IPO Note – Deepa Jewellers Ltd (31st August 2026)

AngelOne

Company Overview

- Deepa Jewellers Limited is an organized B2B designer, processor and supplier of hallmarked 22K gold jewellery, operating through an outsourced manufacturing model with 41 karigars. It also undertakes job work and trades in silver ornaments, 18K/20K gold jewellery, precious stones and gold bullion.
- The company specializes in Vaddanam and CNC machine-cut bangles, contributing 41.85% and 30.87% of FY26 revenue, respectively. Its portfolio includes 16 product categories and 110 SKUs, supported by 15 in-house designers catering to customer requirements, regional preferences and market trends.
- As of July 31, 2026, the company had 373 B2B customers comprising 47 retail chains and 326 standalone stores across 13 states and 1 union territory. Key customers include Joyalukkas, Kalyan Jewellers, Lalithaa Jewellery and Bhima Jewels, while South India contributed 94.37% of FY26 revenue, with Telangana at 41.58%, Tamil Nadu at 23.52% and Andhra Pradesh at 19.28%.
- Jewellery processing contributed 99% of FY26 revenue, supported by established sourcing, karigar relationships and BIS hallmarking. The company is setting up its first in-house manufacturing facility in Hyderabad with 3D printing, vacuum-pressure casting and induction-melting capabilities, alongside a Vijayawada sales office, aimed at improving capacity, turnaround time, quality control and scalability.

Sector Outlook

- India's B2B gems & jewellery market grew from ₹3,030 billion in FY22 to ₹7,301 billion in FY26, a 24.6% CAGR, driven by higher gold prices, bridal demand and formalisation. Growth is expected to moderate to 2–3% CAGR during FY26-30 as gold prices stabilise, but increasing organised retail penetration should continue to support the B2B ecosystem.
- Increasing formalization and organized retail penetration, along with rising preference for branded and hallmarked jewellery, should support growth for established B2B jewellery manufacturers and suppliers, particularly in South India.

Deepa Jewellers Ltd

₹ 168 – 177
Price Band

₹ 459.72 Cr
Issue Size

01st September – 03rd September
Subscription Days

08th September 2026
Listing date

SUBSCRIBE

Particulars	IPO Details
No of Shares under IPO (Cr.)	2.5973
Post Issue MCap (Cr.)	**₹ 1,701.40**
QIB (Cr.)	1.2986
NIB (Cr.)	0.3896
Retail (Cr.)	**0.9090**

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoter	100.00%	72.98%
Others	0.00%	27.02%
Total	**100%**	**100%**

Company Outlook

- Deepa Jewellers demonstrated strong financial performance during FY24-FY26, with revenue increasing from ₹1,024.57 crore to ₹1,926.68 crore and PAT from ₹24.35 crore to ₹104.79 crore. Profitability improved significantly, with EBITDA margin expanding from 3.49% to 7.60% and PAT margin from 2.37% to 5.44%, while RoE and RoCE rose to 56.45% and 52.08%, respectively. The balance sheet also strengthened, with debt-to-equity declining to 0.47x and current ratio improving to 4.94x in FY26.

- Deepa Jewellers is coming with a ₹459.72 crore IPO, comprising a fresh issue of ₹250 crore and an Offer for Sale (OFS) of ₹209.72 crore by existing shareholders. Of the fresh issue proceeds, ₹215 crore will be utilised towards long-term working capital requirements, primarily procurement, maintenance and scaling up of inventory, while the balance ₹35 crore will be used for general corporate purposes; proceeds from the OFS will accrue to the selling shareholders

- At the upper price band of ₹177, Deepa Jewellers is valued at a post-issue P/E of 16.24x, which appears attractive compared with listed jewellery peers, supported by strong FY26 revenue and PAT growth, improving margins, high return ratios, an established B2B customer base and expansion potential through increased working-capital availability. Given the reasonable valuation and strong earnings growth, we recommend subscribing to the IPO.

Key Risks

- Deepa Jewellers faces customer, geographic and product concentration risks, alongside high supplier dependence and reliance on outsourced karigars. Rising receivables and negative operating cash flows further indicate working-capital and liquidity pressures.

Particulars	FY24	FY25	FY26
Revenue (Rs. Cr)	**1,024.6**	**1,397.0**	**1,926.7**
Revenue Growth %		*36.4%*	*37.9%*
EBITDA (Rs. Cr)	**35.8**	**56.0**	**146.3**
EBITDA Growth %		*56.6%*	*161.3%*
EBITDA Margin %	**3.5%**	**4.0%**	**7.6%**
PAT (Rs. Cr)	24.4	40.6	104.8
ROCE (%)	**22.8%**	**30.6%**	**52.1%**

Metric FY26	Deepa Jewellers	Sky Gold And Diamonds	Shanti Gold International	Shringar House Of Mangalsutra	Rbz Jewellers	Khazanchi Jewellers
Revenue (Cr.)	1,927	4,708	2,019	2,246	636	2,049
EBITDA margin (%)	7.6%	6.9%	9.9%	7.1%	14.4%	6.1%
PAT Margin (%)	5.4%	4.5%	6.9%	5.1%	8.6%	4.4%
Net operating cycle (days)	53	61	99	81	251	64
RoNW (%)	56.5%	23.9%	37.3%	26.3%	20.1%	32.5%
P/E (x)	16.2x	57.6x	12.7x	17.0x	10.1x	22.2x

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