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## IPO Report

06<sup>th</sup> Sept '25

### Snapshot

Company is amongst the leading and specialised designers and manufacturers of Mangalsutra in India. Company is engaged in designing, manufacturing, and marketing, a varied range of Mangalsutra studded with diverse range of stones including but not limited to, American diamond, cubic zirconia, pearl, mother of pearl, and semi-precious stones, in 18k and 22k purity of gold, to its business-to-business (“B2B”) clients. Mangalsutra is a traditional necklace, crafted from gold and black beads worn by married Indian women which symbolizes marital status and is a sacred thread that is believed to bless and extend the life of the spouse. Company contributed to around 6% of organized Mangalsutra market in India in CY23.

### VALUATION

Company is bringing the issue at price band of Rs 155-165 per share at p/e multiple of approx. 26x on post issue FY25 basis. Company has established client base and long-standing relationship with its clients. Company has integrated manufacturing facility setup under one roof equipped to produce variety of Mangalsutras. Company has design innovation and diversified product portfolio & has proven track record of growth in financial performance .

Hence, we recommend “Subscribe” to the issue.

<b>Price Band (Rs./Share)</b>	<b>155-165</b>
<b>Opening date of the issue</b>	<b>10<sup>th</sup> Sept '2025</b>
<b>Closing Date of the issue</b>	<b>12<sup>th</sup> Sept '2025</b>
<b>No of shares pre issue</b>	7,21,32,080 Eq Shares
<b>Issue Size</b>	Rs 377-401 Cr
<b>Fresh issue</b>	24,300,000 Eq Shares
<b>Face Value (Rs/ share)</b>	Rs 10/share
<b>Bid Lot</b>	90
<b>Employee Discount</b>	Rs 15/share
<b>BIDDING DETAILS</b>	
<b>QIBs (Including Anchor)</b>	50% of the offer (Approx 1,21,40,000 Eq Shares)
<b>Non-Institutional</b>	15% of the offer (Approx 36,42,000 Eq Shares)
<b>Retail</b>	35% of the offer (Approx 84,98,000 Eq Shares)
<b>Lead managers</b>	Choice Capital Advisors
<b>Registrar to the issue</b>	MUFG Intime India Pvt. Ltd

## WHAT WE LIKE

### *Established client base and long-standing relationship with company's clients*

Over the years, company have fostered long standing relationships with several jewellery businesses, such as 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.

### *Continuously improving financial performance*

Company has grown its operations and has demonstrated an increase in revenues and profitability. In Fiscal 2025, company achieved revenue from operations amounting to ₹14,298.15 million, compared to ₹11,015.23 million in Fiscal 2024 and ₹9,502.17 million in Fiscal 2023. This represents year-on-year growth of 29.80% in Fiscal 2025 and 15.92% in Fiscal 2024.

### *Integrated Manufacturing Facility*

Company is engaged in designing, manufacturing, and marketing a varied range of Mangalsutra in 18k and 22k purity of gold to its B2B clients. Company's Manufacturing Facility spans company's 8,300 sq ft area, equipped to produce variety of Mangalsutras with precision and efficiency. As of March 31, 2025 company have an installed manufacturing capacity of 2500.00 kg per annum, allowing it to produce wide range of Mangalsutras under one roof.



## COMPANY BACKGROUND

The Mangalsutra is more than a piece of jewellery in India; it embodies personal identity, cultural heritage, and marital commitment. Preferences for Mangalsutra designs vary significantly across different age groups, reflecting the evolving interests, lifestyles, and values of Indian women. Every demographic has different needs and perspectives, from senior women who value traditional motifs to young brides who choose modern patterns.

### *Customer network*

Company sell its products to a diverse range of clients including Corporate Clients, wholesale jewellers, and retailers across the country, more particularly in twenty-four (24) states and four (4) union territories. In addition to serving company's domestic clients, company have also expanded its reach to international clients in United Kingdom, New Zealand, UAE, USA and Republic of Fiji, during the Fiscals 2025, 2024 and 2023. Some of company's 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. As of March 31, 2025 company served 34 Corporate Clients, 1,089 wholesalers and 81 retailers.

Company also manufacture and supply Mangalsutras on a job-work basis to its Corporate Clients. For the Fiscals 2025, 2024, and 2023, company processed a total of 1,320.72 kgs, 1,221.19 kgs and 870.26 kgs of bullion into Mangalsutras, generating revenue of ₹264.83 million, ₹193.24 million and ₹156.47 million, respectively.

Since the inception of company's operations, company have focused on strengthening its presence as a manufacturer of single product i.e. Mangalsutras. Company believe that this approach has allowed it to establish a strong position in the industry and has also enabled company to cater to its existing and potential client preferences, which often varies significantly based on geography and latest trends.

### *Products*

Company 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. Company's Mangalsutra designs draw inspiration from ancient Indian art and culture, merging these aspects with contemporary aesthetics to produce pieces that are yet timeless and modern. Company's jewellery collection features a diverse range of stones, including but not limited to American diamond, cubic zirconia, pearls, mother of pearl, and semi-precious stones, all intricately set in gold. As of June 30, 2025, company have a dedicated in-house design team of 22 full-time employees who focus on developing new products and designs that align with latest trends, customer lifestyles, aspirations, and demographic preferences across the country. In addition, company have a team of 166 In-house Karigars and company also collaborate with a network of third-party Karigars to meet the growing market demand for company's products.

### *Manufacturing setup*

Company undertake end-to-end operations, from conceptualisation and designing to manufacturing and selling its products through its integrated operations at company's manufacturing facility. Company's manufacturing facility is spread over area admeasuring 8,300 sq. ft. and is situated at A-3/1, 3rd floor, Todi Estate, Sun Mill Compound, Lower Parel (West), Mumbai 400013, Maharashtra, India ("**Manufacturing Facility**"). Company's design and manufacturing process combines traditional methods and innovative techniques. Company's Manufacturing Facility supported by its in-house team of 22 designers and 166 In-house Karigars enables company to craft unique pieces that often feature detailed designs reflecting authenticity and uniqueness. Company have been growing its manufacturing capacity over the years to cater to increase in volumes and demand for its products.



## INVESTMENT RATIONALE

<i>Established client base and long-standing relationship with company's clients</i>	With over fifteen (15) years of operational experience, company have established long term relationships with company's key clients. Company sell and/or supply its products to a diverse range of clients including Corporate Clients, wholesale jewellers, and retailers across the country, more particularly in twenty-four (24) states and four (4) union territories. In addition to serving company's domestic clients, company have expanded its reach to international clients across four countries the United Kingdom, New Zealand, UAE, USA and the Republic of Fiji during the past three Fiscal years. Company served around 20 overseas clients during the Fiscal 2025, Fiscal 2024 and Fiscal 2023.
<i>Design innovation and diversified product portfolio.</i>	Mangalsutra is a vital part of Indian weddings. Preferences for Mangalsutra designs vary significantly across different age groups, reflecting the evolving interests, lifestyles, and values of Indian women . Company offer a diverse range of Mangalsutras, including antique, bridal, traditional, contemporary, and Indo-western styles, across various price points. According to the CareEdge Report, customization options, which allow clients to choose specific patterns, designs, and materials, are becoming more popular among jewellers. This trend for personalized Mangalsutras meets the desire for distinctiveness and individual expression. In line with these trends, company's product portfolio is designed to offer a variety of options, including, but not limited to, "ring Mangalsutras", "bracelet Mangalsutras", "God edition Mangalsutras", and "divine Mangalsutras". Company also offer an extensive portfolio of Mangalsutras, featuring over 15 collections and more than 10,000 active SKUs, which are customised based on the quality and weight of the gold to meet the specific requirements of company's clients.
<i>Quality assurance and quality control of Mangalsutras</i>	Company deliver high-quality and high-purity pieces of Mangalsutras, each marked with a unique HUID ( <i>Hallmark Unique Identification</i> ) number. Company's quality control measures involve checking each piece at every stage of manufacturing using XRF ( <i>X-ray fluorescence</i> ) machines and steel pin detectors, guaranteeing both the authenticity and durability of company's products. This commitment to excellence enhances company's relationships with its clients and brands reinforcing company's position as their trusted B2B partner.

## OBJECTS OF OFFER

The Issue comprises of fresh Issue of up to 24,300,000 Equity Shares of face value of ₹ 10 each of Company.  
The Net Proceeds are proposed to be utilised in the following manner:

1. Funding Working Capital requirements of Company; and
2. General Corporate purposes.

## RISKS

Company derive a significant portion of its revenue from operations from the sale of company's Mangalsutras to its Corporate Clients (33.99%, 31.78% and 30.18% in Fiscal 2025, Fiscal 2024 and Fiscal 2023), retailers (54.47%, 54.13% and 52.46% in Fiscal 2025, Fiscal 2024, and Fiscal 2023) and wholesalers (11.50%, 14.04% and 17.31% in Fiscal 2025, Fiscal 2024, and Fiscal 2023) and company do not have long term contracts with any of these clients. Loss of any of these clients, or the cancellation of their purchase orders, could adversely affect company's business, cash flows, financial condition, and overall results of operations.

Source:RHP


**Consolidated Financials**

(Rs in lakhs)

Financials	FY23	FY24	FY25
Total Revenue (A)	9502.17	11015.23	14298.15
Total Expenditure (B)	9124.08	10519.52	13375.04
EBIDTA	378.09	495.71	923.11
EBIDTA Margin	3.98	4.50	6.46
Other Income	10.77	11.85	3.01
Depreciation	18.27	25.63	26.16
EBIT	370.59	481.93	899.96
Interest	56.24	60.34	82.00
PBT	314.35	421.59	817.96
Share of profit in Asso	0.00	0.00	0.00
PBIT	314.35	421.59	817.96
Exceptional	0.00	0.00	0.00
PBT	314.35	421.59	817.96
Tax	80.77	110.54	206.82
PAT	233.58	311.05	611.14
NPM	2.46	2.82	4.27
ROE%	24.84	25.65	36.20
EPS	3.29	4.39	8.57
Eq Cap	89.57	89.57	721.32
Net Worth	1,057.23	1,368.47	2,008.45

(Source: RHP)

**Peer Comparison**

Company Name	Face Value	EPS	P/E	ROE %	NAV
Shringar House of Mangalsutra Limited	10.00	8.57	---	36.20	27.84
<b>Peers</b>					
Utssav CZ Gold Jewels Ltd	10.00	11.63	16.85	30.94	53.23
RBZ Jewellers Ltd	10.00	9.70	13.37	17.15	61.26
Sky Gold & Diamonds Ltd	10.00	9.52	28.73	28.59	46.61



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