Shringar House of Mangalsutra (SHRINGAR)

Nov 04, 2025 | CMP: INR 232 | Target Price: INR 295

Sector View: Positive

Choice Institutional Equities

BUY

Expected Share Price Return: 27.0% I Dividend Yield: 0.0% I Expected Total Return: 27.0%

Company Information

Shringar House of Mangalsutra Limited is a jewellery company specialising in the design and manufacture of 'mangalsutras' – a culturally significant segment in India's gold jewellery market. The company operates primarily on a B2B model, catering to corporate clients, wholesale jewellers and retailers with a diverse range of designs, weights and price points.

BB Code	SHRINGAR
ISIN	INE1B3L01017
Face Value (INR)	10.0
52 Week High (INR)	235.0
52 Week Low (INR)	177.4
Mkt Cap (INR Bn)	22.4
Shares o/s (Mn)	96.4
Free Float	17.6%

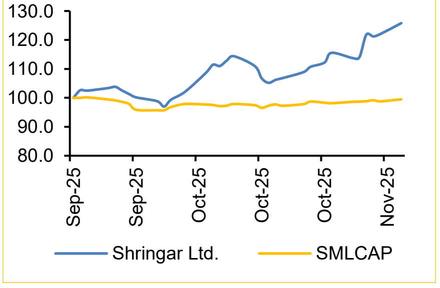
Shareholding Pattern (%)

	Sep-25
Promoters	74.8
FIIs	3.9
DIIs	3.8
Public	17.5

Relative Performance (%)

	45 Days	30 Days	15 Days
SMLCAP	(0.5)	1.7	2.3
SHRINGAR	25.8	23.2	17.8

Rebased Price Performance



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Links

Bull Bear Case

Management and Plant Visit

Investors Concerns Answered

Category leader in growing market: SHRINGAR, a leading player in the mangalsutra segment, **holds a 6% market share in 2023, projected to rise to 10% over the next 1-2 years**, far ahead of competitors with less than 1-2% share. **Supported by steady wedding volumes (10–12 Mn annually)** and rising wedding spends, SHRINGAR is poised to gain from consumers' shift toward organised, hallmark-certified brands. With its extensive distribution network, superior craftsmanship and strong brand trust, the company is well-positioned to capture growing demand and reinforce its market leadership.

Hub-and-spoke model to increase penetration and enable faster gold rotation: SHRINGAR is expanding its **pan-India supply chain to capture demand from unorganised and underserved tier-2 to tier-4 markets**. Moving beyond its direct supply model, it now partners with third-party facilitators to reach new customers. **The company has expanded to six cities, identified 42 more, and onboarded 11 facilitators**. Under this model, SHRINGAR bills customers directly, while facilitators showcase around 5 kg of inventory to display designs and leverage its strong brand to drive sales.

Trusted by India's leading B2C jewellery brands: SHRINGAR strong B2B positioning is reinforced by its long-standing relationships with India's top jewellery brands, including **Titan (Tanishq), Malabar Gold, Joyalukkas and Kalyan Jewellers**. With customer associations spanning 10–15 years, the company enjoys deep trust and repeat business from reputed national and regional players. Partnership with **Titan**, India's largest branded jeweller, underscores SHRINGAR strong design, quality and compliance capabilities. Its diversified customer base mitigates concentration risk, ensuring revenue stability.

View & Valuation: We believe SHRINGAR is poised for a growth phase, supported by the increasing share of organised market. This positions the company for robust financial performance, with Revenue/EBITDA/PAT expected to expand at a CAGR of 51.3%/34.1%/36.0% over FY25–28E. We value the company using the DCF approach. We initiate coverage with a target price of INR 295, with a 27.0% upside and a BUY rating. This equates to an implied PE of 21x (Base case – we have assumed gold price at INR 10.5 Mn/kg for FY26, against the prevailing gold price of 12.4 Mn/kg) and a PEG ratio of 0.58.

Key risks to the investment case:

Working capital intensive: The model requires heavy upfront investment in gold with delayed client payments; limited financing access could strain liquidity and slow growth.

Product concentration: Revenue reliance on Mangalsutras poses risk from shifting trends. With competencies in the bridal market, the company may explore opportunities in wider bridal segment.

Upcoming triggers: Shifting to a larger facility (2-3x of the current facility), setting up a regional office in Pune, which will cater to the demand from Marathwada and Vidarbha regions.

Key Financials - IND AS

INR Mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	9,502	11,015	14,298	23,291	38,798	49,563
YoY (%)	17.3	15.9	29.8	62.9	66.6	27.7
EBITDA	378	496	923	1,358	1,702	2,224
YoY (%)	28.3	31.1	86.2	47.1	25.3	30.7
EBITDAM %	4.0	4.5	6.5	5.8	4.4	4.5
RPAT	234	311	611	929	1,152	1,539
EPS (INR)	3.2	4.3	8.5	9.6	11.9	16.0
ROE %	24.8	25.6	36.2	21.6	16.1	18.1
ROCE %	19.4	21.4	31.7	23.7	18.7	20.5
PE (x)	51.0	38.3	19.5	24.1	19.4	14.5

Source: Shringar, Choice Institutional Equities

Initiating Coverage | Sector: Consumer Discretionary - Jewellery