SHRINGAR HOUSE OF MANGALSUTRA LIMITED

September 08, 2025

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	Jewellery
Fresh Issue (Shares)	24,300,000
Net Offer to the Public	24,300,000
Issue Size (Rs. Cr.)	376-401
Price Band (Rs.)	155-165
Employee Discount	15
Offer Date	10-Sep-25
Close Date	12-Sep-25
Face Value	10
Lot Size	90

Issue Composition

	In shares
Total Issue for Sale	24,300,000
QIB	12,150,000
NIB	3,645,000
Retail	8,505,000

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	100.00%	74.80%
QIB	0.00%	12.60%
NIB	0.00%	3.78%
Retail	0.00%	8.82%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Shringar House of Mangalsutra IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding Working Capital requirements of the Company
2. General corporate purposes

Book Running Lead Manager

- Choice Capital Advisors Private Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Incorporated in January 2009, Shringar House of Mangalsutra Limited manufactures and designs Mangalsutra in India. The company designs, manufactures, and markets a diverse collection of Mangalsutras featuring stones like American diamonds, cubic zirconia, pearls, and semi-precious stones, using 18k and 22k gold for its business-to-business (B2B) clients. Its products are sold to corporate clients, wholesale jewellers, and retailers nationwide. The company serves a diverse client base with a presence in 24 states and 4 union territories. Additionally, it expanded internationally to the UK, New Zealand, UAE, USA, and Fiji during Fiscals 2023 to 2025. Its domestic and international clients include Malabar Gold Limited, Titan Company Limited, GRT Jewellers, Reliance Retail, Joyalukkas India, and Damas Jewellery (UAE), among others. As of March 31, 2025, the company has served 34 corporate clients, 1,089 wholesalers, and 81 retailers. Shringar House of Mangalsutra Limited also manufactures and supplies Mangalsutras on a job-work basis to its corporate clients. For Fiscals 2025, 2024, and 2023, it processed 1,320.72 kgs, 1,221.19 kgs, and 870.26 kgs of bullion into Mangalsutras, generating revenue of Rs. 26.48 crore, Rs. 19.32 crore, and Rs. 15.65 crore, respectively. As of June 30, 2025, the company had 237 employees.

Strength

Established Client Base and Global Relationships: With 15 years of industry experience, the company has built long-standing ties with a diverse client base across India and international markets. Between FY23–FY25, it served ~20 overseas clients, including reputed names such as Damas Jewelry (UAE) and Goldbox Enterprises (UK). Strong quality control systems ensure consistent client satisfaction and loyalty.

Design Innovation and Diversified Portfolio: Mangalsutras hold cultural and emotional significance in India, with demand varying across age groups and regions. Shringar House caters to these preferences through an extensive range of designs, gold weights, and quality standards. Continuous innovation enables alignment with evolving lifestyle trends, ensuring strong appeal to both wholesale and retail clients.

Integrated Manufacturing Capability: The company operates a modern facility with a production capacity of 2,500 kg annually, supported by CNC machines, laser soldering, 3D printing, and custom molds. Backed by 166 skilled artisans, Shringar House delivers high-quality and competitively priced Mangalsutras with superior craftsmanship.

Robust Quality Assurance: Every piece is hallmarked and tagged with a unique HUID number. With 100+ experienced karigars (including 77 on contract), the company enforces stringent multi-stage quality checks for purity and durability, reinforcing its reputation as a reliable B2B partner.

Strong Financial Growth: Revenue increased from ₹950.22 crore in FY23 to ₹1,401.81 crore in FY25, reflecting CAGR-driven growth of 15.92% in FY24 and 29.80% in FY25. PAT improved from ₹23.36 crore in FY23 to ₹61.11 crore in FY25, with margins rising from 2.46% to 4.27%, underscoring enhanced efficiency and profitability.

Experienced Promoters and Professional Management: Founded in 2009 by Chetan and Mamta Thadeshwar, the business is now driven by second-generation promoters Viraj and Balraj Thadeshwar, who bring over two decades of collective industry experience. Backed by a strong senior management team, the company benefits from deep sector knowledge, innovation, and strategic growth initiatives.

Strategies

Expanding Supply Chain Across Untapped Markets: Operating under a B2B model, the company serves corporate clients, wholesalers, and retailers through direct supply, exhibitions, e-catalogues, and online/offline orders. It plans to strengthen its pan-India distribution via third-party facilitators, targeting 42 additional cities and deeper penetration into local jewelry markets.

Deepening Client Relationships and Leveraging Industry Growth: The company aims to capitalize on the expansion plans of leading jewelry brands like Malabar Gold, Titan, Joyalukkas, and Kalyan Jewelers, which plan to add 400–440 stores. By enhancing engagement with existing clients, Shringar House seeks recurring and higher-value sales both domestically and internationally.

Marketing and Brand Building Initiatives: Shringar House invests in exhibitions, regional buyer–seller meetings, and celebrity endorsements to strengthen brand visibility. From FY23–FY25, it participated in 24 major jewelry exhibitions, accounting for ~65% of marketing spend, resulting in strong order inflows. It intends to continue expanding these initiatives for higher market reach.

Enhancing Fund-Based Capacity for Growth: Given its working-capital-intensive model—marked by upfront gold purchases and 15–20 days client credit—the company intends to raise additional funds. This will bolster liquidity and support its expansion and scaling initiatives.

Operational Efficiency and Cost Optimization: By leveraging partial automation, backward integration, and improved production processes, the company reduces waste, enhances capacity utilization, and strengthens design innovation. These measures aim to lower operating costs while increasing scalability, output, and profitability.

Risk Factor

- The company derives revenue mainly from Mangalsutra sales—corporates (33.99% in FY25), retailers (54.47%), and wholesalers (11.50%)—without long-term contracts. Loss or order cancellation from key clients could impact business and financials.
- The company requires high working capital and plans to deploy Rs. 280 crore from Net Proceeds in FY26. Any shortfall in meeting these requirements could adversely affect operations and financial health.
- With 100% revenue dependent on Mangalsutras, any decline in demand or disruption in production could severely impact results.
- The company reported negative operating cash flows of Rs. 7.09 crore in FY25 and Rs. 14.12 crore in FY24, with risks of recurrence in future.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Sky Gold & Diam.	3548.02	132.66	10.42	26.77	5.87	47.50	10	278.95	4149.91
RBZ Jewellers Lt	530.15	38.80	9.21	14.93	2.24	61.26	10	137.50	550.00
Shringar House of Mangalsutra Limited	1429.82	61.11	6.34	26.04	2.64	62.41	10	165.00	1591.13

***Peer companies financials are TTM based**
****Shringar House of Mangalsutra Limited based on Actual FY25**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs165, the stock is priced at pre issue P/E of 19.47x on FY25 EPS of Rs 8.47. Post issue, the stock is priced at a P/E of 26.04x on its EPS of Rs. 6.34. Looking at the P/B ratio at Rs.165 pre issue, book value of Rs.27.84 of P/Bvx 5.93x. Post issue, book value of Rs.62.41 of P/Bvx 2.64x.

Considering the P/E valuation, on the lower end of the price band of Rs.155, the stock is priced at pre issue P/E of 18.29x on FY25 EPS of Rs. 8.47. Post issue, the stock is priced at a P/E of 24.46x on its EPS of Rs. 6.34. Looking at the P/B ratio at Rs. 144 pre issue, book value of Rs. 27.84 of P/Bvx 5.57x. Post issue, book value of Rs.62.41 of P/Bvx 2.48x.

Industry Outlook

In CY23, the Indian mangalsutra market reached Rs. 178 billion showing a y-o-y growth of ~16%. In CY24 the Indian mangalsutra market is expected to grow by 8% y-o-y to Rs. 192 billion. The market is expected to grow at a compounded annual growth rate (CAGR) of 5.8% in the next 10 years to Rs 303 billion in CY32. The Mangalsutra, a symbol of marriage, is traditionally made from gold to align with these customs. Gold is chosen for Mangalsutras due to its association with wealth, purity, and divine blessings, which helps preserve the tradition across generations. The surge in weddings is also driving growth in the jewellery industry, as bridal jewellerypurchases increase with each wedding. Mangalsutra is a vital part of Indian weddings. Mangalsutras in India are designed in numerous styles and patterns to reflect local customs and preferences. For instance, the Maharashtrian Mangalsutra differs significantly from those in North or South India. This diversity creates a large market for varied styles, allowing jewellers to cater to regional preferences. The trend towards customization and personalization is growing in the jewellery industry, including for Mangalsutras. Customers increasingly seek unique designs tailored to their tastes and preferences. This trend for personalized Mangalsutras meets the desire for distinctiveness and individual expression. Hence in long term the market for mangal sutra is expected to remain healthy. (Source: CareEdge Report). We face competition from both the organized and unorganised sectors of the jewellery manufacturing and supply business and there are also several producers of varying size manufacturing certain of the products that we sell, in various geographical markets. Listed players competing with us in the industry include RBZ Jewellers Limited, Utssav CZ Gold Jewels Limited and Sky Gold & Diamonds Limited.

Outlook

Shringar House of Mangalsutra Limited is well-positioned for growth, supported by its established client base, product innovation, and integrated manufacturing capabilities. Expansion into new domestic markets and international presence, along with efficiency-focused strategies, should drive scale and profitability. However, high working capital needs, dependence on Mangalsutras, and absence of long-term client contracts present risks. Sustained demand, effective cost control, and prudent fund utilization will be critical for maintaining growth momentum and strengthening financial stability in the coming years.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	10-September-25
BID/ISSUE CLOSES ON	12-September-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	15-September-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	16-September-25
Credit of Equity Shares to Demat Accounts of Allottees	16-September-25
Commencement of trading of the Equity Shares on the Stock Exchanges	17-September-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	1429.82	1101.52	950.22
Total expenditure	1337.50	1051.95	912.41
Operating Profit	**92.31**	**49.57**	**37.81**
OPM%	0.65	0.45	
Other Income	0.30	1.19	1.08
Total Net Income	**92.61**	**50.76**	**38.89**
Interest	8.20	6.03	5.62
PBDT	**84.41**	**44.72**	**33.26**
Depreciation	2.62	2.56	1.83
PBT	**81.80**	**42.16**	**31.44**
Tax	20.68	11.05	8.08
PAT	**61.11**	**31.10**	**23.36**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Financial liabilities			
Property, Plant and Equipment	5.08	3.16	3.55
Right-of-use assets	14.08	15.31	16.53
Investment property	30.82	31.35	31.88
Financial Assets			
Other financial assets	0.56	0.48	0.55
Income tax assets (net	0.44	4.72	0.07
Other non-current assets	0.00	0.22	0.00
Total non-current assets	**50.98**	**55.24**	**52.58**
Current asset			
Inventories	228.06	143.83	103.76
Financial Assets			
Trade receivables	87.77	60.47	46.99
Cash and cash equivalents	1.01	2.09	5.82
Bank Balances other than cash and cash equivalents above	2.09	1.76	0.63
Other Financial Asset	0.97	0.00	0.00
Other current assets	4.86	1.61	1.77
Total current assets	**324.77**	**209.76**	**158.97**
Total Assets	**375.75**	**265.00**	**211.55**
Non-current liabilities			
Financial Liabilities			
Borrowings	2.58	5.61	17.07
Lease liabilities	0.89	2.08	3.11
Provisions	0.44	0.00	0.00
Deferred tax liabilities	0.73	0.98	0.98
Total Non- Current liabilities	**4.63**	**8.67**	**21.16**
Current liabilities			
Financial Liabilities			
Borrowings	118.45	101.37	72.12
Lease liabilities	1.20	1.03	0.89
Trades Payable - total outstanding dues of micro enterprises and small enterprises	3.00	0.00	0.00
Trades Payable - total outstanding dues of creditors other than micro enterprises and small enterprises	40.48	9.23	2.96
Other financial liabilities	0.00	0.00	0.69
Other current liabilities	7.10	7.58	7.87
Provisions	0.03	0.28	0.14
Total Current liabilities	**170.27**	**119.48**	**84.66**
Total	**174.90**	**128.16**	**105.82**
Net worth represented by:			
Equity Share Capital	72.13	8.96	8.96
Other equity	128.71	127.89	96.77
Net Worth	**200.85**	**136.85**	**105.72**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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