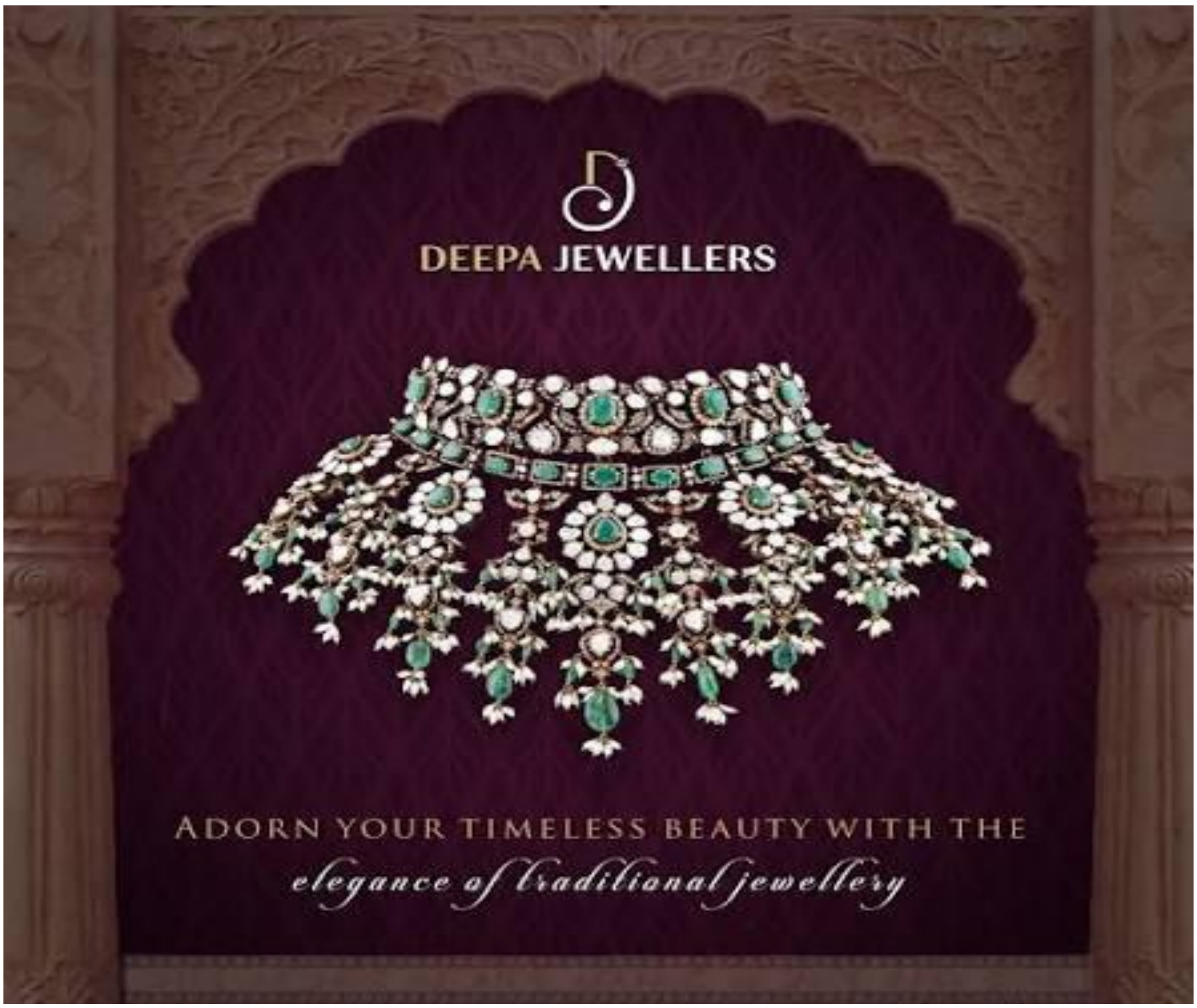
Deepa Jewellers Ltd

IPO Note



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B2B Gold Jewellery Designer & Supplier with Strong South India Presence and Asset-Light Manufacturing Model

Deepa Jewellers Limited, incorporated in 2016, is an organised B2B designer, processor and supplier of hallmarked gold jewellery, with a strong presence across South India. The company designs jewellery in-house and gets it manufactured through an outsourced network of 41 karigars, supplying primarily to jewellery retail chains and standalone stores. Its portfolio comprises 22-karat plain gold and precious-stone studded jewellery, with a particular strength in vaddanam and CNC machine-cut bangles.

As of July 31, 2026, Deepa Jewellers served 373 customers, comprising 47 jewellery retail chains and 326 standalone stores, across 13 states and one Union Territory. Telangana, Karnataka, Andhra Pradesh, Tamil Nadu and Kerala remain its key markets, with Southern India contributing ~94.4% of FY2026 revenue. The company currently follows an asset-light outsourced manufacturing model and is setting up a 6,696 sq. ft. in-house manufacturing facility in Hyderabad.

FY2026 revenue from operations stood at ₹1,926.68 Cr, compared with ₹1,397.01 Cr in FY2025 and ₹1,024.57 Cr in FY2024. EBITDA increased to ₹146.34 Cr, while PAT rose to ₹104.79 Cr. EBITDA margin expanded sharply to 7.6% from 4.0% in FY2025 and 3.5% in FY2024, while PAT margin improved to 5.4%. Total borrowings stood at ₹111.12 Cr at FY2026-end, with debt-to-equity improving to 0.47x from 0.84x in FY2024.

The company has delivered strong growth, with revenue increasing at a ~37% CAGR between FY2024 and FY2026, while PAT rose from ₹24.35 Cr to ₹104.79 Cr, implying a ~107% CAGR. Vaddanam contributed ~41.9% of FY2026 revenue and CNC machine-cut bangles ~30.9%, together accounting for ~72.7% of revenue. Return on equity stood at 56.5% and ROCE at 52.1% in FY2026, although the business remains relatively concentrated, with the top 10 customers contributing ~64.7% of revenue.

The ₹459.72 Cr IPO comprises a ₹250 Cr fresh issue and an offer for sale of ~1.18 Cr shares aggregating to ~₹209.72 Cr at the upper end of the price band. Of the fresh issue proceeds, ₹215 Cr is proposed to be utilised towards long-term working-capital requirements, primarily for procurement, maintenance and scaling up of jewellery inventory, with the balance earmarked for general corporate purposes. The IPO price band is ₹168–177 per share.

Industry	Jewellery

Scrip Details	
Listing	BSE & NSE
Open Date	1st Sep, 2026
Close Date	3rd Sep, 2026
Price Band	INR 168- 177
Face Value	INR 2
Market Lot	84 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	INR 460
Issue Size sh. (in cr.)	2.59
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 15%
Retail Share (%)	≥ 35%
Pre-Issue sh. (in cr.)	8.2
Post Issue sh. (in cr.)	9.61
Post Issue Market Cap (in cr)	1701.4

Shareholding (%)	Pre (%)	Post (%)
Promoter	100.00	72.98
Public		27.02
TOTAL	**100**	**100**

Key Consolidated Financial Data (INR Cr, unless specified)

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (₹)	BVPS (₹)	RoE (%)	RoCE (%)	P/E (X)	EV/EBITDA (X)
FY24	1,024.6	35.8	24.3	3.5	2.4	2.5	9.6	26.3	15.5	69.9	49.4
FY25	1,397.0	56.0	40.6	4.0	2.9	4.2	13.9	30.5	19.4	41.9	31.8
FY26	1,926.7	146.3	104.8	7.6	5.4	10.9	24.8	44.0	31.1	16.2	12.4

Source: Ventura Research & Company update

Issue Structure and Offer Details:

Deepa Jewellers Limited IPO is a book build issue comprising of **54.45% Fresh Issue of 1,41,24,293 Equity Shares** of face value of INR 2 each. The total aggregate value in INR will be determined upon the finalization of the Price Band.

Issue Structure	
Investor Category	**Allocation**
QIB	**Not more than 50% of the Net Offer**
NII (HNI)	**Not less than 15% of the Net Offer**
Retail	**Not less than 35% of the Net Offer**

Source: Company Reports

Objects of the Issue:

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

Financial Summary

Fig in INR Cr (unless specified	FY24	FY25	FY26
Income Statement			
Revenue	1,024.6	1,397.0	1,926.7
YoY Growth (%)	*11.2*	*36.4*	*37.9*
Raw Material Cost	984.6	1,335.9	1,772.6
RM Cost to Sales (%)	*96.1*	*95.6*	*92.0*
Employee Cost	1.4	1.4	2.8
Employee Cost to Sales (%)	*0.1*	*0.1*	*0.1*
Other Expenses	2.9	3.7	4.9
Other Exp to Sales (%)	*0.3*	*0.3*	*0.3*
EBITDA	35.8	56.0	146.3
Margin (%)	*3.5*	*4.0*	*7.6*
YoY Growth (%)	*8.2*	*56.6*	*161.3*
Depreciation & Amortization	0.3	0.3	0.7
EBIT	35.5	55.7	145.6
Margin (%)	*3.5*	*4.0*	*7.6*
YoY Growth (%)	*8.3*	*57.1*	*161.2*
Other Income	1.2	3.1	1.0
Bill discounting & other charg	4.0	4.4	6.3
Fin Charges Coverage (X)	9.0	12.8	23.1
Exceptional Item	0.0	0.0	0.0
PBT	32.7	54.5	140.3
Margin (%)	*3.2*	*3.9*	*7.3*
YoY Growth (%)	*10.6*	*66.7*	*157.6*
Tax Expense	8.3	13.9	35.5
Tax Rate (%)	*25.5*	*25.5*	*25.3*
PAT	24.3	40.6	104.8
Margin (%)	*2.4*	*2.9*	*5.4*
YoY Growth (%)	*10.6*	*66.7*	*158.2*
Min Int/Sh of Assoc	0.0	0.0	0.0
Net Profit	24.3	40.6	104.8
Margin (%)	*2.4*	*2.9*	*5.4*
YoY Growth (%)	*10.6*	*66.7*	*158.2*
Balance Sheet			
Share Capital	4.1	4.1	16.4
Total Reserves	88.5	129.1	221.7
Shareholders Fund	92.6	133.2	238.1
Long Term Borrowings	41.1	38.2	43.7
Deferred Tax Assets / Liabiliti	(0.2)	(0.2)	(0.3)
Other Long Term Liabilities	0.0	0.0	4.9
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	0.4	0.3	0.4
Total Liabilities	133.8	171.5	286.7
Net Block	0.8	0.6	7.9
Capital Work in Progress	0.0	0.0	2.2
Intangible assets under devel	0.0	0.0	0.0
Non Current Investments	0.0	0.0	0.0
Long Term Loans & Advances	0.0	0.0	0.0
Other Non Current Assets	0.0	0.0	0.0
Net Current Assets	133.0	170.9	276.6
Total Assets	133.8	171.5	286.7

Fig in INR Cr (unless specified	FY24	FY25	FY26
Per share data & Yields			
Adjusted EPS (INR)	2.5	4.2	10.9
Adjusted Cash EPS (INR)	2.6	4.2	11.0
Adjusted BVPS (INR)	9.6	13.9	24.8
Adjusted CFO per share (INR)	0.5	(1.0)	(1.5)
CFO Yield (%)	0.3	(0.6)	(0.9)
Adjusted FCF per share (INR)	0.5	(1.0)	(2.0)
FCF Yield (%)	0.3	(0.6)	(1.1)
Solvency Ratio (X)			
Total Debt to Equity	0.8	0.6	0.5
Net Debt to Equity	0.7	0.6	0.5
Net Debt to EBITDA	1.9	1.4	0.8
Return Ratios (%)			
Return on Equity	26.3	30.5	44.0
Return on Capital Employed	15.5	19.4	31.1
Return on Invested Capital	22.3	26.1	41.7
Working Capital Ratios			
Payable Days (Nos)	0	0	0
Inventory Days (Nos)	27	23	18
Receivable Days (Nos)	32	34	48
Net Working Capital Days (No	58	57	66
Net Working Capital to Sales (	15.7	15.3	17.6
Valuation (X)			
P/E	69.9	41.9	16.2
P/BV	18.4	12.8	7.1
EV/EBITDA	49.4	31.8	12.4
EV/Sales	1.7	1.3	0.9
Cash Flow Statement			
PBT	32.7	54.5	140.3
Adjustments	5.6	2.8	6.2
Change in Working Capital	(25.1)	(53.2)	(125.7)
Less: Tax Paid	(8.3)	(13.9)	(35.5)
Cash Flow from Operations	4.8	(9.9)	(14.7)
Net Capital Expenditure	(0.3)	(0.1)	(4.4)
Change in Investments	6.1	10.4	0.0
Cash Flow from Investing	5.8	10.3	(4.4)
Change in Borrowings	(5.5)	2.9	25.4
Less: Finance Cost	(4.0)	(4.4)	(6.3)
Proceeds from Equity	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	0.0	0.0	0.0
Cash flow from Financing	(9.5)	(1.5)	19.1
Net Cash Flow	1.2	(1.1)	0.0
Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	0.0	1.2	0.1
Closing Balance of Cash	1.2	0.1	0.1

Source: Ventura Research

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Corporate Office: I-Think Techno Campus, 8th Floor, ‘B’ Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) – 400608