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IPO Note
01st Sept 2026

Deepa Jewellers Limited

Subscribe

Rating: Subscribe

Issue Offer

Total issue size: Fresh Issue – INR 2,500 Mn (1.41 Mn Shares) and OFS Issue – 2,097 Mn (1.18 Mn Shares)

Issue Summary	
Price Band (INR)	168-177
Face Value (INR)	2
Implied Market Cap (INR Mn)	17,014
Market Lot	84
Issue Opens on	01 Sept, 2026
Issue Close on	03 Sept, 2026
No. of share pre-issue	82,000,000
No. of share post issue	96,124,293
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Book Running Lead Managers

Emkay Global Financial Services Limited
Valmiki Leela Capital Private Limited

Registrar

Bigshare Services Private Limited

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	100%	72.98%
Public & Others	-	27.02%

Objects of the Offer	**Exp. Amt (INR Mn.)**
Funding long-term working capital requirements towards procurement, maintenance and scaling up of inventory	2,150.00
General Corporate Purposes	Shall not exceed 25% of gross proceeds

Deepa Jewellers Limited is an organized B2B jewellery company engaged in designing, processing and supplying hallmarked gold jewellery. Its key markets are Telangana, Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. The company primarily deals in 22 karat gold jewellery and follows an outsourced manufacturing model, where a network of karigars undertakes the manufacturing process. It generates revenue through 3 key streams: sale of products through processing, sale of services through job work and sale of products through trade. In addition to its core jewellery processing business, the company also trades in silver ornaments, 18 and 20 karat gold ornaments, precious stones and gold bullion. As of July 31, 2026, Deepa Jewellers has a portfolio of 16 products and 110 SKUs across various jewellery categories. Vaddanam is the largest product category and accounted for 41.85% of total revenue from operations in FY26, followed by CNC machine cut bangles at 30.87%, while other products contributed 27.28%.

Investment Rationale:

Asset-light model has enabled rapid scale-up: The outsourced manufacturing model allows the company to scale production without committing substantial upfront manufacturing capex, while its established network of karigars provides flexibility during demand peaks. This model has supported rapid growth in throughput, with total job-work processing increasing from 387 kg in FY24 to 757 kg in FY26, while revenue per customer increased from INR 52.54 Mn to INR 90.03 Mn over the same period. At the same time, inventory holding improved from 22 days to 18 days, indicating better inventory productivity.

Vaddanam-led growth provides a differentiated product franchise: The company has built a meaningful niche in vaddanam and CNC machine-cut bangles, which together contributed 72.7% of FY26 revenue. Vaddanam revenue increased from INR 3,756 Mn in FY24 to INR 8,062 Mn in FY26, translating into a strong 46.5% CAGR, while its revenue mix increased from 36.7% to 41.9%. CNC bangle revenue grew from INR 4,076 Mn to INR 5,949 Mn over the same period. This gives the company exposure to both bridal and daily-wear jewellery, while its 15-member design team and 110+ SKUs across 16 product categories provide scope for product refresh and mix-led growth.

In-house manufacturing could become the next margin and scalability lever: The proposed 6,696 sq. ft. Hyderabad manufacturing facility, expected to be operational before the end of H1FY27, is strategically important as the business currently relies on 41 karigars, of whom 29 have formal agreements. The facility, equipped with a 3D printer, vacuum pressure casting machine and induction melting furnace, should reduce dependence on external manufacturing, lower making charges and improve production control, quality consistency and turnaround times.

Valuation & Outlook:

We see Deepa Jewellers as a high-growth regional B2B jewellery franchise transitioning from an asset-light karigar-led model toward a more integrated and scalable operating platform. The key earnings drivers over the medium term should be continued growth in vaddanam and CNC bangles, expansion across South India, addition of 2 product categories and 22 SKUs by FY27, and progressive commissioning of the Hyderabad manufacturing facility. The underlying market remains supportive, with the Indian gold jewellery retail industry estimated at INR 10,619 Bn in FY26 and projected to grow at 12–14% CAGR during FY25–30, while South India's B2B jewellery market is expected to expand from INR 2,847 Bn in FY26 to INR 3,200–3,450 Bn by FY30. With FY24–26 revenue/PAT CAGR already at 37%/107% and ROE/ROCE improving to 56.5%/52.1%, key monitorables remain customer concentration (top 10 at 64.7%), supplier concentration (top 10 at 91.8% of purchases), working-capital discipline and execution of the in-house facility. **At the upper band of INR 177, the issue is valued at P/E ratio of 16.24x, based on EPS of INR 10.90, We are recommending a "Subscribe" rating for this issue.**

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	10,245.68	13,970.10	19,266.76
Growth (%) YoY	-	*36.35%*	*37.91%*
EBITDA	357.71	560.06	1,463.37
Margins (%)	3.49%	4.01%	7.60%
PAT/(Loss)	243.47	405.80	1,047.88
Margins (%)	2.37%	2.90%	5.44%

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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