DEEPA JEWELLERS LTD

IPO NOTE | 31st AUGUST, 2026

Canara Bank Securities Ltd
canmoney.in

ABOUT THE COMPANY: Deepa Jewellers Ltd is an organized B2B designer, processor and supplier of hallmarked gold jewellery, primarily having operations in Telangana, Karnataka, Andhra Pradesh, Tamil Nadu and Kerala. According to CRISIL Report, they are one of the key processors and suppliers of vaddanam and CNC machine cut bangles, distributing to jewellery retail chains and standalone stores. They process their gold jewellery through an outsourced manufacturing model, supported by a network of 41 karigars, who undertake their manufacturing activities.

KEY BUSINESS INSIGHTS: Deepa Jewellers is a Hyderabad-based B2B manufacturer of hallmarked 22K gold jewellery, supplying branded retail chains and standalone stores across South India. Founded as a partnership in 2001, it entered retail jewellery supply in 2006 and is now a market leader in waist jewellery (vaddanam), with a separate CNC bangles vertical added in 2020. Operationally, Deepa uses 41 specialized contract karigars plus an in-house 15-member design team, procuring gold via RBI bullion dealers, India International Bullion Exchange, and customer exchanges. It hedges ~84–85% of inventory (GML, MCX, back-to-back) and runs a tight net operating cycle of ~53 days, supporting stronger cash conversion, ROE and ROCE. Margins have improved through a shift to studded jewellery, operating leverage, and a client mix moving toward chains; job-work is minimal (~1%). A new Hyderabad manufacturing setup (advanced machinery, in-house design support) is expected within 2–3 weeks to expand margins, improve quality control, and reduce karigar dependency, while the firm plans regional sales offices (e.g., Vijayawada already; Bangalore in focus) and has seen 5x revenue growth in Maharashtra with a more diversified product mix (58% non-vaddanam). The company maintains sole banking with Yes Bank (₹115 cr working capital), keeps inventory low due to focused SKUs and customized orders, and emphasizes retention via design quality, competitive pricing, and satisfaction. Promoter dilution is largely due to SEBI regulations; PAT growth reflects operational efficiency rather than inventory revaluation.

OUR VIEW:

Deepa Jewellers is an organized B2B supplier of vaddanam (gold waist belts) and CNC machine-cut bangles to retail chains and standalone stores, serving 373 customers (47 chains + 326 stores) including Joyalukkas, Kalyan and Lalithaa as of July 31, 2026. Bridal wear leads Indian jewellery consumption (50–55%), followed by daily wear (35–40%) and fashion wear (5–10%); vaddanam is a South Indian bridal staple and rising demand for minimalist, lightweight pieces supports its wide wedding-to-daily-wear range. It hedges 80–85% of inventory to protect margins from gold-price swings. The firm scaled to ₹1,926.68 crore in FY26 with only 41 karigars via a decentralized, machine-led outsourced model; IPO proceeds will fund a 6,696 sq ft in-house Hyderabad facility to reduce craftsman dependency with high-tech machinery. FY24–FY26 CAGRs: Revenue 37%, EBITDA 102.26%, PAT 107.46%; inventory holding is just 18 days (FY26). FY26 ROE/ROCE: 56.45%/52.08%; P/E 13.85x (below peers). Given superior efficiency and positioning, the issue is recommended to Subscribe for long-term and listing gains

SUBSCRIBE

ISSUE DETAILS	
Price Band (in ₹ per share)	168.00-177.00
Issue size (in ₹ Crore)	460.00
Fresh Issue (in ₹ Crore)	250.00
Offer for Sale (in ₹ Crore)	210.00
Issue Open Date	01-09-2026
Issue Close Date	03-09-2026
Tentative Date of Allotment	04-09-2026
Tentative Date of Listing	08-09-2026
Total Number of Shares	25972633
Face Value (in ₹)	2.00
Exchanges to be Listed on	NSE/BSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	84	₹14,868
Retail (Max)	13	1,092	₹1,93,284
S-HNI (Min)	14	1,176	₹2,08,152
S-HNI (Max)	67	5,628	₹9,96,156
B-HNI (Min)	68	5,712	₹10,11,024

BRLMs: Emkay Global Financial Services Limited, Valmiki Leela Capital Private Limited

PROMOTERS: ASHISH AGARWAL, SEEMA AGARWAL AND DEV AGARWAL

OBJECTS OF THE OFFER

Funding long-term working capital requirements towards procurement, maintenance and scaling up of inventory by the Company of up to Rs. 215 crores and General corporate purpose

BRIEF FINANCIALS

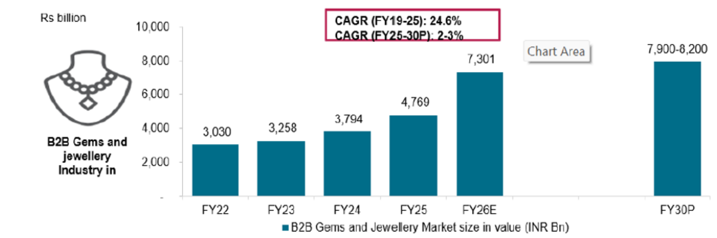
PARTICULARS (Rs. Cr) *	FY26	FY25	FY26
Share Capital***	16.4	4.1	4.1
Net Worth	238.07	133.21	92.55
Revenue From Operations	1,926.68	1,397.01	1,024.57
EBITDA	146.34	56.01	35.77
EBITDA Margin (%)	104.79	40.58	24.35
Profit/(Loss) After Tax	7.60%	4.01%	3.49%
EPS (in Rs.)	12.78	4.95	2.97
Net Asset Value (in ₹)	29.03	16.25	11.29
P/E#	13.85	NA	NA
P/B#	6.10		

**Restated consolidated financials; #Calculated at upper price band ***Bonus Issue in the ratio of 3 Equity Shares for every 1 equity share held as on November 28, 2025*

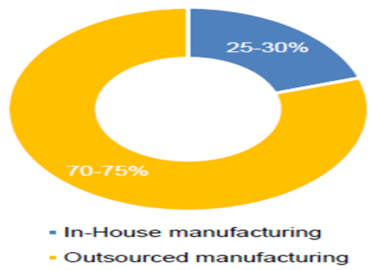
INDUSTRY OVERVIEW

The B2B gems and jewellery industry in India, comprising manufacturers and wholesalers, has demonstrated strong growth in recent years, with market size increasing from Rs 3,030 billion in FY22 to Rs 7,301 billion in FY26. During FY22-FY26, the industry witnessed a compound annual growth rate (CAGR) of 24.6%. This growth was driven by factors such as the rise in gold prices, deferred purchases related to bridal jewellery, and an increase in disposable income of consumers. The industry saw a dip in demand during FY20 and FY21 due to high gold prices and the pandemic impact, but it quickly recovered in FY22. The market size continued to grow, reaching Rs 7,301 billion in FY26. From FY26 to FY30, the industry is expected to sustain moderated growth, with a projected CAGR of 2–3%. This trajectory is likely to be supported by multiple factors, including stabilisation of gold prices leading to release of deferred demand, increasing traction from organised retailers, growth in exports, and the gradual emergence of new markets.

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



Source: Crisil Intelligence



Outsourced manufacturing has a dominant share in the overall gems and jewellery industry in India

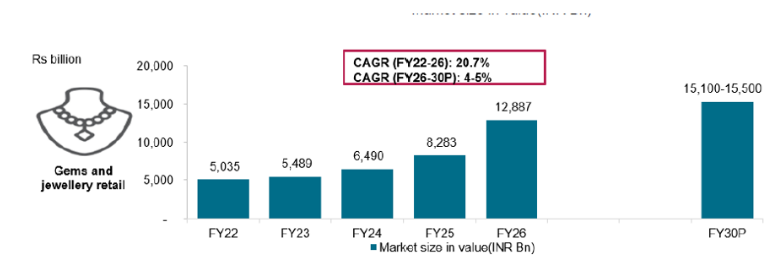
Volume wise share of in-house jewellery manufacturing and outsourced manufacturing in the overall gems and jewellery industry in India for fiscal 2026

As per primary interactions, in-house manufacturing accounted for a relatively smaller share of 25-30% in FY26, while outsourced manufacturing dominates the landscape with a shareof 70-75%. This dichotomy can be attributed to the benefits and drawbacks of each approach, where in-house manufacturing offers benefits like quality control, intellectual property protection, and timely delivery, but requires significant investments in infrastructure, technology, and human resources, limiting scalability and requiring specialized skills and expertise. On the other hand, outsourced manufacturing provides cost savings, scalability, and access to specialized skills, but poses challenges like quality control, intellectual property risks, and supply chain complexities. The large and fragmented supplier base in India, competitive pricing, and government initiatives like the Gem and Jewellery Export Promotion Council (GJEPC) have contributed to the high share of outsourced manufacturing, allowing companies to tap into the expertise and specialized skills of third-party suppliers and manufacturers

Demand in gems and jewellery retail industry in India

The Indian gems and jewellery retail industry was estimated at Rs 12,887 billion in fiscal 2026, with gold jewellery continuing to dominate overall consumption. The sector's performance remains closely linked to gold price movements, wedding-led demand, festive purchases, disposable income trends and consumer sentiment. In fiscal 2026, demand has decreased; however, increase in gold prices supported growth in value terms. The market recovered sharply after pandemic in fiscal 2022, led by deferred purchases, particularly bridal jewellery, along with improvement in consumer sentiment and disposable income. In fiscal 2023, the industry grew by 9% in value terms, primarily supported by higher gold prices, while fiscal 2024 witnessed robust momentum, with overall industry growth of 18%, aided by both volume expansion and priceled growth, indicating strong domestic consumption. Going forward, Crisil Intelligence projects the market size of gems and jewellery retail industry in India to grow at CAGR of 4-5% between fiscals 2025 and 2030 to reach Rs 15,100-15,500 billion by fiscal 2030.

Indian gems and jewellery retail industry – market size trends



Note: The price of gems and jewellery products includes making charges Indian gems and jewellery retail industry includes jewellery made from gold, diamond, silver, platinum and other precious stones along with gold bars and coin
Source: Crisil Intelligence

COMPETITIVE STRENGTHS OF THE COMPANY

Significant revenue contribution from Southern India

As per the CRISIL Report, 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%.

As per the CRISIL Report, they are an organized B2B designer, processor and supplier of hallmarked gold jewellery, primarily in Telangana, Karnataka, Andhra Pradesh Tamil Nadu and Kerala. The map below shows their presence across various states and union territory in India and their contribution to the revenue of their Company for the Fiscal 2026, Fiscal 2025 and Fiscal 2024.

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:

(in ₹ million, except percentage)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations	Amount	% of total revenue from operations
South Indian states						
Andhra Pradesh	3,715.16	19.28	2,770.80	19.83	2,196.24	21.44
Telangana	8,010.62	41.58	6,779.81	48.53	4,507.44	43.99
Tamil Nadu	4,532.21	23.52	2,811.35	20.12	2,553.73	24.92
Karnataka	1,138.76	5.91	882.58	6.32	574.03	5.60
Kerala	785.12	4.08	493.53	3.53	368.41	3.60

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations	Amount	% of total revenue from operations
Total of south Indian states (A)	**18,181.87**	**94.37**	**13,738.07**	**98.33**	**10,199.85**	**99.55**
Other Indian states/union territory						
Maharashtra	1,072.95	5.57	221.15	1.58	39.93	0.39
Delhi	-	-	-	-	3.04	0.03
Assam	-	-	0.85	0.01	-	-
Bihar	-	-	-	-	1.07	0.01
Uttar Pradesh	7.40	0.04	9.83	0.07	1.79	0.02
West Bengal	0.36	0.00	-	-	-	-
Odisha	-	-	0.20	0.00	-	-
Rajasthan	0.58	0.00	-	-	-	-
Tripura	3.59	0.02	-	-	-	-
Total of other Indian states/union territory (B)	**1,084.88**	**5.63**	**232.03**	**1.67**	**45.83**	**0.45**
Total (A+B)	**19,266.76**	**100.00**	**13,970.10**	**100.00**	**10,245.68**	**100.00**

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

With this diverse product portfolio and team of creative designers, they have established a long-standing relationship with jewellery retail chains and standalone stores including, Joyalukkas India Limited, Kalyan Jewellers India Limited, Lalithaa Jewellery Mart Limited, Chandana Brothers Textiles & Jewellers Private Limited, Manoj Vaibhav Gems 'N' Jewellers

Limited, Tribhovandas Bhimji Zaveri Limited , CMR Textiles & Jewellers Private Limited, Bhima Jewels Private Limited, Mukunda Jewellery (Bathi Manufacturing and Retail Private Limited), R.S. Brothers Jewellers Private Limited, Marri Retail Private Limited, DP Gold Private Limited, Bapireddy Nagireddy Gold and Diamonds Private Limited, JVR Retails Private Limited, M. Bajranglal Sons Jewellers , Premraj Shantilal Jain Jewellers Private Limited, Makam Radhakrishna Jewellers Private Limited, Sri Mahalaxmi Gems and Jewellers, P. Satyanarayan Sons Private Limited, Sri Mahalaxmi Jewellers & Pearls and Krishna Jewellers Pearls and Gems Private Limited.

As of July 31, 2026, their Company has a total customer base of 373 customers compromising 47 jewellery retail chains and 326 standalone stores. Please see below their state wise revenue split from jewellery retail chains and standalone stores, for the indicated periods.

COMPETITIVE STRENGTHS OF THE COMPANY

(in ₹ million)

Particulars	Fiscal 2026			Fiscal 2025			Fiscal 2024		
	Retail Chains	Standalone stores	Total	Retail Chains	Standalone stores	Total	Retail Chains	Standalone stores	Total
South Indian states									
Andhra Pradesh	2,193.47	1,521.69	3,715.16	1,729.63	1,041.17	2,770.80	1,102.97	1,093.27	2,196.24
Telangana	6,086.70	1,923.92	8,010.62	4,879.96	1,899.85	6,779.81	3,348.05	1,159.39	4,507.44
Tamil Nadu	4,459.99	72.23	4,532.21	2,735.77	75.58	2,811.35	2,488.68	65.05	2,553.73
Karnataka	1,010.30	128.46	1,138.76	878.24	4.34	882.58	572.65	1.38	574.03
Kerala	781.48	3.65	785.12	493.53	-	493.53	367.10	1.31	368.41
Total of South Indian states (A)	**14,531.93**	**3,649.94**	**18,181.87**	**10,717.13**	**3,020.94**	**13,738.07**	**7,879.45**	**2,320.40**	**10,199.85**
Other Indian states/union territory									
Maharashtra	124.37	948.58	1,072.95	178.70	42.45	221.15	39.93	-	39.93
Delhi	-	-	-	-	-	-	-	3.04	3.04
Assam	-	-	-	-	0.85	0.85	-	-	-
Bihar	-	-	-	-	-	-	-	1.07	1.07
Uttar Pradesh	6.91	0.48	7.40	-	9.83	9.83	-	1.79	1.79
West Bengal	-	0.36	0.36	-	-	-	-	-	-
Odisha	-	-	-	-	0.20	0.20	-	-	-
Rajasthan	-	0.58	0.58	-	-	-	-	-	-
Tripura	-	3.59	3.59	-	-	-	-	-	-
Total of other Indian	**131.28**	**953.60**	**1,084.88**	**178.70**	**53.33**	**232.03**	**39.93**	**5.90**	**45.83**

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

As per the CRISIL Report, they are one of the key processors and suppliers of vaddanam and CNC machine cut bangles, distributing to jewellery retail chains and jewellery standalone stores. They offer a diverse range of gold jewellery in different karat specifications to meet the requirements of their customers and their product portfolio includes a wide variety of designs, primarily comprising of 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 a product portfolio of 16 products including 110 SKUs across their product categories.

As per the CRISIL Report, vaddanams have long been essential element in South Indian bridal attire, symbolizing prosperity and tradition. Further as per CRISIL Report, CNC machine cut bangles are popular across both bridal and daily wear categories. According to CRISIL Report, though gold jewellery dominates the bridal market in South India, the increasing preference for minimalist jewellery is emerging as a growth driver in the region. To meet these evolving customer preferences, they offer a wide range of products from weddings jewellery to lightweight daily wear jewellery, with variety of designs.

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.

(in ₹ million, except percentage)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations	Amount	% of total revenue from operations
Revenue from operations of vaddanam	8,062.41	41.85	4,830.59	34.58	3,755.56	36.66
Revenue from operations of CNC machine cut bangles	5,948.53	30.87	5,842.21	41.82	4,075.94	39.78
Revenue from operations of other products	5,255.82	27.28	3,297.30	23.60	2,414.18	23.56
Total	**19,266.76**	**100.00**	**13,970.10**	**100.00**	**10,245.68**	**100.00**

Established procurement network and long -standing relationship with karigars

They have built a network of karigars with long standing relationships primarily in Telangana and Maharashtra. As of July 31, 2026, they were supported by 41 karigars, out of which, they have entered into formal agreements with 29 karigars. They have not entered into formal agreements with the remaining karigars, and their engagement with them is based on ongoing working relationships. Additionally, out of the 41 Karigars, 25 karigars are associated with them for more than 5 years, reflecting their long-standing relationships with the karigars. Their karigars are engaged in various stages of ornament production, including crafting, polishing, and finishing. Their network of karigars is integral to their ability to create new jewellery collections that cater to diverse customer tastes and regional preferences. These established relationships enable them to maintain timely production, ensure consistent product quality, and exercise control over their supply chain. Their network of karigars supports efficient operations within the supply-driven B2B jewellery ecosystem, where timely procurement and production are critical for meeting retailer schedules and requirements.

They maintain a well-established procurement network for sourcing high-quality raw materials, including gold and silver from a range of suppliers such as RBI registered bullion bank, independent bullion dealers, import through India International Bullion Exchange and exchange from customers. Ensuring the purity and quality of these materials remains a top priority in their sourcing strategy.

They procure a wide range of gemstones, including rubies, pearls, flat diamonds, and emeralds, from Jaipur, Surat, Mumbai, Hyderabad and Thailand. Their procurement of gemstones and flat diamonds involves strict adherence to internationally recognized quality standards to ensure authenticity, ethical sourcing, and value

RISK FACTORS

Top 10 customers accounted for ₹ 12,460.30 million, ₹ 8,839.29 million and ₹ 6,901.89 million representing 64.67%, 63.27% and 67.36% of their revenue from operations

They are dependent on certain key customers for a significant portion of their revenue. Their top 10 customers accounted for more than 50.00% of their revenue in Fiscal 2026, Fiscal 2025 and Fiscal 2024. The following table sets forth details of revenue generated and contribution to total revenue from their top 10 customers, as a percentage of their total revenue from operations, for the years indicated:

(in ₹ million, except percentage data)

Customer concentration*#	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations	Amount	% of total revenue from operations
Customer 1	3,236.54	16.80	1,981.81	14.19	1,612.21	15.74
Customer 2	1,778.59	9.23	1,659.58	11.88	1,591.58	15.53
Customer 3	1,699.65	8.82	1,629.03	11.66	1,204.74	11.76
Customer 4	1,031.89	5.36	564.94	4.04	572.15	5.58
Customer 5	866.41	4.50	563.48	4.03	396.21	3.87
Customer 6	839.67	4.36	562.73	4.03	372.82	3.64
Customer 7	829.53	4.31	554.06	3.97	321.95	3.14
Customer 8	822.41	4.27	503.44	3.60	314.29	3.07
Customer 9	678.71	3.52	488.24	3.49	282.95	2.76
Customer 10	676.89	3.51	331.99	2.38	233.00	2.27
Total	**12,460.30**	**64.67**	**8,839.29**	**63.27**	**6,901.89**	**67.36**

**While more than 50% of our revenue from operations originates from our top 10 customer, names of the customers have not been included in the above table as this information is commercially sensitive to our business.*
 # None of the top customers are related parties, promoter-linked entities, or connected parties to our Company.

While they have a long-standing relationship with their top customers, the loss of one or more of these significant or key customers or a reduction in the amount of business they obtain from them could have a material adverse effect on their business, results of operations, financial condition, cash flows and prospects. While none of their key customers have discontinued placing order with them during Fiscal 2026, Fiscal 2025 and Fiscal 2024, there can be no assurance that they will be able to maintain their existing volume of business with these key customers.

They derive a significant portion of their revenue from operations from the sale of their vaddanam and CNC machine cut bangles.

They derive their major revenue from the sale of their vaddanam, and CNC machine cut bangles. The following table sets forth a breakdown of their revenue from operations from vaddanam, CNC machine cut bangles and their other products for the Fiscal 2026, Fiscal 2025 and Fiscal 2024:

(in ₹ millions, except percentage data)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations	Amount	% of total revenue from operations
Revenue from operations of vaddanam	8,062.41	41.85	4,830.59	34.58	3,755.56	36.66
Revenue from operations of CNC machine cut bangles	5,948.53	30.87	5,842.21	41.82	4,075.94	39.78
Revenue from operations of other products*	5,255.82	27.28	3,297.30	23.60	2414.18	23.56
Total	**19,266.76**	**100.00**	**13,970.10**	**100.00**	**10,245.68**	**100.00**

** Other products include- 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, precious stones, pearls, flat diamonds, cubic zirconia, gold bullion and precious beeds.*

The popularity and demand for their vaddanam and CNC machine cut bangles may vary over time due to changing consumer preferences. Their continued success depends on their ability to anticipate, gauge and respond in a timely manner to shifts in consumer tastes. While they aim to introduce new products from time to time, they recognize that consumer preferences

cannot be predicted with certainty and may change rapidly. If they are unable to foresee or effectively respond to changes in market conditions, emerging trends or evolving consumer preferences, or if they fail to accurately anticipate and forecast demand for their brands, then the demand and sales for their vaddanam and CNC machine cut bangles products may decline.

This could reduce their market share and preventing them from acquiring new customers and retaining existing ones, which could adversely affect their business, results of operations, financial condition and cash flows.

RISK FACTORS

A significant portion of their business operations and revenue generation is concentrated in Southern India.

A significant portion of their current presence is in the South Indian states of Andhra Pradesh, Telangana, Karnataka, Tamil Nadu and Kerala. Below is the split of revenue from their operations from Southern India and other Indian states/union territory for the years indicated:

(in ₹ million except for percentage data)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations	Amount	% of total revenue from operations
South Indian states						
Andhra Pradesh	3,715.16	19.28	2,770.80	19.83	2,196.24	21.44
Telangana	8,010.62	41.58	6,779.81	48.53	4,507.44	43.99
Tamil Nadu	4,532.21	23.52	2,811.35	20.12	2,553.73	24.92
Karnataka	1,138.76	5.91	882.58	6.32	574.03	5.60
Kerala	785.12	4.08	493.53	3.53	368.41	3.60
Total of south Indian states (A)	**18,181.87**	**94.37**	**13,738.07**	**98.33**	**10,199.85**	**99.55**
Other Indian states/union territory						
Maharashtra	1,072.95	5.57	221.15	1.58	39.93	0.39
Delhi	-	-	-	-	3.04	0.03
Assam	-	-	0.85	0.01	-	-
Bihar	-	-	-	-	1.07	0.01
Uttar Pradesh	7.40	0.04	9.83	0.07	1.79	0.02
West Bengal	0.36	0.00	-	-	-	-
Odisha	-	-	0.20	0.00	-	-
Rajasthan	0.58	0.00	-	-	-	-
Tripura	3.59	0.02	-	-	-	-
Total of other Indian states/union territory (B)	**1,084.88**	**5.63**	**232.03**	**1.67**	**45.83**	**0.45**
Total (A+B)	**19,266.76**	**100.00**	**13,970.10**	**100.00**	**10,245.68**	**100.00**

According to CRISIL Report, 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%. The Northern region has 18-23% share in jewellery consumption, while East India has the smallest market share of 13-17%. The gems and jewellery retail industry in South Indian region was valued at ₹5,026 billion in Fiscal 2026, which is about ~40% of the overall gems and jewellery industry in India. The sector is estimated to grow at a CAGR of 6-7% between Fiscal 2026 and Fiscal 2030 with the overall market size projected to surge to ₹ 6,200 – ₹ 6,600 billion by Fiscal 2030.

Inventories as of Fiscal 2026, Fiscal 2025 and Fiscal 2024 were ₹ 873.62 million, ₹827.87 million and ₹722.56 million representing 4.53%, 5.93%, and 7.05% as a percentage of their revenue from operations for the indicated periods respectively.

Their results of operations are dependent on their ability to effectively manage their inventory. To effectively manage their inventory, they are required to accurately estimate customer demand and supply conditions and process additional inventory accordingly. Any error in their forecast could result in either surplus inventory, which they may be unable to sell in a timely manner, or at all, or understocking, which would affect their ability to meet customer demand. Maintaining an optimal level of relevant inventory is important to their business as it allows them to respond to customer demand effectively.

The table below sets forth details of certain parameters for the dates / periods indicated:

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from operations (₹ million)	19,266.76	13,970.10	10,245.68
Current Assets (₹ million)	3,468.05	2,168.32	1,736.41
Inventory (₹ million)	873.62	827.87	722.56
Inventory as a percentage of revenue from operations (%)	4.53	5.93	7.05
Inventory as a percentage of current assets (%)	25.19	38.18	41.61
Inventory turnover ratio(1)	20.91	17.24	17.16
Inventory days(2)	18	21	22

Notes:
(1)Inventory turnover ratio = Inventory turnover ratio is calculated by dividing the cost of inventory consumed by the average inventory
(2)Inventory days for Fiscal = Inventory holding days is calculated by dividing 365 by the ratio of cost of goods sold to the average inventory at the beginning and end of the period.

RISK FACTORS

They depend on certain key suppliers for gold bullion, their key raw material.

Gold is a commodity which is subject to extreme volatility and price fluctuations. They place orders with their suppliers on need basis. Their top 10 suppliers contributed more than 50.00% of the total gold bullion purchased in Fiscal 2026, Fiscal 2025 and Fiscal 2024. Presented below is a table detailing the proportion of amount paid to total purchases attributable to their top 10 suppliers, for the years indicated.

(in ₹ million except for percentage)

Supplier concentration*	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	% of total purchases	Amount	% of total purchases	Amount	% of total purchases
Supplier 1	4,219.88	24.18	4,225.73	32.07	3,417.57	34.55
Supplier 2	2,693.33	15.43	1,382.04	10.49	1,764.98	17.85
Supplier 3	2,061.69	11.81	1,203.96	9.14	1,304.83	13.19
Supplier 4	1,699.86	9.74	913.11	6.93	1,208.30	12.22
Supplier 5	1,428.46	8.19	647.50	4.91	1,109.00	11.21
Supplier 6	1,218.17	6.98	584.20	4.43	286.88	2.90
Supplier 7	889.80	5.10	545.71	4.14	212.39	2.15
Supplier 8	761.59	4.36	496.77	3.77	164.73	1.67
Supplier 9	677.09	3.88	433.52	3.29	65.84	0.67
Supplier 10	372.06	2.13	413.39	3.14	48.29	0.49
Total	**16,021.93**	**91.81**	**10,845.93**	**82.32**	**9,582.83**	**96.89**

**While more than 50% of our purchases are made from our top 10 suppliers, names of the suppliers have not been included in the above table as this information is commercially sensitive to our business.*

They also face a risk that one or more of their existing suppliers may discontinue supplies of raw materials to them. They source their gold from RBI registered bullion bank, independent bullion dealers, exchanges from customers and import through India International Bullion Exchange **("IIBX")**. The table below shows the total quantity (in Kgs) and percentage wise bifurcation of gold sourced from various sources for the years indicated.

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Total quantity (kgs)	Percentage	Total quantity (kgs)	Percentage	Total quantity (kgs)	Percentage
Gold sourced from RBI registered bullion bank	65.00	4.99	561.00	34.45	564.00	36.43
Gold sourced from independent bullion dealers	498.60	38.28	232.60	14.29	564.03	36.43
Gold sourced through exchange from customers	739.04	56.73	409.45	25.15	420.19	27.14
Gold sourced from IIBX	Nil	Nil	425.10	26.11	Nil	Nil
Total	**1,302.64**	**100.00**	**1,628.15**	**100.00**	**1,548.22**	**100.00**

In addition to procuring gold from RBI registered bullion bank and IIBX, they also procure gold from independent bullion dealers and exchanges from customers. They typically procure gold through purchase orders and do not enter into any longterm agreements with RBI registered bullion bank, IIBX, independent bullion dealers or exchange customers. Consequently, the RBI registered bullion bank, IIBX and the independent bullion dealers may not perform their obligations in a timely manner or with the agreed quality or quantity, resulting in delays and adversely affecting their future commitments, and impact their business and result from operations. While they have not experienced any such material instances where the RBI registered bullion bank, IIBX or the independent bullion dealers did not fulfil their obligations that resulted in an adverse impact on their operations during the Fiscal 2026, Fiscal 2025 and Fiscal 2024, they cannot assure you that such instances will not arise in the future.

PEER COMPARISON

Name of the company	Revenue from Operations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoNW (%)	P/E*	P/B*
Deepa Jewellers Limited	₹ 1,926.68	2	12.78	29.03	56.45%	13.85	6.10
Sky Gold and Diamonds Limited	₹ 4,708.38	10	13.97	72.02	23.88%	58.12	11.27
Shanti Gold International Limited	₹ 2,018.71	10	21.22	83	37.34%	11.51	2.94
Shringar House of Mangalsutra Limited	₹ 2,245.82	10	13.55	70.29	26.29%	16.25	3.13
Khazanchi Jewellers Limited	₹ 2,049.22	10	36.1	129.14	32.45%	21.94	6.13
RBZ Jewellers Ltd	₹ 636.48	10	13.7	74.96	20.11%	10.64	1.94

**P/E & P/B ratio based on upper price and of IPO, financial details consolidated audited results as of FY26.*

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