

August 17, 2026

South India based jewellery retailer

About the Company: Lalithaa Jewellery Mart Ltd. (Lalithaa) is a south India based jewellery retailer. It offers diverse range of gold, silver & diamond jewellery and largely caters to mass market and consumers who prefer gold with high purity (generally 18+ carat). The company opened its first store in 1985 and currently operates 61 stores in 51 cities spread across a total store area of 6,50,881 sq.ft.

Key triggers/Highlights:

- Lalitha Jewellery has strong presence across the South Indian cities with majority stores (45 of the total 61 stores) in tier II and tier III cities contributing ~60% of company's FY26 revenue. The company aims to add 5 stores in FY27 and 10 stores in FY28 in South India.
- Revenue grew at CAGR of ~22% to ~Rs. 25,024cr in FY26 from Rs. 1,678cr in FY24, largely aided by higher value of gold and improved store productivity. Revenue/sqft which stood at Rs.3.84 lakh in FY26 (CAGR of 15.5% over FY24-26). Tamil Nadu contributes ~54% of its FY26 revenue followed by Andhra Pradesh (19%), Telangana (14.5%), Karnataka (10.9%), Puducherry (1.4%).
- The company primarily operates large and medium format stores with an average store area of 10,670 sq.ft. in FY26 which enhances product visibility and mix resulting in increased foot traffic and higher sales volume. Large and medium format stores contributed ~89% of Lalithaa's FY26 revenue.
- Gross margins improved by ~200bps over FY24-26 led by better sourcing practices and improved non-gold revenue (improved from 5.2% of revenues in FY24 to 7.9% of revenues in FY26). EBITDA margin expanded from 4.1% in FY24 to 6.7% in FY26, driven by better gross margins and operating leverage (led by improved store productivity; inventory turns at ~2.6x in FY26).
- Presence of wide variety of products in large and medium format stores leads to high inventory deployment, this coupled with rising gold prices result in high inventory value leading to high working capital requirements. Inventory days have increased to 143 days in FY26 from 93 days in FY24. As a result, Working capital days increased to 65 days in FY26 from 50 days in FY24. Higher working capital requirements has led to negative operating cash flow of Rs.398cr in FY26.
- ~80% of products are manufactured in-house. It follows an asset light retail business model, owns only 3 stores out of 61 stores. These factors coupled with better store productivity and improved profitability led to ROCE improving to 42.6% in FY26 from 30.4% in FY24.
- The company has related-party transactions, including Rs. 50.3cr of brand ambassador fees paid to the promoter in FY24 and the purchase and sale of diamond jewellery to AK Exports (owned by promoter) amounting to ~Rs.368cr in FY26. Such arrangements could, lead to conflict of interest and pricing risks.

Our View & Rating: At the upper band of Rs.201, valuations look attractive at ~11x P/E of FY26 (diluted EPS). However concerns related to related party transactions, no appropriate hedging mechanism and strong presence in one region does not augur well for the stock. **We assign UNRATED rating to Lalithaa Jewellery Mart Ltd.**

Key risk & concerns

- Gold price volatility coupled with lack of hedging by the company may impact margins and will lead to higher working capital requirements.
- Related party transactions could lead to potential cooperate governance risk.

Key Financial Summary

Financial Summary (₹ crore)	FY24	FY25	FY26	FY24-26 CAGR
Revenues	16788.1	16897.3	25023.9	22.1%
EBIDTA	680.2	740.4	1673.5	56.9%
EBIDTA Margin (%)	4.1%	4.4%	6.7%	
Reported PAT	359.8	364.7	1009.8	67.5%
EPS (Rs.)	7.2	7.3	20.2	
PE (x)	31.3	30.8	11.1	
EV to EBIDTA (x)	16.6	15.3	7.2	
RoCE (%)	30.4	25.6	42.6	

Source: RHP, ICICI Direct Research

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**IPO Details****Issue Details**

Issue opens	17th August 2026
Issue closes	19th August 2026
Issue size	Rs.1,700 crore
QIB (Institutional) Share	Not more than 50% of the Offer
Non-Institutional Share	Not less than 15% of the Offer
Retail share	Not less than 35% of the Offer
Issue Type	Fresh Issue and Offer for Sale
Price band (₹/share)	Rs.190- Rs.201/share
Market Lot	74 shares
Face value	Rs.5
Listing Market Cap @ Upper Price Band	Rs.11,250 crore

Shareholding pattern

	Pre-Issue	Post-Issue
Promoters	97.7	82.9
Public	2.3	17.1
Total	100	100

Objects of the issue**Objects of the issue**

To carry out OFS for Rs. 500cr and fresh issue of Rs.1,200cr wherein Net proceeds from the issue be utilized towards setting up of 10 new stores (Rs. 1033cr) and rest for general corporate purposes.

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