Choice Institutional Equities

Shringar House of Mangalsutra: Growth Momentum Maintained

November 05, 2026 | CMP: INR 312 | Target Price: INR 400

Expected Share Price Return: 28.1% I Dividend Yield: 0.0% I Potential Upside: 28.1%

BUY

Sector View: Positive

Q2FY27 Result Update

Change in Estimates	✓
Change in Target Price	✓
Change in Recommendation	✗

Company Info	
BB Code	SHRINGAR
Face Value (INR)	10.0
52-week High/Low (INR)	335 / 165
Mkt Cap (Bn)	INR 28.9 / USD 0.2
Shares o/s (Mn)	96.4
3M Avg. Daily Volume	2,356,484

Change in CIE Estimates

	FY27E			FY28E		
INR Bn	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	36.7	32.9	11.8	47.3	44.2	7.1
Adj.EBITDA	2.4	2.1	13.1	2.8	2.6	7.3
Adj.EBITDAM%	6.5	6.4	1 bps	6.0	6.0	0 bps
Adj.PAT	1.8	1.5	16.9	2.1	1.9	10.0
EPS (INR)	18.2	15.6	16.9	21.5	19.5	10.0

Actual vs CIE Estimates

INR Mn	Q2FY27A	CIE Est.	Dev.%
Revenue	8,187	8,038	1.9
Adj. EBITDA*	549	560	(1.9)
Adj. EBITDAM %	6.7	7.0	(25) Bps
Adj. PAT	395	374	5.6

**Adjusted EBITDA excludes hedging losses*

Key Financials

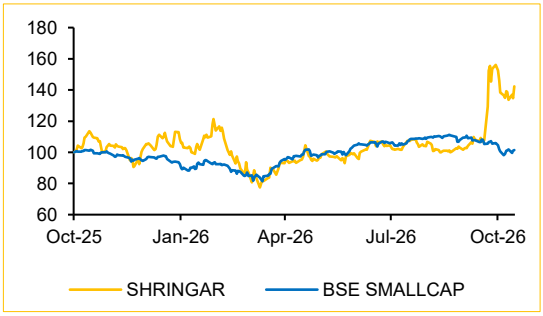
INR Bn	FY26	FY27E	FY28E	FY29E
Revenue	22.5	36.7	47.3	60.0
YoY (%)	57.1	63.6	28.8	26.9
Adj. EBITDA	1.8	2.4	2.8	3.6
Adj. EBITDAM %	8.0	6.5	6.0	6.0
Adj PAT	1.3	1.8	2.1	2.7
EPS (INR)	13.6	18.2	21.5	27.8
ROE %	29.8	22.9	21.6	22.4
ROCE %	26.3	24.1	22.5	23.5
PE(x)	23.0	17.1	14.5	11.2
EV/EBITDA	19.3	13.1	11.4	9.0

Shareholding Pattern (%)

	Sep-26	Jun-26	Mar-26
Promoters	74.80	74.80	74.80
FIIs	3.03	2.92	5.77
DIIs	2.39	2.72	1.53
Public	19.76	19.53	17.88

Relative Performance (%)

YTD	9M	6M	3M
BSE SMALLCAP	9.0	1.5	(5.9)
SHRINGAR	30.9	34.3	25.9



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In line with estimate: SHRINGAR reported a strong Q2FY27 performance, supported by stable demand, with **volume growth of 10% YoY**, in line with our estimates. Adjusted EBITDA margin declined due to higher operating and employee costs. **Corporate customers contributed 51% of business (vs. 35% historically),** supporting better payment cycles and repeat business. **Bridal jewellery has achieved ~10% of manufacturing volume within six months of launch,** with management targeting a scale comparable to the Mangalsutra business over the **next 2–2.5 years**.

Entry into B2C & other jewellery category: The company has set up a **wholly-owned subsidiary with an initial investment of INR 20–50 Mn** to enter affordable jewellery segments, including **9K gold, silver, platinum and lab-grown diamonds.** Targeting price points **below INR 50,000**, the venture will initially focus on online B2C sales, with launch expected in **2–3 months.** Management indicated **potential margins of 3–4x the existing business**, while operating independently of the core B2B business.

Guidance: Management remains optimistic on H2FY27, supported by a strong order book and festive/wedding demand. **Revenue growth guidance of 30–40% CAGR and medium-term EBITDA margin guidance of 6–8% remain unchanged**, driven by bridal jewellery scale-up and capacity expansion.

Valuation: We have increased **FY27/FY28E Adjusted PAT estimates by 17%/10%**, factoring in better-than-expected H1FY27 performance, supported by stable demand, higher capacity utilisation and an increasing contribution from bridal jewellery. We maintain our **BUY** rating and revise our DCF-based **TP to INR 400 (earlier INR 330), implying 28.1% upside.** The TP implies PE of 18.6x FY28E EPS and a PEG ratio of 0.6x.

Q2FY27 result: Growth momentum maintained

- Volume was up 10% YoY and 53.7% QoQ to 577 Kgs
- Revenue grew 54.8% YoY and 49.3% QoQ to INR 8,187 Mn (vs. CIE estimates of INR 8,038 Mn), beating estimate by 1.9%.
- EBITDA grew 68.7% YoY. Adjusting for the forex loss in Q2FY26, adj. EBITDA grew 47.8% YoY and 12.3% QoQ to INR 549 Mn (vs. CIE estimate of INR 560 Mn). Adj. EBITDA margin contracted 32 bps YoY and 221 bps QoQ to 6.7% (vs. CIE estimates of 7.0%).
- Adj. PAT grew 72.8% YoY and 16.1% QoQ to INR 395 Mn (vs. CIE estimate of INR 374 Mn), beating estimates by 5.6%.

Shringar House of Mangalsutra	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)
Volume (Kgs)	577	525	10.0	376	53.7
Revenues (INR Mn)	8,187	5,288	54.8	5,485	49.3
COGS	7,507	4,844	55.0	4,915	52.7
Gross Profit (INR Mn)	680	444	53.1	570	19.4
Gross Margin (%)	8.3%	8.4%	(9)bps	10.4%	(208)bps
Employee Cost	67	40	64.5	45	46.7
Other Expenses	64	78	(17.8)	35	83.7
Adj. EBITDA (INR Mn)	549	372	47.8	489	12.3
Adj. EBITDA Margin (%)	6.7%	7.0%	(32)bps	8.9%	(221)bps
Depreciation	14	8	78.7	13	4.8
EBIT (INR Mn)	536	364	47.2	476	12.5
EBIT Margin (%)	6.5%	6.9%	(34)bps	8.7%	(214)bps
Other Income	16	5	202.8	13	20.7
Interest	26	23	13.1	21	24.6
PBT	526	347	51.8	469	12.2
Tax	132	72	82.3	129	1.8
PAT (INR Mn)	395	228	72.8	340	16.1
Adj. PAT (INR Mn)	395	263	49.8	340	16.1
Basic EPS (INR)	4.1	3.0	36.9	3.5	16.1

Source: SHRINGAR, Choice Institutional Equities

B2B Jewellery Story Thematic

Company Result Highlights

The subsidiary will focus on affordable daily-wear jewellery across 9K gold, silver, platinum and lab-grown diamonds, targeting younger consumers with products priced at < INR 50,000

Bridal jewellery has achieved approximately 10% share of total manufacturing volume within just six months

- **New wholly-owned subsidiary:** The subsidiary will focus on affordable daily-wear jewellery across 9K gold, silver, platinum and lab-grown diamonds, targeting younger consumers with products priced at < INR 50,000. It will operate through a separate manufacturing facility and dedicated team with the initial investment of INR 20-30 Mn, with an initial focus on online B2C sales, while exploring offline channels. Management expects operations to commence within 2–3 months, with the new venture focusing on differentiated categories to avoid conflict with the existing B2B business.

- **Bridal Jewellery:** Bridal jewellery has achieved approximately 10% share of total manufacturing volume within just six months of entering into the segment. On TAM, the management highlighted that bridal jewellery accounts for approximately 60% of the overall jewellery market, providing a substantial opportunity to expand beyond the core Mangalsutra category. The management expects bridal jewellery to scale up meaningfully and potentially reach a size comparable to the Mangalsutra business over the next 2–2.5 years.

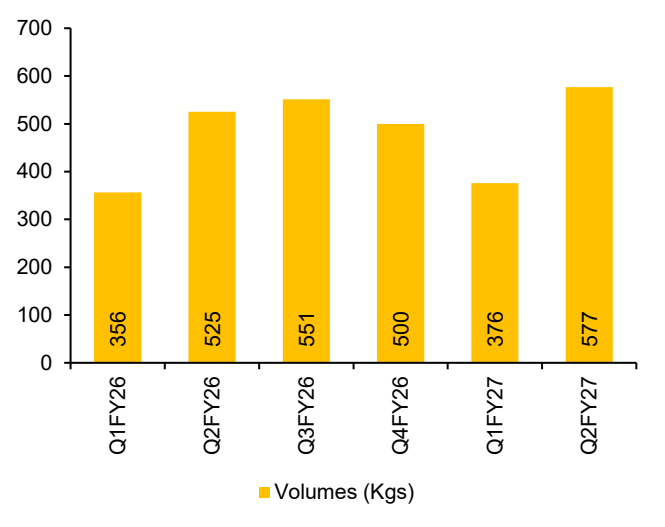
- **Corporate clients:** The management aims to increase the contribution of corporate customers from 51% currently to 65% over the coming period, given faster payment cycles and better cash-flow visibility.

- **Percentage-based margin model:** Management highlighted that manufacturing margin is linked to the value of jewellery. Hence, higher gold price improves absolute profitability for a given percentage margin, while lower prices can support higher volumes.

- Outright versus advance-gold/job-work model: Outright sales generally command manufacturing margin of approximately 6%, while advance-gold/job-work orders carry slightly lower margin of approximately 4.5–5%. However, job work requires negligible working capital and offers attractive returns on capital.

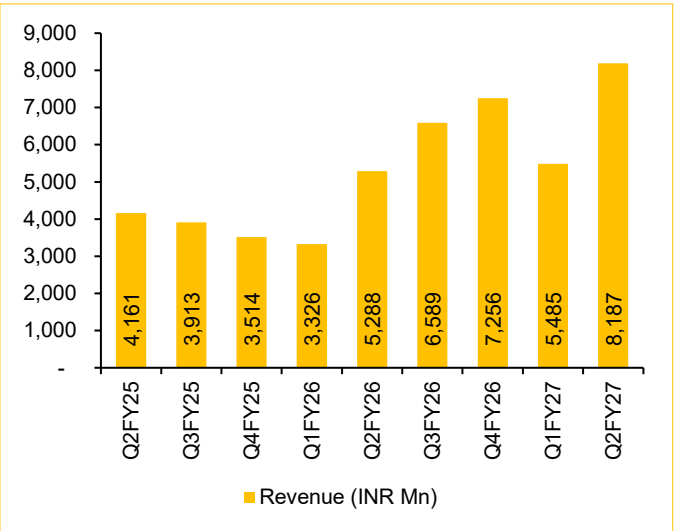
- Inventory position: Total gold inventory stood at approximately 400 kg, of which 30–35% was hedged through Gold Metal Loans and MCX contracts. Advance-gold inventory carries no direct gold price risk.
- Capacity expansion: Manufacturing capacity has increased from 2.5 tonnes to 4 tonnes, providing headroom to cater to rising demand across Mangalsutra and bridal jewellery.

Volume growth remained strong



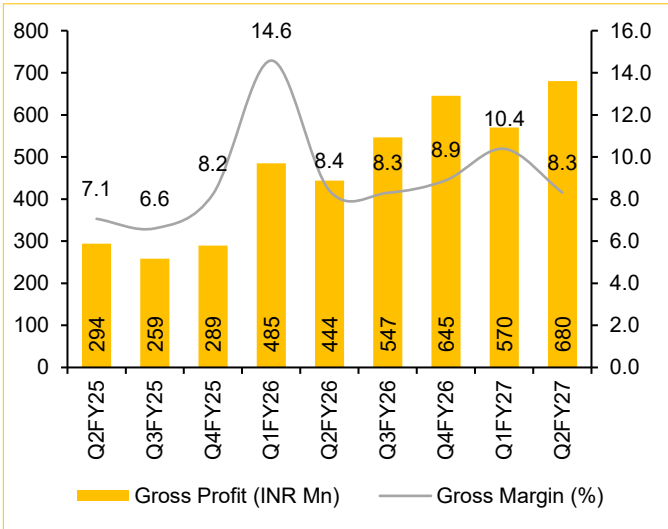
Source: SHRINGAR, Choice Institutional Equities

Pricing momentum anchors revenue growth



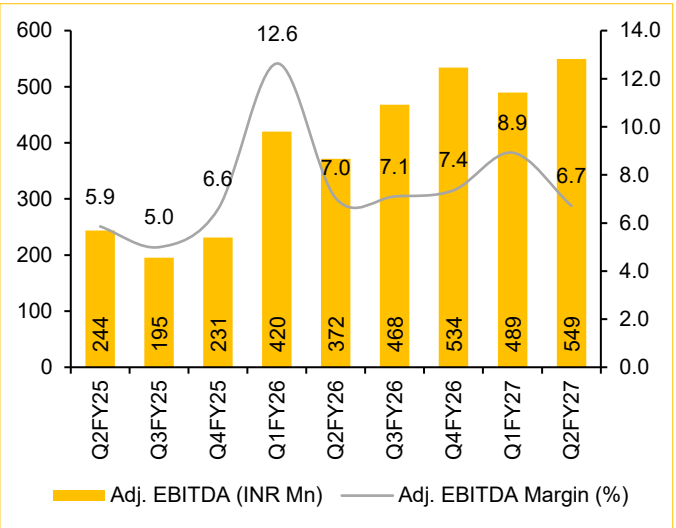
Source: SHRINGAR, Choice Institutional Equities

Gross margin remained flat on YoY basis



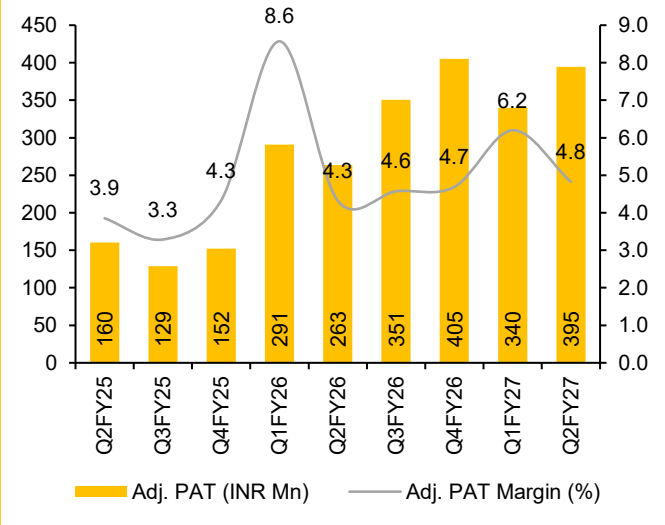
Source: SHRINGAR, Choice Institutional Equities

Adj. EBITDA margin declined marginally



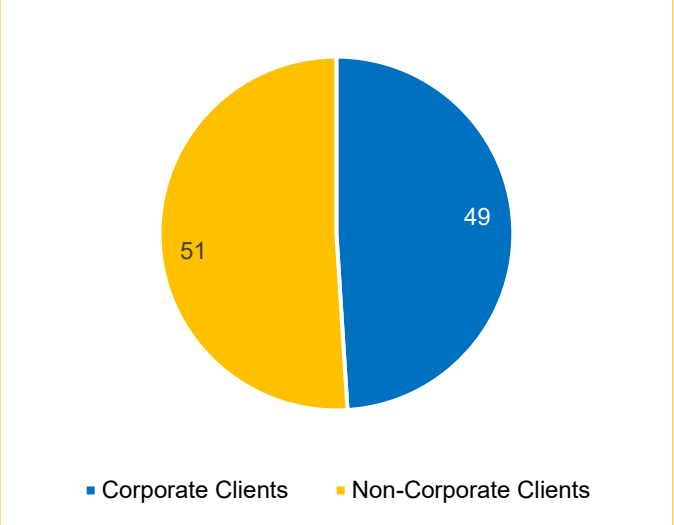
Source: SHRINGAR, Choice Institutional Equities

Adj. PAT grew 50% YoY



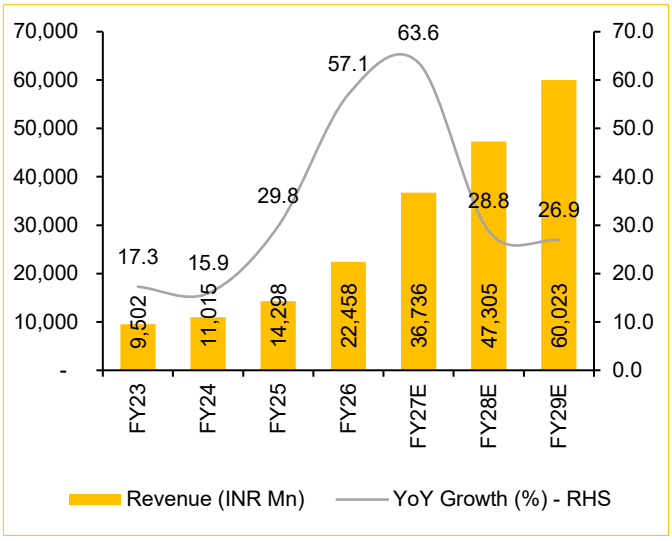
Source: SHRINGAR, Choice Institutional Equities

FY26 revenue contribution (%)



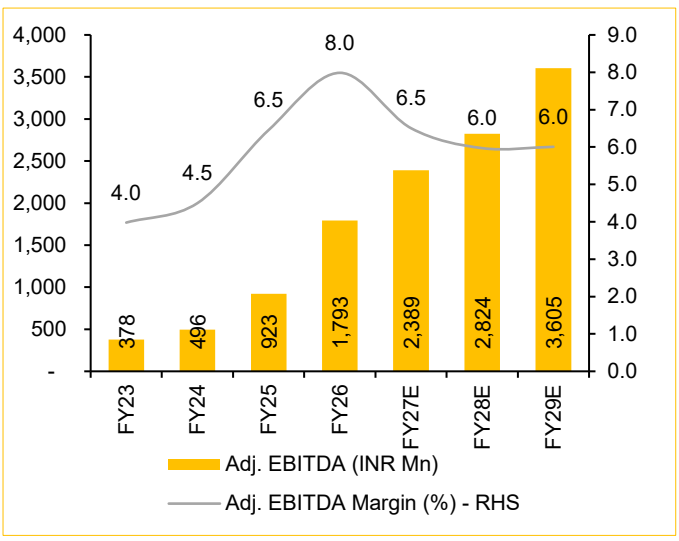
Source: SHRINGAR, Choice Institutional Equities

Revenue momentum to continue on back of higher gold purchase and increase in capacity utilisation



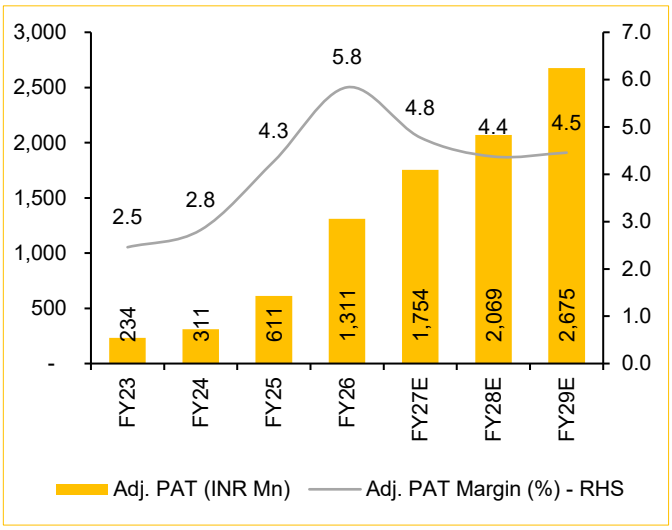
Source: SHRINGAR, Choice Institutional Equities

Adj. EBITDA likely to grow at CAGR 26% over FY26-29E



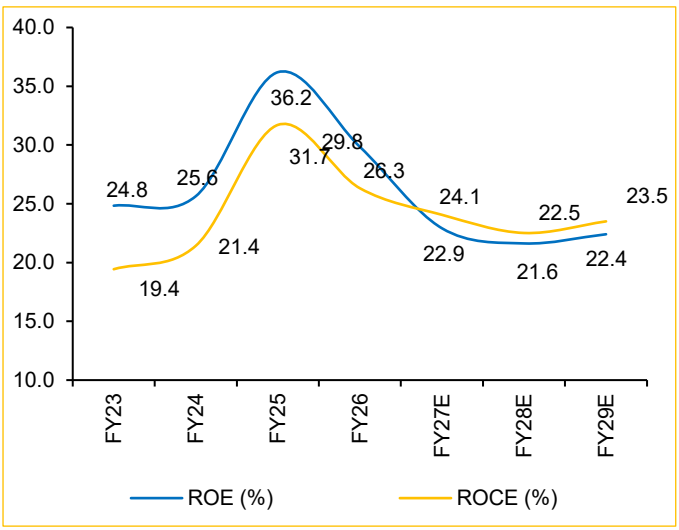
Source: SHRINGAR, Choice Institutional Equities

Adj. PAT likely to grow at CAGR 27% over FY26-29E



Source: SHRINGAR, Choice Institutional Equities

Return ratios on a steady uptrend



Source: SHRINGAR, Choice Institutional Equities

Income Statement (INR Mn)

Particular	FY26	FY27E	FY28E	FY29E
Revenue	22,458	36,736	47,305	60,023
Gross Profit	2,121	3,126	3,581	4,445
Adj. EBITDA	1,793	2,389	2,824	3,605
Depreciation	36	56	64	72
EBIT	1,758	2,334	2,760	3,533
Other Income	46	75	97	123
Interest Expense	75	96	130	130
PBT	1,729	2,313	2,728	3,527
PAT	1,155	1,754	2,069	2,675
Adj. PAT	1,311	1,754	2,069	2,675
EPS (INR)	13.6	18.2	21.5	27.8

Ratio Analysis	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)				
Revenue	57.1	63.6	28.8	26.9
Adj. EBITDA	94.3	33.2	18.2	27.6
Adj. PAT	114.5	33.8	17.9	29.3
Margins (%)				
Adj. EBITDA	8.0	6.5	6.0	6.0
Adj. PAT	5.8	4.8	4.4	4.5
Profitability (%)				
ROE	29.8	22.9	21.6	22.4
ROCE	26.3	24.1	22.5	23.5
ROIC	26.7	23.1	21.9	22.4
Working Capital				
Inventory Days	60	61	65	64
Debtor Days	26	22	24	24
Payable Days	5	3	3	3
Cash Conversion Cycle	81	80	86	86
Valuation Metrics				
PE(x)	23.0	17.1	14.5	11.2
EV/EBITDA (x)	19.3	13.1	11.4	9.0
P/BVPS (x)	4.4	3.5	2.8	2.3
EV/Sales (x)	1.4	0.9	0.7	0.5

Source: SHRINGAR, Choice Institutional Equities

Balance Sheet (INR Mn)

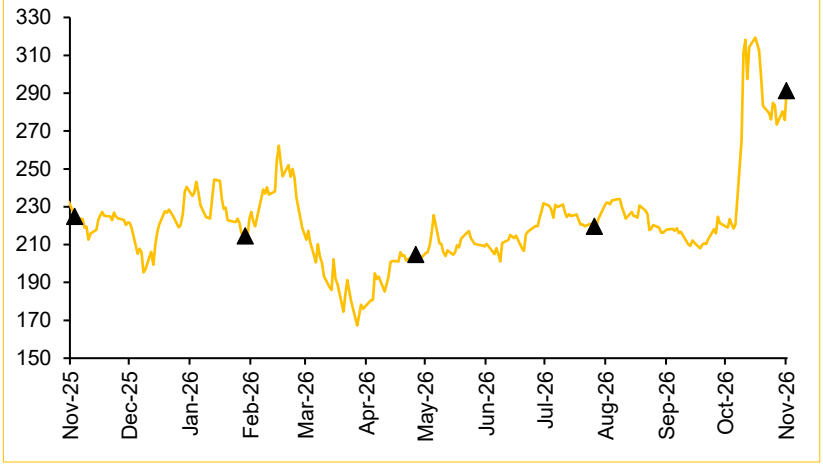
Particular	FY26	FY27E	FY28E	FY29E
Net Worth	6,778	8,532	10,601	13,277
Deferred Tax	5	5	5	5
Total Debt	1,793	2,293	3,093	3,093
Trade Payables	93	251	327	416
Other Liabilities & Provisions	249	249	249	249
Total Net Worth & Liabilities	**8,917**	**11,331**	**14,275**	**17,039**
Net Fixed Assets	124	418	505	583
Capital Work in Progress	-	-	-	-
Investments	-	-	-	-
Cash & Bank Balance	1,272	1,019	1,072	625
Loans & Advances & Other Assets	769	863	914	975
Inventories	4,394	6,816	8,674	10,910
Debtors	2,357	2,214	3,110	3,947
Total Assets	**8,917**	**11,331**	**14,275**	**17,039**

Cash Flows (INR Mn)	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	(2,817)	(307)	(467)	(168)
Cash Flows from Investing	(1,034)	(350)	(150)	(150)
Cash Flows from Financing	4,103	404	670	(130)

DuPont Analysis	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	86.1%	75.9%	75.9%	75.9%
Interest Burden (%)	98.1%	99.1%	98.8%	99.8%
EBIT Margin (%)	6.9%	6.4%	5.8%	5.9%
Asset Turnover (x)	3.5	3.6	3.7	3.8
Equity Multiplier (x)	1.4	1.3	1.3	1.3
ROE (%)	**29.8**	**22.9**	**21.6**	**22.4**

Source: SHRINGAR, Choice Institutional Equities

Historical Price Chart: SHRINGAR



Date	Rating	Target Price
November 04, 2025	BUY	295
February 13, 2026	BUY	315
May 28, 2026	BUY	315
August 14, 2026	BUY	330
November 05, 2026	BUY	400

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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