



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 18 AUGUST 2026

Lalithaa Jewellery Mart Limited

Mainboard IPO — Research Note

Jewellery Retail • Gold & Diamond • South India

ISSUE DATES	17 – 19 August 2026 • Listing 24 August 2026 (tentative)
PRICE BAND	₹190 – ₹201 per share (Face Value ₹5)
LOT SIZE	74 shares • Retail min ₹14,874
ISSUE SIZE	₹1,700 Cr (Fresh ₹1,200 Cr + OFS ₹500 Cr)
BOOK RUNNERS	Anand Rathi Advisors • Equirus Capital

SECTOR Jewellery Retail — Gold & Diamond	FINANCIALS Rev ₹25,040 Cr (FY26) • PAT ₹1,010 Cr (+177%) • ROE 41.6%
VALUATIONS P/E 11.1x vs peer median ~34x • P/B 3.4x • deep discount	DEMAND Anchor ₹508 Cr (MFs 45%) • Day-1 0.74x • builds late
GMP +₹24–32 (~12–16%) over ₹201 • as of 18 Aug 2026	RECOMMENDATION APPLY (listing gains)

I P O R E S E A R C H D E S K

2. Executive Summary

Lalithaa Jewellery Mart is a 40-year-old South Indian gold-and-diamond retailer — 63 showrooms across Tamil Nadu, Andhra, Telangana, Karnataka and Puducherry, aimed squarely at the mass, value-conscious buyer. The numbers are large and, at first glance, striking: FY26 revenue of ₹25,040 Cr and PAT of ₹1,010 Cr, up 48% and 177% respectively over FY25, on a return on equity of 41.6% and return on capital of 42.6%. This is a big, profitable, cash-throwing retailer, not a story stock.

What makes the issue interesting is the price. At ₹201 the company is asking 11.1x post-issue earnings against a listed jewellery peer set where Kalyan trades at 47x, Thangamayil at 46x and PN Gadgil at 22x — only Senco, at 11.5x, is anywhere close, and Lalithaa earns a far higher ROE than Senco. The anchor book read the same discount: ₹508 Cr placed, 45% to domestic mutual funds, with ICICI Prudential, Bandhan, Goldman Sachs and Morgan Stanley all in — houses that normally buy 40–80x growth names reaching down to an 11x retailer. The issue is mostly fresh (₹1,200 Cr for store expansion), OFS is a modest 29%, and the book-runners carry credible listing records.

The call: APPLY (listing gains) — and this is our **first-priority application** in the current window: a large, liquid, well-priced issue where the bHNI bucket is deep enough to actually get an allotment. For BHNI, bid at ₹201 (top of the band), minimum 68 lots (5,032 shares / ₹10,11,432) per PAN, across all available PANs. We are positioned for a **listing-day gain in the 10–15% range**.

Recommendation	Listing-Day View	Momentum View (T+2-T+5)
APPLY (listing gains) — 1st priority	10–15% listing-day gain expected	Hold only while momentum + volume hold

3. Company Overview & Business Model

Lalithaa runs a straightforward, high-volume jewellery retail model. It sells predominantly gold jewellery — with diamond and studded pieces as the higher-margin layer — through 63 large-format showrooms concentrated in South India, out of a base built in Chennai since 1985. Two in-house manufacturing units at Thirumudivakkam and Maraimalainagar feed the stores. The customer is the mass and value segment: buyers for whom making charges and transparent pricing matter more than luxury positioning, which is the opposite end of the market from a Tanishq or a Kalyan flagship.

The economics are the economics of gold retail — thin margins on enormous throughput. Revenue is essentially the gold price times volume plus making charges; PAT margin sits around 4%, which sounds slim until you multiply it across ₹25,000 Cr of sales and note the 41.6% return on equity. The model turns inventory fast and sweats capital hard. That is the whole game in this business: not margin per piece, but velocity, footfall and the cost of carrying gold inventory. Lalithaa does it well — the return ratios are top-tier for the sector.

Promoters M. Kiran Kumar Jain and Hema Kiran Kumar Jain hold 97.72% pre-issue — an unusually concentrated, family-controlled cap table. That brings accountability and alignment, but also a governance-and-float question we return to in the risks: post-issue free float is thin, and a single family controls the company outright. What could break the model is not competition so much as the gold cycle — a sharp fall in gold prices compresses both the inventory value and the FY26-style growth optics, and a demand air-pocket in a wedding-and-festival-driven category hits a fixed store cost base.

4. Market Position & Client Base

Lalithaa's position is regional scale in the value segment. It is not a national brand and does not pretend to be — its density is in Tamil Nadu and the neighbouring southern states, where the Lalithaa name has four decades of trust and a large-format, everyday-gold proposition. In a market where the organised jewellery share is still taking ground from the unorganised trade, a credible regional value player with manufacturing integration and 63 stores is well placed to keep compounding footfall, particularly as it rolls out the 10 new stores this issue funds.

The client base is retail-broad by definition — hundreds of thousands of walk-in buyers rather than a concentrated account list — so single-customer risk is nil. The competitive frame is Kalyan and Joyalukkas at the aspirational end, Thangamayil and Josalukkas regionally, and a long tail of local family jewellers. Lalithaa's edge is price transparency and value positioning plus in-house making, which protects margin against the organised majors. Its vulnerability is that value positioning is, by construction, low-margin and brand-thin — there is limited pricing power, and the moat is regional trust and scale rather than anything a larger, better-capitalised entrant could not eventually contest.

For a listing trade none of this needs resolving. What matters is that this is a large, understandable, profitable retailer arriving cheap, with a demand base the market broadly likes. The peer set has re-rated hard over three years; Lalithaa is coming at a fraction of that multiple.

5. Store Economics & Revenue Model

Revenue is transactional and single-geography-weighted: gold and studded jewellery sold across 63 southern showrooms, with the top line moving on gold price, volume and the studded mix that carries better margin. There is no annuity here — sales track footfall, the wedding and festival calendar, and the gold price. The FY26 step-up (revenue +48%, PAT +177%) came from a combination of new-store maturation, a richer mix and, importantly, a strong gold-price year that lifts both realisations and reported growth. That last factor is the one to keep in view: some of the FY26 optics are cyclical, not structural.

The fresh-issue money goes almost entirely into growth — ₹998.7 Cr of the ₹1,200 Cr is inventory for the 10 new stores, ₹34.6 Cr is fit-outs, and the balance is general corporate purposes. In plain terms, the company is raising equity to stock new showrooms with gold rather than to repair a balance sheet. That is a productive use, and it tells you the constraint on growth in this model is working capital, not demand. It also means the return on this fresh capital depends on the new stores maturing at the group's historical productivity — the execution risk sits there.

The equity in one line: a large, high-ROE, value-segment gold retailer arriving at 11x against a peer set at 22–47x, with a marquee anchor book and a mostly-fresh issue funding store expansion. The valuation gap is the whole thesis — you don't need the jewellery cycle to cooperate for a listing pop, you need the market to close some of a 3x multiple discount to peers. That is a far easier ask than most issues in this window.

6. IPO Structure & Use of Proceeds

Issue Structure

Particulars	Amount (₹ Cr)	% of Total
Fresh Issue	1,200.00	70.6%
Offer for Sale (OFS)	500.00	29.4%
Total Issue Size	1,700.00	100%

Issue at upper band ₹201. Implied market capitalisation ≈ ₹11,250 Cr.

OFS at 29% is comfortably below our flag line — this is a predominantly fresh issue, with ₹1,200 Cr of new money going into the business and only ₹500 Cr to the selling promoters. Read that positively: the promoters, who hold 97.72% pre-issue, are taking a modest slice off the table while the bulk of the raise funds expansion. That is the structure you want to see, and it is the opposite of the OFS-heavy issues where insiders cash out. It is worth noting the concentration itself is a governance item (see risks), but on the fresh-versus-OFS split, this issue is clean.

Use of Proceeds — Fresh Issue (₹1,200 Cr)

Objective	Amount (₹ Cr)	% of Fresh
Inventory for 10 new showrooms	998.68	83.2%
Fit-outs for 10 new showrooms (furniture, IT, fixtures)	34.55	2.9%
General corporate purposes	~166.77	13.9%
Total	1,200.00	100%

Allocation: QIB 50% (including the ~29.9% anchor portion), NII/HNI 15%, Retail 35%, with a small employee reservation at a ₹19 discount — a standard, retail-friendly mainboard split. Book-running lead managers are Anand Rathi Advisors and Equirus Capital; their track record is examined in Section 9.

7. Financial Performance Analysis

Profit & Loss (₹ Cr)

Particulars	FY24	FY25	FY26
Revenue	16,800.62	16,907.88	25,039.80
PAT	359.83	364.73	1,009.82
PAT Margin %	2.1%	2.2%	4.0%
EPS — post-issue (₹)	—	—	18.04

Balance Sheet & Returns (₹ Cr)

Particulars	FY24	FY25	FY26
Net Worth	1,667.78	2,028.80	3,033.14
Total Debt	824.18	949.26	1,604.14
D/E (x)	0.49	0.47	0.53
ROE %	~22%	~18%	41.6%
ROCE %	—	—	42.6%

Lead with the FY26 inflection, because it is spectacular and it needs interrogating. Revenue was flat between FY24 and FY25 (~₹16,800 Cr to ~₹16,900 Cr), then jumped 48% to ₹25,040 Cr in FY26; PAT nearly tripled to ₹1,010 Cr and the margin doubled from ~2% to 4%. Part of that is real operating leverage and mix improvement as stores matured and studded sales grew. But a meaningful part is the gold price — FY26 was a strong bullion year, and in gold retail a rising price lifts realisations, inventory gains and reported growth all at once. We would not annualise the FY26 growth rate; the honest base is a business that grows with the store count and the gold cycle, not one that compounds 48% structurally.

That caveat aside, the quality is real. A 41.6% ROE and 42.6% ROCE are genuinely top-tier for jewellery retail, and they come without heroic leverage — D/E is 0.53, the debt is inventory financing against gold, not structural gearing. Net worth has nearly doubled in two years on retained earnings. The one thing to watch on the balance sheet is that debt rose with the FY26 expansion, and the fresh issue adds another ₹1,000 Cr of inventory to carry — this is a working-capital-hungry model, and the returns hold only if the new stores turn that inventory at the group's historical velocity. On the numbers as they stand, this is a high-return retailer priced like a low-return one.

8. Valuation

This is where the issue makes its case. At ₹201 Lalithaa is valued at ~₹11,250 Cr, or 11.1x post-issue FY26 earnings and 3.4x book, on a 41.6% ROE. Set that against the listed jewellery peers cited in the RHP:

Company	P/E		RoNW
Lalithaa (at ₹201)	11.1x		41.6%
Senco Gold	11.5x		~17%
PN Gadgil Jewellers	22.2x		~19%
Thangamayil Jewellery	46.3x		~22%
Kalyan Jewellers	46.9x		~17%
Peer Median	~34x		—

Peer P/E per exchange data as of 18 Aug 2026 (via public trackers). Middle column intentionally blank for spacing.

The gap is the thesis. Lalithaa comes at 11.1x against a peer median near 34x, and even against the cheapest peer (Senco at 11.5x) it is marginally cheaper while earning more than double the ROE. There are reasons for some discount — thinner margins than the aspirational majors, regional concentration, a gold-price-flattered FY26, and a 97.7% promoter-held float that limits the institutional appetite. But a 3x discount to the peer median for the highest-ROE name in the set is more than those reasons justify. We think it is priced to list up and, over time, to close part of the gap. For a listing trade, we only need the first. This is cheap, and cheap issues with quality behind them are exactly what the setup rewards.

9. Demand, Anchor Quality & BRLM Track Record

9.1 Subscription Trajectory (× subscribed)

Category	Day 1 (17 Aug)	Day 2 (18 Aug)	Day 3 (19 Aug)
QIB	0.71x	building	pending
NII (bHNI + sHNI)	0.65x	building	building
Retail	0.79x	building	building
Overall	0.74x	building	pending

Live BSE+NSE data. Day-1 (17 Aug) close shown; media reports the book crossed full subscription on Day 2. For a ₹1,700 Cr issue, QIB and bHNI conventionally commit on the final day — Day-1 undersubscription is timing, not a verdict.

Day 1 closed at 0.74x overall — unremarkable, and exactly what a large mainboard issue looks like 48 hours before the institutional money lands. Retail (0.79x) and the employee book (1.6x) are the early movers; QIB at 0.71x is the ₹508 Cr anchor plus early institutional bids, and it fills out on the last day. Reports have the book through full subscription on Day 2. The read is a steady, orderly build rather than a frenzy — consistent with a large, sensibly-priced issue that institutions will cover but retail will not stampede. The real institutional vote is the anchor book, and that is already placed and marquee.

9.2 The bHNI Bid — quantity, price and the allotment math

Category	Reserved	Day-1 Applied	Times
HNI — bHNI (> ₹10 L)	8,135	~4,800	0.59x
HNI — sHNI (₹2–10 L)	4,068	~3,130	0.77x
Retail (RII)	3,98,615	~3,14,900	0.79x
Anchor (placed)	22 investors	₹508 Cr	Allotted

Live Day-1 (17 Aug) BSE+NSE application-wise. 'Reserved' = maximum full-lot allotment slots; 'Day-1 Applied' ≈ applications; 'Times' = subscription multiple. bHNI minimum = 68 lots = 5,032 shares = ₹10,11,432 at ₹201; bHNI fills on the final day.

This is why Lalithaa is a first-priority apply and not a lottery ticket. The bHNI bucket has room for about 8,135 minimum-lot allotments — a deep bucket, five times the size of a small issue's — so even after the last-day surge the allotment odds stay workable rather than punishing. If the bHNI leg finishes around 3–5x, the odds per application run roughly 1-in-3 to 1-in-5; on a large issue like this, a spread of applications reliably converts into shares, which is exactly what you cannot say for a ₹300 Cr issue with a 1,400-slot bucket. The lever is the same — more PANs, minimum ticket on each — but here it actually pays off in allotted quantity.

The specific instruction: bid the minimum bHNI ticket of 68 lots — 5,032 shares — at ₹201 (the top of the ₹190–201 band; NII must bid at the top, not cut-off), a blocked ₹10,11,432 per PAN, spread across every available PAN. At a ~12–16% GMP the cost of carry on the funded amount is comfortably covered by even a partial allotment if the stock lists where the grey market points. Live figures firm up only at the basis of allotment.

9.3 Grey Market Premium

GMP is running at ₹24–32 (≈12–16% over the ₹201 band), implying an indicative listing near ₹225–233 as of 18 August 2026, with trackers noting some softening through the day. Treat it as an unofficial, thinly-traded sentiment quote, not a transactable price. It is modest by the standards of a hot small-cap, but it is a healthy, credible premium for a ₹1,700 Cr issue — and, crucially, it lines up with the valuation read rather than running ahead of it. We use it as a directional confirm, not a target.

9.4 Anchor Quality — the backtest

₹508 Cr was placed with 22 anchors, 45% to four domestic mutual funds across nine schemes. This is a marquee book by any standard. Against our seven-year anchor base:

Anchor	Prior Issues	Avg P/E bought	Avg Listing Gain
ICICI Prudential MF	163	56.5x	+24.2%
Bandhan MF	116	76.0x	+26.7%
Goldman Sachs	131	56.5x	+23.6%
Morgan Stanley	81	82.5x	+10.1%
Bajaj Life Insurance	64	35.9x	+22.6%
SAMCO MF	3	15.6x	+16.3%

Source: IPO Research Desk 7-year anchor base (688 anchors, 2020–2026). Averages across each anchor's prior mainboard participation.

Read the valuation fit, because it is the tell. ICICI Prudential, Bandhan, Goldman and Morgan Stanley habitually buy 55–82x P/E growth stories; here they are anchoring an 11x retailer. When houses that pay up for expensive growth show up in size for a cheap, high-ROE value name, it is a strong signal that the discount is what drew them, not the momentum. ICICI Pru (163 prior issues, +24% average listing gain) and Bandhan (116, +27%) are two of the most prolific, credible anchors on our base. This is not a thin or second-tier book propped up to fill an allocation — it is genuine institutional conviction at a low multiple. Anchor participation does not guarantee a listing pop, but a marquee book buying below its usual valuation band is about as good a demand signal as an issue offers.

9.5 BRLM Track Record — the backtest

Lead Manager	7-Yr IPOs	Hit Rate	Avg Listing Gain
Anand Rathi Advisors	9	89%	+47.2%
Equirus Capital	31	77%	+19.4%

Source: IPO Research Desk 7-year lead-manager base (2020–2026).

A credible pair, and a marked step up from the weaker book-runners doing the rounds this season. Anand Rathi Advisors has an 89% listing-hit rate across nine mainboard issues with a striking 47% average listing-day gain — they tend to underwrite aggressively-priced names that pop, and while Lalithaa is not that profile, a high hit rate is a high hit rate. Equirus is the steadier hand: 31 issues, 77% positive, a 19% average gain, and a track record that has held up into 2026. Between them the issue is in competent hands with distribution reach. On the base data an issue run by this pair lists positive far more often than not. Strong anchor participation and a credible BRLM roster reduce listing risk; they do not eliminate it, and a broad-market wobble can still override the setup on the day.



10. Risk Factors

 **[PRIMARY CONCERN]** FY26 growth is partly a gold-price effect — don't extrapolate it.

Revenue +48% and PAT +177% in FY26 owe a real part to a strong bullion year that lifts realisations and inventory gains together. The structural growth rate is store-count-plus-cycle, not 48%. If gold cools, both the growth optics and the inventory value compress, and the multiple that looks cheap on peak earnings looks less cheap on normalised ones. This is the number to interrogate before underwriting anything beyond the listing.

 **Extreme promoter concentration and thin float.**

Promoters hold 97.72% pre-issue; even post-issue the family controls the company outright and the public float is small. That concentrates governance in one family and can make the early post-listing tape thin and volatile. A small float cuts both ways on listing day — it can amplify a pop, and it can amplify a fall.

 **Listing Volatility.**

Even with a marquee anchor book and a credible BRLM pair, mainboard listings in the current 2026 regime have swung sharply on the print and through the first sessions. A modest, softening GMP leaves less cushion than a hot issue. A weak open or a broad-market gap-down can undo the setup regardless of how the book looked. A funded bHNI application carries a cost of carry that a flat or negative listing turns into a loss. We do not consider this a risk-free recommendation.

4. **Thin margins, limited pricing power.** Value-segment gold retail runs on ~4% PAT margins and high velocity. There is little pricing power, and any competitive or cost pressure works quickly through a slim margin. The high ROE depends on turning inventory fast; a slowdown hits hard.
5. **Gold-price and demand cyclical.** Sales track the gold price and the wedding-and-festival calendar. A price crash hurts inventory value; a demand air-pocket hits a fixed store cost base. The category is inherently cyclical and sentiment-sensitive.
6. **Regional concentration.** The footprint is South-India-heavy, Tamil Nadu especially. That concentrates the business in one region's economy, monsoon, and gold-buying culture, and the 10-store expansion largely deepens the same geography rather than diversifying it.
7. **Working-capital intensity and rising debt.** The model carries large gold inventory; debt rose to ₹1,604 Cr with the FY26 expansion, and the fresh issue adds ~₹1,000 Cr more inventory to fund. Returns hold only if the new stores turn that stock at historical velocity — an execution risk on the objects of the issue.
8. **Modest, softening GMP.** At ~12–16% and reportedly easing, the grey-market cushion is thinner than a hot issue's. The listing-gain expectation (10–15%) is calibrated to this — there is less margin for a soft open than in a high-GMP name.

- 9. Related-party and governance items.** A wholly family-controlled retailer brings the usual related-party and governance questions; the RPT and inventory-audit disclosures in the RHP warrant a read before underwriting beyond the trade.

11. Investment Strengths & Positive Indicators

1. **Deep valuation discount to peers.** 11.1x post-issue vs a peer median near 34x — Kalyan and Thangamayil at ~47x, PN Gadgil at 22x — while earning the highest ROE in the set. The gap alone is a listing-gain thesis; the market only has to close part of it.
2. **Large, profitable, cash-generative.** ₹25,040 Cr revenue and ₹1,010 Cr PAT in FY26 — this is a genuinely big, profitable retailer, not a small-cap story. Scale and profitability are already on the page.
3. **Elite return ratios.** 41.6% ROE and 42.6% ROCE are top-tier for jewellery retail, achieved without heroic leverage (D/E 0.53). The business sweats capital hard.
4. **Marquee anchor book buying cheap.** ₹508 Cr from ICICI Pru, Bandhan, Goldman and Morgan Stanley — houses that usually pay up for growth — reaching down to an 11x name. Strong institutional conviction at a low multiple.
5. **Credible book-runners.** Anand Rathi (89% hit, +47% avg gain) and Equirus (77% hit) are a competent pair with real distribution and a listing record that beats the weaker syndicates around this season.
6. **Mostly-fresh, expansion-led issue.** OFS is only 29%; ₹1,200 Cr of fresh money funds 10 new stores. Promoters take a modest slice while the bulk of the raise builds the business.
7. **Large issue — workable bHNI allotment.** At ₹1,700 Cr with an ~8,135-slot bHNI bucket, allotment odds are far more favourable than a small issue. This is why it ranks first — you can actually get shares.

12. Final Recommendation & Conclusion

R E C O M M E N D A T I O N APPLY (listing gains) — 1st priority

We are applying, and this is our **first-priority application** in the window — the distinction from the smaller issues matters, because here the size means a spread of PANs actually converts into an allotment. Run the five pillars. Financial quality: **excellent** — ₹25,040 Cr revenue, ₹1,010 Cr PAT, **41.6% ROE, 42.6% ROCE**, with the honest caveat that FY26 growth is partly gold-price-flattered. Valuation: **the standout — 11.1x vs a peer median near 34x**. GMP: **~12-16% and confirming**. Demand: a marquee anchor book buying below its usual band. OFS: **a clean 29%** — mostly fresh, expansion-led.

All five pillars point the same way — this is the rare issue where quality, valuation, demand and structure line up, and the only real caution is the gold-cycle flattering of FY26. This is a listing-and-momentum call: apply from **every available PAN at the minimum bHNI ticket**, take the pop on listing day, and trail into the T+2-T+5 tape only while volume and momentum hold. We carry no long-term view. The valuation discount is the engine here — a cheap, high-ROE retailer with a marquee book is precisely the setup this desk exists to trade.

Expectation. On this setup — a deep discount to peers, a marquee anchor book, and GMP near 12-16% — we are positioned for a **listing-day gain in the 10-15% range**. As a large, liquid, well-priced issue with a deep bHNI bucket, this is a **first-priority, full-weight application** — bid **68 lots @ ₹201 = ₹10,11,432 per PAN, across all available PANs**. This is not a risk-free recommendation, and a strong anchor book does not guarantee listing gains — a soft open can still override the setup.

bHNI Application Guidance

Investor Category	Guidance	Allocation Approach	Exit Window
BHNI	APPLY (listing gains) — 1st priority	Full weight — apply from all available PANs, minimum 68 lots (5,032 sh / ₹10,11,432) per PAN at ₹201 (top of band)	Listing day; trail to T+5 only if momentum holds

Bid at ₹201 — the top of the ₹190-201 band (NII bids at the top, not cut-off). Minimum bHNI ticket 68 lots per PAN; the deep bucket makes a spread of PANs a reliable route to allotment on this issue.

13. Standard Disclaimer

The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.

Past performance is not indicative of future returns.