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Lalithaa Jewellery Mart Ltd

17th August, 2026

IPO NOTE

Recommendation	SUBSCRIBE
Price Band	Rs 190 - Rs 201
Bidding Date	17th – 19th Aug'26
Book Running Lead Manager	Anand Rathi Advisors Ltd., Equirus Capital Ltd.
Registrar	MUFG Intime India Pvt Ltd
Sector	Gems & Jewellery
Minimum Retail Application- Detail At Cut off Price	
Number of Shares	74
Minimum Application Money	Rs 14,874
Discount to employees	Rs 19/share
Payment Mode	ASBA

Consolidated Financials (INR Cr)	FY25	FY26
Revenue	16,897	25,024
EBITDA	740	1,674
Adj PAT	365	1,010
Valuations (FY26)	**Lower Band**	**Upper Band**
Market Cap (INR Cr)	10,634	11,250
Adj EPS	18.04	18.04
PE	10.5x	11.1x
EV/ EBITDA	7.3x	7.7x
Enterprise Value (INR Cr)	12,200	12,815

Post Issue Shareholding Pattern	
Promoters	82.9%
Public/Other	17.1%
Offer structure for different categories	
QIB (Including Mutual Fund)	50%
Non-Institutional	15%
Retail	35%
Post-Issue Equity (Rs. in cr)	279.9
Issue Size (Rs in cr)	1,700
Face Value (Rs)	5

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BACKGROUND

Lalithaa Jewellery Mart Ltd. ("Lalithaa Jewellery") is a South India-focused jewellery retailer operating under the "Lalithaa" brand, offering gold, silver and diamond jewellery through 61 stores across 51 cities in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Puducherry. The Company reported highest operating revenue/store among key organised jewellery players in India for FY24-26, and delivered a revenue growth at a CAGR of ~22% during the same period. Gold jewellery contributes ~92% of revenue, with silver jewellery and diamond jewellery making up the balance.

Details of the Issue:

- Total issue is of ~Rs. 1,700 Cr, comprising a fresh issue of ~Rs. 1,200 Cr and an offer for sale of ~Rs. 500 Cr by the Promoter, M. Kiran Kumar Jain.
- Fresh issue proceedings would be mainly utilized towards funding the capex towards setting up 10 new stores.

Investment Rationale:

- Strong regional presence in high-growth South Indian jewellery markets
- Highest per-store productivity and profitability among organised jewellery peers
- Focus on Tier-II/III cities supporting the growth
- Robust recurring customer base via jewellery savings schemes
- Efficient business model backed by in-house and Karigar-based manufacturing

Valuation and Recommendation:-

Lalithaa Jewellery is a South India-focused jewellery retailer with a strong presence across Tier-I, II and III cities in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Puducherry. With strong growth in revenue, EBITDA margin expanded from 4.1% in FY24 to 6.7% in FY26, aided by operating leverage and a growing base of recurring scheme customers. In FY26, ROE/ROCE stood at ~41.6% / ~41.7% respectively, the highest in its peer set.

The issue is valued at P/E of 11.1x based on FY26 EPS, which is a steep discount to the peer average of ~28.9x P/E. We believe this valuation gap offers a good investment opportunity considering risks related to gold-price volatility and working-capital intensity. With planned store expansion in place and proven strong fundamental record provides long term growth visibility for Lalithaa; thus, recommend a 'SUBSCRIBE' rating on the issue.

Financials	FY24	FY25	FY26
Net Revenues	16,788	16,897	25,024
Growth (%)	26%	0.6%	48.1%
EBITDA	680	740	1,674
EBITDA Margin (%)	4.0%	4.4%	6.7%
PBT	485	503	1,360
Adjusted PAT	360	365	1,010
EPS	7.20	7.29	18.04
ROCE	30.4%	25.6%	41.7%
ROE	25.9%	20.9%	41.6%
Debt/Equity	0.5x	0.5x	0.5x

Source: RHP, NBRR

Company Background

Lalithaa Jewellery Mart Ltd. (“Lalithaa Jewellery”) is a South India-focused jewellery retailer operating under the “Lalithaa” brand, offering gold, silver and diamond jewellery through 61 stores across 51 cities in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Puducherry.

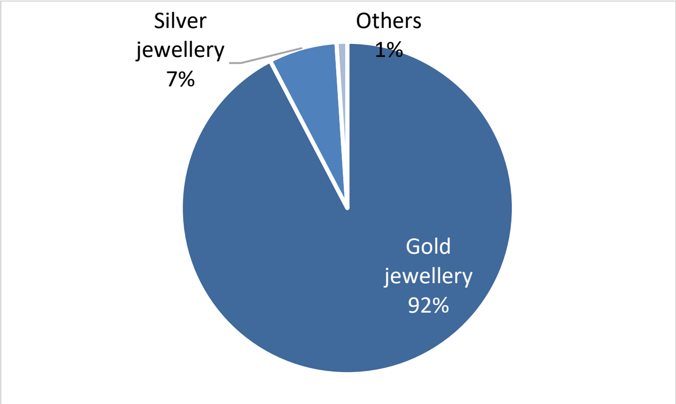
Particulars (FY 2026)	Tamil Nadu	Andhra Pradesh	Karnataka	Telangana	Puducherry	Total
No of stores	20	23	7	10	1	61
Store Area (Sq. ft.)	1,58,280	2,64,330	72,553	1,43,160	12,558	6,50,881

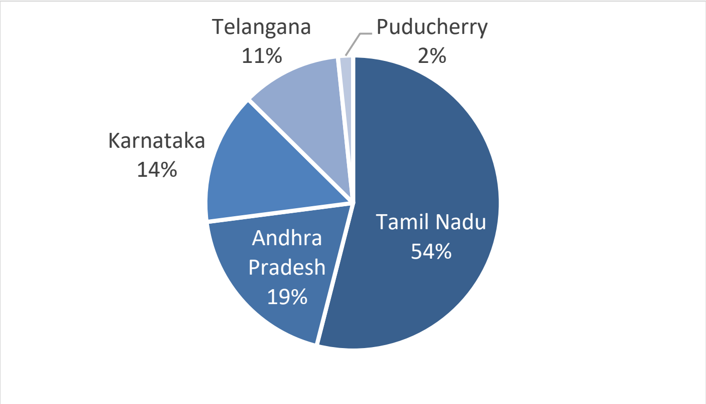
Source: RHP, NBRR

The Company reported highest operating revenue/store among key organised jewellery players in India for FY24-26, and delivered a revenue growth at a CAGR of ~22% during the same period. Gold jewellery contributes ~92% of revenue, with silver jewellery and diamond jewellery making up the balance.

Lalithaa Jewellery operates in-house manufacturing facilities at Thirumudivakkam and Maraimalai (Kanchipuram) in Tamil Nadu, supported by ~672 Karigars employed directly by the Company and a further ~144 Karigars employed by its subsidiary, Asita Jewellery Manufacturing Pvt Ltd, as on Mar’26.

Revenue Product / Regional Mix - FY26 – Rs. 25,024 Cr





Source: RHP, NBRR; (1) *Others include silverware and diamond jewellery.*

Investment Rationale

Strong regional presence in high-growth South Indian jewellery markets

Lalithaa Jewellery has built a strong brand across Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Puducherry since opening its first store in T. Nagar, Chennai in 1985. The Company caters to mass-market and value-conscious consumers who prefer competitively-priced, high-purity gold jewellery, and has expanded its store count from 53 in FY24 to 61 in FY26, with 45 of these stores in Tier-II and Tier-III cities contributing ~60% of FY26 revenue.

The Company benefits from strong brand recall built over four decades in South India, and has one of the highest revenue per sq. ft., and among the highest ROE/ROCE amongst key organised jewellery peers considered in India.

Productivity Metrics

Metrics (Rs. Cr)	FY24	FY25	FY26
Revenue/store	316.8	281.6	410.2
EBITDA/store	12.8	12.3	27.4
Revenue/Sq. ft.	0.29	0.26	0.38

Source: RHP, NBRR

FY 2026	Kalyan Jewellers	PN Gadgil Jewellers	Senco Gold	Thangamayil Jewellery	Lalithaa Jewellery
Revenue/Sq. ft.	0.29	0.45	0.14	NA	0.38

Source: RHP, NBRR

Robust recurring customer base via jewellery savings schemes

The Company offers jewellery savings schemes such as 'Dhana Vandhanam' and 'Free-yo-Flexi' that encourage repeat purchases through monthly instalment plans (ranging from Rs 1,000 to Rs 25,000) with bonus/discount benefits on completion of 11 months. As on Mar'26, ~4.7 lakh customers were enrolled and active in these schemes, and reported the highest advances from customers among key organised jewellery players in India for FY25 and FY26, at Rs 3,145 Cr and Rs 5,043 Cr respectively.

Particulars	FY2024	FY2025	FY2026	FY24-26 CAGR %
Advances from customers	1943	3145	5043	61%

Source: RHP, NBRR

Efficient business model backed by in-house and Karigar-based manufacturing

Lalithaa Jewellery follows an asset-light approach, with only three owned stores and remaining are operated on a leave and license basis. Although, all the stores are operated and managed by the company to exercise control over product quality and customer service.

Particulars	FY2024		FY2025		FY2026	
	Number	% of Revenue	Number	% of Revenue	Number	% of Revenue
Large Format Stores	8	44.4%	8	30.1%	8	27.7%
Medium Format Stores	36	48.7%	42	59.1%	43	61.0%
Small Format Stores	9	6.9%	10	10.8%	10	11.3%

It is also engaging a network of 296 Karigars on a non-exclusive basis alongside in-house manufacturing at Thirumudivakkam and Maraimalai, supported by ~672 directly-employed Karigars and a further ~144 employed by its subsidiary, Asita Jewellery Manufacturing Pvt Ltd. Jewellery at all locations is bar-coded and monitored, supporting efficient inventory management across the store network.

The Company's in-house manufacturing allows it to flex production without the fixed-asset intensity of a fully in-house model, supporting cost efficiency and consistent product availability across its 61-store network.

Brand pull in Tier-II/III cities with focus on quality, craftsmanship and original designs

Of the Company's 61 stores, 45 are located in Tier-II and Tier-III cities, which contributed ~60% of FY26 revenue. There is a significant opportunity for a mass-market, value-focused brand such as Lalithaa Jewellery. The Company operates one of the largest single jewellery stores in India, in Vijayawada (~1 lakh sq. ft.). The company also operates two large format jewellery stores in Somajiguda (98,210 Sq. Ft.) and Vishakhapatnam (65,000 Sq. Ft.) and are amongst the largest jewellery retail stores in India. Moreover, it has also opened an exclusive store in Hyderabad as part of its brand-building strategy.

A designing team of fifteen members, comprising CAD and manual designers based at Thirumudivakkam facility, supports the introduction of new designs on a regular basis, that positions 'Lalithaa' on quality and craftsmanship at competitive prices.

Experienced Promoter and management team with a four-decade operating track record

The Company was founded in 1985 by M. Kiran Kumar Jain, its Promoter and Chairman & Managing Director, and is supported by an experienced management team including Chief Financial Officer Bhama S. The Promoter and Promoter Group together hold 97.72% of the Company's pre-Offer equity share capital, reflecting strong promoter commitment to the business.

Risks and concerns

- **Dependence on gold prices and gold jewellery sales:** Gold jewellery accounted for ~92.3% of revenue in FY26. Any adverse movement in gold prices, import duties or a shift in consumer preference away from gold could adversely affect revenue and profitability.

- **Working capital intensity and customer advances:** The Company has generated negative operating cash flows in FY26, driven by growth in inventory and gold-price volatility. It also carries large customer advances under its jewellery schemes (Rs 5,043 Cr as of FY26; ~60% CAGR during FY24-26); inability to appropriately manage these advances could adversely impact revenue and profitability.

- **Legal, regulatory and related-party matters:** The Company, its Subsidiaries, Promoters, Directors and KMPs are involved in certain legal and regulatory proceedings, and it has contingent liabilities of ~1.85% of net worth (~Rs. 56 Cr) as at Mar'26. It has also entered into related-party transactions, including brand ambassador fees of Rs 50.3 Cr paid to the Promoter in FY24.

Valuation and Recommendation

Lalithaa Jewellery is a South India-focused jewellery retailer with a strong presence across Tier-I, II and III cities in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Puducherry. With strong growth in revenue, EBITDA margin expanded from 4.1% in FY24 to 6.7% in FY26, aided by operating leverage and a growing base of recurring scheme customers. In FY26, ROE/ROCE stood at ~41.6% / ~41.7% respectively, the highest in its peer set.

The issue is valued at P/E of 11.1x based on FY26 EPS, which is a steep discount to the peer average of ~28.9x P/E. We believe this valuation gap offers a good investment opportunity considering risks related to gold-price volatility and working-capital intensity. With planned store expansion in place and proven strong fundamental record provides long term growth visibility for Lalithaa; thus, recommend a 'SUBSCRIBE' rating on the issue.

Peer Comparison

FY 2026	Kalyan Jewellers	PN Gadgil Jewellers	Senco Gold	Thangamayil Jewellery	Average	Lalithaa Jewellery
Revenue (Rs Cr)	35,743	10,739	8,430	8,499	15,853	25,024
CAGR (FY24-26)	38.8%	32.6%	26.8%	49.0%	36.8%	22.1%
EBITDA Margin	7.0%	5.7%	11.5%	6.6%	7.7%	6.7%
CCC Days	119	107	210	131	142	139
ROCE	20.5%	20.9%	21.2%	25.5%	22.0%	41.7%
ROE	24.8%	23.4%	25.6%	28.1%	25.5%	41.6%
Debt/Equity	0.1x	0.8x	0.6x	0.4x	0.5x	0.5x
EV/EBITDA	24.0x	13.2x	7.2x	27.3x	17.9x	7.7x
P/E	42.9x	20.0x	9.8x	43.0x	28.9x	11.1x

Source: NBRR, RHP

Financials

P&L (Rs. Cr)	FY24	FY25	FY26
Net Revenue	**16,788**	**16,897**	**25,024**
% Growth	***26%***	***1%***	***48%***
Cost of goods sold	15,514	15,458	22,521
% of Revenues	***92.4%***	***91.5%***	***90.0%***
Employee Cost	208	258	290
% of Revenues	*1.2%*	*1.5%*	*1.2%*
Other expenses	386	441	540
% of Revenues	*2.3%*	*2.6%*	*2.2%*
EBITDA	**680**	**740**	**1,674**
EBITDA Margin	***4.1%***	***4.4%***	***6.7%***
Depreciation	72	87	131
Other Income	13	11	16
Interest	136	160	198
Share of loss in investment	0	0	0
PBT	**484.6**	**503.3**	**1,360.3**
Tax	125	139	350
Tax rate	*26%*	*28%*	*26%*
Adj PAT	**359.8**	**364.7**	**1,009.8**
% Growth	*-97%*	*1%*	*177%*
EPS (Post Issue)	**6.4**	**6.5**	**18.0**

Balance Sheet (Rs. Cr)	FY24	FY25	FY26
Share Capital	12	250	250
Other Equity	1,552	1,675	2,680
Non-controlling interest	0	0	0
Networth	**1,564**	**1,925**	**2,930**
Total Loans	**824**	**949**	**1,604**
Other non-curr liab.	418	417	410
Trade payable	124	267	522
Other Current Liab	2,252	3,371	5,479
Total Equity & Liab.	**5,182**	**6,930**	**10,945**
PPE	197	294	285
CWIP	47	15	24
Other Intangibles / RoU	365	351	349
Non Curr. Fin assets	0	0	0
Other non Curr. assets	137	154	148
Inventories	4,292	5,873	9,816
cash and cash equivalents	23	52	16
Bank bal	23	22	22
Trade receivables (debtors)	59	116	215
Other Current assets	40	53	70
Total Assets	**5,182**	**6,930**	**10,945**

Ratios & Others	FY24	FY25	FY26
Debt / Equity	0.5	0.5	0.5
EBITDA Margin (%)	4%	4%	7%
PAT Margin (%)	2%	2%	4%
ROE (%)	46%	21%	42%
ROCE (%)	51%	25%	42%

Turnover Ratios	FY24	FY25	FY26
Debtors Days	1	3	3
Inventory Days	93	127	143
Creditor Days	3	6	8
Inventory Turnover (x)	3.9	2.9	2.5

Valuation Ratios	FY24	FY25	FY26
Price/Earnings (x)	31.3	30.8	11.1
EV/EBITDA (x)	18.8	17.3	7.7
EV/Sales (x)	0.8	0.8	0.5
Price/BV (x)	7.2	5.8	3.8

Cash Flow (Rs. Cr)	FY24	FY25	FY26
Profit Before Tax	485	503	1,360
Provisions & Others	197	258	319
Op. profit before WC	**681**	**761**	**1,679**
Change in WC	(580)	(289)	(1,858)
Less: Tax	(119)	(183)	(219)
CF from operations	**(18)**	**289**	**(398)**
Purchase/Sale of PPE	(98)	(218)	(68)
Purchase/Sale of Invest.	(16)	2	0
Int, div & other inc	1	2	1
CF from Investing	**(112)**	**(215)**	**(66)**
Proceeds/Repay. LT debt	282	124	646
Payment of lease liab.	(61)	(69)	(90)
int & div paid	(86)	(99)	(128)
CF from Financing	**135**	**(44)**	**428**
Net Change in cash	**5**	**30**	**(36)**
Cash & Bank at beginning	18	23	52
Cash & Bank at end	23	52	16

Source: Company Data, NBRR

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