

**NOT RATED****D.P. ABHUSHAN**

Consumer Staples

06 October 2026

## Scaling via store expansion and richer mix

- Operates 12 stores (~53.7k sq ft) across MP & Rajasthan; Q1FY27 revenue/EBITDA/PAT +58%/+70%/+77% YoY; SSSG ~52%
- Store economics remain supported by high conversion at ~82% in FY26 and ~81% in Q1FY27, despite largely price-led growth
- Management targets 50 stores by FY30, with COCO-led expansion and a higher studded mix; FOCO introduced selectively

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**Scaling Up with Healthy Store Economics:** D.P. Abhushan's 12-store network delivers robust productivity with ~₹7.6 lakh/sq ft sales, ~82% conversion, 4.7x inventory turns and ~20% SSSG. Revenue grew at ~27% CAGR during FY23-26, while EBITDA margin improved to 7.6% on operating leverage and a richer product mix. Although recent growth has been largely value-led amid elevated gold prices, management remains confident of sustaining growth with a revenue target of ₹48-50bn in FY27 and Rs 55bn+ in FY28.

**Store expansion to drive the next leg of growth:** The company currently operates 12 stores across Madhya Pradesh and Rajasthan and targets expanding its network to 51 stores by FY30, primarily across Tier-II and Tier-III cities. In FY27, it plans to open around 3-4 company-owned stores, alongside a phased rollout of franchise and FOCO outlets. The company has earmarked approximately Rs50cr in capex, funded through internal accruals, for this expansion.

**Strengthening the leadership:** The company has made selective additions to its senior leadership team as it prepares for a larger scale of operations. Notably, Mr. Manish Ladha was appointed as Chief Financial Officer in June 2025, strengthening the finance function at a time when the business is undertaking an accelerated store expansion program and managing a growing working-capital base. The company further appointed Mr. Lav Kush as Chief Transformation Officer (CTO) / Head of Strategy in October 2025, with a mandate focused on organisational transformation, process standardisation and strategic execution.

**Mix is the margin lever:** Studded jewellery earns ~20-30% gross margin versus ~9-11% for gold. Management aims to lift its share from ~5-6% to ~15% by FY28, with studded revenue rising from ~Rs2.4bn in FY26 to ~Rs4.5-5.0bn over the next year. Silver (revenue +168% YoY in FY26) is a second, fast-growing category. Management targeting an increase in studded jewellery contribution from ~5-6% currently to ~15% by Mar'28. Diamond rev is expected to rise from ~Rs2.4bn in FY26 to ~Rs4.5-5.0bn over the next year, supported by higher penetration and store expansion.

|              |         |
|--------------|---------|
| Ticker       | DPAI IN |
| CMP          | 2,130   |
| Mcap (Rs mn) | 48,630  |
| Promoters    | 74.89   |
| FII          | 0.23    |
| DII          | 0       |
| Public       | 24.88   |

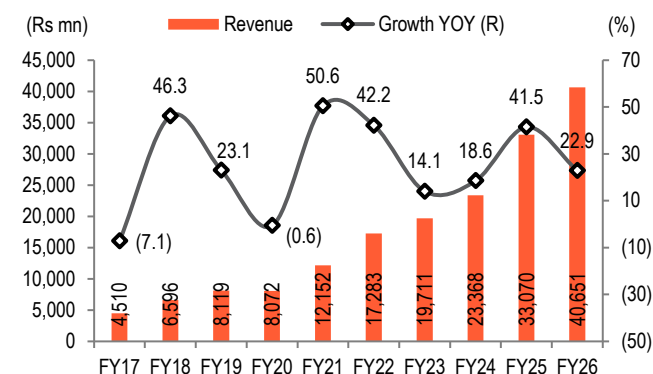
### Key financials

| Particulars | FY23   | FY24   | FY25   | FY26   |
|-------------|--------|--------|--------|--------|
| Revenue     | 19,711 | 23,368 | 33,070 | 40,651 |
| EBITDA      | 785    | 1,027  | 1,757  | 3,045  |
| PAT         | 453    | 619    | 1,127  | 2,118  |
| EPS         | 20.30  | 27.70  | 49.60  | 92.90  |

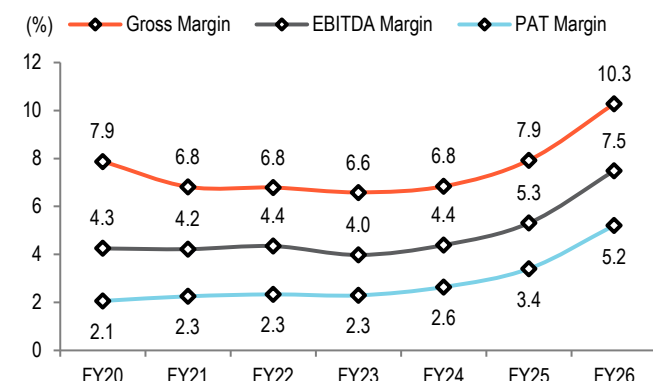
Source: Company, BOBCAPS Research



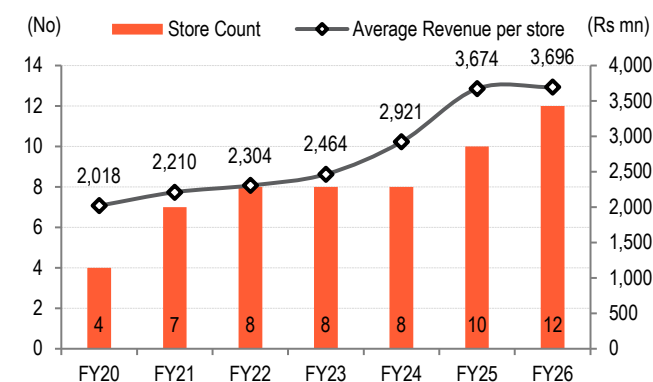
## Story in Charts

**Fig 1 – Revenue growth has accelerated with scale**


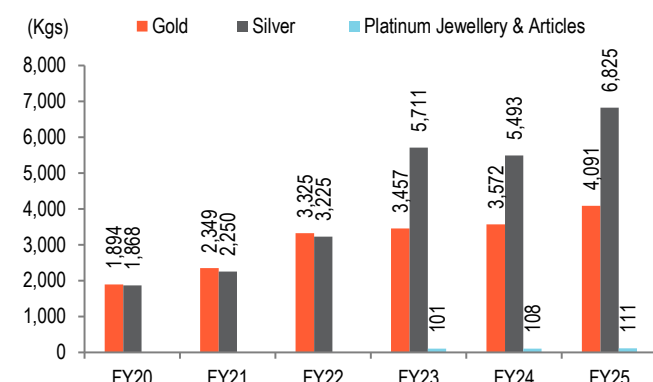
Source: Company, BOBCAPS Research

**Fig 2 – Profitability has stepped up in the last two years**


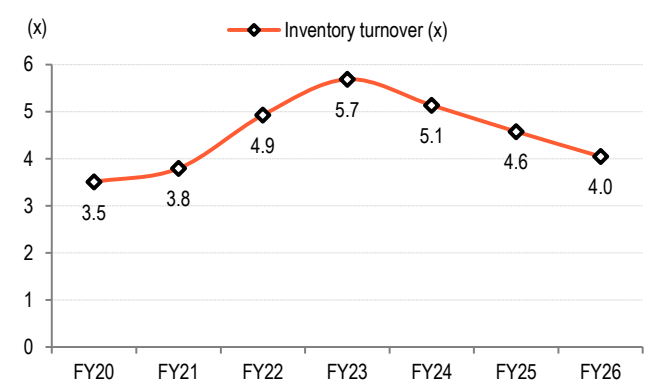
Source: Company, BOBCAPS Research

**Fig 3 – Store network and avg rev per store**


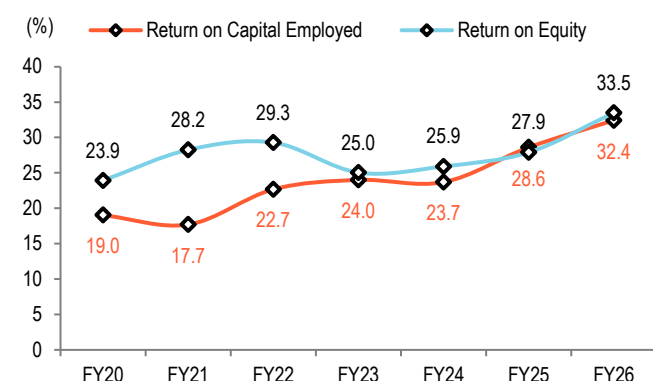
Source: Company, BOBCAPS Research

**Fig 4 – Jewellery volume trends over the years**


Source: Company, BOBCAPS Research

**Fig 5 – Inventory turns**


Source: BOBCAPS Research, Company

**Fig 6 – Return Ratios**


Source: BOBCAPS Research, Company

## Company Overview

### Regional Tier-II/III franchise Jewellery Player with an 86-Year Brand Legacy

D.P. Abhushan is one of Central India's leading jewellery retail chains, operating under the DP Jewellers brand. It manufactures, retails and trades gold, diamond, platinum and silver jewellery and other precious-metal products, and is headquartered in Ratlam, Madhya Pradesh. The business traces its origins to 1940; it was formalised as the partnership M/s D.P. Jewellers in 2003 by Ratanlal Kataria and Anil Kataria, and expanded with showrooms in Indore (2010), Udaipur (2012) and Bhopal (2015). Its strengths are brand heritage and customer trust built over four generations, a reputation for purity and transparent pricing, and a broad portfolio of traditional and contemporary designs. The company is known for maintaining high standards of purity, transparent pricing, and excellent customer service, which have helped it develop a loyal customer base. Another major strength is its diversified product portfolio, offering a wide range of traditional and contemporary gold, diamond, platinum, and silver jewelry to cater to different customer preferences. Its expansion-focused strategy and emphasis on operational excellence position it well for future growth in the Indian jewelry market.

**FY26 was a landmark year:** Revenue grew 23% YoY to Rs40.7bn, EBITDA rose 73% YoY to Rs3.05bn (margin up ~220bps to 7.5%) and PAT grew 88% YoY to Rs2.12bn, helped by gold-price tailwinds, the new Dhar showroom and continued traction in old-gold exchange. Management identifies three pillars for future growth: (1) expanding from 12 to ~50 stores by FY30, (2) raising the share of higher-margin studded jewellery, and (3) continued emphasis on capital efficiency through inventory productivity, old-gold exchange programmes, and selective use of FOCO structures and Gold Metal Loans (GMLs). It regards inventory turnover as its most important operating metric and key competitive advantage. Inventory turnover remains a key operating metric and an important competitive differentiator.

**Fig 7 – Company at a Glance (FY26)**

| Years of legacy | Generation | No. of stores | Total store area | Revenue/sq ft | Revenue/store | Inventory turns |
|-----------------|------------|---------------|------------------|---------------|---------------|-----------------|
| 86              | 4th        | 12            | 53,650 sq ft     | Rs7.58 lakh   | Rs3.39bn      | 4.7x            |

Source: Company, BOBCAPS Research.

**Fig 8 – Store network (FY26)**

| Location          | State | Opened               | Approx. size (sq ft) | Model            |
|-------------------|-------|----------------------|----------------------|------------------|
| Ratlam (flagship) | M.P.  | 1940                 | 2,100                | Owned/COCO       |
| Indore            | M.P.  | 2010 (expanded 2017) | 9,000                | COCO             |
| Udaipur           | Raj.  | 2012                 | 5,050                | COCO             |
| Bhopal            | M.P.  | 2015                 | 4,450                | COCO             |
| Ujjain            | M.P.  | 2020                 | 3,520                | COCO             |
| Bhilwara          | Raj.  | 2020                 | 4,000                | COCO             |
| Kota              | Raj.  | 2021                 | 2,830                | COCO             |
| Banswara          | Raj.  | 2022                 | 3,350                | COCO             |
| Ajmer             | Raj.  | Sep 2024             | 3,100                | COCO             |
| Neemuch           | M.P.  | Nov 2024             | 3,800                | COCO             |
| Ratlam II         | M.P.  | Apr 2025             | 9,450                | COCO             |
| Dhar              | M.P.  | Mar 2026             | 3,000                | COCO             |
| <b>Total</b>      |       |                      | <b>53,650</b>        | <b>12 stores</b> |

Source: Company, BOBCAPS Research.

**Fig 9 – City-wise store sales and SSSG**

| Store (Rs mn)      | FY23          | FY24          | FY25          | SSSG FY24 (%) | SSSG FY25 (%) |
|--------------------|---------------|---------------|---------------|---------------|---------------|
| Ratlam             | 5,580         | 6,630         | 9,480         | 19            | 43            |
| Indore             | 4,690         | 5,650         | 7,360         | 20            | 30            |
| Bhopal             | 2,050         | 2,380         | 3,910         | 16            | 65            |
| Udaipur            | 2,210         | 2,760         | 3,350         | 25            | 21            |
| Ujjain             | 1,740         | 2,170         | 3,020         | 25            | 39            |
| Bhilwara           | 830           | 900           | 1,100         | 8             | 23            |
| Kota               | 1,930         | 2,070         | 2,500         | 7             | 21            |
| Banswara           | 720           | 750           | 1,140         | 4             | 53            |
| Ajmer (Sep 2024)   | –             | –             | 460           | –             | –             |
| Neemuch (Nov 2024) | –             | –             | 670           | –             | –             |
| Exhibition         | –             | 100           | 120           | –             | –             |
| <b>Total</b>       | <b>19,750</b> | <b>23,400</b> | <b>33,120</b> | <b>18</b>     | <b>36</b>     |

Source: Company, BOBCAPS Research. Store-level totals differ marginally from reported revenue (FY25: Rs33,070mn).

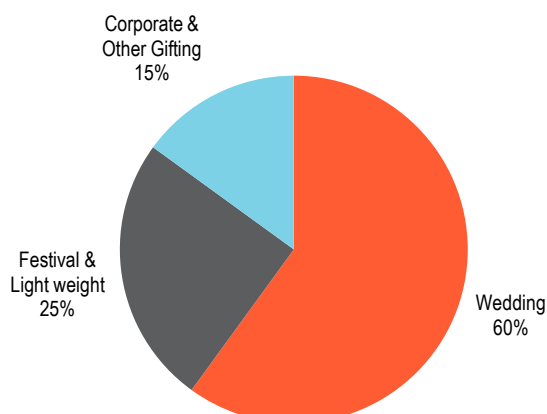
**Fig 10 – D.P. Jewellers' contemporary large-format showroom network**

Source: Company, BOBCAPS Research

**Fig 11 – Category-wise Volume Growth**

| Category       | FY24   | FY25   | YoY Growth (%) |
|----------------|--------|--------|----------------|
| Gold (kgs)     | 3,572  | 4,091  | 15             |
| Silver (kgs)   | 5,493  | 6,825  | 24             |
| Diamonds (cts) | 27,382 | 31,103 | 14             |
| Others (kgs)   | 108    | 111    | 3              |
| Others (pcs)   | 4,000  | 3,512  | (12)           |

Source: BOBCAPS Research, Company

**Fig 12 – FY26 Product category mix**

Source: BOBCAPS Research Company

## Operating Performance

### High conversion supports existing-store productivity

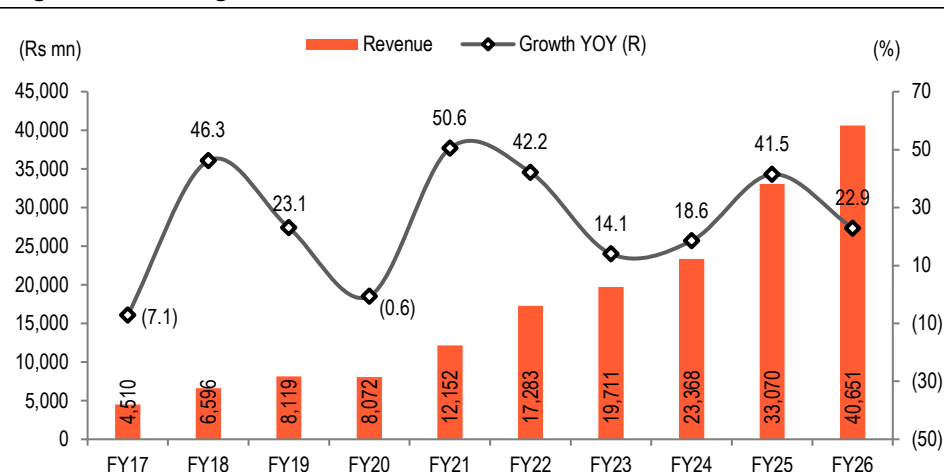
Annual walk-ins rose nearly 4x from ~60,800 in FY18 to ~234,700 in FY26, while conversion stayed above 80% throughout. Conversion was ~82% in FY26 and ~81% in Q1FY27, with Ratlam and Banswara at ~95% and Ratlam II at ~91% in Q1FY27. Sustaining high conversion alongside rising traffic supports the company's focus on assortment depth and relationship-led selling, although the gradual decline from 87% in FY24 bears watching as footfalls scale.

### Profitability inflection driven by mix, scale & operational efficiencies

Profitability has structurally improved over FY25-FY26, with gross margin expanding to 10.3% in FY26 (vs. 6.8% in FY24), EBITDA margin rising to 7.5% (vs. 4.4%) and PAT margin reaching 5.2% (vs. 2.6%). The margin expansion reflects a favorable shift towards higher-margin categories such as silver and diamond jewellery, improved realization through lightweight and value-added products, disciplined use of gold metal loans (GMLs) and comprehensive hedging practices. In addition, strong retail-led growth and store network expansion have driven operating leverage, enabling fixed costs to be absorbed over a larger revenue base and supporting sustained earnings improvement.

### SSSG remains strong, although recent growth has been largely price-led

SSSG increased from ~18% in FY24 to ~36% in FY25 and ~20% in FY26, before accelerating to ~52% in Q1FY27. However, recent growth has been driven largely by higher ticket values rather than volume expansion. Jewellery volumes declined by ~20% in FY26 amid elevated gold prices and affordability pressures, while Q1FY27 volume growth was limited to ~1-2% YoY despite revenue growth of ~58%, highlighting the significant contribution of gold-price inflation to reported sales growth.

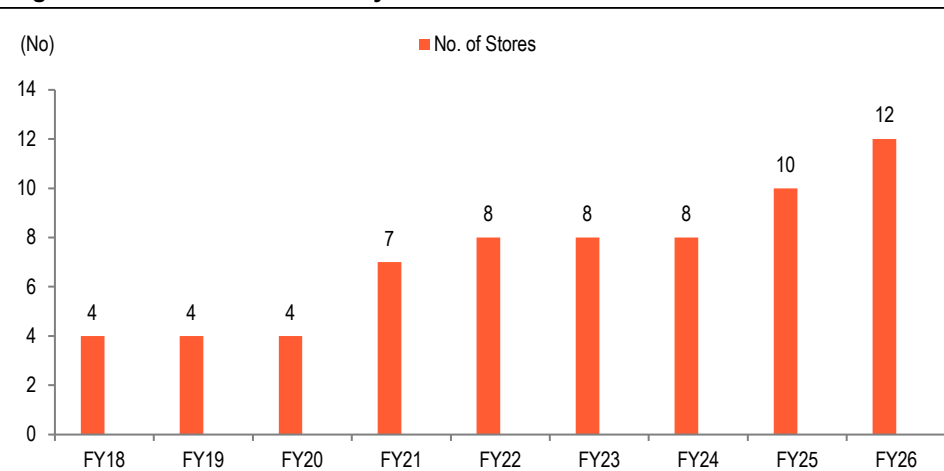
**Fig 13 – Revenue growth trend**

Source: Company, BOBCAPS Research

**Fig 14 – Category-wise volumes**

| Category          | FY24   | FY25   | YoY growth (%) |
|-------------------|--------|--------|----------------|
| Gold (kg)         | 3,572  | 4,091  | 15             |
| Silver (kg)       | 5,493  | 6,825  | 24             |
| Diamonds (carats) | 27,382 | 31,103 | 14             |
| Others (kg)       | 108    | 111    | 3              |
| Others (pieces)   | 4,000  | 3,512  | (12)           |

Source: Company, BOBCAPS Research

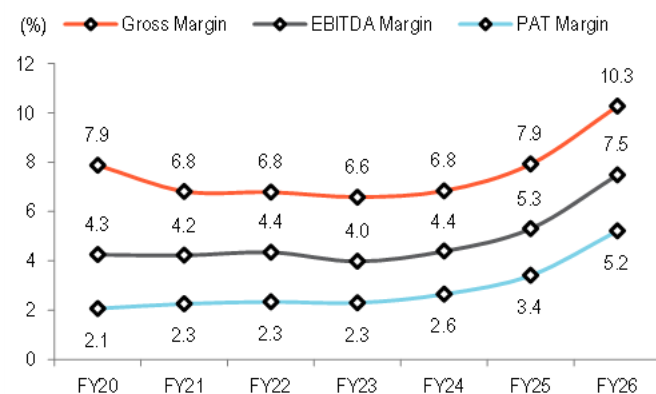
**Fig 15 – Store network over the years**

Source: Company, BOBCAPS Research

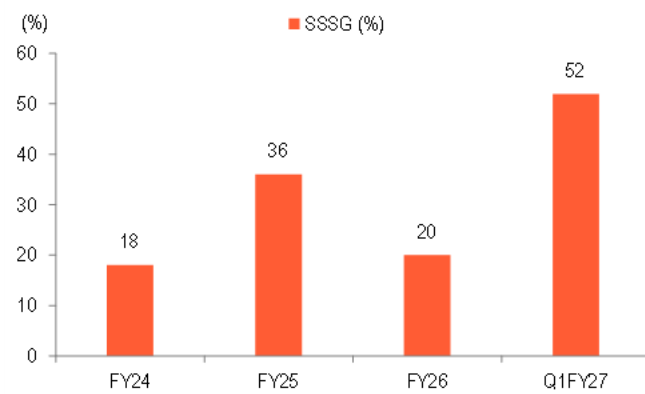
**Fig 16 – Strengthening presence through new showroom launches**

| New location | State           | Size (sq.ft.) | Model                         | Status (as of Jul-2026) |
|--------------|-----------------|---------------|-------------------------------|-------------------------|
| Dahod        | Gujarat (entry) | ~3,200        | COCO                          | Opening Sep'26          |
| Jabalpur     | M.P.            | ~3,750        | FOCO (pilot, first franchise) | Opening Oct'26          |
| Jodhpur      | Rajasthan       | NA            | COCO                          | Planned Nov'26          |
| Gwalior      | M.P.            | NA            | COCO                          | Planned Nov'26          |
| Nagpur       | Maharashtra     | NA            | COCO                          | Planned Dec'26          |
| Raipur       | Chhattisgarh    | NA            | COCO                          | Planned Dec'26          |

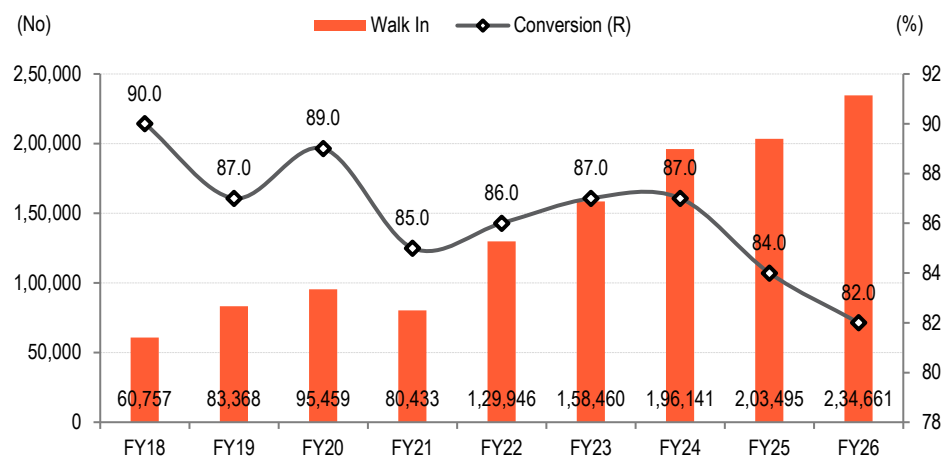
Source: Company, BOBCAPS Research

**Fig 17 – Profitability has stepped up in the last two years**

Source: Company, BOBCAPS Research

**Fig 18 – Same store sales growth**

Source: Company, BOBCAPS Research

**Fig 19 – Footfalls have increased, conversion remains above 80%**

Source: Company, BOBCAPS Research

## Growth Drivers

### Disciplined Multi-State Store Expansion

- Long-term target of ~50 stores by FY30 (vs 12 today), predominantly Company-Owned Company-Operated (COCO), with a first Franchisee-Owned Company-Operated (FOCO) pilot at Jabalpur; management guides to 5-7 COCO + 1-2 FOCO stores per year, scaled up gradually.
- Expansion radius strategy: entering adjacent geographies (Gujarat via Dahod, ~100 km from Ratlam; Rajasthan via Jodhpur; Maharashtra via Nagpur) where brand recall from existing customers already exists, ahead of larger metros such as Jaipur (targeted within 1-2 years).
- Store economics remain attractive, with a typical new showroom requiring approximately Rs 450-500mn of inventory and Rs 25-30mn of capex. For stores in the 3,000-5,000 sq ft format, revenue is targeted at approximately Rs 1.25-1.5bn within the first three years, implying inventory turns of ~3.0-3.5x, and Rs 2.25-2.5bn at maturity, implying inventory turns of ~4.5-5.0x. Store-level payback periods are estimated at approximately 6-9 months, reflecting the relatively asset-light nature of showroom expansion outside of inventory investment.

**Fig 20 – Details of Multi Store state expansion**

| New location | State                    | Size (sq ft) | Model                        | Status           |
|--------------|--------------------------|--------------|------------------------------|------------------|
| Dahod        | Gujarat (new state)      | ~3,200       | COCO                         | Opening Sep 2026 |
| Jabalpur     | M.P.                     | ~3,750       | FOCO (first franchise pilot) | Opening Oct 2026 |
| Jodhpur      | Rajasthan                | NA           | COCO                         | Planned Nov 2026 |
| Gwalior      | M.P.                     | NA           | COCO                         | Planned Nov 2026 |
| Nagpur       | Maharashtra (new state)  | NA           | COCO                         | Planned Dec 2026 |
| Raipur       | Chhattisgarh (new state) | NA           | COCO                         | Planned Dec 2026 |

Source: Company, BOBCAPS Research

### Omni-Channel & Digital Build-Out

- E-commerce website ([www.dpjewellers.com](http://www.dpjewellers.com)) and mobile application went live in Q1FY27 (available on Play Store and App Store); active expansion planned across third-party marketplaces, including Amazon.
- Digital channels are currently positioned primarily as customer-acquisition and brand-discovery tools rather than significant revenue drivers. Higher-value purchases, particularly products above ~10-15 grams, typically involve assisted selling and in-store engagement. E-commerce contribution is targeted at approximately 2% of sales over the next year, with a substantial proportion of online customer journeys expected to culminate in store purchases.

### Store economics improve as outlets mature

Store productivity is expected to improve as outlets mature, with inventory turnover increasing as customer awareness, familiarity and sales scale build over time. Newer stores typically operate at lower inventory turns, while established outlets can achieve materially higher inventory productivity. For mature stores, growth assumptions are ~10% initially, moderating towards ~5% as stores mature. Several established stores,

including Ratlam, Indore, Bhopal and Udaipur, already generate annual revenue of more than Rs 4,000mn each.

**Fig 21 – Management-indicated store economics and maturity profile**

| Metric                                | Management indication |
|---------------------------------------|-----------------------|
| Small/medium store format             | ~3,000-5,000 sq ft    |
| Large store format                    | ~8,000-10,000 sq ft   |
| Typical inventory at a new store      | ~Rs400-600mn          |
| Inventory turns after 2-3 years       | ~3x                   |
| Inventory turns after 4-5 years       | ~4.5-5x               |
| Inventory turns at some mature stores | ~8-9x                 |
| Small/medium-store revenue potential  | ~Rs1.5-2 bn           |
| Large-store revenue potential         | ~Rs3.5-4 bn by FY30E  |
| Store break-even                      | ~6-9 months           |

Source: Company, BOBCAPS Research

### Structured Gold Monetisation — 'DP Swarn Plus'

- Launched April 2026 in response to the gold import-duty hike (6% to 15%, May 2026): a 10-11 month gold-accumulation SIP (minimum Rs. 5,000/month) that price-averages customer purchases and locks in a forward-booked, high-conversion demand pipeline (with redemption against jewellery or bullion) with making-charge discounts of up to 40% (gold) / 50% (diamond) on redemption within 301-330 days.
- Old-gold exchange remains a larger, complementary lever, ~25-30% of sales, reducing dependence on fresh gold procurement and providing a natural hedge against price volatility."

### Category Mix Upgrade — Silver & Studded/Diamond

- Silver has emerged as a rapidly growing product category, with revenue increasing 168% YoY from Rs 0.6bn in FY25 to Rs 1.8bn in FY26, followed by 150% YoY growth in Q1FY27. The category is benefiting from customers seeking lower-ticket alternatives amid elevated gold prices and is viewed as a complementary growth driver that broadens the addressable customer base.
- Studded jewellery currently contributes ~5-6% of sales and management targets ~15% by Mar'28. Studded jewellery revenue is expected to increase significantly over the next two years through both existing-store development and expansion into larger Tier-2 cities such as Nagpur, Raipur and Gwalior. Studded jewellery carries gross margins of approximately 20-30% versus 9-11% for gold jewellery and therefore represents primary margin-expansion initiative.
- Risk-management framework: Real-time vendor-price replenishment, Gold Metal Loans (GML), and MCX-based hedging are being layered onto the traditional exchange-led procurement model to protect margin against gold-price swings. While these measures may result in a modest compression of reported gross margins, they are intended to support EBITDA margin stability within the broader near-term ~6-6.5% range.

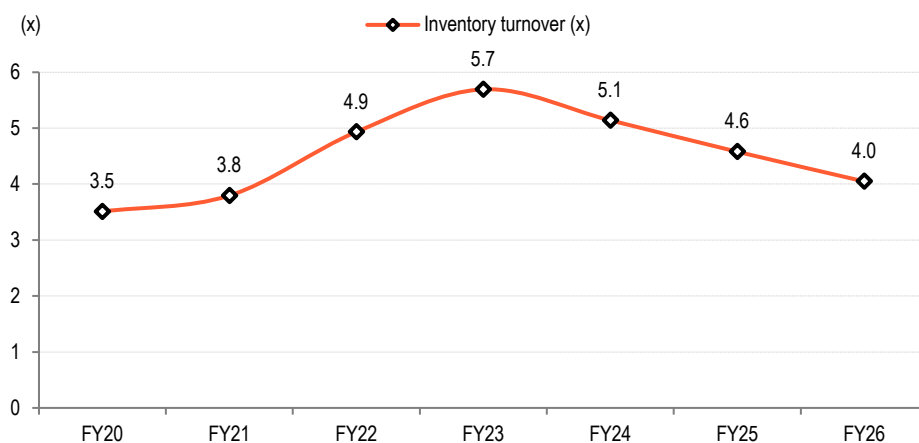
**Fig 22 – Category Mix data**

| Rs mn     | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | Q1FY27 |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|
| Gold      | 9,480  | 10,030 | 6,720  | 4,910  | 8,830  | 11,190 | 12,090 | 7,810  |
| Share (%) | 94.4   | 92.5   | 93.7   | 90.9   | 91.2   | 91.5   | 90.6   | 91.6   |
| Silver    | 150    | 290    | 160    | 160    | 310    | 670    | 690    | 400    |
| Share (%) | 1.5    | 2.7    | 2.2    | 3.0    | 3.2    | 5.5    | 5.2    | 4.7    |
| Diamond   | 380    | 490    | 260    | 310    | 510    | 330    | 360    | 290    |
| Share (%) | 3.8    | 4.5    | 3.6    | 5.7    | 5.3    | 2.7    | 2.7    | 3.4    |

Source: Company, BOBCAPS Research

### Fixed-asset-light operations, but inventory-intensive retail model

D.P. Abhushan combines centralised procurement and outsourced manufacturing with an inventory-intensive retail model. Procurement and inventory management are coordinated from Ratlam, while jewellery manufacturing is outsourced to a nationwide network of third-party goldsmiths and vendors. This limits fixed-asset intensity, although maintaining adequate design breadth across stores results in substantial working-capital requirements. Relatively high inventory levels are maintained to ensure sufficient product choice, particularly for wedding-led purchases. Most new stores currently require approximately Rs 450-500mn of inventory at prevailing gold prices, significantly higher than requirements 12-18 months ago. Inventory needs have increased materially due to rising gold prices, although current planning assumptions are considered adequate to support the envisaged store-expansion pipeline.

**Fig 23 – Inventory Turnover Trend**

Source: Company, BOBCAPS Research

### High conversion supports existing-store productivity

Annual walk-ins increased from ~60,800 in FY18 to ~234,700 in FY26, a near-4x increase, while conversion remained above 80% throughout the period. Conversion stood at ~82% in FY26 and ~81% in Q1FY27; Ratlam and Banswara recorded ~95% conversion and Ratlam II ~91% in Q1FY27. The persistence of high conversion alongside rising traffic supports the company's emphasis on assortment depth and relationship-led selling.

### **COCO-led expansion broadens the regional footprint**

D.P. Abhushan has historically expanded at a measured pace, increasing its store network from eight stores at FY24-end to 11 at FY25-end and 12 at FY26-end. The expansion strategy is now shifting toward a faster pace of store additions, with a continued focus on markets where regional familiarity and brand recognition can support a meaningful market position. Notably, no store has been closed since the business was founded in 1940.

The proposed ~3,200 sq ft Dahod showroom will mark entry into Gujarat under the COCO model, while the ~3,750 sq ft Jabalpur outlet will be the company's first FOCO store. Under the FOCO structure, the franchisee provides the capital and inventory is sold to the franchisee on Day 1, while D.P. Abhushan retains operating control over product assortment, marketing, visual merchandising, pricing and the sales process. The franchisee's role is primarily financial in nature, with revenue sharing of ~1.5-2% for gold jewellery and higher sharing for diamond and silver.

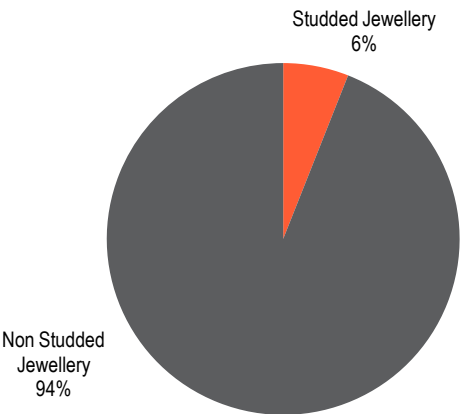
While Jabalpur is the first FOCO pilot, the COCO format remains the preferred expansion route. FOCO is expected to be used selectively in markets where brand awareness is already established and franchisee interest is available. Despite strong inbound interest from prospective franchise partners, expansion efforts continue to be centred on the COCO model. The FOCO network could potentially scale to ~4-8 stores by FY30.

### **Higher studded mix offers a making-charge lever from a low base**

Studded jewellery remains a relatively small part of D.P. Abhushan's sales mix, accounting for ~5-6% of sales currently. The share is targeted to increase materially into the low-to-mid teens by FY28 through greater emphasis on design-led, higher making-charge products. Higher making charges and product-mix optimisation were the primary drivers of Q1FY27 profitability improvement, while inventory gains accounted for only ~10-15% of the increase.

Studded jewellery growth is being tracked internally through diamond carat volumes rather than revenue alone, with diamond carat volumes expected to approximately double in FY27 and triple over the next two years. Consumer acceptance appears to be improving across Tier-2/3 markets, supported by rising disposable incomes, destination weddings, fashion-led jewellery purchases and increasing preference among younger consumers for lighter, modern designs. Markets such as Nagpur, Raipur and Gwalior are expected to exhibit stronger acceptance of studded jewellery.

**Fig 24 – Studded vs Non studded share (FY26)**



Source: Company, BOBCAPS Research

**Fig 25 – Product offerings**



Source: Company, BOBCAPS Research

**Fig 26 – Snapshot of their collections**



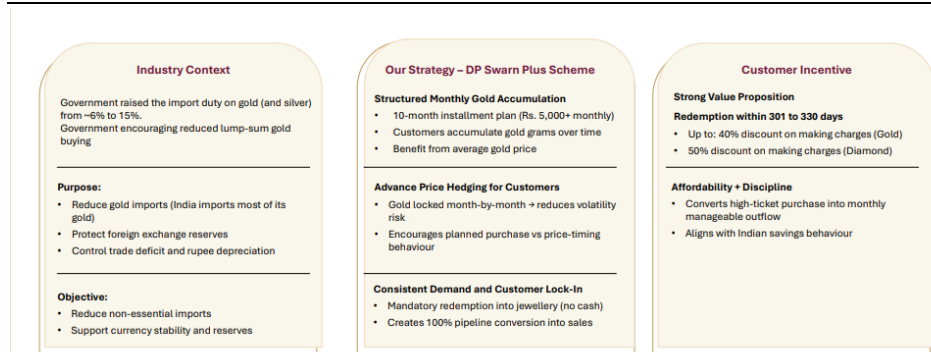
Source: Company, BOBCAPS Research

### Capital-efficient sourcing: old-gold exchange, Swarn Plus and GML

Old-gold exchange contributes ~25–30% of sales (~25% in Q1FY27). It reduces fresh-gold procurement, improves affordability for customers and provides a natural hedge against bullion-price volatility. DP Swarn Plus, launched in April 2026, is a 10–11-month gold-accumulation plan with a minimum contribution of Rs5,000/month. Each instalment is converted into gold weight at the prevailing price, averaging customers' purchase cost, and is redeemable only against jewellery or bullion, with making-charge discounts of up to 40% (gold) and 50% (diamond) on redemption within 301–330 days. The scheme has 5,000+ participants and monthly inflows of ~Rs90–100mn from both existing and new customers, creating a forward-booked demand pipeline. Its relevance has increased since the May 2026 increase in gold import duty (from 6% to 15%).

Risk management and funding: real-time vendor-price replenishment, GML and MCX-based hedging are being layered onto the exchange-led procurement model to protect margins against gold-price swings. Management expects this to modestly compress reported gross margin while supporting EBITDA margin, and expects greater use of GML and leasing structures to ease working-capital and financing pressure as the network expands.

**Fig 27 – D.P. Swarn Plus: Structured Gold Accumulation Scheme**



Source: Company, BOBCAPS Research

### Strengthening the Leadership Bench

The company has made selective additions to its senior leadership team as it prepares for a larger scale of operations. Notably, Mr. Manish Ladha was appointed as Chief Financial Officer in June 2025, strengthening the finance function at a time when the business is undertaking an accelerated store expansion program and managing a growing working-capital base. The company further appointed Mr. Lav Kush as Chief Transformation Officer (CTO) / Head of Strategy in October 2025, with a mandate focused on organisational transformation, process standardisation and strategic execution.

## Financial analysis

### **Profitability has improved materially, supported by mix enrichment and operating leverage**

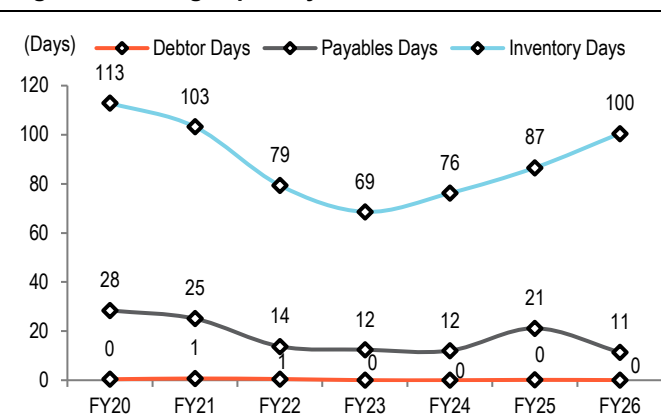
D.P. Abhushan's revenue increased from Rs 19.7bn in FY23 to Rs 40.7bn in FY26 (~27% CAGR); however, EBITDA and PAT grew materially faster at ~57% and ~68% CAGR, respectively. Gross margin remained largely range-bound at ~7-8% until FY24 before expanding sharply to 10.3% in FY26, supported by a richer product mix led by strong growth in silver and diamond jewellery, higher making-charge realization from lightweight jewellery and improved inventory management practices. At the operating level, the company's accelerated revenue growth and store expansion generated meaningful operating leverage, allowing fixed costs to be spread across a larger revenue base and driving EBITDA margin expansion from 4.4% in FY24 to 7.5% in FY26. Consequently, PAT margin nearly doubled to 5.2% in FY26.

### **Q1FY27 margins were strong but management retains a lower normalised range**

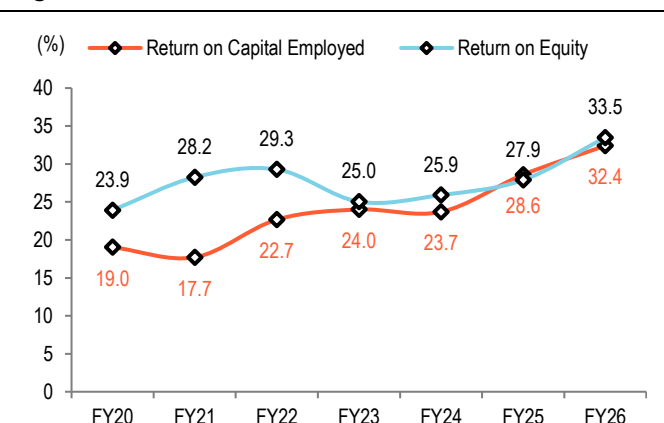
Quarterly profitability remains sensitive to gold-price movements, product mix and making-charge realisation. Q1FY27 EBITDA margin increased to ~11.0% from ~10.2% in Q1FY26, following a materially lower ~5.5% margin in Q4FY26. Only ~10-15% of the Q1FY27 profitability improvement was attributable to inventory gains, with the balance driven by higher making charges and product-mix optimisation. The company has broadly indicated a ~6-6.5% EBITDA margin band under normal operating conditions, with normalised EBITDA margin expectations of ~5.75-6.0% for FY27 and ~6.0-6.25% for FY28, supported by mix improvement, inventory productivity and operating leverage

Moreover, FY26 and Q1FY27 profitability benefited from inventory gains associated with rising gold prices. Sustainable gross margins are expected to be approximately 8-8.5% under current assumptions, compared with a reported gross margin of above 10% in FY26.

Management expects incremental investments in marketing, brand building, merchandising, product design and the CTO function as the business scales. Outside these growth investments, management expects fixed costs to increase broadly in line with inflation.

**Fig 28 – Working capital cycle trend**

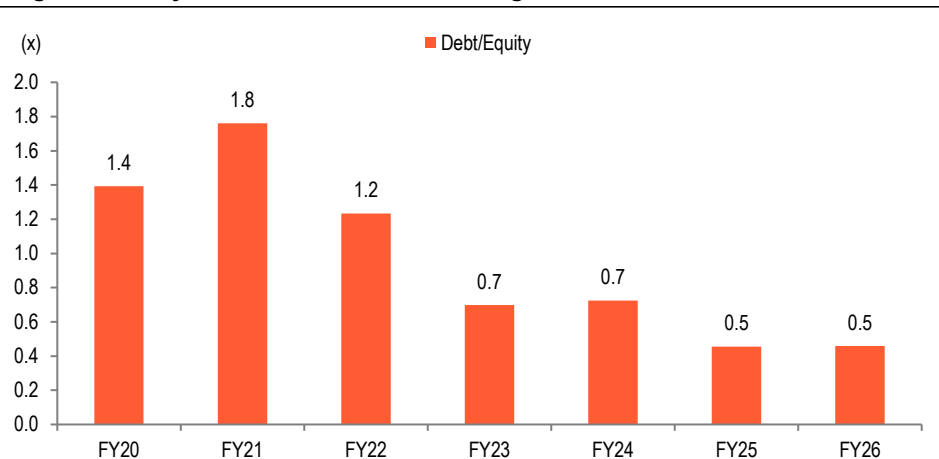
Source: Company, BOBCAPS Research

**Fig 29 – Return ratios trend**

Source: Company, BOBCAPS Research

### Capital availability is unlikely to be a growth bottleneck in the medium term.

For ~30 additional COCO stores, capex requirements are estimated at ~Rs 1200 mn+, while inventory requirements are expected to remain substantially larger. The planned FY27-FY28 expansion is expected to be funded through a combination of internal accruals, GML funding, leasing structures and existing banking relationships. The company indicated FY27 PAT of approximately Rs 2,700-2,800 mn and FY28 PAT of approximately Rs 3,600-3,800 mn, implying cumulative internal cash generation of over Rs 6,000 mn through FY28. The company is also evaluating a potential Rs 2,000-3,000mn capital raise around FY28, primarily to support inventory requirements associated with network expansion. Any future fund raise would be directed toward inventory investment rather than fixed assets.

**Fig 30 – Steady reduction in financial leverage**

Source: BOBCAPS Research Company

**Fig 31 – Quarterly Trend**

| Consolidated (mn) | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | Q1FY27 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Revenues    | 10047  | 10841  | 7172   | 5404   | 9677   | 12224  | 13347  | 8524   |
| YoY (%)           | 84     | 42     | 29     | 7      | -4     | 13     | 86     | 58     |
| COGS              | 9436   | 10002  | 6504   | 4618   | 8637   | 10854  | 12365  | 7312   |
| Gross Profit      | 611    | 839    | 669    | 785    | 1040   | 1370   | 982    | 1212   |
| Gross margin (%)  | 6.1    | 7.7    | 9.3    | 14.5   | 10.7   | 11.2   | 7.4    | 14.2   |
| Employee costs    | 72     | 79     | 87     | 90     | 93     | 102    | 115    | 115    |
| Other expenses    | 160    | 213    | 162    | 152    | 190    | 211    | 179    | 169    |
| EBITDA            | 380    | 548    | 420    | 543    | 757    | 1056   | 688    | 928    |
| YoY (%)           | 74     | 90     | 73     | 42     | 99     | 93     | 64     | 71     |
| EBITDA margin (%) | 3.8    | 5.1    | 5.9    | 10.0   | 7.8    | 8.6    | 5.2    | 10.9   |
| D&A               | 18     | 20     | 38     | 26     | 27     | 27     | 27     | 25     |
| Interest cost     | 29     | 45     | 40     | 40     | 38     | 47     | 38     | 53     |
| Other income      | 0.9    | 10.2   | 4.0    | 9.5    | 0.9    | 0.0    | 41.6   | 12.3   |
| PBT               | 334    | 494    | 346    | 486    | 693    | 983    | 665    | 862    |
| Tax               | 82     | 120    | 94     | 122    | 179    | 249    | 159    | 218    |
| Reported PAT      | 251    | 373    | 252    | 364    | 515    | 734    | 506    | 644    |
| YoY (%)           | 89     | 123    | 55     | 45     | 105    | 96     | 101    | 77     |
| PAT margin        | 2.50   | 3.4    | 3.5    | 6.7    | 5.3    | 6.0    | 3.8    | 7.6    |

Source: Company, BOBCAPS Research

**Fig 32 – Quarterly Revenue mix by category**

| Consolidated (Rs mn) | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 | Q4FY26 | Q1FY27 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Gold                 | 9,480  | 10,030 | 6,720  | 4,910  | 8,830  | 11,190 | 12,090 | 7,810  |
| Share (%)            | 95     | 93     | 94     | 91     | 92     | 92     | 92     | 92     |
| Silver               | 150    | 290    | 160    | 160    | 310    | 670    | 690    | 400    |
| Share (%)            | 1.5    | 2.7    | 2.2    | 3.0    | 3.2    | 5.5    | 5.3    | 4.7    |
| Diamond              | 380    | 490    | 260    | 310    | 510    | 330    | 360    | 290    |
| Share (%)            | 3.8    | 4.5    | 3.6    | 5.8    | 5.3    | 2.7    | 2.7    | 3.4    |

Source: Company, BOBCAPS Research

## Peer Comparison

**Fig 33 – Peer comparison snapshot (FY26)**

| FY26 (bn)             | DP Abhushan | Titan Company | Kalyan Jewellers India | Senco Gold | Bluestone Jewellery | Thangamayil Jewellery | PN Gadgil |
|-----------------------|-------------|---------------|------------------------|------------|---------------------|-----------------------|-----------|
| Market Capitalisation | 32.0        | 4435.1        | 634.5                  | 59.6       | 133.2               | 167.9                 | 92.7      |
| Revenue, Adj          | 40.7        | 875.8         | 357.4                  | 84.3       | 24.4                | 85.0                  | 107.4     |
| YoY %                 | 22.9        | 44.9          | 42.7                   | 33.2       | 37.7                | 73.0                  | 41.6      |
| EBITDA, Adj           | 3.0         | 83.6          | 25.6                   | 9.8        | 3.9                 | 5.7                   | 6.2       |
| Margin %              | 7.5         | 9.5           | 7.2                    | 11.7       | 15.9                | 6.7                   | 5.7       |
| Net Income, Adj       | 2.1         | 50.7          | 13.5                   | 5.7        | 0.1                 | 3.5                   | 4.1       |
| Margin %              | 5.2         | 5.8           | 3.8                    | 6.8        | 0.5                 | 4.1                   | 3.8       |
| EPS, Adj              | 92.8        | 57.1          | 13.1                   | 35.1       | 1.0                 | 113.1                 | 30.2      |
| P/E                   | 13.4        | 75.9          | 43.4                   | 10.4       | 236.0               | 42.8                  | 20.7      |
| EV/EBITDA             | 9.9         | 47.2          | 24.2                   | 7.6        | 30.3                | 27.2                  | 13.6      |
| ROE %                 | 24.5        | 28.2          | 21.4                   | 22.9       | 11.2                | 23.5                  | 22.1      |
| ROCE %                | 28.1        | 24.9          | 16.8                   | 21.2       | 14.5                | 22.4                  | 19.8      |
| Debt to Equity        | 0.34        | 0.42          | 0.97                   | 0.48       | 0.15                | 0.68                  | 0.55      |

Source: Company, BOBCAPS Research

**Fig 34 – CAGR (Sales/EBITDA/PAT)**

| CAGR % (FY23-FY26) | DP Abhushan | Titan Company | Kalyan Jewellers India | Senco Gold | Bluestone Jewellery | Thangamayil Jewellery | PN Gadgil |
|--------------------|-------------|---------------|------------------------|------------|---------------------|-----------------------|-----------|
| Sales              | 27.2        | 26.5          | 36.4                   | 27.4       | 46.7                | 57.1                  | 33.6      |
| EBITDA             | 59.2        | 15.2          | 30.8                   | 45.1       | NA                  | 87.2                  | 79.9      |
| PAT                | 67.6        | 11.6          | 43.5                   | 53.7       | NA                  | 123.4                 | 63.4      |

Source: Company, BOBCAPS Research

**Fig 35 – Key metrics**

| KPI's FY26                     | DP Abhushan | Titan Company | Kalyan Jewellers India | Senco Gold | Bluestone Jewellery | Thangamayil Jewellery | PN Gadgil |
|--------------------------------|-------------|---------------|------------------------|------------|---------------------|-----------------------|-----------|
| SSSG (%)                       | 20          | 21            | 23                     | 24         | 25                  | 38                    | 43        |
| Total Stores                   | 12          | 3603          | 483                    | 182        | 220                 | 63                    | 80        |
| Average Revenue per Store (mn) | 380         | 221           | 740                    | 463        | 65                  | 1351                  | 1342      |
| Inventory turnover             | 4.7         | 2.1           | 2.8                    | 2.6        | 3.2                 | 3.5                   | 3.8       |

Source: Company, BOBCAPS Research

DP Abhushan operates at a materially smaller scale than most listed jewellery peers, with FY26 revenue of ₹41bn and market capitalisation of Rs 32bn. However, its financial profile compares favourably with the peer set on several operating parameters, particularly historical earnings growth, capital efficiency and inventory turnover. Over FY23–FY26, the company recorded revenue CAGR of 27%, broadly in line with Titan Company and Senco Gold, but below Kalyan Jewellers, Bluestone Jewellery, Thangamayil Jewellery and PN Gadgil. EBITDA and PAT growth were considerably stronger, with CAGRs of 59% and 68%, respectively, indicating a meaningful improvement in operating earnings over the period. DP Abhushan's FY26 EBITDA margin of 7% remains toward the lower end of the peer group, while its PAT margin of 5% is broadly comparable with listed jewellery peers. The company reported ROE of 25% and ROCE of 28%, placing it among the better-performing companies in the peer set on capital efficiency. The company's smaller store network of 12 stores, with an

aggregate retail area of 53,650 sq. ft., remains a key differentiating factor versus larger organised jewellery retailers.

## Key Risks

**Store rollout:** Scaling from 12 to 50 stores by FY30 requires significantly faster execution across site selection, staffing, inventory and logistics.

**Working-capital intensity:** Faster rollout could materially increase inventory funding needs and borrowings.

**Gold-price volatility:** Elevated gold prices support value growth but pressure volumes and affordability.

**New-market/FOCO execution:** Growth depends on building brand strength beyond MP/Rajasthan and proving the Jabalpur FOCO model can scale without diluting control.

## Management and Governance

### Four generations of promoter involvement provide continuity

The Kataria family's involvement spans four generations, beginning with Bhulchand Kataria, who founded D.P. Jewellers in Ratlam. The business was carried forward by Panna Lal Kataria and then by Manoharlal Kataria and Ratanlal Kataria; the third generation led expansion beyond the home market. The current generation, including Anil, Sanjay, Santosh and Vikas Kataria, manages the 12-store network and the next phase of geographic expansion

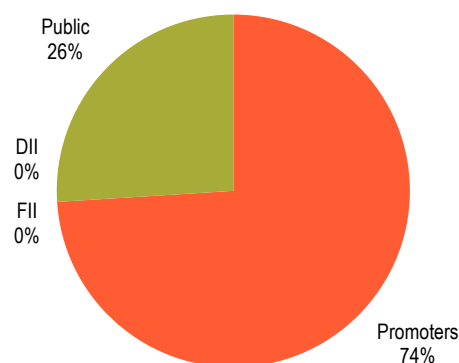
### Management transition has accompanied the shift from a local jeweller to a regional chain

The company's evolution across generations has coincided with a gradual transition from a Ratlam-based family jeweller to an organised regional retail network. The third generation oversaw expansion beyond the home market, while the current generation is managing a 12-store network across Madhya Pradesh and Rajasthan and the next phase of geographic expansion. This continuity provides operating familiarity with the company's core markets, although the planned acceleration in store additions will require a broader organisational structure than the historically concentrated network. The current management team's agenda extends beyond store additions. Recent commentary has focused on a COCO-led expansion strategy with selective FOCO participation, higher studded-jewellery penetration, greater use of old-gold exchange and GMLs, and tighter inventory management. Management has also articulated a substantially larger store-network aspiration by FY30

**Fig 36 – Board of Directors**

| Name                | Designation                  | Description                                                                                                                                                                                                                                                                                  |
|---------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Santosh Kataria | Chairman & Managing Director | He holds a Bachelor of Engineering (Polymers) degree from Sant Gadge Baba Amravati University, Maharashtra, and has over 25 years of experience in the jewellery industry. Associated with D.P. Jewellers since 2010, he oversees the company's operations and strategic growth initiatives. |
| Mr. Anil Kataria    | Whole-Time Director          | He holds a Master of Commerce degree from Vikram University, Ujjain (M.P.), and has over 30 years of experience in the gems and jewellery industry. He oversees the company's expansion and overall business management.                                                                     |
| Mrs. Renu Kataria   | Non-Executive Director       | She holds a Bachelor of Science degree from Vikram University, Ujjain (M.P.), and has over 24 years of experience in the jewellery industry. She brings extensive domain expertise to the company's operations.                                                                              |
| Mr. Sanskar Kothari | Independent Director         | He holds an MBA in Finance and a Diploma in Taxation Laws from Bombay University and has over 35 years of diverse experience across electrical engineering, construction, leasing, and warehousing. He brings extensive managerial and financial expertise to the company.                   |
| Mr. Mukesh Jain     | Independent Director         | He holds a Bachelor of Commerce degree from the University of Bombay and has over 45 years of industrial experience, primarily in the wire industry. He brings extensive business and operational expertise to the company.                                                                  |
| Ms. Apurva Lunawat  | Woman Independent Director   | She is a Chartered Accountant with deep expertise in accounting, corporate finance, and taxation, bringing strong financial and regulatory acumen to the company.                                                                                                                            |

Source: BOBCAPS Research, Company

**Fig 37 – Shareholding Pattern**

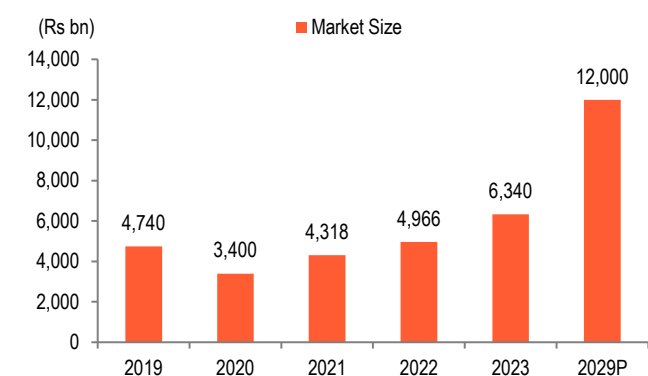
Source: Company, BOBCAPS Research

## Industry Overview

### Jewellery market remains large and structurally growing

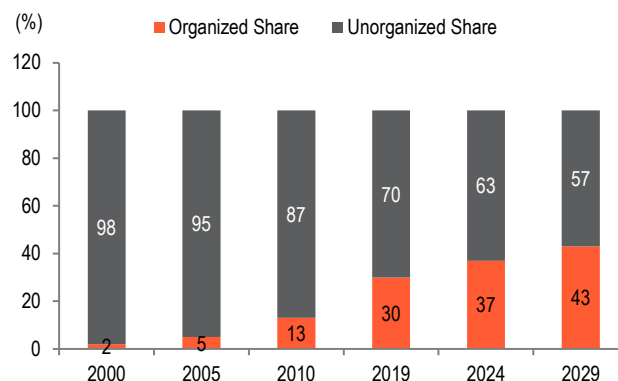
India's retail gems and jewellery market was estimated at ~Rs7.2trn in CY25, up from ~Rs4.4trn in CY21. Industry estimates project the market to reach ~Rs12.8trn by CY30, implying ~12.5% CAGR over CY25-30E. Growth is expected to remain supported by wedding and festive demand, rising discretionary incomes and increasing penetration of branded jewellery, although gold-price volatility can influence near-term volumes and ticket sizes.

**Fig 38 – Indian retail gems & jewellery market size**



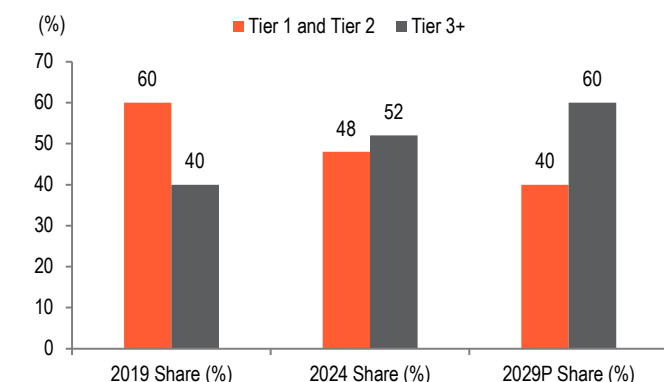
Source: Company, BOBCAPS Research

**Fig 39 – Organised retailers account for ~37% of the Indian jewellery market**



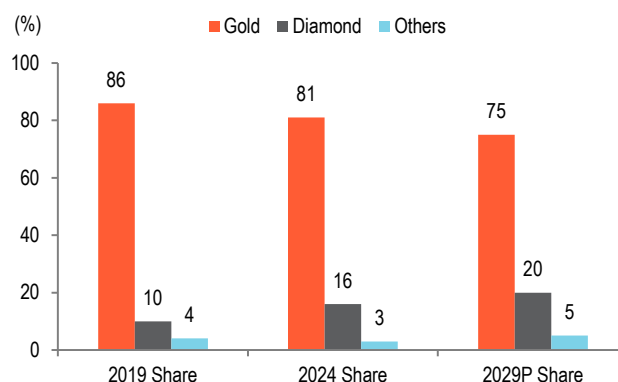
Source: Company, BOBCAPS Research

**Fig 40 – Indian jewellery market by region**



Source: Company, BOBCAPS Research

**Fig 41 – Gold and bridal jewellery dominate industry mix**



Source: Company, BOBCAPS Research

### Organised retail penetration remains relatively low

Despite the size of the market, organised jewellery retailers account for only ~37% of industry sales, while the unorganised segment continues to represent ~63%. Increasing customer preference for transparent pricing, hallmarking, purity assurance and broader product assortment is supporting the shift towards organised retailers. This is particularly relevant for established regional chains that combine local brand familiarity with the operating processes and product breadth associated with organised retail.

### Gold and bridal demand remain dominant; West/Central India is a sizeable market

Gold accounts for ~80% of the Indian jewellery market by material, while bridal jewellery represents ~56% of demand by occasion; daily wear accounts for another ~34%. Geographically, West & Central India represents ~26% of industry demand, behind South India at ~40% but ahead of East India. These characteristics are relevant for D.P. Abhushan given its concentration in Madhya Pradesh and Rajasthan and its own wedding-led sales mix, where wedding jewellery contributed ~60% of FY26 occasion demand.

**Fig 42 – Financials**

| Income Statement               | FY21   | FY22   | FY23   | FY24   | FY25   | FY26   |
|--------------------------------|--------|--------|--------|--------|--------|--------|
| Total revenue                  | 12,152 | 17,283 | 19,711 | 23,368 | 33,070 | 40,651 |
| EBITDA                         | 513    | 752    | 785    | 1027   | 1757   | 3045   |
| Depreciation                   | 40     | 54     | 49     | 56     | 91     | 108    |
| EBIT                           | 474    | 698    | 736    | 971    | 1666   | 2937   |
| Net interest income/(expenses) | (108)  | (153)  | (132)  | (141)  | (171)  | (162)  |
| Other income/(expenses)        | (185)  | (245)  | (318)  | (343)  | (550)  | (681)  |
| EBT                            | 367    | 546    | 607    | 834    | 1510   | 2827   |
| Income taxes                   | (92)   | (142)  | (153)  | (215)  | (383)  | (709)  |
| Reported net profit            | 274    | 404    | 453    | 619    | 1127   | 2118   |
| Adjusted net profit            | 274    | 404    | 453    | 619    | 1127   | 2118   |
| Balance Sheet                  | FY21   | FY22   | FY23   | FY24   | FY25   | FY26   |
| Accounts payables              | 780    | 610    | 630    | 720    | 1,770  | 1,140  |
| Other current liabilities      | 1,290  | 1,054  | 1,017  | 1,258  | 2,493  | 2,200  |
| Provisions                     | 0      | 0      | 0      | 0      | 0      | 1      |
| Debt funds                     | 1,711  | 1,702  | 1,265  | 1,728  | 1,839  | 2,900  |
| Other liabilities              | 50     | 50     | 60     | 80     | 100    | 1,060  |
| Equity capital                 | 223    | 223    | 223    | 223    | 227    | 228    |
| Shareholders' fund             | 749    | 1,158  | 1,588  | 2,165  | 3,815  | 6,098  |
| Total liabilities and equities | 3,973  | 4,136  | 4,092  | 5,374  | 8,373  | 11,426 |
| Cash and cash eq.              | 111    | 47     | 50     | 292    | 229    | 258    |
| Accounts receivables           | 25     | 27     | 7      | 6      | 22     | 16     |
| Inventories                    | 3,202  | 3,504  | 3,462  | 4,546  | 7,221  | 10,039 |
| Other current assets           | 212    | 57     | 85     | 40     | 140    | 361    |
| Net fixed assets               | 422    | 502    | 488    | 485    | 652    | 747    |
| Intangible assets              | 0      | 0      | 0      | 0      | 0      | 0      |
| Other assets                   | 3      | 0      | 0      | 5      | 109    | 6      |
| Total assets                   | 3,973  | 4,136  | 4,092  | 5,374  | 8,373  | 11,426 |
| Cash Flow Statement            | FY21   | FY22   | FY23   | FY24   | FY25   | FY26   |
| Net income + Depreciation      | 314    | 458    | 502    | 674    | 1218   | 2226   |
| Interest expenses              | 108    | 153    | 132    | 141    | 171    | 162    |
| Changes in working capital     | 717    | 474    | (82)   | 993    | 1642   | 3443   |
| Other operating cash flows     | (1432) | (917)  | 58     | (1811) | (3220) | (6804) |
| Cash flow from operations      | (293)  | 168    | 610    | (3)    | (189)  | (973)  |
| Capital expenditures           | (84)   | (76)   | (11)   | (32)   | (148)  | (85)   |
| Other investing cash flows     | (37)   | 24     | 0      | (7)    | (121)  | (128)  |

| Income Statement            | FY21  | FY22  | FY23  | FY24 | FY25  | FY26  |
|-----------------------------|-------|-------|-------|------|-------|-------|
| Cash flow from investing    | (121) | (52)  | (11)  | (39) | (269) | (213) |
| Equities issued             | 0     | 0     | 0     | 0    | 480   | 150   |
| Debt raised/repaid          | 600   | (30)  | (440) | 440  | 50    | 1270  |
| Dividends paid              | 0     | 0     | (20)  | (20) | 0     | 0     |
| Other financing cash flows  | 0     | 0     | 0     | 0    | 50    | 0     |
| Cash flow from financing    | 502   | (179) | (596) | 283  | 395   | 1,214 |
| Changes in cash and cash eq | 88    | (64)  | 3     | 242  | (63)  | 28    |
| Closing cash and cash eq    | 111   | 47    | 50    | 292  | 229   | 258   |

Source: Company, BOBCAPS Research

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**Note:** Recommendation structure changed with effect from 21 June 2021

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