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CM RATING 42 /100

# Shringar house of mangalsutra

## B2B mangalsutra supplier

### Aims to broaden market reach by entering new geographical regions

Shringar House of Mangalsutra is engaged in designing, manufacturing, and marketing, a varied range of Mangalsutra studded with diverse range of stones including, American diamond, cubic zirconia, pearl, mother of pearl, and semi-precious stones, in 18k and 22k purity of gold, to business-to-business (B2B) clients.

The Mangalsutra is more than just a piece of jewelry in India; it embodies personal identity, cultural heritage, and marital commitment. Its products accounted for approximately 6% of the organized Mangalsutra market in India in CY23.

Offer an extensive portfolio of Mangalsutras, featuring over 15 collections and more than 10,000 active SKUs, designed to suit special occasions such as weddings, festivals, and anniversaries, as well as daily-wear options including antique, bridal, traditional, contemporary, and Indo-western styles. These designs cater to women of all ages, with a variety of price points and weights.

Sell products to a diverse range of B2B clients including corporate clients, wholesale jewellers, and retailers across the country, more particularly in 24 states and 4 union territories. As of March 31, 2025, the business catered to 34 corporate clients, alongside 1,089 wholesalers and 81 retailers.

In FY25, retailers accounted for 54.47% of revenue, corporate clients 33.99%, wholesalers 11.5%, and others 0.04%.

Recently launched an e-catalogue, enabling retail clients to browse collection and place orders conveniently at their discretion.

In addition to a strong domestic presence, the business successfully expanded into international markets such as the United Kingdom, New Zealand, UAE, USA, and the Republic of Fiji over the fiscal years 2023 to 2025.

In FY2025, 98.59% of revenue was derived from the domestic market, 1.37% from exports, and 0.04% from hallmark charges.

The client portfolio features well-known names both in India and abroad, including Malabar Gold, Titan Company, GRT Jewellers India, Reliance Retail, Novel Jewels (Aditya Birla Group), Joyalukkas India. P N Gadgil Jewellers, Kalamandir Jewellers, Waman Hari Pethe Jewellers, Goldbox Enterprises (UK), Sona Sansaar (New Zealand), Damas Jewellery LLC (UAE), Lalithaa Jewellery Mart, Manoj Vaibhav Gems "N" Jewellers, D. P. Abhushan, and others.

Going forward, intends to strengthen its relationship with existing clients. In FY25, the top 5 clients contributed 31.76% of the revenue, while the top 10 clients accounted for 39.92%.

Mangalsutras are also manufactured and supplied on a job-work basis to corporate clients. During the fiscal years 2023, 2024, and 2025, a total of 870.26 kgs, 1,221.19 kgs, and 1,320.72 kgs of bullion were processed into Mangalsutras, generating revenues of Rs 15.64 crore, Rs 19.32 crore, and Rs 26.48 crore, respectively.

Operate one single manufacturing facility in Maharashtra, India with total installed capacity of 2,500 kg per annum as of March 31, 2025. Supported by an in-house team of 22 designers and 166 Karigars, along with a network of third party Karigars to meet growing market demand.

Plans to establish a new supply chain network to expand into untapped domestic markets and enter new international markets.

### **Offer and its objects**

The IPO comprises a complete fresh issue of equity shares, aggregating up to Rs 400.95 crore.

Price band for the IPO is Rs 155 to Rs 165 per equity share of face value Rs 10 each.

The objectives for the fresh issue includes Rs 280 crore for funding working capital requirement, and remaining amount for general corporate purpose.

The promoters are Chetan N Thadeshwar, Mamta C Thadeshwar, Viraj C Thadeshwar and Balraj C Thadeshwar. The promoters and promoter group hold an aggregate of 7,21,31,280 equity shares, aggregating to 99.99% of the pre-offer issued and paid-up equity share capital. Their post IPO shareholding is expected to be around 74.8%.

The issue, through the book-building process, will open on 10 Sept 2025 and will close on 12 Sept 2025.

### **Strengths**

Established a strong position in the industry by offering a diverse range of Mangalsutras that effectively cater to varied client preferences.

EBITDA margin improved from 3.98% in FY23 to 6.46% in FY25, reflecting enhanced operational efficiency and profitability.

Strong and long-standing relationships with several jewellery businesses, contributing to sustained business growth.

Well placed to benefit from surge in demand for gold jewellery supported by rising disposable incomes, increasing urbanization, evolving fashion preferences

Operates an integrated manufacturing facility with a strong emphasis on strict quality control measures at every stage of production.

Focus on expanding market reach is expected to drive revenue diversification and reduce dependence on existing markets.

Extensive experience of promoters and senior management personnel.

### **Weaknesses**

Exposed to fluctuations in the price and availability of gold, both of which are influenced by factors such as import duties, global economic conditions, geopolitical factors, and fluctuations in demand and supply in the international markets.

The business requires a substantial amount of working capital for continued growth. In FY25, the total working capital requirement was Rs 269.8 crore, representing 19% of total sales.

The business is primarily concentrated in state of Maharashtra, which accounted for 49.50% of revenue in FY25. Any adverse development affecting the region may have an adverse effect on financials.

Experienced negative cash flows from operating activities in Fiscal 2025 and 2024, reflecting continued cash flow pressures from core operations.

Statutory Auditors have included certain remarks in their auditor's reports for FY24 and FY25.

A high dependency on a single supplier who accounted for 45.11% of raw material purchases in FY25, along with the absence of long-term supply contracts, exposes the business to supply chain risks.

There have been instances of inadvertent filing errors related to past corporate actions. Additionally, there was non-compliance with Section 135 of the Companies Act, 2013 for Fiscal 2022. Similar instances in the future may lead to regulatory actions and penalties.

The nature of the business requires maintaining adequate inventory levels. Failure to properly manage or hedge inventory risks could adversely affect operations.

## Valuation

Net sales increased 30% to Rs 1,429.82 crore in FY2025 as compared with FY2024. The OPM improved 196 bps to 6.46%, leading to 86% increase in OP to Rs 92.31 crore. OI fell 75% to Rs 0.3 crore. Interest cost rose 36% to Rs 8.2 crore. Depreciation cost went up 2% to Rs 2.62 crore. PBT surged 94% to Rs 81.8 crore. Tax expenses were Rs 20.68 crore as compared with Rs 11.05 crore. PAT soared 96% to Rs 61.11 crore.

The TTM EPS on post-issue equity works out to Rs 6.3. At the upper price band of Rs 165, P/E is 26.

Listed peers such as RBZ Jewellers traded at TTM P/E of 15, Shanti Gold International trades at TTM P/E of 23, and Sky Gold & Diamonds at TTM P/E of 27 as on 5 Sept 2025. The OPM and ROE stood at 6.46% and 36.2% respectively, in FY2025. These were 12.13% and 17.16% for RBZ Jewellers, 8.28% and 44.85% for Shanti Gold International, and 5.53% and 28.83% for Sky Gold & Diamonds, respectively.

<b>Shringar House of Mangalsutra: Issue highlights</b>	
For Fresh Issue Offer size (in Rs crore)	
- On lower price band	376.65
- On upper price band	400.95
Offer size (in no of shares)	2,43,00,000
Price band (Rs)	155-165
Minimum Bid Lot (in no. of shares )	90
Post issue capital (Rs crore)	96.43
Post-issue promoter & Group shareholding (%)	74.80
Issue open date	10-09-2025
Issue closed date	12-09-2025
Listing	BSE, NSE
<b>Rating</b>	<b>42/100</b>

<b>Shringar House of Mangalsutra: Restated Financials</b>			
	2303 (12)	2403 (12)	2503 (12)
Sales	950.22	1,101.52	1,429.82
OPM (%)	3.98%	4.50%	6.46%
OP	37.81	49.57	92.31
Other inc.	1.08	1.19	0.30
PBIDT	38.88	50.76	92.61
Interest	5.62	6.03	8.20
PBDT	33.26	44.72	84.41

Dep.	1.83	2.56	2.62
PBT	31.43	42.16	81.80
Share of Profit/(Loss) from Associates/JV	-	-	-
PBT before EO	31.43	42.16	81.80
Exceptional items	-	-	-
PBT after EO	31.43	42.16	81.80
Taxation	8.08	11.05	20.68
PAT	23.36	31.10	61.11
EPS (Rs)*	2.4	3.2	6.3
* EPS is annualized on post issue equity capital of Rs 96.43 crore of face value of Rs 10 each			
# EPS is not annualised due to seasonality of business			
EO: Extraordinary items. EPS is calculated after excluding EO and relevant tax			
Figures in Rs crore			
Source: Capitaline Corporate Database			