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IPO Note
17th Aug 2026

Lalithaa Jewellery Mart Limited

Subscribe

Rating: Subscribe

Issue Offer

Total issue size: Fresh Issue – INR 12,000 Mn (59.73 Mn Shares) and OFS – INR 5,000 Mn (24.88 Mn Shares)

Issue Summary	
Price Band (INR)	190-201
Face Value (INR)	5
Implied Market Cap (INR Mn)	112,501.70
Market Lot	74
Issue Opens on	17 Aug, 2026
Issue Close on	19 Aug, 2026
No. of share pre-issue	499,977,156
No. of share post issue	559,709,811
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

Book Running Lead Managers

Anand Rathi Advisors Limited
Equirus Capital Limited

Registrar

MUFG Intime India Private Limited

Shareholding Pattern	Pre-Issue	Post-Issue
Promoters	97.72%	82.85%
Public & Others	2.28%	17.15%

Objects of the Offer	Exp. Amt (INR Mn.)
To fund capex for furniture and fixtures, equipment, IT hardware and software of setting up of 10 new stores	345.50
Expenditure towards inventory costs for setting up of New Stores	9,986.81
General Corporate Purposes	Shall not exceed 25% of gross proceeds

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Lalithaa Jewellery Mart is a South India-focused jewellery retailer operating under the "Lalithaa" brand, with 61 stores across 51 cities in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Puducherry as of FY26. The company follows an asset-light model, with 58 stores operated under leave-and-license arrangements, and has a strong presence in Tier-II and Tier-III cities, which contributed 60.25% of revenue. Tamil Nadu is its largest market, contributing 53.98% of FY26 revenue, while gold jewellery remains the core business at 92.33% of revenue. Its portfolio spans gold, silver, diamond and daily-wear to wedding jewellery, supported by customer schemes such as Dhana Vandhanam and Free-yo-Flexi.

Investment Rationale:

Best-in-class store productivity strengthens expansion economics: The company reported INR 4,102 Mn revenue per store in FY26, stated to be the highest among key organised jewellery peers. EBITDA per store also increased sharply to INR 274 Mn from INR 123 Mn in FY25. Its templatised approach to store size, location and customer experience provides a framework for replicating store economics across new markets.

Customer schemes create recurring demand and sales visibility: Lalithaa's jewellery savings schemes have created a sizeable recurring customer base, with 473,412 active customers as of FY26. Customer advances increased from INR 19,432 Mn in FY24 to INR 50,428 Mn in FY26, rising from 11.6% to 20.2% of revenue. This provides forward visibility on purchases and strengthens customer retention.

Store expansion provides visible near-term growth runway: The company plans to add 5 stores in FY27 and 5 stores in FY28, primarily across underpenetrated southern markets and Tier-II/III locations. The expansion is to be funded through IPO proceeds, with subsequent stores expected to be funded through internal accruals and other sources. Successful execution should provide incremental revenue while deepening the company's regional franchise.

Strong South India franchise with deep Tier-II/III penetration: The company has built a sizeable regional jewellery franchise with 61 stores across 51 cities in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Puducherry. Its key differentiation is its deep penetration into Tier-II/III markets, with 45 stores contributing 60.3% of FY26 revenue. South India itself represents ~40% of India's gems & jewellery market, providing a large addressable market for further expansion.

Valuation & Outlook:

The company is expected to benefit from the large South Indian jewellery market and ongoing shift from unorganised to organised retail, particularly in the mass-market and value-conscious segment. Its strong presence in Tier-II/III cities provides a sizeable runway for market-share gains as organised penetration increases. The company plans to add 10 stores over FY27–FY28, with an asset-light model supporting capital-efficient expansion. Strong existing store productivity provides confidence in the scalability of the network. Further, increasing the share of studded jewellery could improve product mix and margins. With revenue growing at 22.09% CAGR and EBITDA at 56.86% CAGR during FY24–FY26, sustained store additions, operating leverage and mix improvement could support healthy earnings growth. Key monitorables remain new-store ramp-up, margin sustainability and working-capital discipline. **At the upper band of INR 201, the issue is valued at P/E ratio of 11.14x, based on EPS of INR 18.04, We are recommending a "Subscribe" rating for this issue.**

Exhibit: Financial Performance

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	167,880.52	168,973.17	250,239.27
Growth (%) YoY	-	*0.65%*	*48.09%*
EBITDA	6,801.67	7,403.59	16,735.04
Margins (%)	*4.05%*	*4.38%*	*6.69%*
PAT/(Loss)	3,598.33	3,647.26	10,098.17
Margins (%)	*2.14%*	*2.16%*	*4.04%*

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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