Retail Research	IPO Note
Sector: Jewellery	Price Band (Rs): 190 – 201
13th August 2026	Recommendation: NEUTRAL

Lalithaa Jewellery Mart Ltd.

Company Overview:

Incorporated in 1985, **Lalithaa Jewellery Mart Ltd. (LJML)** is a jewellery retailer, primarily catering to the South Indian jewellery market. The company offers a diverse range of gold jewellery, silver jewellery, and diamond jewellery across styles under the brand name 'Lalithaa'. It operates 61 stores across 51 cities in the states of Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Puducherry. LJML enjoys a strong presence in the high-growth markets of Tier II & Tier III cities with a network of 45 stores and contributes ~60% of the revenue (in FY26). The company focuses on opening large and medium format stores which helps showcase a wide selection of jewellery, resulting in higher revenue per store (~Rs 410 cr/~Rs 282 cr in FY26/FY25). Additionally, it offers jewellery schemes such as 'Dhana Vandhanam' and 'Free-yo-Flexi' which helps foster customer loyalty and augment repeat sales.

Key Highlights:

1. Strong regional presence: LJML has a strong presence in the high-growing jewellery markets of Tier II & Tier III cities, underpinned by strategic expansion across southern India, affordable pricing and customers' trust driven by reliability and authenticity. South Indian jewellery market has primarily been driven by wedding and festivals demand. However, consumer preference has been evolving with consumers buying jewellery on various other occasions as well apart from the traditional wedding-induced demand. Furthermore, the increasing preference for minimalist jewellery along with shift from unorganized to organized market are emerging as growth drivers in the region. LJML is well placed to capitalize on this trend driven by wider product offerings, deeper branch presence and pricing affordability – within the mass segment Tier II and III markets which are a highly price-conscious consumer segment.

2. Store format strategy driving scale: The company's strategy of opening large format stores and medium format stores has played a key role in driving scale. This strategy allows LJML to present an extensive offering of gold, silver, and diamond jewellery, accommodating diverse tastes and preferences across geographies and customer cohorts. As of FY26, the company has 8 Large Format Stores, 43 Medium Format and 10 small format stores spread across markets.

3. Asset-light business model: The company operates on an asset light model with backward integrated manufacturing capabilities, efficient inventory management and quality control processes. In FY26, out of 61 stores, LJML owns only 3 stores, while the remaining are retained on a leave and license basis. Further, the company operates two manufacturing facilities located in Thirumudivakkam, Chennai and Maraimalai, Kanchipuram in Tamil Nadu. It has exclusive arrangements with 816 Karigars, which enables backward integration, helping manufacture jewellery based on evolving consumer demand, reduce jewellery making wastages and pass on the cost-benefits to the end-consumers. LJML manufactures ~85% of jewellery in-house while ~15% are outsourced from wholesale jewellery manufacturers.

Valuation: LJML is a South-India based jewellery retailer with significant presence in high-growing Tier II and III cities. The company employs an asset-light business model with focus on strategic expansion across deeper geographies through large format and medium format stores, driving revenue growth. It aims to open 10 new branches from the IPO proceeds to increase penetration across southern markets. The company delivered a CAGR of ~22%/~60%/~68% in its Revenue/EBITDA/PAT during the FY24-FY26 period with a FY26 EBITDA margin of 6.5%, expanding 240 bps YoY. At the upper price band, LJML is valued at an FY26 P/E multiple of 11.1x, which is at par with industry-peers. We believe, the company's strong growth over the past two years can be attributed to a sharp rise in gold price of ~2.3x, especially since the company does not have any hedging policy, leading to the entire benefit of gold price rise flowing into the margins. Hence, margins of the company may moderate once the gold price stabilize. Accordingly, we assign a NEUTRAL rating to the issue and would like to track the performance of the company for a few quarters post-listing.

Issue Details	
Date of Opening	17th August 2026
Date of Closing	19th August 2026
Price Band (Rs)	190 – 201
Issue Size (Rs cr)	1,700
Fresh Issue (Rs cr)	1,200
Offer for sale (Rs cr)	500
Issue Size (No. of shares)	8,45,77,114 @ UB
Face Value (Rs)	5.0
Post Issue Market Cap (Rs cr)	10,700 – 11,250
BRLMs	Anand Rathi Advisors Ltd., Equirus Capital Ltd.
Registrar	MUFG Intime India Pvt. Ltd.
Bid Lot	74 shares and in multiples thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%
Employee Quota (Rs cr)	6
Employee Discount (Rs)	19

Objects of Issue

Particulars (Rs cr)	Estimated utilization from net proceeds
Funding expenditure towards setting-up of 10 new stores	1,033.3
General corporate purposes*	-
Net proceeds from fresh issue*	-

**The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	48,85,74,576	97.7
Public & Others	1,14,02,580	2.3
Total	**49,99,77,156**	**100.0**

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	46,36,98,954	82.9
Public & Others	9,59,79,694	17.1
Total	**55,96,78,649**	**100.0**

Selling Shareholder (OFS)	Classification	No. of Shares @UB
M. Kiran Kumar Jain	Promoter	2,48,75,622
Total		**2,48,75,622**

Source: RHP, SBICAP Securities Research

Key Financials

Particulars (Rs cr)	FY24	FY25	FY26
Revenue from Operations	16,788	16,897	25,024
EBITDA	639	696	1,627
PAT	360	365	1,010
EBITDA Margin (%)	3.8	4.1	6.5
PAT Margin (%)	2.1	2.2	4.0
RoE (%)	23.0	18.9	34.5
RoCE (%)	24.3	21.5	33.4
P/E (x)*	31.5	31.0	11.2
EV/EBITDA (x)*	18.9	17.5	7.9
Total Debt / Equity (x)*	0.5	0.5	0.5
P/BV (x)*	7.2	5.9	3.9

Source: RHP, SBICAP Securities Research
****Pre-issue based on upper price band***

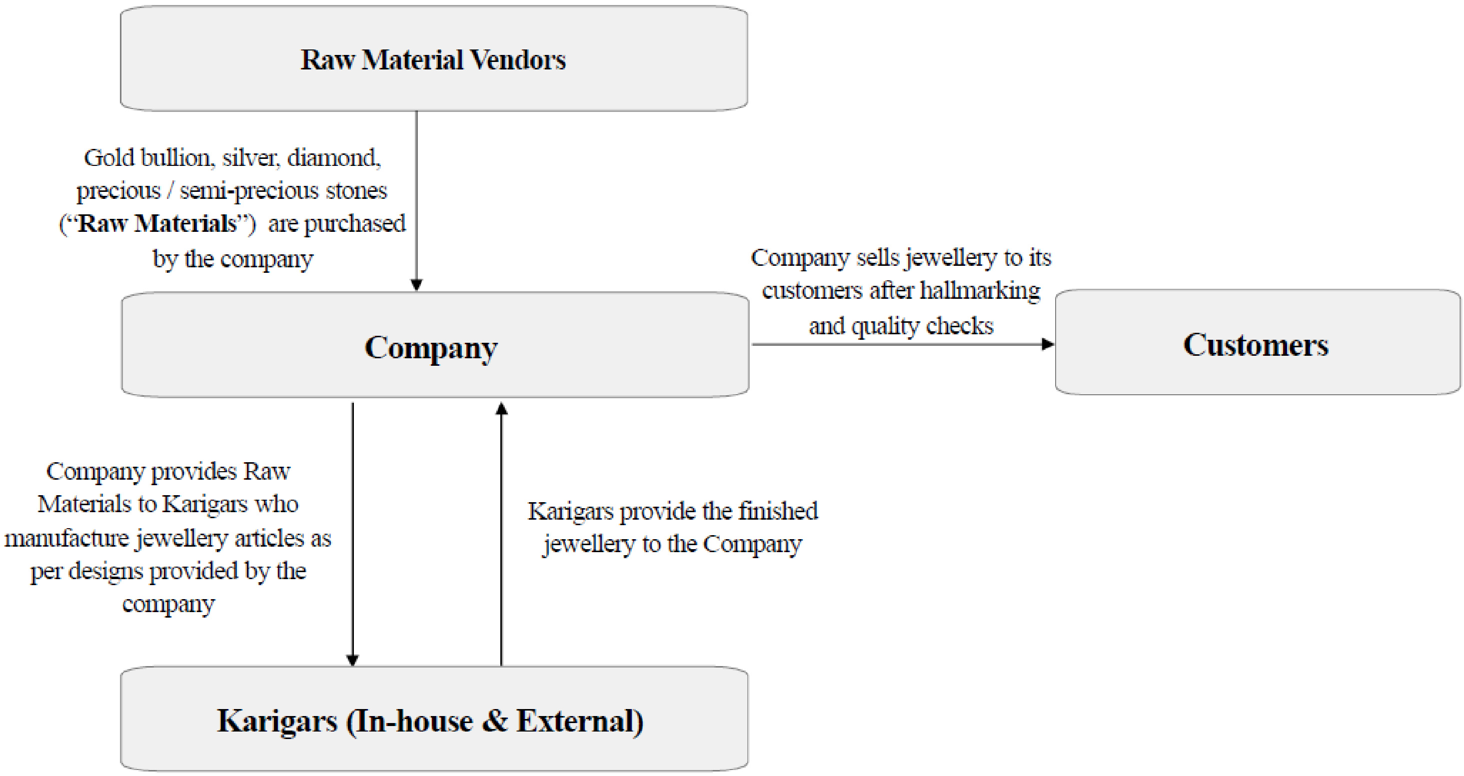
Risk Factors

- **High attrition:** LJML had an attrition rate of ~31%/~28% in FY26/FY25. Failure to retain and attract skilled karigars may impact the business operations.
- **High supplier dependence:** During FY26/FY25, top-3 suppliers contributed ~58%/~67% to total cost of materials. LJML typically procure gold through purchase orders and do not enter into any long-term agreements with suppliers. Any loss of these suppliers or interruptions in the supply of raw materials could adversely impact the business operations.
- **Regulatory proceeding against the promoters:** In CY22, SEBI had summoned the promoters, M. Kitan Kumar Jain and Hemaa Kiran Kumar Jain, alleging market manipulation in the share of Krishna Fabrics Ltd., a company in which the promoters hold a majority stake. The promoters had responded to SEBI (dated 16th Feb'22 and 10th Aug'24) and no further proceedings have been initiated as of the RHP date.
- **High working capital requirement:** Net working capital days has expanded from 92 in FY24 to 152 days in FY26. Any further inch-up in the working capital days may put strain on business performance and cashflows.
- **No hedging policy:** The company does not employ hedging practices such as availing gold metal loans facilities unlike the practices most of its competitors employ to protect them from price fluctuations, including the use of gold metal loans, forward contracts and options etc. This exposes LJML to risk of gold price fluctuations and may impact profitability due to inventory losses.

Growth Strategy

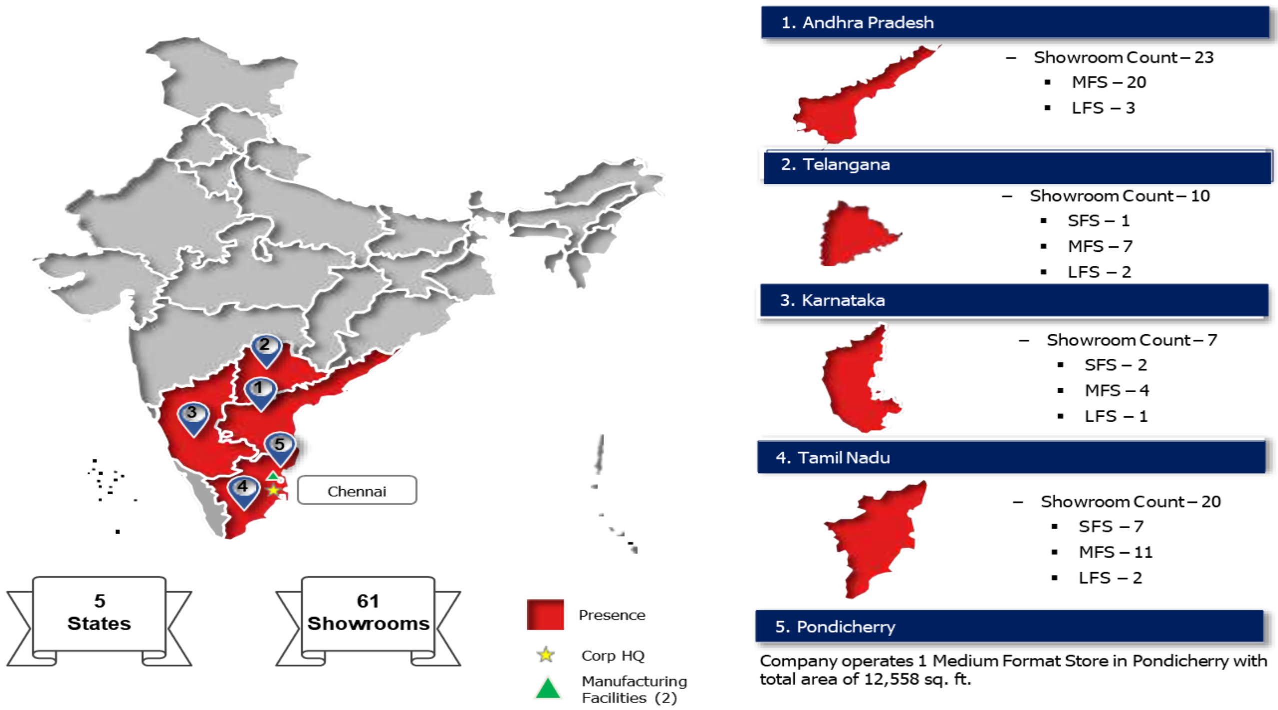
- Expand geographical presence and explore untapped markets in southern and other regions of India.
- Expand the studded gold jewellery business.
- Expand in silverware and other product ranges to provide lower value products to mitigate the impact of high gold prices.
- Invest in brand building and marketing initiatives

Manufacturing Process



Source: RHP, SBICAP Securities Research

Manufacturing Facilities & Store Presence



Note: Large Format Store (LFS): > 15,000 sq. ft.; Medium Format Store (MFS): ≤15,000 sq. ft. & > 5,000 sq. ft.; Small Format Store (SFS): ≤5,000 sq. ft.

Source: RHP, SBICAP Securities Research

Product-wise Revenue Split

Particulars	FY24		FY25		FY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
Gold jewellery	15,774	94.0	15,982	94.6	23,105	92.3
Silver jewellery and articles	653	3.9	674	4.0	1,659	6.6
Others*	362	2.2	242	1.4	260	1.0
Revenue from operations	**16,788**	**100.0**	**16,897**	**100.0**	**25,024**	**100.0**

Note: *Others include silverware and diamond jewellery

Source: RHP, SBICAP Securities Research

State-wise Revenue Split

Particulars	FY24		FY25		FY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
Tamil Nadu	7,427	44.2	8,531	50.5	13,508	54.0
Andhra Pradesh	4,398	26.2	3,658	21.7	4,747	19.0
Telangana	2,825	16.8	2,542	15.0	3,620	14.5
Karnataka	1,901	11.3	1,909	11.3	2,736	10.9
Puducherry	237	1.4	257	1.5	412	1.6
Revenue from operations	**16,788**	**100.0**	**16,897**	**100.0**	**25,024**	**100.0**

Source: RHP, SBICAP Securities Research

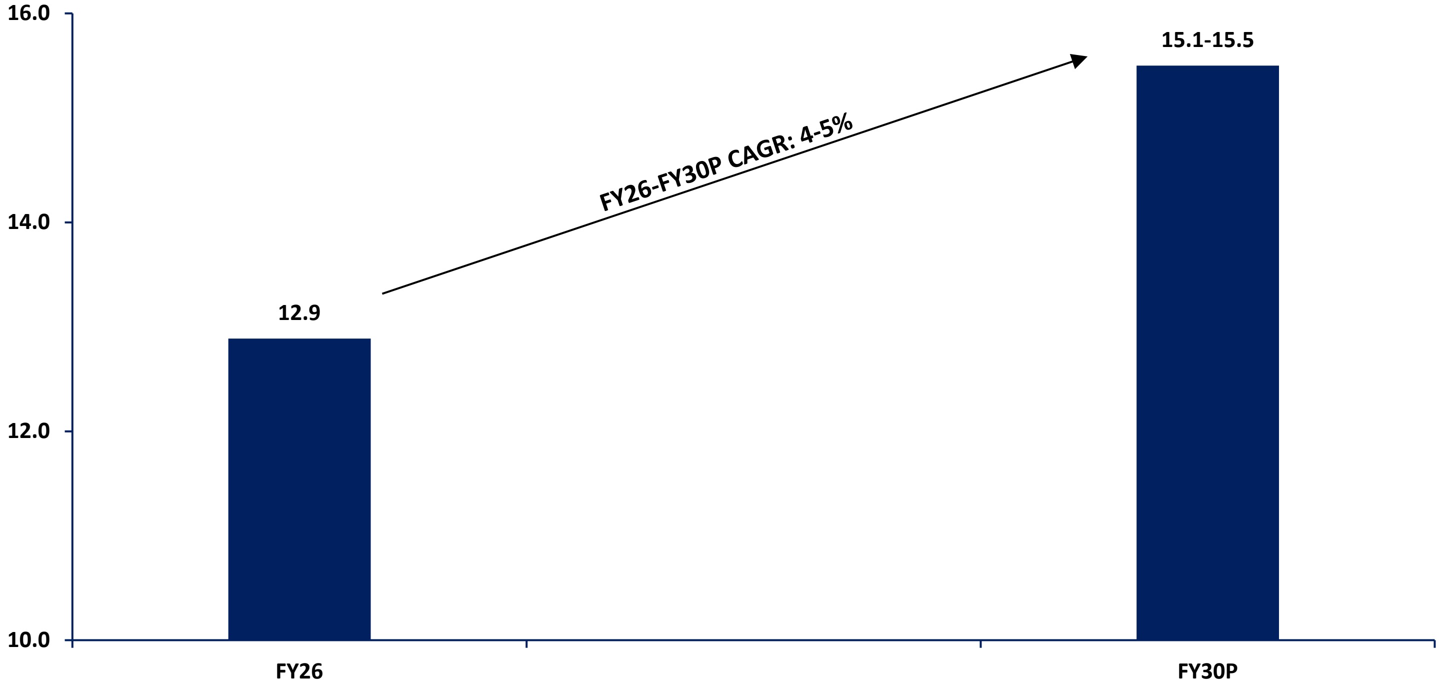
City Tier-wise Revenue Split

Particulars	FY24		FY25		FY26	
	Rs cr	as % of revenue	Rs cr	as % of revenue	Rs cr	as % of revenue
Tier I cities	8,399	50.0	6,893	40.8	9,947	39.8
Tier II cities	5,257	31.3	6,665	39.4	10,168	40.6
Tier III cities	3,132	18.7	3,338	19.8	4,909	19.6
Revenue from operations	**16,788**	**100.0**	**16,897**	**100.0**	**25,024**	**100.0**

Source: RHP, SBICAP Securities Research

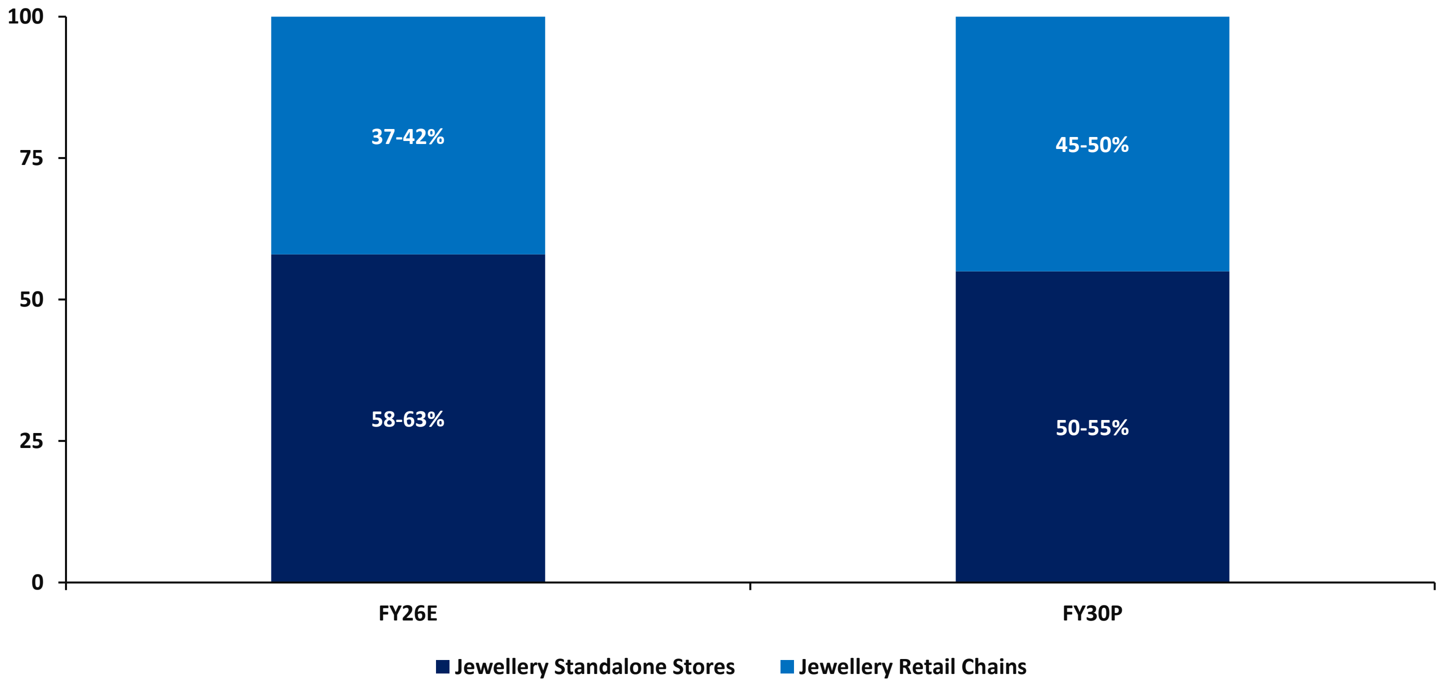
Industry Overview

Indian Gems and Jewellery Retail Industry, FY26-30P (in Rs tn)



Source: RHP, SBICAP Securities Research

Jewellery retail chains and jewellery standalone stores Market Share in the Indian gems and jewellery retail industry



Source: RHP, SBICAP Securities Research

Peer Comparison (FY26)

Particulars (Rs cr)	Lalithaa Jewellery Mart Ltd.	Kalyan Jewellers India Ltd.	P N Gadgil Jewellers Ltd.	Senco Gold Ltd.	Thangamayil Jewellery Ltd.	Tribhovandas Bhimji Zaveri Ltd.
CMP (Rs)	201	603	630	404	5,249	282
Mkt Cap.	11,250	62,228	9,274	6,622	16,314	1,878
Enterprise Value	11,615	65,478	10,349	8,451	16,758	2,562
Sales	25,024	35,743	10,739	8,430	8,499	3,203
EBITDA	1,627	2,491	616	969	565	361
Net Profit	1,010	1,378	412	574	353	202
EBITDA Margin (%)	6.5	7.0	5.7	11.5	6.6	11.3
Net Profit Margin (%)	4.0	3.9	3.8	6.8	4.2	6.3
RoE (%)	34.5	21.8	21.0	22.8	24.9	24.1
RoCE (%)	33.4	21.8	18.3	19.9	24.1	23.6
P/E (x)	11.1	45.2	22.5	11.5	46.2	9.3
EV/EBITDA (x)	7.1	26.3	16.8	8.7	29.7	7.1
EV/Sales (x)	0.5	1.8	1.0	1.0	2.0	0.8
KPIs						
No. of Stores	61	507	78	201	67	37
Average Store Area (sqft.)	10,670	2,393	3,050	2,905	NA	2,703
Working Capital Days	65	119	107	173	66	183
Inventory Turnover Ratio (x)	2.6	2.5	2.9	1.6	2.9	1.8

For Lalithaa Jewellery Mart Ltd., the Market cap, P/E(x), EV/EBITDA (x) and EV/Sales (x) is calculated on post-issue equity share capital based on the upper price band.

****CMP is closing price as of 11th Aug'26.***

Source: RHP, SBICAP Securities Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Revenue from Operations	**16,788**	**16,897**	**25,024**
YoY growth (%)	-	***0.7%***	***48.1%***
COGS (incl Stock Adj)	**15,652**	**15,674**	**22,817**
Gross Profit	**1,136**	**1,223**	**2,207**
Gross margins (%)	***6.8%***	***7.2%***	***8.8%***
Employee Cost	208	258	290
Other Operating Expenses	289	269	290
EBITDA	**639**	**696**	**1,627**
EBITDA margins (%)	***3.8%***	***4.1%***	***6.5%***
Other Income	13	11	16
Interest Exp.	95	116	152
Depreciation	72	87	131
PBT	**485**	**503**	**1,360**
Exceptional item	-	-	-
Tax	125	139	350
Share of profit of associates and JVs	-	-	-
Minority Interest	-	-	-
PAT	**360**	**365**	**1,010**
PAT margin (%)	***2.1%***	***2.2%***	***4.0%***
EPS (Rs)	**6.4**	**6.5**	**17.9**

BALANCE SHEET			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Assets			
Net Block	197	294	285
Capital WIP	47	15	24
Intangible Assets	1	1	1
Right of use assets	364	350	349
Other Non-current Assets	137	154	148
Current Assets			
Current Investment	-	-	-
Inventories	4,292	5,873	9,816
Trade receivables	59	116	215
Cash and Bank Balances	46	74	38
Short-term loans and advances	-	-	-
Other Current Assets	40	53	70
Total Current Assets	**4,437**	**6,116**	**10,139**
Current Liabilities & Provisions			
Trade payables	124	267	522
Other current liabilities	2,219	3,329	5,423
Short-term provisions	9	13	6
Total Current Liabilities	**2,352**	**3,609**	**5,951**
Net Current Assets	**2,085**	**2,508**	**4,188**
Assets Classified as held for sale	-	-	-
Total Assets	**2,830**	**3,321**	**4,994**
Liabilities			
Share Capital	12	250	250
Reserves and Surplus	1,552	1,675	2,680
Total Shareholders' Funds	**1,564**	**1,925**	**2,930**
Minority Interest	-	-	-
Total Debt	824	949	1,604
Long Term Provisions	11	12	19
Lease Liabilities	430	434	441
Total Liabilities	**2,830**	**3,321**	**4,994**

Cash Flow Statement (Rs cr)	FY24	FY25	FY26
Cash flow from Operating Activities	(18)	289	(398)
Cash flow from Investing Activities	(112)	(215)	(66)
Cash flow from Financing Activities	135	(44)	428
Free Cash Flow	(110)	168	(465)

RATIOS			
Particulars	**FY24**	**FY25**	**FY26**
Profitability			
Return on Assets	6.9%	5.3%	9.2%
Return on Capital Employed	24.3%	21.5%	33.4%
Return on Equity	23.0%	18.9%	34.5%
Margin Analysis			
Gross Margin	6.8%	7.2%	8.8%
EBITDA Margin	3.8%	4.1%	6.5%
Net Profit Margin	2.1%	2.2%	4.0%
Short-Term Liquidity			
Current Ratio (x)	1.4	1.4	1.3
Quick Ratio (x)	0.0	0.1	0.0
Avg. Days Sales Outstanding	1	3	3
Avg. Days Inventory Outstanding	100	137	157
Avg. Days Payables	3	6	8
Fixed asset turnover (x)	29.9	26.2	39.5
Debt-service coverage (x)	0.6	0.6	0.9
Long-Term Solvency			
Total Debt / Equity (x)	0.5	0.5	0.5
Interest Coverage Ratio (x)	6.1	5.3	10.0
Valuation Ratios*			
EV/EBITDA (x)	18.9	17.5	7.9
P/E (x)	31.5	31.0	11.2
P/B (x)	7.2	5.9	3.9
EV/Sales (x)	0.7	0.7	0.5
P/Sales (x)	0.7	0.7	0.5

Valuation ratios are based on pre-issue capital at the upper price band

Source: RHP, SBICAP Securities Research

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