

Company Overview

Shringar House of Mangalsutra Ltd. is one of India's leading specialized designers and manufacturers of Mangalsutras. It is engaged in designing, manufacturing, and marketing a diverse range of products crafted in 18k and 22k gold, studded with stones like American diamonds, cubic zirconia, pearls, mother of pearl, and semi-precious stones, mainly targeting B2B clients. In FY23, it held 6% of the organized Mangalsutra market in India. The Mangalsutra, a culturally important ornament symbolizing marital status in India, has seen changing consumer preferences. Senior women continue to favour traditional motifs, while younger brides increasingly prefer modern and contemporary styles, opening opportunities across different demographics. The company sells to a broad client base of corporates, wholesalers, and retailers across 24 states and 4 Union Territories, with an international presence in the UK, New Zealand, UAE, USA, and Fiji. As of March 31, 2025, its network comprised 34 corporate clients, 1,089 wholesalers, and 81 retailers, with notable customers including Malabar Gold, Titan, GRT Jewellers, Reliance Retail, Novel Jewels (Aditya Birla Group), Joyalukkas, P.N. Gadgil Jewellers, and Damas Jewellery (UAE). With over 15 collections and more than 10,000 active SKUs, the company serves multiple segments, offering antique, bridal, traditional, contemporary, and Indo-western Mangalsutras at various price points and weights. This extensive range supports its positioning across demographics and occasions, from weddings and festivals to daily wear. Supported by an integrated operating model that covers conceptualization, design, manufacturing, and sales, the company manages its operations from an 8,300 sq. ft. facility in Lower Parel, Mumbai, enabling scalable and efficient production for both domestic and international markets.

Objects of the issue

The company proposes to utilize net proceeds towards funding the following objects:

- ⇒ Funding working capital requirements of the company;
- ⇒ General corporate purposes

Investment Rationale

Established client base and long-standing relationships ensures business visibility

With over 15 years of operational experience, the company has built strong and enduring relationships with its key clients, including corporate customers, wholesale jewellers, and retailers across India. Its domestic footprint spans 24 states and 4 Union Territories, while its international presence has steadily expanded over the last three fiscals to the UK, New Zealand, UAE, USA, and Fiji, catering to around 20 overseas clients during the FY2023–FY25 period.

In FY25, the company served 1,204 clients, generating revenues of Rs. 1,429.8 crores. Contribution by segment was as follows:

Corporate clients: 34 accounts | Rs. 485.9 crores (33.9%)

Retailers: 1,089 accounts | Rs. 778.9 crores (54.4%)

Wholesalers: 81 accounts | Rs. 164.4 crores (11.5%)

This compares with 961 clients and revenues of Rs. 1,101.5 crores in FY24, and 988 clients with revenues of Rs. 950.2 crores in FY23, highlighting consistent growth in both client base and revenues. While the company maintains a diversified revenue profile, concentration remains a significant factor.

Revenue Concentration (FY25):

Top 1 client: Rs. 218.8 crores (15.3% of revenues).

Top 5 clients: Rs. 453.9 crores (31.8% of revenues).

Top 10 clients: Rs. 570.5 crores (39.9% of revenues).

Over the years, the company has established relationships with marquee domestic names such as Malabar Gold, Titan, GRT Jewellers, Reliance Retail, Novel Jewels (Aditya Birla Group), Joyalukkas, P.N. Gadgil Jewellers, Kalamandir Jewellers, Waman Hari Pethe Jewellers, Lalithaa Jewellery Mart, and D.P. Abhushan, along with international clients such as Goldbox Enterprises (UK), Sona Sansaar (New Zealand), and Damas Jewellery (UAE). By ensuring product quality aligns with client brand standards and customer expectations, the company has positioned itself as a reliable and preferred partner within the organized Mangalsutra market, reinforcing customer stickiness and repeat business.

Issue Details

Offer Period	10th Sept, 2025 - 12th Sept, 2025
Price Band	Rs. 155 to Rs. 165
Bid Lot	90 shares and in multiple thereof
Listing	BSE & NSE
Issue Size (no. of shares in mn)	24.3
Issue Size (Rs. in bn)	4.0
Face Value (Rs.)	10

Issue Structure

QIB	50%
NII	15%
Retail	35%

BRLM	Choice Capital Advisors Pvt. Ltd.
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Registrar	MUFG Intime India Pvt. Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	100.00	74.80
Public	0.00	25.20
Total	100.00%	100.00%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Shringar House of Mangalsutra Ltd.

Integrated manufacturing facility enables high-quality products at competitive prices

The company is engaged in designing, manufacturing, and marketing a wide range of Mangalsutras in 18k and 22k gold for its B2B clients through an integrated manufacturing facility spread across 8,300 sq. ft. As of March 31, 2025, the facility had an installed capacity of 2,500 kg per year, enabling large-scale production of diverse Mangalsutra designs under one roof with precision and efficiency. The company undertakes end-to-end operations, covering conceptualization, design, manufacturing, and sales, ensuring strict quality control and consistency across processes. Modern technologies, such as CNC machines, laser soldering machines, and 3D printers, are utilised to enable precision manufacturing and the creation of intricate, complex designs. The use of custom-designed dyes ensures durability and uniformity. Alongside these technological capabilities, the company employs 166 skilled in-house karigars, who play a vital role in adding detailed craftsmanship to each product. This synergy between advanced machinery and artisanal expertise enables the company to strike a balance between tradition and innovation, resulting in Mangalsutras that are both contemporary and timeless. By leveraging integrated operations, the company can deliver high-quality products at competitive prices while preserving the exclusivity and uniqueness of its in-house designs.

Valuation

The Indian Mangalsutra market, valued at Rs. 17,800 crores in FY23, is poised for long-term growth at a CAGR of 5.8% to Rs. 30,300 crores by FY32. This growth is driven by cultural demand and rising wedding expenditures. Shringar House of Mangalsutra, with over 15 years of established client relationships across 24 states and 4 Union Territories, serves a diverse base of retail (54%), corporate (34%), and wholesale (12%) clients. The company has expanded into 42 cities and plans to launch 400–440 new retail outlets domestically and internationally. Its competitive edge stems from innovation, operational efficiency, and a diversified portfolio of over 15 collections and 10,000 SKUs, supported by 22 in-house designers and 166 skilled karigars, as well as automation, cost optimization, and rigorous quality checks. IPO proceeds will be used to strengthen working capital, scale operations, and expand into new markets. Financially, the company has demonstrated strong and consistent performance, with revenue rising from Rs. 950.2 crores in FY23 to Rs. 1,429.8 crores in FY25 at a CAGR of 22.7%. EBITDA increased from Rs. 38.9 crores to Rs. 92.6 crores, with margins expanding from 4.1% to 6.5%. Net profit more than doubled from Rs. 23.4 crores to Rs. 61.1 crores, with margins improving to 4.3%. The company is well-positioned to benefit from the ongoing shift from the unorganised to the organised sector, along with the large addressable market for Mangalsutras. **At the upper price band of Rs 165, the company is valued at a P/E multiple of 19.2x FY25 earnings. Given the company's expanding margins, scalable business model, and growth potential, we believe the valuation, in the range of peers, is justified. We recommend investors to SUBSCRIBE to the issue with a long-term investment horizon.**

Key Risks

- ⇒ In FY25, contributions were 33.9% from corporate clients, 54.4% from retailers, and 11.5% from wholesalers. In comparison, contributions in FY24 were 31.8%, 54.1%, and 14.0%, respectively, while in FY23, they were 30.1%, 52.4%, and 17.3%. Although this mix indicates a balanced client base, the lack of long-term contracts with these clients presents a potential risk. Any loss of key clients or cancellation of purchase orders could negatively affect the company's business performance, cash flows, financial condition, and overall operational results.
- ⇒ During FY25, FY24, and FY23, the company's actual capacity utilization was 69%, 70%, and 66.8%, respectively, of its total installed capacity. Under-utilization of existing manufacturing capacity or an inability to effectively scale and utilize expanded capacities could adversely impact the company's operations, growth prospects, and future financial performance.
- ⇒ The company needs significant working capital to support its ongoing growth. It plans to utilize Rs. 280 crores from the net proceeds to fund working capital requirements, with the proposed use in FY26 based on certain assumptions and management estimates. Any failure to secure adequate working capital on commercially acceptable terms could harm the company's operations, financial health, and overall results.

Shringar House of Mangalsutra Ltd.

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from operations	9,502	11,015	14,298
Total revenue	9,502	11,015	14,298
Expenses			
Cost of raw material and component consumed	8,721	9,795	10,953
Purchase of Stock in trade	263	934	2,612
Changes in inventory of work in progress & finished goods	-17	-384	-415
Employee benefit expenses	75	93	127
Other expenses	82	81	98
Total operating expenses	9,124	10,519	13,375
EBITDA	378	496	923
Depreciation & amortization	18	26	26
EBIT	360	470	897
Finance costs	56	60	82
Other Income	11	12	3
Profit before tax	315	422	818
Total tax (Current + Deferred)	81	110	207
Net Profit	234	311	611
Diluted EPS	3.3	4.4	8.6

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	131	(141)	(71)
Cash flow from/(used in) investing activities	(29)	(17)	(30)
Net cash flows (used in) / from financing activities	(91)	121	90
Net increase/(decrease) in cash and cash equivalents	11	(37)	(11)
Cash and cash equivalents at the beginning of the period	47	58	21
Cash and cash equivalents at the end of the period	58	21	10

Source: RHP, BP Equities Research

Shringar House of Mangalsutra Ltd.

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
Assets			
Non-Current Assets			
Property, plant and equipment	35	32	51
Right of use assets	165	153	141
Investment Property	319	314	308
Financial Assets			
(i) Other financial assets	6	5	6
Income tax assets (Net)	1	47	4
Other Non-Current Assets	0	2	0
Total Non-current Assets	526	552	510
Current Assets			
Inventories	1,038	1,438	2,281
Financial Assets			
(i) Trade Receivables	470	605	878
(ii) Cash and cash equivalents	58	21	10
(iii) Bank balances other than (ii) above	6	18	21
(iv) Other financial assets	0	0	10
Other current assets	18	16	49
Total Current Assets	1,590	2,098	3,248
Total Assets	2,115	2,650	3,757
Equity and Liabilities			
Equity Share Capital	90	90	721
Instruments entirely equity in nature			
Other Equity	968	1,279	1,287
Total Equity	1,057	1,368	2,008
Non-Current Liabilities			
Borrowings	171	56	26
Lease Liabilities	31	21	9
Deferred Tax Liabilities (Net)	10	10	7
Provisions	0	0	4
Other non-current liabilities			
Total Non-Current Liabilities	212	87	46
Current Liabilities			
Financial Liabilities			
(i) Borrowings	721	1,014	1,185
(ii) Trade Payables	30	92	435
(iii) Other financial liabilities	7	0	0
(iv) Lease Liabilities	9	10	12
Provisions	1	3	0
Other current liabilities	79	76	71
Total Current liabilities	847	1,195	1,703
Total Liabilities	1,058	1,282	1,749
Total Equity and Liabilities	2,115	2,650	3,757

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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