IPO REVIEW

Lalithaa Jewellery Mart IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 15 August 2026

- The company is engaged in jewellery retailing in the southern region under its own brand “Lalithaa”
- It currently operates from 61 stores and mulls 10 new stores from IPO funding.
- The company posted growth in its top and bottom lines for reported periods.
- Superb top and bottom lines for FY26 raise eyebrows and concern over sustaining the doubled margins.
- Based on its recent average financial data, the issue appears fully priced.
- Well-informed/cash surplus investors may park funds for medium to long term.

About the Company

Lalithaa Jewellery Mart Ltd. (LJML) is a jewellery retailer operating under the brand name “Lalithaa”, offering a diverse range of gold jewellery, silver jewellery, and diamond jewellery across styles, designed to cater to regional preferences of the southern Indian jewellery markets. The Company had the highest operating revenue per store amongst key organized jewellery players in India, at Rs. 410.23 cr., Rs. 281.62 cr., Rs. 316.76 cr. for Fiscal 2026, for Fiscal 2025 and for Fiscal 2024 respectively. The Company reported operating revenue CAGR of 22.09% between Fiscals 2024 and 2026. (Source: CRISIL Report) It strives to serve the southern Indian market with authenticated BIS-hallmarked jewellery through its 61 stores in 51 cities in the states of Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and the Union Territory of Puducherry, spread across a total operational area of 650881 sq. ft., as of March 31, 2026.

The company stands out as a disruptive brand, offering gold jewellery at competitive prices due to its in-house manufacturing capabilities. With this ethos, it has been able to establish a brand image with target customers which, in turn, has allowed it to grow revenue from operations from Rs. 1678.81 cr., in Fiscal 2024 to Rs. 25023.93 cr., in Fiscal 2026, with a CAGR of 22.09%. The Company has presence across the south Indian cities with stores operational in Tier I, II and III cities (Source: CRISIL Report). In Fiscal 2026, 45 of our 61 stores are in these Tier II and Tier III cities, contributing to 60.25% of its revenue reflecting its strategic focus on these high-growth potential markets (Source: CRISIL Report). LJML believe that its emphasis on quality, craftsmanship and design at competitive prices has allowed it to gain this brand position.

Out of a total 61 stores, in Fiscal 2026, it operated 51 stores with an aggregate area of each store more than 5000 sq. ft. These stores are strategically located across cities and towns in key jewellery consumption markets in southern India, of which 39 stores are located in Tier-II and Tier-III cities. Its

strategy of opening Large Format Stores (more than 15,000 sq. ft) and Medium Format Stores (less than equal to 15,000 sq. ft and more than 5,000 sq. ft) allows it to showcase a wide selection of gold, silver and diamond jewellery, which it believes to be instrumental in driving Company's growth. This resonates with the fact that the company had the highest operating revenue per store amongst key organised jewellery players in India.

The Company has been able to create a templatized approach for store location, size and overall customer experience, which enables it to scale for growth in existing as well as potentially newer markets. It also offers jewellery schemes such as 'Dhana Vandhanam' and 'Free-yo-Flexi' that attracts customers on a repeated basis. These schemes are designed to provide added value and flexibility to clientele, encouraging them to engage with its brand repeatedly. The company presently offers a monthly instalment plan, such as 'Dhana Vandhanam', starting from Rs. 1000 to Rs. 10000. Upon completion of 11 months, it offers 50% bonus on the amount equivalent to one month's instalment and 50% discount on value addition charges to customers at the time to buying jewellery.

As of Fiscal 2026, 473412 customers are enrolled and are active in its schemes. Amongst the key organised jewellery players in India, LJML has the highest advances from customers for Fiscal 2026 and Fiscal 2025, at Rs. 5042.75 cr. and Rs. 3145.41 cr., respectively. (Source: Crisil Report). These advances from customers provide visibility of sales in subsequent periods, which in turn allow it to plan operations. It operates two manufacturing facilities located in Thirumudivakkam, Chennai and Maraimalai, Kanchipuram. As of March 31, 2026, it had 7059 employees on its payroll.

Promoters and Promoters Group

M. Kiran Kumar Jain: Chairman and Managing Director

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Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO worth Rs. 1700.00 cr. (approx. 84577115 equity shares at the upper cap). The IPO consists of fresh equity shares worth Rs. 1200.00 cr. (approx. 59701493 equity shares) and an Offer for Sale (OFS) worth Rs. 500.00 cr. (of approx. 24875622 equity shares at the upper cap). The company has announced a price band of Rs. 190 – Rs. 201 per equity shares of Rs. 5 each. The issue opens for subscription on August 17, 2026, and will close on August 19, 2026. The minimum application to be made is for 74 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 15.11% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 1033.23 cr. for capex on fit-outs, inventory, etc., for 10 new upcoming stores, and the rest for general corporate purposes.

The company has reserved equity shares worth Rs. 6.00 cr. (approx. 103093 equity shares at the upper cap), and offering them a discount of Rs. 19.00 per share. From the rest, it has allocated not more than 50% for QIBs, not less than 15% for HNIs and not less than 35% for Retail investors.

The two Book Running Lead Managers (BRLMs) to this issue are Anand Rathi Advisors Ltd., and Equirus Capital Ltd., while MUFG Intime India Pvt. Ltd. is the registrar to the issue. Anand Rathi Share and Stock Brokers Ltd., Equirus Securities Pvt. Ltd. are syndicate members.

After issuing initial equity shares at par value, the company has issued/converted further equity shares in the price range of Rs. 375 - Rs. 800 per share (based on Rs. 5 FV) between March 2007, and March 2024. It has also issued bonus shares in the ratio of 20 for 1 in June 2024. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 1.25, and Rs. 3.51 per share.

Post-IPO, its current paid-up equity capital of Rs. 249.99 cr. will stand enhanced to Rs. 279.84 cr. Based on the upper cap of the price band, the company is looking for a market cap of Rs. 11249.54 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 16800.62 cr. / Rs. 359.83 cr. (FY24), Rs. 16907.88 cr. / Rs. 364.73 cr. (FY25), and Rs. 25039.80 cr. / Rs. 1009.82 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods, but boosted top and bottom lines for FY26 (in pre-IPO year) raise eyebrows and concern as such performance amidst given scenario is the surprising matter. Its contingent liabilities stood at Rs. 56.04 cr. as of March 31, 2026.

According to the management, though it is operating in a highly competitive and fragmented segment, it has created a niche place and is gaining grounds with its network of 61 stores and is adding 10 new stores which will help them in increasing its top and bottom lines going forward. The company is leading the segment with hand crafted jewelleries in a most demanded 18K and 22K versions.

For the last three fiscals, the company has posted an average EPS of Rs. 13.73 and an average RoNW of 30.55 %. The issue is priced at a P/BV of 3.43 based on its NAV of Rs. 58.60 as of March 31, 2026, and at a P/BV of 2.72 based on its post-IPO NAV of Rs. 73.78 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 11.14. Based on FY25 earnings, the P/E stands at 30.83. The issue appears fully priced based on its recent average performance.

For the reported periods, the company has posted PAT margins of 2.14% (FY24), 2.16% (FY25), 4.04% (FY26), and RoCE margins of 30.44%, 25.58%, 42.60% respectively for the said periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in February 2024, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Kalyan Jewellers, Manoj Vaibhav Gems, PC Jewellers, PN Gadgil Jewellers, Senco Gold, Thangamayil Jewellery, Titan Co., and Tribhovandas Bhimji, as its listed peers. They are currently trading at a P/E of 43.0, 6.38, 12.2, 20.2, 9.83, 43.0, 77.5, and 7.86 (as of August 14, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Peer Group Comparison

Merchant Banker's Track Record

The two BRLMs associated with this issue have handled 16 IPOs in the last three fiscals out of which 2 issues closed below the issue price on the listing date.

Conclusion / Investment Strategy

LJML is engaged in jewellery retailing in the southern region under its own brand “Lalithaa”. It currently operates from 61 stores and mulls 10 new stores from IPO funding. The company posted growth in its top and bottom lines for reported periods. Superb top and bottom lines for FY26 raise eyebrows and concern over sustaining the doubled margins. Based on its recent average financial data, the issue appears fully priced. Well-informed/cash surplus investors may park funds for medium to long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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