & Equipment	2.26	0.62	0.78
Capital work in progress (CWIP)	2.21	0.00	0.00
Intangible assets (net)	0.09	0.01	0.02
Right-of-use (ROU) assets	5.53	0.00	0.00
Financial assets			
Others financial assets	0.02	0.00	0.00
Deferred Tax Assets (net)	0.27	0.21	0.20
Total non-current assets	**10.37**	**0.84**	**1.00**
Current asset			
Inventories	87.36	82.79	72.26
Contract assets	**0.08**	**0.77**	**0.10**
Financial Assets			
Trade receivables	252.36	131.73	88.45
Cash and cash equivalents	0.10	0.10	1.20
Bank balances other than (ii) above	0.00	0.00	10.22
Other financial assets	0.00	0.00	0.27
Other current assets	5.17	1.45	1.15
Current tax assets (net)	1.73	0.00	0.00
Total current assets	**346.81**	**216.83**	**173.64**
Total Assets	**357.18**	**217.67**	**174.64**
Non-current liabilities			
Financial liabilities			
Borrowings	43.65	38.22	41.09
Lease liabilities	4.94	0.00	0.00
Other financial liabilities	0.00	0.00	0.00
Provisions	0.35	0.33	0.35
Total Non- Current liabilities	**48.94**	**38.55**	**41.44**
Current liabilities			
Contract liabilities	0.72	1.20	3.45
Financial Liabilities			
Borrowings	67.46	42.57	36.84
Lease Liabilities	0.73	0.00	0.00
Trade Payables			
- Total outstanding dues of MSME	0.00	0.00	0.00
- Total outstanding dues of creditors other than MSME	0.09	0.60	0.03
Other financial liabilities (other than those specified in item	0.76	0.16	0.05
Other current liabilities	0.38	0.24	0.24
Provision	0.03	0.04	0.03
Current tax liabilities (net)	0.00	1.11	0.00
Total - Current Liabilities	**70.17**	**45.92**	**40.64**
Total Liabilities	**119.11**	**84.47**	**82.08**
Net worth represented by:			
Equity share capital	16.40	4.10	4.10
Other equity	221.67	129.11	88.45
Total Equity	**238.07**	**133.21**	**92.55**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★ ★
FAIR	★ ★ ★
GOOD	★ ★ ★ ★
EXCELLENT	★ ★ ★ ★ ★

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