AXIS CAPITAL

LALITHAA JEWELLERY MART LIMITED

IPO NOTE

August 2026

ISSUE HIGHLIGHTS

- Incorporated in 1985, **Lalithaa Jewellery** is a jewellery retailer in South India offering gold, silver, diamond and other jewellery ranges with 61 stores, as of 31st March 2026, across 51 locations in Telangana, Andhra Pradesh, Tamil Nadu, Karnataka and the Union Territory of Puducherry. The company operates one of the largest jewellery stores in India at Vijayawada, which is spread over total carpet area* of 100,000 Sq. Ft. The company also operates two large format jewellery stores in Somajiguda and Vishakhapatnam, which are spread across total carpet area of 98,210 Sq. Ft. and 65,000 Sq. Ft. respectively and are amongst the largest jewellery retail stores in India.
- The company has presence across the south Indian cities with stores operational in tier I, tier II, tier III cities and majority stores (74%:45 of the total 61 outlets) operational in tier II and tier III cities contributing 60.25% company's revenue (FY26) in these high growth potential markets.
- They opened its first store in 1985 in T.Nagar locality of Chennai which is a hub for a silk and jewellery retail outlets. They cater to mass market and value conscious consumers who are characterised by having preferences for competitive prices and gold with high purity (generally 18 carat or more). The company primarily operates in South Indian market which represents ~40% of the total gems and jewellery market in India in FY26.
- Amongst the key organised players considered in India, the company has highest advances from customers and advances from customer as % of revenue for fiscal 2025 and fiscal 2026
- Amongst the key organised jewellery players considered in India, the company has the highest operating revenue per store, from fiscal 2024 to fiscal 2026.
- The company has the highest Operating EBITDA per store, amongst the key organised jewellery players considered in India, from, fiscal 2024, to fiscal 2026.
- Amongst the key organised jewellery players considered in India, the company has the highest PAT per store for fiscal 2024 and fiscal 2026, and second highest for FY25.
- The company has the second highest revenue per square feet, amongst the key organised jewellery players considered in India, for fiscal 2026.
- They have the highest average store size, amongst the key organised jewellery players considered in India, from, fiscal 2024, to fiscal 2026.

BRIEF FINANCIAL DETAILS*

(₹ In Cr)

Particular	As at Mar' 31, 2026	2025	2024
Equity Share Capital	249.99	249.99	11.90
Reserves#	2,783.15	1,778.80	1,655.87
Net Worth	3,033.14	2,028.80	1,667.78
Total Borrowings	1,604.14	949.26	824.18
Revenue from operations	25,023.93	16,897.32	16,788.05
Revenue Growth (%)	48.09%	0.65%	-
EBITDA	1,673.50	740.36	680.17
EBITDA Margin (%)	6.69%	4.38%	4.05%
Net Profit for the year	1,009.82	364.73	359.83
Net Profit Margin (%)	4.04%	2.16%	2.14%
EPS – Basic & Diluted (₹)	20.20	7.29	7.20
RONW (%)	39.90%	19.73%	24.16%
NAV - (₹)	58.60	38.51	31.29
Cash flow from operating activities	(397.76)	288.73	(18.01)
Cash flow from investing activities	(66.18)	(215.07)	(112.34)
Cash flow from financing activities	427.73	(44.13)	134.98

*Source: RHP, *Restated Statement, # Reserve with net of Capital Reserve*

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹1,200 Cr and Offer for Sale of Equity Shares aggregating upto ₹500 Cr

Issue size: ₹ 1,700 Cr
Face value: ₹ 5/-
Employee Reservation: Shares aggregating up to ₹ 6 Crore

Price band: ₹ 190 – 201
Bid Lot: 74 Shares and in multiples
Employee Discount: ₹ 19/- per Share

Post Issue Implied Market Cap:
₹ 10,700 – 11,250 Cr

BRLMs: Anand Rathi Advisors, Equirus Capital
Registrar: MUFG Intime India Pvt Ltd

Issue opens on: Monday, 17th Aug'2026
Issue closes on: Wednesday, 19th Aug'2026

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	20-08-2026
Refunds/Unblocking ASBA Fund	21-08-2026
Credit of equity shares to DP A/c	21-08-2026
Trading commences	24-08-2026

Issue Break-up

	No. of Shares @Lower	No. of Shares @Upper	₹ In Cr	% of Issue
QIB	4,45,78,946	4,21,39,302	847.00	**50%**
NIB	1,33,73,685	1,26,41,791	254.10	**15%**
-NIB2	*89,15,790*	*84,27,861*	*169.40*	-
-NIB1	*44,57,895*	*42,13,930*	*84.70*	-
RET	3,12,05,263	2,94,97,513	592.90	**35%**
Emp	3,50,877	3,29,670	6.00	-
Total	**8,95,08,771**	**8,46,08,276**	**1,700.00**	**100%**

NIB-2 =NII Bid Above ₹ 10 Lakhs
NIB-1=NII Bid between ₹ 2 to 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	74 Shares	1,036 Shares	5,032 Shares
Minimum Bid Lot Amount (₹)	₹ 14,874^	₹ 2,08,236^	₹10,11,432^
Appl for 1x	3,98,615 Applications	4,068 Applications	8,135 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre-issue	Post-issue~	Post-issue^
49,99,77,156	56,31,70,138	55,97,09,811

~@Lower price Band ^@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	97.72%	82.85%
Promoter Group	0.00%	0.00%
Public – Other	2.28%	17.15%
Total	**100.00%**	**100.00%**

Background

The company was originally incorporated as "Lalitha Jewellery Mart Private Limited", on November 26, 1985. M. Kiran Kumar Jain and Hemaa Kiran Kumar Jain are the Promoters of the company. Currently, the promoters, in aggregate, hold 48,85,74,156 Equity Shares, representing 97.72% of the pre-issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of Directors and Senior Management Personnel

M. Kiran Kumar Jain is one of the Promoter and the Chairman and Managing Director of the company. He joined on March 19, 1999.

Hemaa Kiran Kumar Jain is one of the Promoter and a Whole-time Director of the company. She joined on April 10, 2002.

P Rajeswaran is a Whole-time Director of the company. He joined on June 11, 2012 and has more than 13 years of experience.

Nayan Jagadishchandra Rawal is an Independent Director of the company. He has been associated with the company since July 15, 2006.

Poonam Jagdambaprasad Dubey is an Independent Director of the company. She has prior experience with Mukund M. Chitale & Co. and currently as managing partner at Bagdi Dubey and Associates.

Vandana Mayur Amrutiya is an Independent Director of the company. She has been associated with VMA & Co. since 2012.

Bhama S is the Chief Financial Officer of the company. She joined on April 17, 2014 and was appointed as CFO on January 8, 2024. She has prior experience with Rajkumnar Impex Pvt Ltd.

Jitendra Kumar Pal is the Company Secretary and Compliance Officer of the company. He has been associated with the company since October 1, 2025

Objects of the Issue

Objects	Amount (₹ Cr)
• Funding expenditure towards setting-up of 10 New Stores	1,033.23
• General Corporate Purposes	[•]
Total	[•]

Offer Details

Particulars	Amount	No. of Shares	WACA per Equity Share (₹)
Fresh Issue	(₹ 1,200 Cr)	Upto 5,97,32,655^ Equity Shares	-
Offer for Sale		**Up to 2,48,75,621^ Equity Shares**	**WACA per Equity Share (₹)**
The Promoter Selling Shareholders:			
M. Kiran Kumar Jain	(₹ 500 Cr)	Upto 2,48,75,621^ Equity Shares	3.51

(^at upper price band); WACA=Weighted Average Cost of Acquisition

Shareholding Pattern

Shareholders	Pre-offer		Fresh Issue shares^ and Offer for Sale	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoters	*48,85,74,156*	*97.72%*	*2,48,75,621*	*46,36,98,535*	*82.85%*
Promoter Group	*420*	*0.00%*	*0*	*420*	*0.00%*
Total for Promoters and Promoter Group	**48,85,74,576**	**97.72%**	**2,48,75,621**	**46,36,98,955**	**82.85%**
Public	*1,14,02,580*	*2.28%*	*5,97,32,655*	*9,60,10,856*	*17.15%*
Total for Public Shareholders	**1,14,02,580**	**2.28%**	**5,97,32,655**	**9,60,10,856**	**17.15%**
Total Equity Share Capital	**49,99,77,156**	**100.00%**		**55,97,09,811**	**100.00%**

Source: RHP; ^Shares at upper price band

BUSINESS OVERVIEW




Lalithaa Jewellery Mart, operating under the brand name ***"Lalithaa"***, is a jewellery retailer offering gold, silver, and diamond jewellery designed to suit regional preferences of southern India. The company achieved the highest operating revenue per store among organised jewellery players in India, at ₹ 410.23 crore in FY 2026, ₹ 281.62 crore in FY 2025, and ₹ 316.76 crore in FY 2024.

As of March 31, 2026, Lalithaa operated 61 stores across 51 cities in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka, and Puducherry, with a total operational area of 6.51 lakh sq. ft. The company offers BIS-hallmarked jewellery at competitive prices, supported by in-house manufacturing capabilities. Revenue from operations increased from ₹ 16,788.05 crore in FY 2024 to ₹ 25,023.93 crore in FY 2026, reflecting a CAGR of 22.09%.

The company has a strong presence across southern Indian cities, with stores operational in Tier I, II, and III locations. In FY 2026, 45 out of 61 stores were located in Tier II and Tier III cities, contributing 60.25% of total revenue, highlighting the company's strategic focus on high-growth regional markets. The company emphasizes quality, craftsmanship, and design at competitive prices, which has enabled it to establish a distinct brand position in these markets.

Out of a total of 61 stores, in FY 2026, the company operated 51 stores with each store having an aggregate area of more than 5,000 sq. ft. Of these, 39 stores were located in Tier-II and Tier-III cities across southern India. The company follows a strategy of opening Large Format Stores (above 15,000 sq. ft.) and Medium Format Stores (between 5,000 sq. ft. and 15,000 sq. ft.), enabling a wide showcase of gold, silver, and diamond jewellery.

The company reported the highest operating revenue per store among organised jewellery players in India, at ₹ 410.23 crore in FY 2026, ₹ 281.62 crore in FY 2025, and ₹ 316.76 crore in FY 2024. For the same periods, the operating EBITDA per store stood at ₹ 27.43 crore, ₹ 12.34 crore, and ₹ 12.83 crore, respectively.

The company has developed a templatised approach for store location, size, and customer experience, supporting scalability across existing and newer markets.

The company offers jewellery schemes such as '**Dhana Vandhanam**' and '**Free-yo-Flexi**', designed to attract customers on a repeated basis and provide added value and flexibility.

Under the 'Dhana Vandhanam' scheme, customers can opt for monthly instalments ranging from ₹1,000 to ₹10,000. On completion of 11 months, the scheme provides a 50% bonus equivalent to one month's instalment and a 50% discount on value-addition charges at the time of jewellery purchase. Customers may choose either weight-based or rupee-based credit for instalments, thereby protecting them against gold rate fluctuations during the scheme period.

Under the 'Free-yo-Flexi' scheme, customers can contribute monthly instalments starting from ₹1,000 up to ₹25,000. On completion of 11 months, the scheme offers a 100% discount on value-addition charges at the time of jewellery purchase, subject to the terms and conditions of the scheme.

As of FY 2026, a total of 4.73 lakh customers were enrolled and active in the company's jewellery schemes. Among organised jewellery players in India, the company reported the highest advances from customers, at ₹ 5,042.75 crore in FY 2026 and ₹ 3,145.41 crore in FY 2025. These advances from customers provide visibility of sales in subsequent periods and enable effective planning of operations.

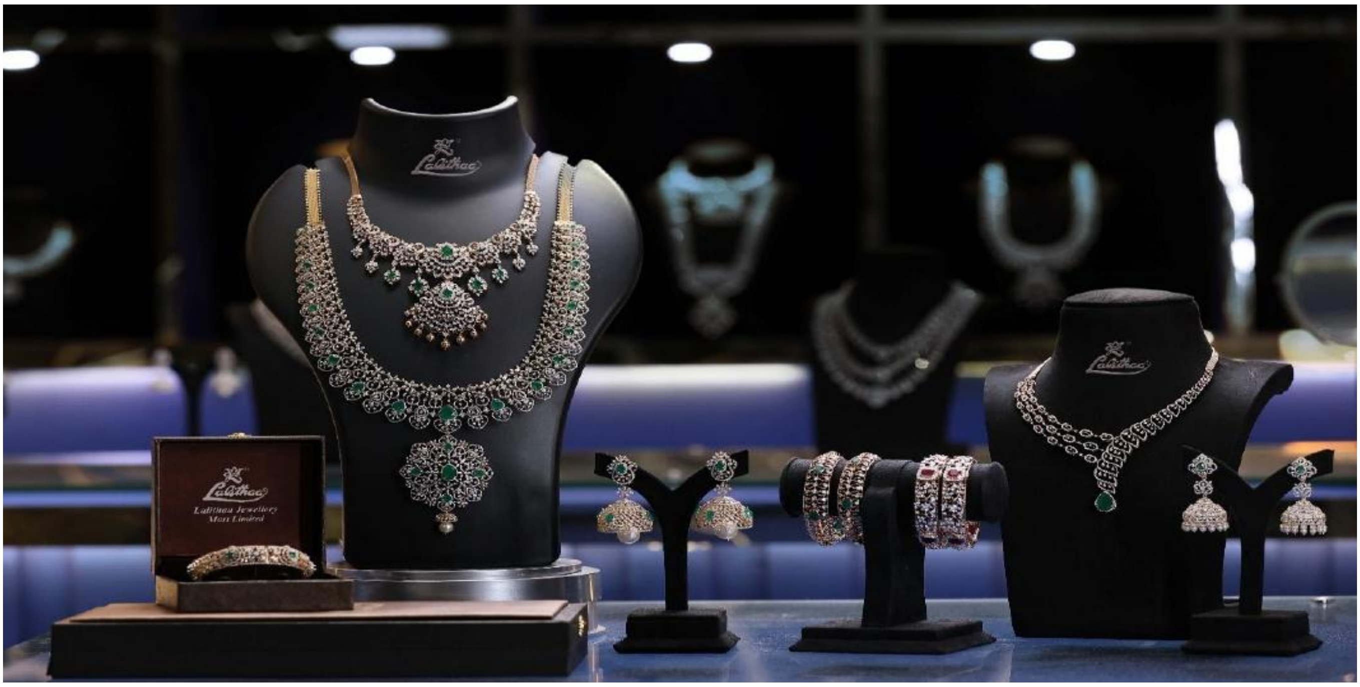
The details of advances from customers:

Particulars	Financial Year ended March 31,					
	2026		2025		2024	
	Amount (₹ Cr)	% of Revenue	Amount (₹ Cr)	% of Revenue	Amount (₹ Cr)	% of Revenue
Advances from customers	**5,042.75**	**20.15%**	**3,145.41**	**18.61%**	**1,943.23**	**11.58%**

They operate two manufacturing facilities in Tamil Nadu: one at Thirumudivakkam, Chennai (operated directly by the Company) with an area of ~43,862 sq. ft., and another at Maraimalai, Kanchipuram (operated through their wholly owned subsidiary, *Asita Jewellery Manufacturing Private Limited*) with an area of ~20,000 sq. ft. Operations at the Thirumudivakkam facility commenced on December 2, 2024.

In FY 2026, they engaged a total of 816 karigars under exclusive arrangements, comprising 672 employed by the Company and 144 employed by Asita Jewellery Manufacturing Pvt Ltd, to manufacture gold, silver, and diamond jewellery. In addition, as of March 31, 2026, they had entered into short-term agreements with 296 karigars on a non-exclusive basis, who manufacture and supply jewellery to the company.

THE COMPANY OPERATIONS AND PRODUCTS



Stores: In FY 2026, the Company operated 61 stores offering gold, silver, diamond, and other jewellery ranges across 51 cities in Telangana, Andhra Pradesh, Tamil Nadu, Karnataka, and Puducherry. They follow an asset-light model, with only 3 stores owned and the remaining retained on a leave and license basis.

Products: The Company designs, manufactures, and sells a wide range of jewellery across price points, from special occasion to daily-wear. Product categories include wedding, festival, daily wear, men's jewellery, and personal occasion jewellery, offered in forms such as necklaces, bangles, rings, earrings, pendants, bracelets, and chains.

Revenue from sale of gold jewellery was ₹23,104.73 crore in FY 2026, ₹15,981.90 crore in FY 2025, and ₹15,773.61 crore in FY 2024, accounting for 92.33%, 94.58%, and 93.96% of total revenue from operations, respectively.

Other offerings include customised jewellery, silverware (spoons, dishes, utensils), and Dosham-free diamond jewellery with VVS clarity and E-F colour grade, certified for authenticity. Designs span traditional Indian to Indo-western styles, catering to diverse consumer preferences.

The Company operates jewellery purchase schemes such as 'Free-yo-Flexi', 'Dhana Vandhanam', and 'Jewellery Pre-Booking'. These schemes allow customers to deposit money upfront in 11 monthly instalments or lump sum, offering benefits such as protection against gold price fluctuations, discounts, or waivers of value-addition charges.

Under 'Dhana Vandhanam', monthly instalments range from ₹1,000 to ₹10,000. On completion of 11 months, customers receive a 50% bonus equivalent to one month's instalment and a 50% discount on value-addition charges. Instalments may be credited on a weight-based or rupee-based calculation, protecting customers from gold rate fluctuations.

Under 'Free-yo-Flexi', instalments range from ₹1,000 to ₹25,000. On completion of 11 months, customers receive a 100% discount on value-addition charges, subject to scheme terms and conditions.

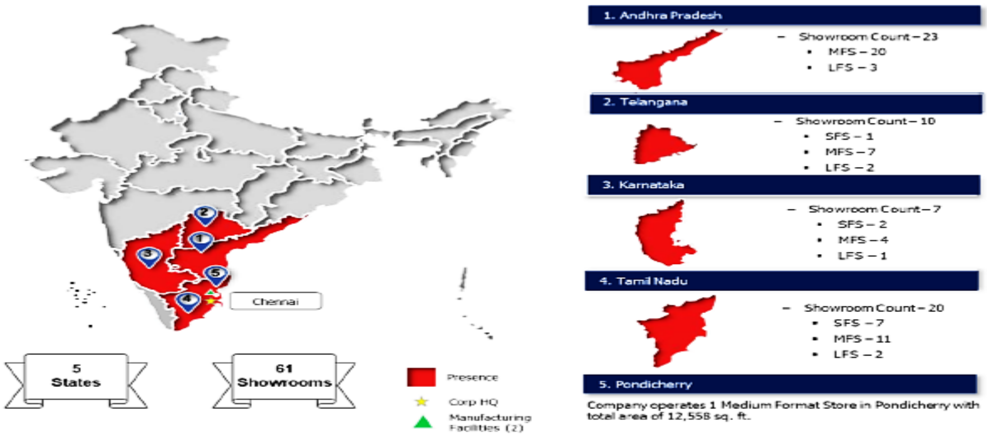
Jewellery manufacturing: The Company engages karigars for manufacturing more than 79% of products. As of March 31, 2026, they operated manufacturing facilities with 816 karigars under exclusive arrangements (672 employed by the Company and 144 by *Asita Jewellery Manufacturing Pvt Ltd*), enabling production of gold, silver, and diamond jewellery. In addition, 296 karigars were engaged under short-term, non-exclusive agreements to manufacture and supply jewellery.

MANUFACTURING FACILITIES

The Company operates two **manufacturing facilities** in Tamil Nadu:
Thirumudivakkam, Kancheepuram District (43,861.96 sq. ft.), operated directly by the Company, with operations commenced on **December 2, 2024**.
Maraimalainagar, Kancheepuram District (20,000 sq. ft.), operated through their wholly owned subsidiary, Asita Jewellery Manufacturing Pvt Ltd.

THE COMPANY PRESENCE

The company's presence in southern region in Indian including their store locations and manufacturing facilities in Fiscal 2026:



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.

THE COMPANY STORES DETAILS

The Company's strategy of opening Large Format Stores and Medium Format Stores has been central to driving scale. These formats provide extensive retail space to showcase a wide selection of gold, silver, and diamond jewellery, catering to diverse customer preferences. Enhanced product visibility and variety have contributed to higher foot traffic and increased sales.

As of March 31, 2026, the Company operated 8 Large Format Stores, 43 Medium Format Stores, and 10 Small Format Stores, spread across multiple states.

Category-wise stores details

Format	Criteria	FY 2026	FY 2025	FY 2024
Large format stores	More than 15,000 sq. ft.	8	8	8
Medium format stores	≤15,000 sq. ft. and >5,000 sq. ft.	43	42	36
Small format stores	≤5,000 sq. ft.	10	10	9
Total stores	—	**61**	**60**	**53**

The break-up of stores by categories across geographies the company operates in:

Format	Criteria	Tamil Nadu	Andhra Pradesh	Karnataka	Telangana	Puducherry	Total
Large format stores	>15,000 sq. ft.	2	3	1	2	–	**8**
Medium format stores	≤15,000 sq. ft. and >5,000 sq. ft.	11	20	4	7	1	**43**
Small format stores	≤5,000 sq. ft.	7	–	2	1	–	**10**
Total stores	—	**20**	**23**	**7**	**10**	**1**	**61**

Category-wise revenue from operations:

	Financial Year ended March 31,					
	2026		2025		2024	
Format	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue
Large format stores	6,930.28	27.69%	5,088.75	30.12%	7,444.93	44.35%
Medium format stores	15,266.70	61.01%	9,987.23	59.11%	8,177.75	48.71%
Small format stores	2,826.95	11.30%	1,821.34	10.78%	1,165.37	6.94%

REVENUE FROM OPERATIONS

The contribution of each product type to their revenue from operations:

	For the year ended March 31, 2026		For the year ended March 31, 2025		For the year ended March 31, 2024	
Particulars	Amount (₹ Cr)	% of Revenue	Amount (₹ Cr)	% of Revenue	Amount (₹ Cr)	% of Revenue
Gold Jewellery	23,104.73	92.33%	15,981.90	94.58%	15,773.61	93.96%
Silver Jewellery & Articles	1,658.85	6.63%	673.71	3.99%	652.60	3.89%
Others (silverware and diamond jewellery)	260.35	1.04%	241.71	1.43%	361.85	2.16%
Total Revenue from Operations	**25,023.93**	**100%**	**16,897.32**	**100%**	**16,788.05**	**100%**

COMPETITIVE STRENGTHS

- ***Strong regional presence with deep penetration in high-growth South Indian markets evidenced by operating revenue growth between Fiscal 2024 to Fiscal 2026.***

Jewellery has long held cultural significance in southern India, with demand driven by weddings and traditional practices. The **South Indian gems and jewellery retail market** was valued at **₹ 502,600 crore in FY 2026**, accounting for about **40% of the overall Indian industry.**

Consumer behaviour in the region is evolving, with jewellery purchases extending beyond weddings and festivals to occasions such as receiving a bonus, graduation, or starting a new job. While **gold jewellery continues to dominate the bridal market**, the growing preference for **minimalist jewellery** is emerging as a key driver of demand in the region.

- ***Brand catering to the mass and value-conscious segment with own manufacturing***

The company is focused on serving the mass market with quality and affordable jewellery. For this segment, gold jewellery is not limited to luxury but is deeply influenced by cultural and social factors. Gold is embedded in tradition and societal expectations, symbolising status, heritage, and security.

The lower-income and middle-income consumer groups form a significant portion of the population, often saving over long periods before making a purchase. These consumers actively participate in local gold saving schemes and rely strongly on word-of-mouth recommendations from family and friends. For them, gold jewellery is viewed as an investment and social necessity, driven by tradition, expectations, and the desire for financial security rather than indulgence-based consumption.

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

The company's brand has strong appeal in Tier II and Tier III cities across southern India, supported by affordable pricing and reliable quality that have built customer trust and loyalty. The focus on quality, craftsmanship, and original designs, combined with targeted marketing and customer service, has contributed to brand recognition and repeat engagement. Marketing campaigns are tailored to enhance brand recall and drive footfalls throughout the year.

Jewellery retail chains accounted for 54–59% of the South Indian gems and jewellery market in FY 2026 (Source: CRISIL Report). Tier II and Tier III cities are estimated to have high growth potential, with organised retail chains well-positioned to capture market share due to their regional presence (Source: CRISIL Report). In FY 2026, 45 out of 61 stores were located in Tier II and Tier III cities, reflecting the company's strategic emphasis on expanding reach and strengthening presence in these markets.

- ***Large Format Stores and Medium Format Stores driving scale***

The company's strategy of opening Large Format Stores and Medium Format Stores has been central to scaling operations. These retail spaces enable them to present an extensive selection of gold, silver, and diamond jewellery, catering to diverse customer preferences. The enhanced product visibility and variety contribute to higher foot traffic and sales volumes. As on March 31, 2026, the company operated 8 Large Format Stores, 43 Medium Format Stores, and 10 Small Format Stores, spread across key states in southern India.

The company operates one of the **largest jewellery stores in India** at **Vijayawada**, with a total carpet area of **100,000 sq. ft.** In addition, they operate two large format jewellery stores at **Somajiguda** and **Visakhapatnam**, with carpet areas of **98,210 sq. ft.** and **65,000 sq. ft.**, respectively. These stores are among the **largest jewellery retail outlets in India**.

- ***Robust customer base owing to diverse range of jewellery schemes***

The company offers a diverse range of jewellery schemes that attract customers on a recurring basis and provide added value and flexibility. These schemes form a cornerstone of their business. They also provide exchange, buyback, and financing options to enhance customer satisfaction. For diamond jewellery purchased from them, they offer 85% buyback against cash and 100% buyback against exchange.

Among their schemes, 'Dhana Vandhanam' allows monthly instalments ranging from ₹1,000 to ₹10,000. On completion of 11 months, customers receive a 50% bonus equivalent to one month's instalment and a 50% discount on value-addition charges at the time of purchase. Customers may choose either weight-based or rupee-based credit for instalments, protecting them against gold rate fluctuations during the scheme period. The 'Free-yo-Flexi' scheme offers monthly instalments starting from ₹1,000 up to ₹25,000. On completion of 11 months, customers receive a 100% discount on value-addition charges at the time of jewellery purchase, subject to scheme terms and conditions.

- ***Asset light retail business model with backward integration, efficient inventory management and quality control processes in place***

The company follows an asset-light model. In FY 2026, out of 61 stores, only 3 were owned, with the rest on a leave and license basis. They operate two manufacturing facilities in Tamil Nadu: Thirumudivakkam, Chennai (43,862 sq. ft., commenced December 2, 2024) and Maraimalai, Kanchipuram (20,000 sq. ft., operated through Asita Jewellery Manufacturing Pvt Ltd). In FY 2026, they engaged 816 karigars under exclusive arrangements (672 with the Company, 144 with Asita), and 296 karigars under short-term, non-exclusive agreements. In-house manufacturing reduces wastages and supports cost efficiency. They maintain an inventory management system with bar-coding and JILABA ERP integration. Procurement processes minimize gold price fluctuations. All jewellery undergoes hallmarking, defect checks, and purity testing.

- ***Experienced Promoter and management team with proven execution capabilities***

The company is guided by a qualified and experienced management team, with a balanced corporate setup comprising professionals from diverse fields. Their Promoter, Chairman and Managing Director, M. Kiran Kumar Jain, has been associated with the Company since March 19, 1999 and remains actively involved in operations, providing vision and leadership. They also benefit from an experienced senior management team, along with other members of senior management.

KEY BUSINESS STRATEGIES

- ***Expansion and exploring untapped sections in southern and other regions of India***

The Company intends to expand in southern India, particularly in markets where their presence is comparatively low, while strengthening operations in Tier II and Tier III cities across regions. They propose to open 5 new stores in FY 2027 and 5 new stores in FY 2028, funded through the Net Proceeds of the Offer. Further expansion will be aligned with business strategies and financed through internal accruals and other sources.

- ***Expansion of the studded gold jewellery business***

The Company intends to increase focus on studded gold jewellery, which has widened their consumer base and typically offers a higher gross margin profile than plain gold jewellery (Source: CRISIL Report). They plan to prioritise product categories within gold jewellery that yield higher margins.

The studded ornaments segment is gaining momentum, driven by younger consumers' preference for diamond-studded gold jewellery, generally crafted with 14 or 18 carat gold instead of heavier 22 carat gold. Urban millennials increasingly incorporate studded jewellery into everyday use, reflecting demand for lighter and more affordable pieces. Studded jewellery offers a diverse range of styles and price points, catering to varied consumer preferences. Sales are influenced by regional preferences, cultural factors, fashion, and trends, with margins enhanced by the presence of precious stones such as diamonds.

- ***Expand in silverware and other product ranges to provide lower value products to mitigate hike in gold prices***

In addition to gold and diamond jewellery, the Company offers silverware products such as spoons and dishes. Revenue from silverware sales was ₹1,658.85 crore in FY 2026, ₹673.71 crore in FY 2025, and ₹652.60 crore in FY 2024. Increased focus on silverware helps mitigate risks from gold price fluctuations.

The Company also intends to expand sales of precious material ornaments and design-centric jewellery through initiatives such as online promotions, digital advertising, and marketing. Modification of the product mix supports an optimal margin profile, contributing to revenue growth.

- ***Continue to invest in their brand building and marketing initiatives***

The Company's marketing and promotion efforts aim to build brand awareness, stimulate interest in their product range, and strengthen their position in the Indian jewellery industry. Key channels include local lifestyle newspapers, outdoor billboards, digital advertisements, in-store engagement programmes, leaflet inserts, and marketing collaterals such as posters and banners. These initiatives help maintain high visibility among customers.

Advertising and sales promotion expenses (including brand ambassador fees) were ₹81.79 crore in FY 2026, ₹76.32 crore in FY 2025, and ₹132.81 crore in FY 2024, representing 0.33%, 0.45%, and 0.79% of revenue from operations, respectively. Since 1999, M. Kiran Kumar Jain has regularly featured in the Company's advertisements, contributing to brand recognition, goodwill, and recall.

COMPETITION

The Company faces competition from both the organized and unorganized jewellery retail sectors, including online sellers and marketplaces. Jewellery retail in India operates through national chains, regional chains, and local standalone stores. Despite branded players increasing market share from 30–35% in FY 2019 to 37–42% in FY 2026, standalone retailers continue to dominate with 58–63% share of the total market.

Competition also arises from regional players. However, entry barriers for establishing large branded chains include high working capital requirements for gold and diamonds, long-term supplier relationships, limited skilled artisans, restricted access to upscale distribution channels, and the need for brand recognition, reputation for excellence, and stringent monitoring systems.

RISK FACTORS AFFECTING THE COMPANY OPERATIONS

- ***Competition:*** The Company faces competition from both the organized and unorganized jewellery retail sectors, including online marketplaces. The markets in which it operates are highly competitive and fragmented, and market share in the southern states may be adversely affected by competition driven by pricing, market trends, and customer preferences. Retail jewellery players in India often offer products at highly competitive prices, which may result in market share loss, downward pressure on prices, and increased marketing and selling expenses. This could adversely impact profitability through lower revenue and additional costs to replace customers and recapture lost sales.

- ***Expansion of the retail network and operations:*** The company operates through a mix of physical stores and digital presence (website and mobile application). As of FY 2026, the physical footprint comprised 61 stores across 51 cities in southern India, expanded from 53 stores in FY 2024. The Company intends to continue expansion into untapped sections of southern and other regions of India. Expansion into new geographies subjects the Company to challenges including local legal and economic unfamiliarity, staffing difficulties, and limited brand recognition. Additional risks include the ability to position new stores effectively, secure demand, obtain suitable properties at viable prices, integrate operations, negotiate favourable vendor terms, execute marketing campaigns, and hire and retain skilled personnel. Any of these factors, individually or collectively, could adversely affect brand recognition, reputation, business operations, cash flows, financial condition, and prospects.

- ***Exclusive arrangements with Karigars:*** As of March 31, 2026, the Company engaged 816 karigars under exclusive arrangements in its manufacturing facilities, producing gold, silver, and diamond jewellery. In-house manufacturing reduces wastage and supports cost efficiency. The business depends on the ability to attract and retain karigars, and any attrition or shortage could lead to production delays, higher costs, and adverse impact on operations and profitability. While no disruptions occurred in Fiscal 2024–2026, future risks cannot be ruled out.
- ***Cost of procurement of gold bullion:*** The jewellery industry is impacted by fluctuations in gold prices and supply, affecting demand, costs, and profitability. The Company does not employ hedging practices such as gold metal loans or forward contracts, exposing it to price volatility. While effective inventory management has mitigated risks in the past, future fluctuations may adversely affect operations and financial performance.
- ***Capital requirements:*** The Company requires substantial capital for operations, including raw material purchases and new store expansion. It may need to obtain additional financing from time to time, and there is no assurance that such funds will be available on timely or favourable terms relating to interest, security, or repayment.
- ***Cultivating brand image and catering to value conscious consumers:*** The Company's business is significantly dependent on the reputation and awareness of its "Lalithaa" brand, registered as a trademark in India. Brand differentiation through advertising and promotions is critical to attracting customers, particularly in the mass market and value-conscious segment. Failure to deliver quality or meet customer expectations, including for new products or collections, could adversely impact brand image, reputation, customer loyalty, and revenues.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2026)

Name of Company	Consolidated/ Standalone	Face Value (₹)	P/E	EPS		RoNW %	NAV per share (₹)
				Basic (₹)	Diluted (₹)		
Lalithaa Jewellery Mart Ltd	**Consolidated**	**5**	**NA**	**20.20**	**20.20**	**39.90%**	**58.60**
Kalyan Jewellers India Ltd	Consolidated	10	46.85	13.08	13.05	24.63%	61.09
Manoj Vaibhav Gems N Jewellers Ltd	Standalone	10	7.12	23.54	23.54	14.82%	170.60
PC Jeweller Ltd	Consolidated	10	9.26	1.00	0.83	10.32%	9.45
P N Gadgil Jewellers Ltd	Consolidated	10	22.18	30.20	30.20	23.21%	144.63
Senco Gold Ltd	Consolidated	10	11.50	35.08	35.06	26.07%	153.45
Thangamayil Jewellery Ltd	Standalone	10	46.26	113.14	113.14	27.93%	455.60
Titan Company Ltd	Consolidated	1	85.25	57.19	57.16	36.48%	179.75
Tribhovandas Bhimji Zaveri Ltd	Consolidated	10	9.14	30.32	30.32	27.06%	125.60

Source: RHP; P/E figures for the peer are computed based on closing market price as on July 31, 2026 on www.bseindia.com

Comparison of the company's KPIs with the listed peer group companies:

Particulars	For Fiscal 2026								
	Lalithaa Jewellery Mart	Kalyan Jewellers	Senco Gold	Thangamayil Jewellery	Manoj Vaibhav Gems	PC Jeweller	Tribhovandas Bhimji Zaveri	Titan	PN Gadgil Jewellers
Number of Stores (Nos.)	61	507	201	67	NA	51	37	1,349	78
Total Store Area (Sq. ft.)	650,881	1,213,100	584,000	NA	NA	205,000	100,000	3,623,000	237,903
Average Store Area (Sq. ft.)	10,670.18	2,392.70	2,905.47	NA	NA	4,019.61	2,702.70	2,685.69	3,050.04
Revenue from Operations (₹ Cr)	25,023.93	35,742.86	8,430.03	8,499.33	2,744.03	3,352.88	3,202.95	87,584.00	10,739.10
Revenue per Store (₹ Cr)	410.23	70.50	41.94	126.86	NA	65.74	86.57	51.01	137.68
Revenue per Sq. ft. (₹ Cr)	0.04	0.03	0.01	NA	NA	0.02	0.03	0.02	0.05
Operating EBITDA (₹ Cr)	1,673.50	2,449.69	969.01	562.32	183.81	670.47	360.85	8,255.00	612.55
EBITDA Margin (%)	6.69%	6.85%	11.49%	6.62%	6.70%	20.00%	11.27%	9.43%	5.70%
EBITDA per Store (₹ Cr)	27.43	4.83	4.82	8.39	NA	13.15	9.75	6.12	7.85
PAT (₹ Cr)	1,009.82	1,350.40	574.32	351.65	114.98	714.46	202.31	5,073.00	409.82
PAT Margin (%)	4.04%	3.78%	6.81%	4.14%	4.19%	21.31%	6.32%	5.79%	3.82%
PAT per Store (₹ Cr)	16.55	2.66	2.86	5.25	NA	14.01	5.47	3.76	5.25
ROE (%)	41.60%	24.30%	25.62%	27.93%	14.82%	9.95%	27.06%	37.13%	23.31%
ROCE (%)	42.60%	25.00%	22.69%	26.38%	16.11%	9.70%	22.12%	22.29%	21.81%
Working Capital Days (Days)	65	119	173	66	150	853	183	151	107
Debt to Equity (Ratio)	0.53	0.67	0.92	0.63	0.53	0.22	1.05	1.67	0.68
Net Debt / EBITDA (Ratio)	0.73	1.13	1.55	0.85	1.87	2.19	1.89	2.55	1.12

Particulars	For Fiscal 2026								
	Lalithaa Jewellery Mart	Kalyan Jewellers	Senco Gold	Thangamayil Jewellery	Manoj Vaibhav Gems	PC Jeweller	Tribhovandas Bhimji Zaveri	Titan	PN Gadgil Jewellers
Marketing Expenses (₹ Cr)	81.79	468.39	158.09	130.92	NA	NA	56.05	3,627.00	NA
Marketing Exp. to Revenue (%)	0.33%	1.31%	1.88%	1.54%	NA	NA	1.75%	4.14%	NA
Inventory Turnover (Ratio)	2.55	2.52	1.59	2.88	1.70	0.46	1.81	2.05	2.94

Particulars	For Fiscal 2025								
	Lalithaa Jewellery Mart	Kalyan Jewellers	Senco Gold	Thangamayil Jewellery	Manoj Vaibhav Gems	PC Jeweller	Tribhovandas Bhimji Zaveri	Titan	PN Gadgil Jewellers
Number of Stores (Nos.)	60	351	175	60	21	52	35	1,067	53
Total Store Area (Sq. ft.)	640,981	857,000	522,000	Na	114,000	Na	100,000	3,061,000	165,260
Average Store Area (Sq. ft.)	10,683.02	2,441.60	2,982.86	Na	5,428.57	Na	2,857.14	2,868.79	3,118.11
Revenue from Operations (₹ Cr)	16,897.32	25,045.07	6,328.07	4,910.58	2,384.02	2,244.60	2,620.48	60,456.00	7,693.47
Revenue per Store (₹ Cr)	281.62	71.35	36.16	81.84	113.53	43.16	74.87	47.46	145.16
Revenue per Sq. ft. (₹ Cr)	0.03	0.03	0.01	Na	0.02	Na	0.03	0.02	0.05
Operating EBITDA (₹ Cr)	740.36	1,517.18	367.63	218.96	164.54	394.53	172.95	5,695.00	335.84
EBITDA Margin (%)	4.38%	6.06%	5.81%	4.46%	6.90%	17.58%	6.60%	9.42%	4.37%
EBITDA per Store (₹ Cr)	12.34	4.32	2.10	3.65	7.83	7.59	4.94	5.34	6.34
PAT (₹ Cr)	364.73	714.17	159.31	118.71	100.42	577.70	68.39	3,337.00	218.27
PAT Margin (%)	2.16%	2.85%	2.52%	2.42%	4.21%	25.74%	2.61%	5.52%	2.84%
PAT per Store (₹ Cr)	6.08	2.04	0.91	1.98	4.78	11.11	1.95	3.13	4.12
ROE (%)	20.90%	15.89%	9.55%	14.88%	15.03%	12.66%	10.87%	31.76%	20.90%
ROCE (%)	25.58%	17.10%	10.81%	14.15%	16.15%	6.61%	12.25%	21.13%	20.23%
Working Capital Days (Days)	56	78	175	100	151	1,134	178	152	71
Debt to Equity (Ratio)	0.51	0.74	0.98	0.78	0.58	0.67	0.98	1.49	0.58
Net Debt / EBITDA (Ratio)	1.12	1.52	2.89	2.12	1.72	7.71	3.14	2.47	0.91
Marketing Expenses (₹ Cr)	76.32	473.36	106.56	68.39	8.93	3.92	48.82	2,996.00	78.57
Marketing Exp. to Revenue (%)	0.45%	1.89%	1.68%	1.39%	0.37%	0.17%	1.86%	4.96%	1.02%
Inventory Turnover (Ratio)	2.88	2.59	1.92	2.48	1.81	0.34	1.79	2.15	3.81

Restated Statement of Asset and Liabilities

(₹ Cr)

Particulars	As at Mar 31,		
	2026	2025	2024
Property, Plant & Equipment	285.03	294.14	197.21
Capital Work in Progress	23.68	14.54	46.90
Intangible Assets	0.62	0.61	0.61
Right of Use Assets	348.55	349.90	364.00
Other Financial Assets	67.22	56.16	59.79
Deferred Tax Assets	50.60	40.65	32.08
Other Non-current Assets	30.00	57.50	45.02
Total Non-current Assets	805.69	813.49	745.61
Inventories	9,816.28	5,872.73	4,292.08
Trade Receivables	214.69	116.45	58.59
Cash & Cash Equivalents	16.11	52.32	22.79
Bank Balances	22.17	21.69	23.27
Other Financial Assets	12.99	7.69	-
Other Current Assets	57.22	45.31	39.91
Total Current Assets	**10,139.46**	**6,116.20**	**4,436.65**
Total Assets	**10,945.14**	**6,929.68**	**5,182.26**
Equity Share Capital	249.99	249.99	11.90
Other Equity	2,679.74	1,675.39	1,552.46
Total Equity	**2,929.73**	**1,925.38**	**1,564.37**
Borrowings – Non current	26.86	31.60	9.40

Particulars	As at Mar 31,		
	2026	2025	2024
Lease Liabilities – Non current	391.18	404.43	407.01
Provision – Non current	18.96	12.20	11.16
Total Non-current Liabilities	**436.00**	**448.23**	**427.57**
Borrowings – Current	1,577.27	917.66	814.78
Lease Liabilities – Current	50.08	29.74	23.44
Trade Payables – Micro & Small	28.96	3.29	1.91
Trade Payables – Others	493.15	263.65	122.00
Other Financial Liabilities	30.28	26.07	115.50
Other Current Liabilities	5,123.83	3,198.20	1,979.82
Provisions – Current	6.27	13.22	9.17
Current Tax Liabilities	268.57	104.24	123.71
Total Current Liabilities	**7,578.41**	**4,556.07**	**3,190.32**
Total Liabilities	**8,014.41**	**5,004.30**	**3,617.89**
Total Equity & Liabilities	**10,945.14**	**6,929.68**	**5,182.26**

Source: RHP

Restated statement of profit and loss

(₹ Cr)

Particulars	For the year ended March 31,		
	2026	2025	2024
Revenue from Operations	25,023.93	16,897.32	16,788.05
Other Income	15.88	10.56	12.57
Total Income	**25,039.80**	**16,907.88**	**16,800.62**
Cost of Raw Materials Consumed	19,461.88	12,974.76	12,483.69
Purchases of Stock-in-trade	6,562.14	3,923.03	3,824.37
Changes in Inventories	(3,503.35)	(1,440.19)	(794.34)
Manufacturing Expenses	296.50	216.33	138.31
Employee Benefits Expense	289.62	258.36	208.36
Finance Costs	198.45	160.44	136.27
Depreciation & Amortisation	130.66	87.18	71.91
Other Expenses	243.64	224.67	247.50
Total Expenses	**23,679.54**	**16,404.58**	**16,316.07**
Profit Before Tax	1,360.27	503.31	484.55
Total Tax Expense	**350.45**	**138.58**	**124.72**
Profit After Tax	**1,009.82**	**364.73**	**359.83**
Other Comprehensive Income	1.72	(2.34)	(0.97)
Total Comprehensive Income	**1,011.54**	**362.39**	**358.86**

Summary of Restated Cash Flows

(₹ Cr)

Particulars	For the year ended March 31,		
	2026	2025	2024
Profit before tax	**1,360.27**	**503.31**	**484.55**
Adjustments Related to Non-Cash & Non-Operating Items	318.51	257.94	196.85
Operating Profits before Working Capital Changes	**1,678.78**	**761.25**	**681.40**
Adjustments for Changes in Working Capital	(1,857.91)	(289.48)	(580.44)
Net cash generated from operations before tax	**(179.13)**	**471.77**	**100.96**
Income tax (paid)/Refund, (net)	(218.63)	(183.04)	(118.97)
Net cash generated from operating activities	**(397.76)**	**288.73**	**(18.01)**
Net cash used in investing activities	**(66.18)**	**(215.07)**	**(112.34)**
Net cash used in financing activities	**427.73**	**(44.13)**	**134.98**
Net (decrease)/ increase in cash and cash equivalents during the period	**(36.21)**	**29.53**	**4.63**
Add: Cash and cash equivalents as at the beginning of the period	52.32	22.79	18.09
Business Combination adjustments	-	-	0.07
Cash and cash equivalents as at the end of the period	**16.11**	**52.32**	**22.79**

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