॥ सर्वे भवन्तु धनिनः ॥

swastika

Lalithaa

IPO NOTE

LALITHAA JEWELLERY MART LIMITED

Rating:

SUBSCRIBE

Lalithaa Jewellery Mart Limited is a jewellery retail company with a strong regional presence across South India, catering primarily to the mass and value-conscious customer segment.

OBJECTS OF THE ISSUE

- Capital Expenditure for 10 New Stores
- Inventory Procurement for 10 New Stores
- General Corporate Purposes

ISSUE OFFER

Issue Opens on	AUG 17, 2026
Issue Close on	AUG 19, 2026
Total IPO size (cr)	₹1,700 CR
Fresh issue (cr)	₹1,200 CR
Offer For Sale (cr)	₹500 CR
Price Band (INR)	₹190-201
Market Lot	74 SHARES
Face Value (INR)	₹5
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹11,250.17 CR.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	249.99	249.99	11.90
Net Worth	3,033.14	2,028.80	1,667.78
Revenue from operations	**25,023.93**	**16,897.32**	**16,788.05**
EBITDA Margin%	6.69%	4.38%	4.05%
Net Profit/Loss of the year	**1,009.82**	**364.73**	**359.83**

MINIMUM INVESTMENT DETAILS

Number of Shares	8,46,08,276
Minimum Investment Amount	₹14,874
Small-HNI (Min)	₹2,08,236
Big-HNI (Min)	₹10,11,432

FINANCIAL RATIOS OF FY26

ROCE	ROE	P/E (Pre IPO)
42.60%	41.60%	9.95x

INDICATIVE TIMETABLE

Basis of Allotment	20-08-2026
Refunds/Unblocking ASBA Fund	21-08-2026
Credit of Share to Demat A/c	21-08-2026
Listing Date	24-08-2026

ISSUE BREAK-UP (%)

QIB Portion	50%
NII Portion	15%
Retail Portion	35%

OUTLOOK & VALUATION

- Lalithaa is priced at a ~75% discount on a P/E basis compared to national organized peers like Kalyan Jewellers and Titan. While its net margins (4.04%) are slimmer due to its value-pricing stance, its return ratios (ROE > 41%) significantly outperform peer group averages.
- Due to heavy inventory stocking requirements for store expansion, operating cash flow turned negative (~₹397.7 crore in FY26)
- Past tax issues are largely resolved, but the ₹1,066 Cr GST dispute and promoter-related matters remain key risks, with disclosure concerns also flagged in the RHP.
- Apply with moderate conviction, suitable for listing gains and long-term investors who are comfortable with the associated risks.

COMPANY PROFILE

- Lalithaa Jewellery Mart is a Chennai-based jewellery retailer with a strong presence in South India.
- The business was originally established in 1983 and was taken over by M. Kiran Kumar in 1999, when it had just one showroom in Chennai.
- It has since expanded into a large jewellery retail chain with 60+ showrooms across four South Indian states and one Union Territory.
- The company primarily operates in the manufacturing, sale and trading of jewellery, including:
- Gold jewellery, Diamond jewellery, Silver jewellery, Platinum jewellery, Other precious-metal articles
- Its positioning is largely focused on mass-market jewellery retail, with traditional and contemporary designs aimed at customers across different segments.

COMPETITIVE STRATEGIES

- Expansion and exploring untapped sections in southern and other regions of India
- Expansion of the studded gold jewellery business
- Expand in silverware and other product ranges to provide lower value products to mitigate hike in gold prices
- Continue to invest in their brand building and marketing initiatives

KEY CONCERNS

- Intense competition across channels with market share and pricing pressure risks
- 100% store concentration in South India creating regional economic and operational exposure
- Dependence on Karigars for production with quality and design confidentiality risks
- Gold procurement without hedging exposes company to price and supply fluctuation risks
- High inventory levels at 42.3% of revenue (Dec 2024) increasing unsold stock and margin risks
- ₹12,149.9 million debt with high working capital needs (19.6% of revenue) creating funding pressures

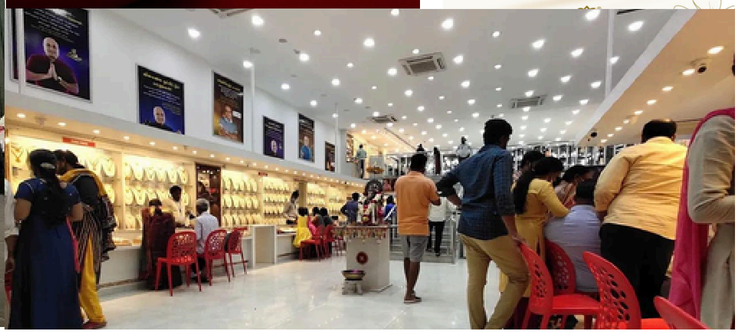
KEY STRENGTHS

- Regional jewellery retailer with 43.6% revenue CAGR (FY22–FY24) and 56 stores across South India
- BIS-hallmarked gold jewellery retailer with in-house manufacturing operations
- Store format includes 8 large and 39 medium outlets as of December 2024
- Flexible jewellery schemes for repeat purchases and gold price fluctuation management
- Asset-light model with ERP-led inventory control and quality check processes
- Operations led by experienced promoter and management team

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Lalithaa Jewellery Mart Ltd	**20.20**	**9.95**	**58.60**	**25,023.93**	**39.90%**
Peer Group					
Kalyan Jewellers India Ltd	13.08	46.85	61.09	35,743	24.63%
Manoj Vaibhav Gems N Jewellers Ltd	23.54	7.12	170.60	2,744	14.82%
PC Jeweller Ltd	1.00	9.26	9.45	3,353	10.32%
P N Gadgil Jewellers Ltd	30.20	22.18	144.63	10,739	23.21%
Senco Gold Ltd	35.08	11.50	153.45	8,430	26.07%
Thangamayil Jewellery Ltd	113.14	46.26	455.60	8,499	27.93%
Titan Company Ltd	57.19	85.25	179.75	87,584	36.48%
Tribhovandas Bhimji Zaveri Ltd	30.32	9.14	125.60	3,203	27.06%





DISCLAIMER:
The information contained herein are strictly confidential and are meant solely for the information of the recipient and shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written permission of Swastika Investmart Ltd. ("SIL"). The contents of this document are for information purpose only. This document is not an investment advice and must not alone be taken as the basis for an investment decision. Before taking any decision to invest, the recipient of this document must read carefully the Red Herring Prospectus ("RHP") issued to know the details of IPO and various risks and uncertainties associated with the investment in the IPO of the Company. All recipients of this document must before acting on the given information/details, make their own investigation and apply independent judgment based on their specific investment objectives and financial position. They can also seek appropriate professional advice from their own legal and tax consultants, advisors, etc. to understand the risks and investment considerations arising from such investment. The investor should possess appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances before making any decisions on the investment. The Investor shall be solely responsible for any action taken based on this document. SIL shall not be liable for any direct or indirect losses arising from the use of the information contained in this document and accept no responsibility for statements made otherwise issued or any other source of information received by the investor and the investor would be doing so at his/her/its own risk. The information contained in this document should not be construed as forecast or promise or guarantee or assurance of any kind. The investors are not being offered any assurance or guaranteed or fixed returns on their investments. The users of this document must bear in mind that past performances if any, are not indicative of future results. The actual returns on investment may be materially different than the past. Investments in Securities market products and instruments including in the IPO of the Company are highly risky and they are generally not an appropriate avenue for someone with limited resources/ limited investment and low risk tolerance. Such Investments are subject to market risks including, without limitation, price, volatility and liquidity and capital risks. Therefore, the users of this document must carefully consider all the information given in the RHP including the risks factors before making any investment in the Equity Shares of the Company.
Swastika Investmart Ltd or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Swastika Investmart Ltd nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Swastika Investment Ltd may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the Subject Company or third party in connection with the Research Report.

CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000
Compliance Officer: Mrs. Dimple Soni Email: compliance@swastika.co.inPhone: (0731) 6644 241
Swastika Investmart Limited, SEBI Reg. No. : NSE/BSE/MSEI: INZ000192732 Merchant Banking: INM000012102 Investment Adviser: INA000009843 MCX/NCDEX: INZ000072532 Research Analyst Reg. No. :INH000024073
CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.