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IPO note:

**SHRINGAR HOUSE OF MANGALSUTRA LIMITED-
SUBSCRIBE**

One of the top and most skilled designers and producers of mangalsutra in India is Shringar House of Mangalsutra Ltd. (SHML). In 18k and 22k purity of gold, it designs, manufactures, and markets a wide variety of Mangalsutra studded with a wide range of stones, such as American diamonds, cubic zirconia, pearls, mother of pearls, and semi-precious stones, to its business-to-business ("B2B") clients. The traditional necklace known as a mangalsutra, which is made of black and gold beads and worn by married Indian women, is a sacred thread that is said to bless and prolong the life of the spouse. In CY23, the company's share in India's organized Mangalsutra market was about 6%.

SHML offers its products to a wide range of clientele, including corporate clients, wholesale jewellers, and retailers throughout the country, with a focus on twenty-four (24) states and four (4) union territories. During FY 2025, 2024, and 2023, it expanded its reach to overseas clients in the United Kingdom, New Zealand, UAE, US and the Republic of Fiji. Some of its marquee domestic and international corporate clients include Malabar Gold Limited, Titan Company Limited, GRT Jewellers India Private Limited, Reliance Retail Limited, Novel Jewels Limited (Aditya Birla Group), Joyalukkas India Limited, P N Gadgil Jewellers Limited, Kalamandir Jewellers Limited, Waman Hari Pethe Jewellers, Goldbox Enterprises Limited (UK), Sona Sansaar Limited (New Zealand), Damas Jewellery LLC (UAE), Lalithaa Jewellery Mart Limited, Manoj Vaibhav Gems "N" Jewellers Limited, D. P. Abhushan Limited, amongst others. During FY25, it served 34 Corporate Clients, 1,089 wholesalers and 81 retailers.

It also manufactures and supplies Mangalsutras on a job-by-job basis to corporate clients. In fiscal years 2025, 2024, and 2023, the company processed 1,320.72 kgs, 1,221.19 kgs, and 870.26 kgs of bullion into Mangalsutras, earning Rs. 264.83 million, Rs. 193.24 million, and Rs. 156.47 million, respectively.

The company has a diverse portfolio of Mangalsutras, with over 15 collections and over 10,000 active SKUs designed for special occasions such as weddings, festivals, and anniversaries, as well as everyday wear options such as antique, bridal, traditional, contemporary, and Indo-western styles. These designs are suitable for ladies of all ages, with a wide range of price ranges and weights. Its Mangalsutra designs are inspired by old Indian art and culture, and they combine these elements with contemporary aesthetics to create items that are both timeless and modern.

The SHML jewelry line includes a wide variety of stones, including but not limited to American diamonds, cubic zirconia, pearls, mother of pearl, and semi-precious stones, all meticulously set in gold. As of June 30, 2025, it has a dedicated in-house design team of 22 full-time employees who work on designing new products and designs that are in line with current trends, customer lifestyles, aspirations, and demographic preferences across the country. In addition, it employs 166 In-house Karigars and works with a network of third-party Karigars to accommodate rising market demand for its products.

The company has continuously increased revenue and demonstrated profitability. In Fiscal 2025, the company's revenue from operations was Rs. 14,298.15 million, up from Rs. 11,015.23 million in Fiscal 2024 and Rs. 9,502.17 million in Fiscal 2023. This reflects a year-over-year increase of 29.80% in Fiscal 2025 and 15.92% in Fiscal 2024.

Investment Recommendation and Rationale:-

Shringar House of Mangalsutra operates in the growing organized jewellery sector, leveraging its strong heritage, innovative design portfolio, and a diversified domestic and international client base. Financially, it has shown impressive performance—almost 30% revenue growth and nearly double profit in FY25. At the upper price band of Rs. 165, the issue is priced at a P/E multiple of 26.03, with an FY25 post IPO EPS of Rs. 6.34. We give a 'SUBSCRIBE' rating to the issue for the following reasons: -

1. **Excellent Segment Leadership in Mangalsutra.**
2. **Robust Financial Growth & Profitability.**
3. **Wide Clients & Market Reach.**
4. **Growth Plans & Organized Retail Tailwinds.**
5. **Strong Industry Outlook.**

Issue Opens	10th September 2025
Issue Closes	12th September 2025
Type of Issue	Fresh Issue of 2,43,00,000 shares (aggregating up to Rs. 400.95 Cr)
Issue size	Rs. 400.95 Crores
Price Band	Rs. 155 to Rs. 165 per share
Bid lot/ Bid Size	90 shares/ Rs. 14,850
Issue structure	QIB-50%, HNI- 15%, Retail- 35%
Post issue equity shares	9,64,32,080
Promoters and Promoter Group Public	Pre Issue – 99.99% Post Issue – 74.79% Pre issue – 0.01% Post Issue- 25.21%
Post issue implied market cap	Rs. 1,591.13 Crores
BRLMs	Choice Capital Advisors Private Limited
Registrar to the issue	MUFG Intime India Private Limited

Financial Summary (in Rs. million, unless otherwise indicated)

Particulars	FY 2025	FY 2024	FY 2023
Revenue from operations	14,298.15	11,015.23	9,502.17
EBITDA	926.12	507.56	388.86
EBITDA Margin (%)	6.48	4.61	4.09
Net Profit after tax	611.14	311.05	233.58
Net Profit Margin (%)	4.27	2.82	2.46
Return on Net Worth (%)	36.20	25.65	24.84
Return on Capital Employed (%)	32.43	21.52	19.46
Debt-Equity Ratio	0.61	0.80	0.88
Days Working Capital	70	63	54

Source: RHP



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The table below presents a breakdown of revenue from operations in India and outside India, in absolute terms and as a proportion of total revenue from operations, for FY 2025, 2024, and 2023.

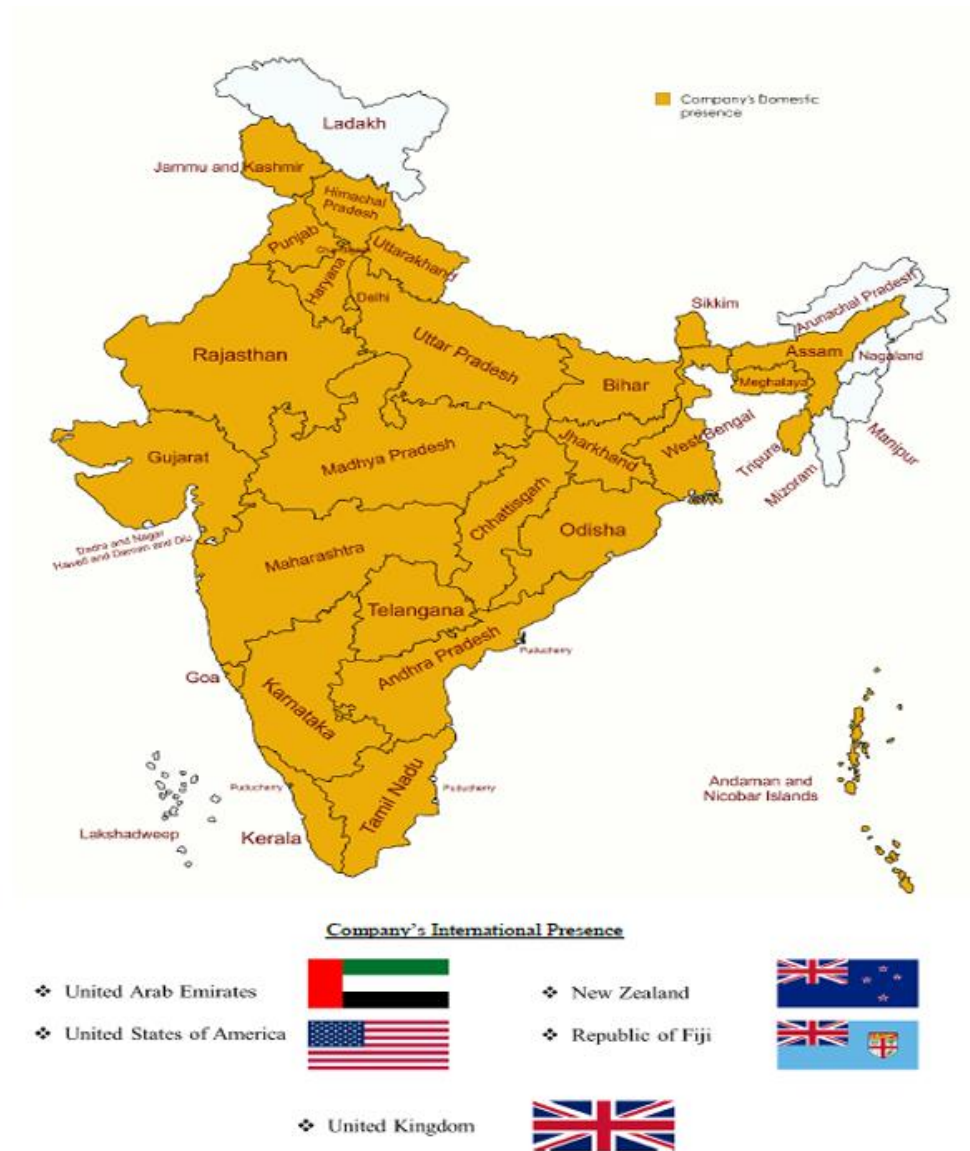
(in Rs. millions, unless stated otherwise)

Particulars	FY 2025	% of Revenue from Operations	FY 2024	% of Revenue from Operations	FY 2023	% of Revenue from Operations
Domestic Revenue	14,097.10	98.59%	10,797.99	98.03	9,094.31	95.71
Export Revenue	195.32	1.37%	211.61	1.92	402.53	4.24
Others*	5.73	0.04%	5.62	0.05	5.33	0.06
Total	14,298.15	100.00%	11,015.23	100.00	9,502.17	100.00

*Others include hallmarking charges received

Source: Red Herring Prospectus (RHP)

The graphical representation below shows the customer network in India and globally.



Objects of the issue

Fresh Issue of 2,43,00,000 shares (aggregating up to Rs. 400.95 Cr)

Company plans to use the Net Proceeds to fund the following objects:

1. Funding Working Capital requirements of the Company.
2. General Corporate Purposes

Source: Red Herring Prospectus (RHP)

Peer Comparison

Name of the Company	Revenue from operations (in Rs million)	Face value per equity share (Rs)	P/E Ratio (x)	EPS (Basic) (Rs per share)	EPS (Diluted) (Rs per share)	RoNW (%)	Net Asset Value per Equity Share (Rs per share)
Shringar House of Mangalsutra Ltd	14,298.15	10.00	NA	8.57	8.57	36.20%	27.84
Listed Peers							
Utssav CZ Gold Jewels Ltd	6,463.19	10.00	16.85	11.63	11.63	30.94%	53.23
RBZ Jewellers Ltd	5,301.49	10.00	13.37	9.70	9.70	17.15%	61.26
Sky Gold & Diamonds Ltd	35,480.20	10.00	28.73	9.52	9.44	28.59%	46.61

Source: Red Herring Prospectus (RHP)

Competitive Strengths

1. Established client base and long-term relationships with clients.
2. Design innovation and a diverse product portfolio.
3. The company designs, manufactures, and markets Mangalsutra in 18k and 22k pure gold for B2B clientele.
4. SHML provides high-quality and pure Mangalsutras, each with a unique HUID number.
5. SHML has extended its activities, resulting in increased revenue and profitability.

Source: Red Herring Prospectus (RHP)

Growth Strategies

1. SHML operates on a B2B model, providing end-to-end services including conceptualization, design, manufacturing, and product sales.
2. Goals include developing recurring sales and strengthening relationships with existing clients.
3. Continue investing in marketing and brand-building initiatives.
4. Increase fund-based capacities to scale up business operations.
5. SHML aims to improve profitability through cost reductions, backward integration, and increased capacity utilization.

Source: Red Herring Prospectus (RHP)

Key Risks

1. A substantial amount of the company's revenue comes from the sale of mangalsutras to retailers. In FY25, they contributed Rs 778.85 crore (54.47%) to the company's revenue, followed by Rs 596.22 crore (54.13%) in FY24 and Rs 498.45 crore (52.46%) in FY23. The company's lack of long-term contracts with merchants leaves it vulnerable to fluctuating demand and potential instability in revenue streams.
2. The company operates from a single manufacturing site in Mumbai, Maharashtra. Any slowdown or suspension of these operations, as well as any negative events in that region, could have a severe impact on their business, operational results, financial position, and cash flow.
3. The company relies on Karigars to manufacture Mangalsutras. If they are unable to keep or recruit these Karigars, it may have a detrimental impact on their business, operational results, and financial health.
4. Sales and revenue fluctuate seasonally, and lower income during peak seasons may have a disproportionate impact on operational performance.
5. Significantly dependent on IPO funds (about ₹280 crore) to support working capital. If these needs aren't met under favorable terms, financial performance could suffer.

Source: Red Herring Prospectus (RHP)


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