



DEEPA JEWELLERS LIMITED

(Formerly known as Deepa Jewellers Private Limited)

Reg. Off. Add: Ground Floor & First Floor, Door No. 3-6-343 & 344, Basheerbagh,
Himayathnagar, Hyderabad - 500 029. Telangana
CIN: U74999TG2016PLC109435

Date: 29.10.2026

To,
BSE Limited
Department of Corporate Services
Pheroze Jeejeebhoy Towers, Dalal
Street,
Mumbai -400001
BSE Scrip Code: 544903

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Mumbai - 400051
NSE Symbol: DEEPA

Sub: Transcripts of Earnings Conference Call pertaining to the Un-audited Financial Results of the Company for the quarter and half year ended September 30, 2026

Dear Sir / Ma'am,

Pursuant to Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), copy of transcripts of the Earnings Conference Call held on Tuesday, October 27, 2026 at 4:00 p.m. (IST) pertaining to Un-audited Financial Results of the Company for the quarter and half year ended September 30, 2026, is enclosed.

The transcripts of the said Earnings Conference Call are also available on the website of the Company at below link:

https://cdn.jfone.jewelflow.pro/deepajewellers/investor_documents/6862-Concall_Transcript_Q2FY2027.pdf

We request you to kindly acknowledge and take the above on record.

Thanking You,

**For Deepa Jewellers Limited
(Formerly 'Deepa Jewellers Private Limited')**

Vandana
Modani

Digitally signed by
Vandana Modani
Date: 2026.10.29
16:50:27 +05'30'

**Vandana Modani
Company Secretary and Compliance Officer
M. No.: A53323**

Encl: As above



Deepa Jewellers Limited
October 26, 2026

Deepa Jewellers Limited Q2 FY27 Earnings Conference Call October 26, 2026

Moderator: Ladies and gentlemen, good day and welcome to Deepa Jewellers Limited Q2 FY27 Earnings Conference Call.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*” then “0” on your touchtone phone.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you ma'am.

Purvangi Jain: Thank you. Good evening, everyone and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors.

We represent the Investor Relations of Deepa Jewellers Limited. On behalf of the company, I would like to thank you all for participating in the company's Earnings Call for the 2nd Quarter and first half of the financial year 2027.

Before we begin, let me mention a quick cautionary statement:

Some of the statements made in today's Earnings Call may be forward looking in nature. Such forward-looking statements are subject to risk and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audience caution not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's Earnings Conference Call is purely to educate and bring awareness about the company's fundamental business and financial performance for the quarter under review.

Now let me introduce you to the management participating with us in today's Earnings Call.

We have with us Mr. Dev Agarwal – Whole-Time Director and Mr. G. K. Srinivas – Chief Financial Officer.

Without any delay, I request Mr. Dev Agarwal to start with his opening remarks. Thank you and over to you sir.



Dev Agarwal:

Good evening and warm welcome to all of you to Deepa Jewellers Limited's First Ever Earnings Conference Call. We appreciate your time and participation today.

This is an important milestone for us as a listed company and we look forward to engaging with the investment community and sharing our business progress, operating performance and growth priorities.

To begin, I would like to provide a brief overview of our company before taking you through our operational and financial performance for the period under review.

Deepa Jewellers Limited is a South India focused B2B jewellery manufacturer, with a strong presence in traditional vaddanam, which is a gold waist belt and CNC machine cut bangles. Our promoter, chairman and managing director Ashish Agarwal and our promoter and non-executive, non-independent director Seema Agarwal embarked their journey in the gem and jewellery industry in the year 2001 through a partnership firm and hold an experience of 25 years in the industry.

I joined the company in 2021 and represent the next generation of leadership contributing modern business perspectives, technology-oriented thinking and contemporary strategic direction that support our ongoing growth. We primarily operate across Telangana, Andhra Pradesh, Tamil Nadu, Karnataka and Kerala with a strong presence in the Southern Indian jewellery market.

We have established long-standing relationships with leading jewellery retailers including Joyalukkas, Kalyan Jewellers, Lalitha Jewellers, Bhima Jewellers and other regional jewellery chains.

While revenue is concentrated in Southern India, our established retail chain relationships enable the company to access markets beyond the region and broaden our market reach across India.

We believe the shift towards organized jewellery retail chains presents a significant growth opportunity for organized B2B manufacturers like us. Large retail chains increasingly seek reliable manufacturing partners who can ensure consistent product quality, design variety and timely delivery and strong inventory controls as well.

Our established capabilities and customer relationship position us well to meet these evolving requirements and build long-term partnerships with organized retailers. We also benefit from our strong presence in South India which accounts for approximately 40% of India's gem and jewellery market making it the largest regional market. The region's deep-rooted cultural affinity for gold, strong wedding and festive demand, and growing penetration of organized retail provide a favorable growth environment.



Over the years, we have developed a diversified portfolio spanning 16 product categories and approximately 110 SKUs and more than 24,000 designs. Our customer base comprises approximately 373 customers including 47 jewellery retail chains. Our business is primarily focused on jewellery manufacturing complemented by job work services which represent a smaller but strategically important part of our business model.

With our expertise in traditional jewellery such as vaddanam, established customer relationships and expanding manufacturing capabilities, we are very well positioned to capitalize on these opportunities and strengthen our presence in this key market.

With that backdrop, now I come to operational highlights for the period under review:

One of the key developments during the period was the commencement of our in-house manufacturing facility in Hyderabad in September 2026. The facility, spread across approximately 6,700 square feet, marks an important step in strengthening our internal manufacturing capabilities. We believe this addition will provide us with greater operational flexibility, support our evolving production requirements and create a stronger foundation to scale our business as we continue to expand our product portfolio and customer relationships. Another important operational highlight is the plan to open our second sales office in Chennai in the 3rd Quarter end, which is the month of December.

Another important key note which the management wishes to convey to all the investors is that from 1st October onwards, both the promoters and executive directors, Ashish Agarwal and Dev Agarwal, plan to not draw any salaries from the business. This is in respect of encouraging the business profitability and long-term growth in the business. So, from the 3rd Quarter onwards, both the promoters will not be drawing any salary from the business.

Coming to the operational KPIs:

During the 2nd Quarter of the Financial Year 2027, our total operating volume stood at 809 kgs, representing a YoY increase of 13%. Processing and manufacturing volumes remained broadly stable at 491 kgs, while job work volumes increased to 318 kgs, registering a significant YoY growth of 44%. This reflects the growing contribution of job work services to our overall operating volume.

For the first half of FY27, total operating volumes increased to 1327 kgs, representing YoY growth of 12%. Processing and manufacturing volumes stood at 783 kgs, slightly declining by 5% YoY, while job work volumes on the other hand increased significantly by 51% YoY to 544 kgs. Growth in job work volumes is strategically positive as the segment offers higher margins, lower working capital requirements and no exposure to gold price fluctuations as the gold is provided by the customer.



As we continue to develop this segment, our focus remains on building its contribution in a manner that complements our core manufacturing business.

Looking ahead, we remain focused on strengthening our core manufacturing business, expanding our job work operations and improving the utilization of our manufacturing capabilities. At the same time, we recognize the importance of maintaining profitability and financial discipline as the business grows.

Our priorities will remain centered on sustainable revenue growth, operational efficiency and prudent management of working capital, while building a stronger platform for the next phase of our journey. With that, I would now like to invite our CFO, Mr. G. K. Srinivas to share the financial highlights for the period under review.

G. K. Srinivas:

Thank you Mr. Dev, and good evening everyone.

For the 2nd Quarter of the Financial Year 2027, revenue from operations grew 25% YoY to INR 626 crores. EBITDA stood at INR 45 crores, registering a YoY growth of 17% with EBITDA margins at 7.24%. Profit after tax increased 37% YoY to Rs. 37 crores, translating into a PAT margin of 5.96%.

Coming to our financial performance for the first half of the financial year 2027:

Revenue from operations grew 30% year-on-year to INR 1057 crores. EBITDA increased by 24% year-on-year to INR 84 crores, with EBITDA margin at 7.95%. Profit after tax stood at INR 64 crores, registering a YoY growth of 32% while PAT margins came in at 6.07%. The moderation in growth during the 2nd Quarter was primarily attributable to the shift in festive demand.

Our business typically follows a seasonal pattern, with the first half contributing around 40% of annual revenue and a larger share accruing in the second half. The shift in festive demand into the second half along with the fresh issue proceeds is expected to support our growth trajectory in the second half of the financial year 2027.

On the profitability front, EBITDA margins were impacted by lower gross margins and a marginal increase in employee expenses. Despite this, PAT margins improved YoY, supported by higher other income and a lower tax outflow.

With this, we now open the floor for questions and answers session.

Moderator:

Thank you to the management team for sharing their insights and the detailed presentation. We will now open the floor for Q&A session. First question is from the line of Chintan Sheth from Girik Capital. Please go ahead.



- Chintan Sheth:** Thank you for the opportunity and congrats for the good set of numbers. My question is on the gross margin, both in terms of percentage as well as the grammage basis, we have seen a decline this quarter. Even if we look at the job work realization, there has been a 10% drop on a YoY basis from Rs. 200 to Rs. 180 per gram. So, if you can explain a little bit more on what drove the grammage drop in terms of our gross profitability as well as percentage.
- Dev Agarwal:** I will be happy to do that. The slightLY fall in the gross margin is primarily due to more sales of plain gold jewellery than the studded jewellery. There has been a slight change in the sales mix between the studded jewellery and the plain gold jewellery, favoring a slightly higher plain gold jewellery sales and as a universally known fact, plain gold jewellery sales offer a slightly lower margin than the studded jewellery sales. So, in Q2 our company observed more of sales in plain gold jewellery and hence the company has observed a slight fall in the gross margin. There is no strategic or any major operational change that has caused this. It is just a change in the SKU mix which is expected to normalize in the upcoming quarters.
- Chintan Sheth:** Got it and if I look at our receivable days as well as inventories for the first half which you have reported it has seen a substantial increase versus the year end number of FY26. If you can elaborate, how should one view this going forward basis that would be helpful?
- Dev Agarwal:** First of all, comparing March numbers to September numbers is not a very right manner to do it because as the books close in the year end, all the corporate clients tend to stop their purchasing in the last week itself and as there is no festive season in the month of March or April, there is slightly lower sale in the second half of March whereas September end is the onset of the major festive season. So, between March and September numbers does not always give a true picture. But yes, I accept that there has been a slight increase in the inventory days as well as the trade receivable days when we compare it to the numbers of September Fiscal '26.
- The increase in the inventory is because of the expansion of inventory in our new sales office in Vijayawada which was not there in September last year. So, with the incremental inventory upscaled only in the month of September, with the IPO funds that we got on 8th September as the company got listed, we had upscaled our inventory. But the effect of the increase in inventory has not yet reflected in the P&L because it was there only for a month. So, from the 3rd Quarter onwards, we expect our inventory and the trade receivable cycle to get normalized.
- Chintan Sheth:** Normalized to 18-20 days for inventory and 50 days for receivables?
- Dev Agarwal:** As a business, we see our overall working capital cycle because as there is an element of seasonality involved, in times of peak season, our inventory days go down while our trade receivable days go up. And it is the opposite in times of off-season. So, we as a company check



for the sum total of inventory days and trade receivable days. And we expect going forward, the sum total of our working capital employed to be in the range of 55-65 days.

Chintan Sheth:

Okay. Thank you.

Moderator:

Thank you. Next question is from the line of Devanshu Bansal from Emkay Global. Please go ahead.

Devanshu Bansal:

Yes sir. Hi. Congratulations on your listing, strong numbers and thank you for the opportunity. Dev, I wanted to check if you could just help us better understand your revenue outlook over the next 2-3 years. Maybe in terms of new categories which you are targeting, new clients which you are trying to onboard, maybe a few stand-alone chains that you may sort of look at, etc. So, if you could just help us better understand your 2–3-year view, as in how growth should sort of ramp up for Deepa Jewellers in the near future.

Dev Agarwal:

Yes sir. Thank you very much. I will be happy to do that. Our growth in the next 2-3 years will come from 3 areas. The first is our expansion in terms of geography. The way we have opened our sales office in Vijayawada with an intention to penetrate into the Tier-2 and Tier-3 towns and cities to get access to the regional chain stores as well as the large stand-alone stores of that area. This move of opening sales offices gives us 3 advantages. The first being that we get access to an entirely new market. The second, it deconcentrates our risk of concentrating the sales in the hands of a few players. And the third is that we are able to extract a better conversion margin because of scarcity premium. So, with the success that we got in Vijayawada, we plan to replicate the same by opening an office in Chennai in the month of December and another office in Bangalore in the month of April-May. So, my first growth in terms of revenue will come from my new geographies where I will be getting new clients.

My second growth will come from my expansion of SKUs. The way we had started with vaddanam and now we have expanded to 16 categories. We are continuously developing newer categories of products and primarily focusing on the studded jewellery aspect which offers a better margin than the plain gold jewellery.

In this aspect, we are exploring opportunities in the Studded Casting Jewellery, Nakshi Jewellery, Tapa Jewellery. We have already launched 16 SKUs in the 1st Quarter itself which we have got a very good response. So, our second growth is the expansion of SKUs and trying to cross-sell these to our existing clients by virtue of our already established client network.

Now my third growth will come from the rapid expansion of our own clients. Our own clients, to name a few include Joyalukkas, Kalyan, Lalitha, Bhima and so on who are rapidly increasing their store count and with them of late trying to adopt a franchisee model. The rate of their expansion has increased rapidly.



So, to match their pace of expansion, we indirectly foster our growth. As their store count increases, we not only get sales of one time inventory filling, but also incremental sales of stock replenishment and hence the expansion of our corporate clientele will help us increase our sales. So, for FY27, '28 and '29, we expect a CAGR growth of between 40%-45%.

Devanshu Bansal: So, your 1H growth is 30 but with the capital infusion you expect growth to accelerate to 40%-45%.

Dev Agarwal: Yes sir.

Devanshu Bansal: And this is applicable for FY27 also?

Dev Agarwal: Yes, yes. For FY27 we expect a growth between 40-45% when compared to March 26.

Moderator: Thank you. Devanshu, I will request you to come back for a follow-up question. Next question is from the land of Hrushikesh Shah from Alchemy Capital. Please go ahead.

Hrushikesh Shah: Congratulations on your listing. My first question is on your new facility that you are commencing. So, do you think for the next 2-3 quarters till the time your facility is online and the ramp-up is going on, your margins may see some kind of decline?

Dev Agarwal: Sir, just a small clarification. The activities in the manufacturing facility has already commenced. In the 1st Quarter a total of 65 kgs which is 13% of our total volume has been processed in the facility.

In the 2nd Quarter this has expanded to 167 kgs which is about 21% of our total volume processed. In the 3rd Quarter we expect this percentage to be close to 40% and in the 4th Quarter we expect it to be around 50%. So, the manufacturing facility has already commenced its operations.

In the 1st and the 2nd Quarter the expenses incurred with respect to depreciation on fixed assets and also additional employee benefit expenses paid to the karigars has led to a slight fall in the margin. But the actual benefit of the manufacturing facility will be seen in the P&L from 3rd Quarter onwards as a good share of our total volume will be processed in the facility.

Hrushikesh Shah: My second question is in continuation to the first participant. If I look at the realization of own processing, it has gone down from Rs. 14,500 to Rs. 12,600 per gram. So, this reason is because of plain jewellery, right? This is what you are saying?

Dev Agarwal: Not only that, sir. When we come to the 1st Quarter, we have seen a fall in the gold price as well, and as well as more of a sale of plain gold jewellery as well as a slightly higher sale of 18 karat gold jewellery. And hence the realization per gram has gone down.



So, it is a combination of three factors. I repeat, the first is because of the fall in the gold prices. Second is more sale of plain gold jewellery. And the third is an increase in the sale of 18 karat jewellery.

Moderator: Thank you very much. Rishikesh, I request to come back for a follow-up. Participants, please limit yourself to two questions and rejoin for a follow-up question. Next question is from line of Riddhansh Chandak from Unified Asset Management. Please go ahead.

Riddhansh Chandak: Hi, Dev. Congrats on the listing. Dev, since this is your maiden call, can I request you to please give an outlook of how clients decide on placing job work orders or a manufacturing order, the entire process of that. And for you specifically, when you are bidding or speaking to clients in regards to picking up the orders, when you are looking at pricing, is it like you have a conversion margin in mind or is it a fixed margin in mind? So, that is the first question. And the second question is if you could articulate your thoughts on hedging and how do you undertake the hedging? How much is the GML? How much do you hedge on the MCX? And how does the entire triangulation of the hedging work internally?

Dev Agarwal: Yes, answering your first question first. With every corporate client, we have two price lists and two agreements made. The first is with respect to the sales which we make through invoice basis with our own gold. And the second is sales through job work basis. And the conversion margin that we have in both the models is the same. There is a slight difference in the rate offered in terms of job work because of the lower working capital employed. For example, if we offer a 5% wastage to a client for sales through invoice basis, we offer about 4% of wastage for job work. And the 1% difference is because my working capital is not blocked. But at an ROCE level or an ROE level, my both the models have a similar conversion margin.

The only difference between the margins is with respect to my working capital deployment. And coming to the choice of purchase between the invoice basis and the job work model, our clients have the flexibility to purchase in whichever model they want to because their purchasing pattern will depend on the availability of cash funds with them or more of old gold with them. So, depending upon the availability of funds or metal with them, they have a choice in purchasing from invoice or through job work.

So, in all practicality, while they approach us for sales or for orders, they give us orders or they select goods from our inventory. And then within a day or two, they let us know their choice of purchasing through invoice or job work. If it is job work, they send gold to us and within 2-3 days, we manufacture the ornaments and we supply it back to them. Whereas in case of invoice basis, we fix the gold rate, and we supply it to them with our own gold. So, the entire choice and the entire flexibility of purchasing choice is in the hands of the customer and we as a company are agnostic to it as both the models offer us a similar conversion margin.



Answering your second part of the question regarding hedging, as of 30th September, 94% of our total gold holding is hedged. We hedge through three mechanisms, the first being gold metal loan, the second being entering into short positions on MCX and the third model is back-to-back price fixing or unfixed purchases from our bullion suppliers. So, with a mix of these three mechanisms, we continuously hedge our gold inventory. Let me explain you a bit briefly on how we do it.

In case of GML, we take the physical gold from the bank on an unfixed rate basis at a nominal interest rate of 3.25% per annum. And we take the gold from the bank, we convert it into ornaments, we supply to the customer and whenever the customer fixes the gold price for it, we fix the same price with the bank. This helps us negate any kind of gain or loss that happens because of the gold price movement.

My second hedging policy is with respect to MCX hedging. In this regard, we purchase physical bullion from the local market and at the same time enter into a short position on MCX futures. So, with the gold that we purchase, we convert it into ornaments, we supply it to the customer and whenever the customer fixes the price, we square off the MCX position that we had.

The third is a policy of back-to-back pricing or unfixed purchases from bullion suppliers. In this, we purchase gold from our bullion suppliers on an unfixed rate basis and whenever the customer fixes the gold price with us, we fix the same price with our bullion supplier for the same quantity at the same time. So, with the mix of these three, we are able to hedge 94% of our gold holdings as of 30th September and as the company's policy, we aim to expand it close to 100% in the next two to three quarters.

Moderator: Thank you. The next question comes from the line of Basant Patil from Wealth Company. Please go ahead.

Basant Patil: I just wanted to understand, in the quarter, our manufacturing volumes were, actually we have marginally de-grown. So, despite the growth in the B2C level, so why our volumes have been declined? So, can you elaborate on this? That is the first thing.

And on the second question, now at the B2C level, customers are changing, they are giving back their old gold and buying new ornaments. So, how this will impact our inventory in the B2B category? So, how the old gold is going back to us?

So, how this will work? Can you elaborate on this? So, thank you.

Dev Agarwal: Your second question actually answers your first question, sir. As you say, our company has seen a slight fall in the sales through invoice basis because of the fact that the customers at the retail level have shifted their purchase from cash purchase to old gold. So, as our customers, I



mean as our clients who are the retailers are getting more of old gold and not cash, they are forced to purchase in the form of job work through us.

And hence, our sales through invoice basis has slightly gone down and in practicality, the sales volume has not gone down, it has just shifted from invoice basis to job work basis. This shift is because of more of old gold exchanges at the retail level because of the sudden rise in the prices of the gold and also as the urge and speech by our beloved Prime Minister Mr. Modi urging the people not to purchase new gold and instead they can exchange the old gold. So, these two elements have led to more of old gold exchange sales which in turn for a B2B business has seen a shift in sales from invoice basis to sales in job work basis.

Basant Patil: Okay, understood. Okay, thank you. I will come back in the queue.

Moderator: Thank you. Next question is from the line of Pawan Kumar from Shade Capital. Please go ahead.

Pawan Kumar: Thank you for the opportunity. So, my first question is that we have seen a sharp fall in EBITDA margin. Can you explain the reason? Can you guide us what could be the EBITDA margin for this year?

Dev Agarwal: Yes, as answered earlier, there is a fall in the EBITDA margin primarily because of a slight shift in the SKU mix, tilted more towards plain gold jewellery but this is expected to normalize in the coming quarters and also with our new manufacturing facility gaining momentum and also our penetration into Tier-2 and Tier-3 cities targeting standalone stores, we expect our EBITDA margins to be on a growth side in the coming quarters as well. So, over the next 4-5 quarters, we expect about 80-120 bps increase in our EBITDA margins over a period of next 4-6 quarters.

Pawan Kumar: Okay, thank you for the answer. My second question is like now you have already started the new facility so would you be replacing your karigar network or that would be add-on going forward as you are envisioning a pretty high growth rate?

Dev Agarwal: Yes, currently initially as there were some kind of teething issues in the manufacturing facility which is very common for any new facility we had only targeted manufacturing the incremental demand or the new SKUs in our factory but from 4th quarter of this fiscal year onwards we will start to shift the manufacturing activities which were earlier outsourced to in-house manufacturing but always in the long run going ahead we will always have a hybrid model wherein a certain percentage of goods will be manufactured in-house and a certain percentage will be manufactured outsourced and as a company in the long run we feel the ideal ratio to be 65%-35% wherein 65% of the goods to be manufactured in-house and 35% of the goods to be outsourced.



- Pawan Kumar:** Just to follow up, as you mentioned that going forward you will be hedging 100% of the gold exposure which primarily means there will not be any volatility effect on the margin due to the volatility in the gold prices, is that understanding correct?
- Dev Agarwal:** Yes, absolutely right. As on date also we had 94% so there is very insignificant impact of the changes in gold prices but as the business is expanding in this scale of operations we will expand this ratio to be 100%. Over the last 2-3 years we have expanded it from 75% to 94% and over the next 2-3 quarters it will be close to 100%.
- Pawan Kumar:** Okay, thank you sir for all your answers and good luck.
- Dev Agarwal:** Thank you very much sir, thank you.
- Moderator:** Thank you. Next question is from the line of Gaurav Agarwal from VA Capital Advisors. Please go ahead.
- Gaurav Agarwal:** Yes, actually I missed your point where you were talking about the 180 basis points or 200 basis points dip in the next 4-6 quarters in the EBITDA margin, can you please elaborate on that?
- Dev Agarwal:** There is a small correction, I had mentioned 80 to 120, 80 to 120.
- Gaurav Agarwal:** There will be a dip in the margins in the next 4-6 quarters.
- Dev Agarwal:** No, no, I was talking about an increase in the margins.
- Gaurav Agarwal:** Okay, increase in the margins.
- Dev Agarwal:** Sir, it is not a dip sir, I mentioned that our EBITDA margin will increase by 80 to 120 basis points.
- Gaurav Agarwal:** So my second question is pertaining to the compensation you had mentioned in the opening commentary that there is no salary being drawn since October, so how are you thinking about compensating going ahead, like will there be any stake sale or anything?
- Dev Agarwal:** As of now, I as promoter of the company on a personal front have sufficient liquidity and as we are more inclined to the faster growth of the company, currently we have no plans of drawing any kind of salary at least for 10 quarters from now. Post which, basis on the board's recommendation, we will be taking the call, but at least for 10 quarters from now, we will not be drawing any kind of salary.
- Gaurav Agarwal:** Okay, my last question sir, the inventory to sales ratio has been 1:10 for FY26, will it be the same going forward?
- Dev Agarwal:** Yes sir, we aim to maintain the ratio, all similar lines.



Moderator: Thank you. Next question is from line of Prince Chaudhary from Pinc Wealth. Please go ahead.

Prince Chaudhary: So, I have a question since I am new to the company. So, just wanted to understand that since 2025, we were making EBITDA margin of 4% and then from last year, that margin has been increased to 8% and still in next 6 months also, we have been doing around 7.8%, 7.9% EBITDA margin.

So, I wanted to understand what structurally has changed in the company that you know that EBITDA margin has shoot up, in fact it has doubled. So, is it due to like increase in gold price or product mix or operating leverage and if tomorrow let's say the gold price falls, how much it can impact our EBITDA margin if you can just quantify it?

Dev Agarwal: Yes sir, the expansion in the EBITDA margin was because of 4 primary reasons. The first reason is the change in SKU mix. Share of our studded jewellery or vaddanam has increased in the last 2 years. It has helped us clock up the better conversion margin. That is the first aspect. The second has been our increase in the job work sales, which offer a better margin than that of the sales through invoice basis. The third reason is the change in the client mix because the share of our standalone store sale has increased who offer a better conversion margin to us. The fourth being a change in the trend. Earlier there was a kind of vaddanam called a sheet type of vaddanam wherein 80% of the weight was plain gold which offered a very low margins. But with the change in the trend in the market at the industry level, instead of sheet type of vaddanam, now we have temple type of vaddanam to offer a better margin because of higher intricacy and higher usage of stones. Another reason is that in the manufacture of these temple type of vaddanam, we use low spare parts or screws and also we use a technology called casting technology or electro foaming technology through which we manufacture idols at a lower costing when compared to the earlier Thappa, Nakshi or Junagadh work wherein the idols were handmade. Along with all these factors, yes, operating leverage has also slightly benefitted us which means with rapid rise in prices that we have seen in the last two years, we got a benefit of operational leverage as well. By that I mean my selling price is in terms of percentage of my gold price whereas the costing is in terms of rupees per gram. So, with the speed of rise in the gold prices, my costing has not risen at the same level, which has helped me expand my margin slightly because of operational leverage. And yes, to quantify the impact of this, I would say when compared to fiscal '25 and '26, in fiscal '25, the average gold price that we sold was about Rs. 8,000 per gram which increased to Rs. 11,950 per gram. So, a 50% increase in the gold prices has resulted to an expansion of margin by 62 basis points. So, yes, from today onwards, if we see a fall in the gold price to 50%, this might impact our gross margins at only 60 bps. So, we do not foresee this as a major risk to our business.

Prince Chaudhary: Got it sir. And sir, since you mentioned that job work offers better margin, but since we have now opened our own new manufacturing, will that be impacting our margins then?



- Dev Agarwal:** Yes sir. It will additionally benefit us because manufacturing goods in-house will add on to our margins because we can manufacture goods at a lower costing in our own facility. And hence, it will help us expand our margins more.
- Moderator:** Thank you. Sir, I will request you to come back for a follow-up. Next question is from the line of Priyanshu Gupta from Sovereign. Please go ahead.
- Priyanshu Gupta:** Sir, I have a question about the capacity that we have launched in the month of September, can you please quantify on the...
- Moderator:** Priyansh, I'm sorry to interrupt.
- Moderator:** Your voice is breaking. Can you come in a better reception area please?
- Priyanshu Gupta:** Is it fine now?
- Moderator:** Slightly better.
- Priyanshu Gupta:** So, my question is that can you please quantify on the capacity that we have commissioned in the month of September, like how much capacity do you think is missing in that? And on the second, my question is that, on the revenue guidance, what gold price are we incorporating in this guidance?
- Dev Agarwal:** Yes, sir. If I heard it right, the first question was with respect to the total capacity of the manufacturing facility. To answer that, our current manufacturing facility at a single shift basis can manufacture about 1.5 tonnes annually. And working at a double shift, it can go up to 2.5 tonnes annually. And answering your second question, estimating a 40% to 50% revenue CAGR growth for the next two years, we have taken the gold price to be constant at a rate of 24-karat rate of Rs. 50,000.
- Moderator:** Thank you. Next question is from Hrushikesh Shah from Alchemy Capital. Please go ahead.
- Hrushikesh Shah:** Yes, sir. This is in continuation to the first question. I understood that your gold prices, 16 karat gold has led to lower realization. But even when I look at your job work, your realization per gram has decreased by 35%. So, what would be the reason for that? Because that is an increasing segment for us. The job work segment.
- Dev Agarwal:** Yes, sir. If we compare our Rs. 202 in the 2nd Quarter of last fiscal year, my job work, my realization has come down to 178. So, this is about 11% fall. So, this is mainly because of shift towards more of plain gold sales and not studded jewelry sales. So, this does not imply any change in the pricing mechanism with the customers. It is a change in only the SKU mix of sales and not any major operational sales.



- Hrushikesh Shah:** Usually for job work, we charge it on percentage basis, right? It is not grammage basis?
- Dev Agarwal:** Yes, it is not on percentage basis.
- Moderator:** Thank you. We shall request you to come back for a follow-up. Next question is from the line of Mohammed from IQ Quantum Solutions. Please go ahead.
- Nainav Mohammed:** The question pertains to working capital requirements. As you said, you will be growing 40% CAGR for the next two to three years. How do you plan to fund the working capital requirements going forward?
- Dev Agarwal:** As per our future positions plan, the internal accruals and the funds raised from the IPO will be sufficient to sustain this kind of a growth rate for the next three years up to FY29. So, our internal accruals alongside the IPO proceeds and the company's existing debt, these three together will be sufficient enough to sustain the growth rate of the company.
- Nainav Mohammed:** Thank you. Next question is regarding the tax rate. It was 15%. What was the reason for it? And will it go back to 25% from next quarter onwards?
- G. K. Srinivas:** The tax rate applicable to the company is 25.168%, which is the standard rate applicable. The lower tax in the current year is on account of deferred tax, which has occurred on account of the timing differences in Companies Act and Income Tax Act for the IPO expenses. Whereas the IPO expenses under Companies Act are set up against securities premium. Under the Income Tax Act, they are allowed over a period of five years. So, the impact of that is shown in the current year, so the tax seems lower. This will get evened out as we go forward in the subsequent years and Income Tax allows it at the rate of 20% in the next year. The rate of tax applicable to the company is a standard of 25.168%, including surcharge and cess.
- Moderator:** Thank you. Next question is from the line of Vendant Chandak from Unify AMC. Please go ahead.
- Riddhansh Chandak:** I am trying to understand that, how will your margins expand by 80 to 120 bps? Because order placement of whether it is 18 karat or whether it is on a job work or a manufacturing model is not in your hands. It is in your customers' hands. So, what are the levers that are available to you to expand margins? And also, within this question, if you could speak about what is the studded share as a percentage of your current revenues or the sales that you do, and is studded a lever for you that you are building in for this expansion in the margins?
- Dev Agarwal:** Yes, sir. Answering your question in detail, as of the first half of this fiscal year, 57% of our sales were studded jewellery sales and 43% were plain gold jewellery sales. And with regard to sustaining and expanding our EBITDA margins, this is the assumption based on our historical ratios. Historically, we have the data for the last 4 to 5 years wherein the purchasing patterns



of our customers whether in terms of purchasing groups, job offer and invoice basis, based on the sustainability of the historical trends, we have assumed this expansion in terms of EBITDA margins. And regarding caratage, the company has the same margin in case of 18 karat as well as 22 karat. So, karat wise, the company is totally agnostic, but yes, in terms of job work sales and in terms of invoice sales, based on the historical ratios and assuming the similar ratios, we expect an expansion of EBITDA margins primarily because of our expansion of manufacturing facilities, second, our increase of studded jewellery sales mix and third, our contribution of stand-alone store sales increasing in the coming quarters as well because of our new hill services through which we will be penetrating and targeting regional chains and large stand-alone stores which offer a better margins. So, with these three factors which are in our hands, we expect an expansion of 80 to 100 basis considering the ratio of job work and invoices as we had in the past.

Moderator: Next question is from the line of Jaswant Kumar Chajjer, an Individual Investor. Please go ahead.

Jaswant Kumar Chajjer: First of all, congratulations on the successful listing and the good set of numbers. So, my question is basically two parts, right? One is, in the B2B jewellery manufacturing business, is it possible for any company to do a revenue of Rs. 20,000 crores or Rs. 30,000 crores a year? If yes, then what are the key ingredients that need to be in place for a company to reach that scale? And the second part to the same question is how could a company achieve that because B2B jewellery manufacturing business is a very capital-intensive business, right? So, what could be the path to a sustained growth, if you can share your thoughts around that, we will really appreciate it.

Dev Agarwal: Yes, answering the first part of the question, any B2B business can reach a stage of Rs. 20,000 crores sale or Rs. 30,000 crores sale because the total industry market of the industry is approximately roughly around Rs. 10 lakh crores. So, when I talk about a total market of 10 lakh crores, a 30,000 sale of a 10 lakh crore market is just 3%. So, any B2B business can reach that level and yes, that hinderance can be the deployment of working capital and yes, through continuous deployment of internal accruals, leveraging on debt and also a company can reach to a stage of probably Rs. 20,000 crores as the market is very huge. And for that, as the business, the company has to only focus on execution because the time is very used, the manufacturing structures are always there. The company has just taken care of the proper execution, proper working capital cycle management because managing such a scale of business would need efficient working capital management. So, as long as any business is managing its working capital well, any business with a steady and consistent growth can reach to that level.

Moderator: Thank you. Next question is from the line of Rajiv from Nuvama Wealth Management. Please go ahead.



- Rajiv:** What is the thumb rule if your advanced gold business, let's say, goes up by 10% as compared to a base quarter? How does it reflect in terms of gross margin increase if everything else is kept the same?
- Dev Agarwal:** Our job work business is about 75% EBITDA margin business. So, any 10% increase would be somewhere around. And on invoice basis, we make around 8%. So, incrementally, we earn about 67%. So, any 10% increase in the business would mean an increase of about 45 basis points in our EBITDA margin.
- Rajiv:** And at gross margin level?
- Dev Agarwal:** Close to 60 basis points.
- Rajiv:** So, because we have increased our proportion by, let's say, 7-8 percentage points, and ideally, if everything else has been the same, 16 to 8, that is 5.5 percentage point, 50 kind of bps increase should have been there in that scheme of things, plus you have lost 30. So, the base business also would have lost something like 70-80 basis points in terms of the non-job work business also lost 70-80 basis points in terms of gross margin.
- Dev Agarwal:** Yes, as mentioned earlier, there has been a fall in studded jewellery sales from 65%. The share of studded jewellery was 65% in the last fiscal year, which has slightly come down to 57%. So, this fall has led to a fall in the margins of the business as such.
- Rajiv:** And sir, what is the aspiration here? The 57% settles where?
- Dev Agarwal:** Sorry, I am not able to follow you.
- Rajiv:** The 57% studded number which is for the current quarter, where do you see that settling in the sense, what is the aspiration?
- Dev Agarwal:** Over the next four quarters, we see this number expanding to 75%. Because whatever new SKUs that we have started in our in-house manufacturing facility, we are focusing only on studded jewellery manufacturing only. So, in the next three to four quarters, we aim to take this number to 75%.
- Moderator:** Ladies and gentlemen, we will take that as the last question. And now I hand the conference over to the management from Deepa Jewellers Limited for closing comments.
- Dev Agarwal:** Thank you very much to all the participants for joining us in this Earnings Call. I hope we were able to answer all your questions satisfactorily and at the same time offer insights into our business. If you have any further questions or would like to know more about the company,



Deepa Jewellers Limited
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you can reach out to our Investor Relations Team at Valorem Advisors, and will be very happy answering all the queries and questions there. Thank you very much and have a good day.

Moderator:

Thank you very much. On behalf of Deepa Jewellers Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.