

Shringar House of Mangalsutra: Maintains Growth Momentum

May 28, 2026 | CMP: INR 213 | Target Price: INR 315

Expected Share Price Return: 47.9% | Dividend Yield: 0.0% | Potential Upside: 47.9%

Sector View: Positive
BUY

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)	266.5 / 166.0
Mkt Cap (Bn)	INR 20.4 / USD 0.2
Shares o/s (Mn)	72.1
3M Avg. Daily Volume	11,67,676

Change in CIE Estimates

INR Bn	FY27E			FY28E		
	New	Old	Dev. (%)	New	Old	Dev. (%)
Revenue	33.3	40.2	(17.3)	46.4	57.7	(19.6)
EBITDA	2.0	2.1	(8.8)	2.4	3.2	(23.5)
EBITDAM%	5.9	5.3	54 Bps	5.3	5.5	(27) Bps
PAT	1.4	1.5	(7.8)	1.7	2.3	(23.9)
EPS (INR)	19.2	20.8	(7.8)	23.9	31.3	(23.9)

Actual vs CIE Estimates

INR Mn	Q4FY26A	CIE Est.	Dev.%
Revenue	7,256	7,157	1.4
EBITDA	447	434	3.1
EBITDAM %	6.2	6.3	(8) Bps
PAT	340	327	4.0

Key Financials

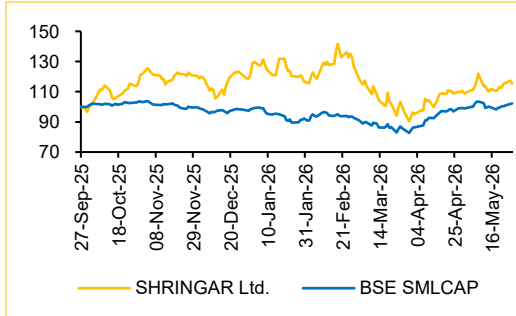
INR Bn	FY25	FY26	FY27E	FY28E	FY29E
Revenue	14.3	22.5	33.3	46.4	61.3
YoY (%)	29.8%	57.1%	48.2%	39.3%	32.3%
EBITDA	0.9	1.6	2.0	2.4	3.0
EBITDAM %	6.5	7.1	5.9	5.3	5.0
Adj PAT	0.6	1.2	1.4	1.7	2.2
EPS (INR)	8.5	16.0	19.2	23.9	30.1
ROE %	36.2	26.3	18.5	19.1	19.8
ROCE %	31.7	26.3	18.8	18.1	18.4
PE(x)	19.5	15.1	12.6	10.1	8.0
EV/EBITDA	14.2	11.3	10.5	9.0	7.3

Shareholding Pattern (%)

	Mar-26	Dec-25	Sep-25
Promoters	74.80	74.80	74.80
FIIIs	5.77	3.36	3.95
DIIIs	1.53	1.69	3.80
Public	17.88	20.15	17.45

Relative Performance (%)

YTD	6M	3M	1M
BSE SMALLCAP	2.5	10.1	3.3
SHRINGAR	(5.0)	(9.1)	4.9


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B2B Jewellery Story Thematic

Capacity expansion and entry into bridal jewellery segment position SHRINGAR for accelerated growth: SHRINGAR, driven by elevated gold prices and healthy volume growth of ~15%, reported a strong Q4FY26 performance, marginally ahead of our estimate. In this quarter, SHRINGAR expanded its manufacturing capacity, from 2,500 kg per annum to 4,000 kg per annum, and forayed into the high-margin, high-growth bridal jewellery segment. Initial traction has been encouraging, with supplies commencing to Tanishq and Malabar. EBITDA margin witnessed pressure due to notional MCX hedging losses and start-up cost related to the new manufacturing facility.

For FY27E, SHRINGAR has guided for ~30% revenue growth (15% volume growth) led by bridal jewellery scale-up and capacity ramp-up. Additionally, the management indicated that if gold prices remain stable at around INR 150,000, revenue growth could potentially exceed the guided levels of ~30%

Entry into bridal jewellery market offers strong diversification and growth opportunity: Bridal jewellery is a high-value category, accounting for nearly 23–25% of overall wedding spends. Leveraging its strong relationships with leading jewellery retailers, such as Tanishq and Malabar, along with its proven design capabilities and integrated manufacturing infrastructure, SHRINGAR is well-positioned to scale up its presence in this segment. It expects bridal jewellery to contribute ~30% of the overall revenue in FY27, with the share targeted to increase further to ~50% in the next 2–3 years.

Valuation: We value SHRINGAR using the DCF approach, having a target price of INR 315, with a 47.9% upside and a BUY rating. This equates to an implied PE of 13.2x on FY28 EPS and a PEG ratio of 0.30

Q4FY26 result: Maintains growth momentum

- Volume was up 15.5% YoY and down 9.3% QoQ to 500 Kgs
- Revenue was up 106.5% YoY and up 10% QoQ to INR 7,256 Mn (vs CIE estimate of INR 7,157 Mn)
- EBITDA was up 93.7% YoY and up 11.2% QoQ to INR 447 Mn (vs CIE estimate of INR 434 Mn). EBITDA margin was down 41 bps YoY and up 6 bps QoQ to 6.2% (vs CIE estimate of 6.3%). Impacted by notional MCX hedging losses and higher opex pertaining to new 4,000 Kg per annum facility
- PAT was up 123.5% YoY and up 12.8% QoQ to INR 340 Mn (vs CIE estimate of INR 327 Mn)

Shringar House of Mangalsutra	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Volume (Kgs)	500	433	15.5	551	(9.3)
Revenues (INR Mn)	7,256	3,514	106.5	6,589	10.1
COGS	6,610	3,224	105.0	6,042	9.4
Gross Profit (INR Mn)	645	289	122.9	547	18.0
Gross Margin (%)	8.9%	8.2%	65 bps	8.3%	59 bps
Employee Cost	50	34	45.2	35	43.8
Other Expenses	148	24	510.6	110	34.7
EBITDA (INR Mn)	447	231	93.7	402	11.2
EBITDA Margin (%)	6.2%	6.6%	(41)bps	6.1%	6 bps
Depreciation	11	7	71.9	9	21.1
EBIT (INR Mn)	436	224	94.3	393	11.0
EBIT Margin (%)	6.0%	6.4%	(38)bps	6.0%	5 bps
Other Income	19	2	1,123.9	21	(5.7)
Interest	17	22	(25.9)	13	26.4
PBT	439	204	115.6	400	9.6
Tax	99	51	92.2	99	(0.2)
PAT (INR Mn)	340	152	123.5	301	12.8
Basic EPS (INR)	3.5	2.1		3.1	

Source: SHRINGAR, Choice Institutional Equities

Important Disclosure

Analyst's coverage transfer: The analyst's responsibility for SHRINGAR has been transferred to Preeyam Tolia. Target Price and the recommendation remains unchanged.

Management Call – Highlights

FY27: SHRINGAR has guided for ~30% revenue growth in FY27, driven by ~15% volume growth, capacity expansion, and increasing contribution from the bridal jewellery segment. Additionally, it has indicated if gold prices remain stable at around INR150,000, revenue growth could potentially surpass the guided levels

SHRINGAR targets 30-35% of bridal jewellery sales by end FY27, further target to increase to 50% within 2-3 years; bridal forms 60% of total jewelry industry, providing substantial addressable market expansion within existing retail client ecosystem.

Gold hedging stands at ~60% through multiple channels – 30% via barter exchange, ~17% through gold metal loans (GML), and ~13% on MCX — while the remaining ~40% stays unhedged.

Growth & Demand Momentum: Growth momentum remained healthy in April and May, supported by a sustained demand from corporates. SHRINGAR has guided for ~30% revenue growth in FY27E, driven by ~15% volume growth, capacity expansion, and increasing contribution from the bridal jewellery segment. Additionally, it has indicated that, if gold prices remain stable at around INR150,000, revenue growth could potentially surpass the guided level.

Increased manufacturing capacity to provide tailwinds: Capacity increased from 2,500 kg to 4,000 kg in Q4FY26, representing 60% expansion enabling absorption of rising demand from the existing markets and new geographies; blended FY26 utilization reached 87% indicating strong order absorption momentum. Capacity expansion directly enables strategic initiatives including bridal segment entry and job-work-to-outright conversion, thus increasing overall profitability (2-3x).

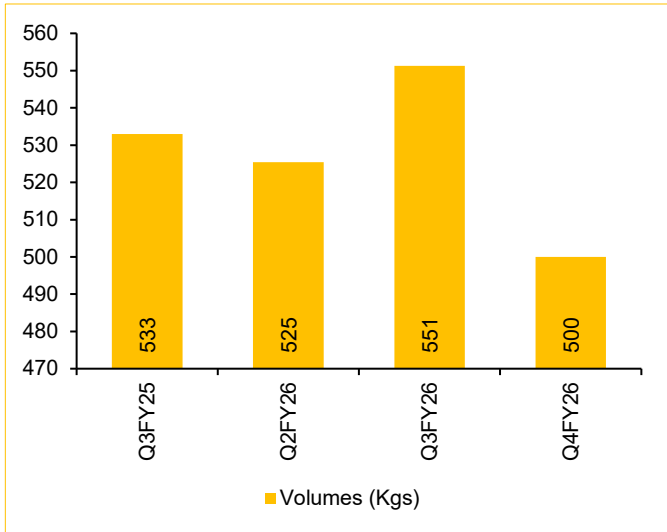
Bridal jewellery expected to emerge as a key growth driver: SHRINGAR targets 30-35% of bridal jewellery sales by end FY27, further target to increase to 50% within 2-3 years; bridal forms 60% of total jewelry industry, providing substantial addressable market expansion in the existing retail client ecosystem.

Job Work to Outright Sales Conversion = Profitability Amplifier: Currently, ~70% of revenue comes from outright sales and ~30% from job work. The job-work business, largely catering to Tanishq, generates annual labour charge revenue of around INR 280 Mn, While a similar outright sales volume can generate INR700–800 Mn revenue. The shift from job work to outright sales materially enhances profitability, as the same production volume can generate substantially higher revenue and nearly 3x better profit contribution despite increased working capital requirement. Key clients, such as Indriya and Reliance Retail have already shifted to the outright model, while discussions Tanishq remain ongoing.

Client Split: Client diversification remains healthy with ~49% corporate/organised retail clients and ~51% non-corporate customers. Malabar is the company's largest client, contributing ~17% of revenue, while the entire job-work business is Tanishq.

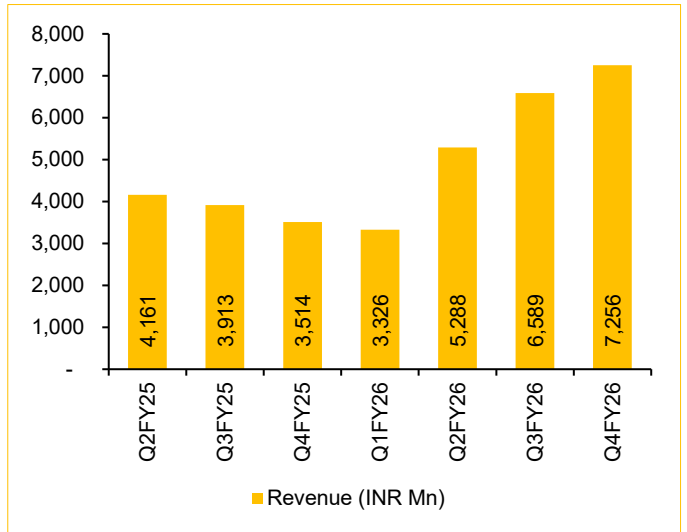
Gold Hedging: Gold hedging stands at ~60% through multiple channels – 30% via barter exchange, ~17% through gold metal loans (GML), and ~13% on MCX – while the remaining stays unhedged to benefit from favourable gold price movements. Q4FY26 other expenses were affected by notional MTM losses on MCX, as rising gold prices led to accounting losses.

Volume growth declined on lower Jobwork



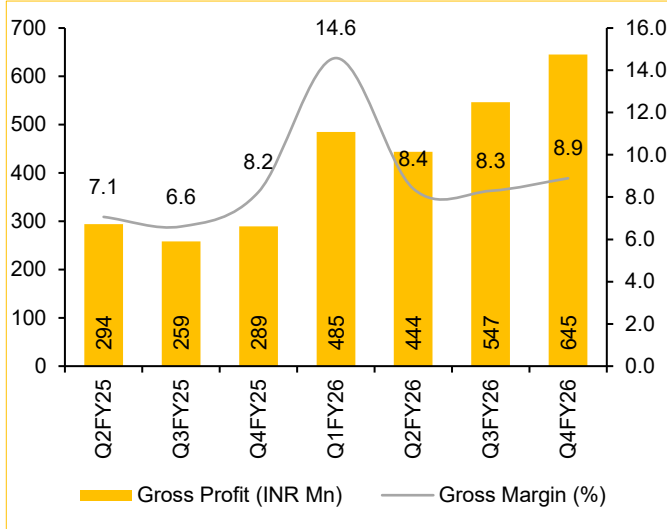
Source: SHRINGAR, Choice Institutional Equities

Pricing momentum anchors revenue growth



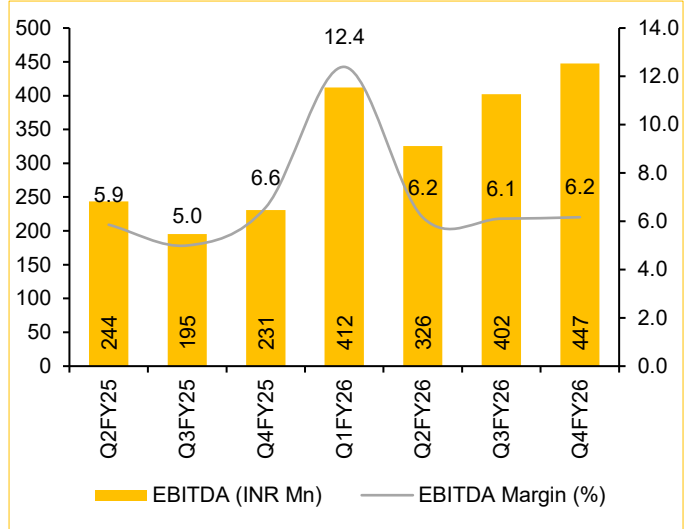
Source: SHRINGAR, Choice Institutional Equities

Gross margin improved 65 bps on a YoY basis



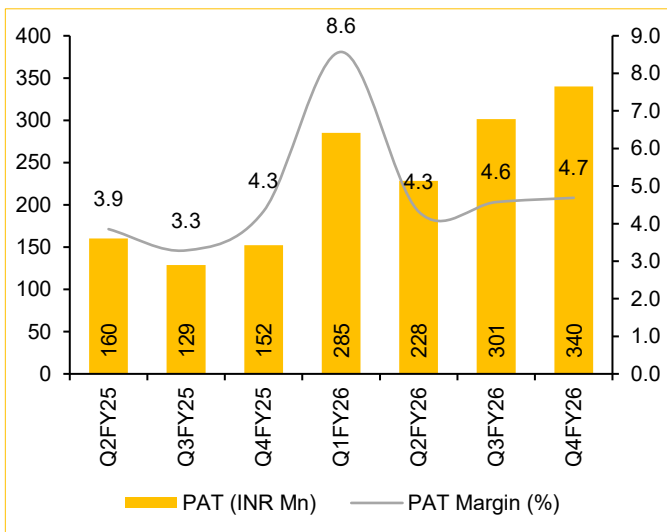
Source: SHRINGAR, Choice Institutional Equities

EBITDA margin declined 41 bps on a YoY basis owing to notional hedging loss and higher opex towards new facility



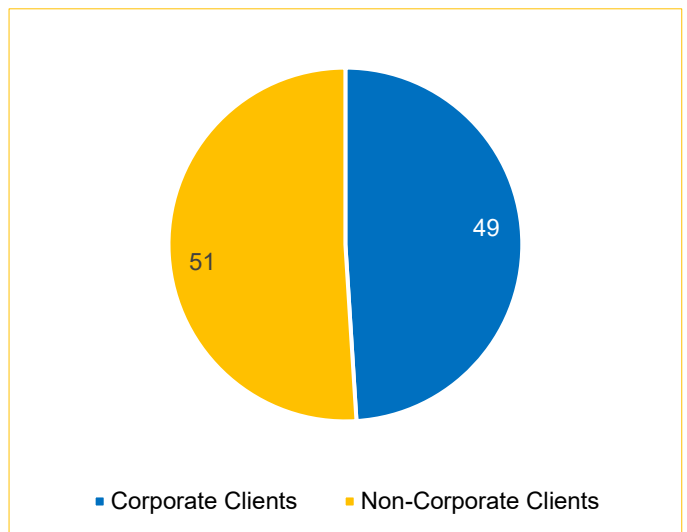
Source: SHRINGAR, Choice Institutional Equities

Robust PAT growth on a YoY basis



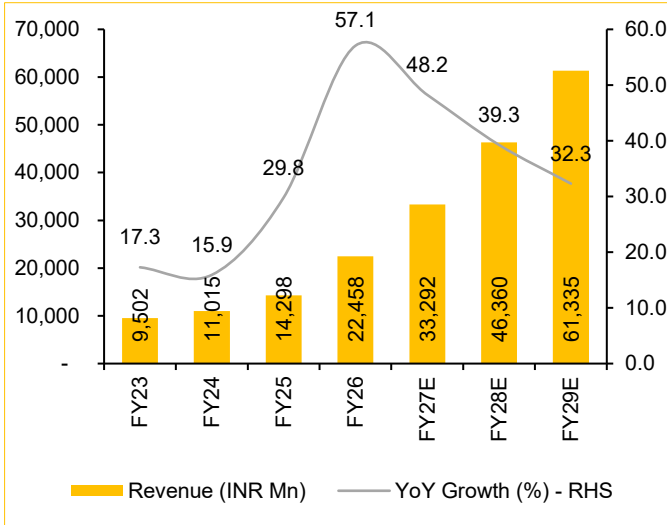
Source: SHRINGAR, Choice Institutional Equities

FY26 revenue contribution (%)



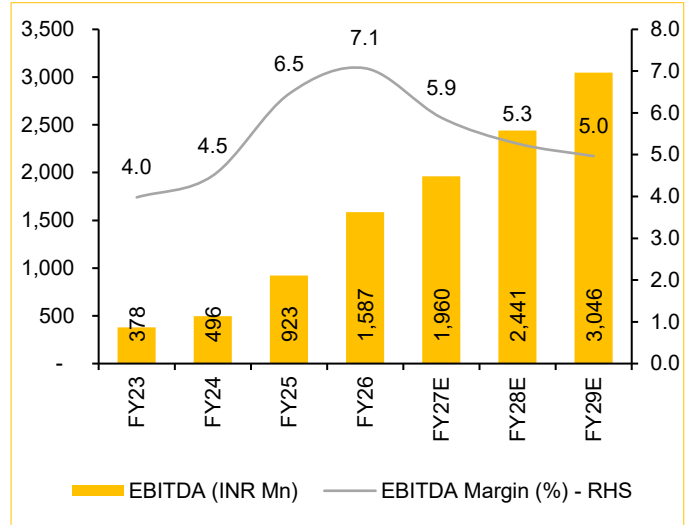
Source: SHRINGAR, Choice Institutional Equities

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



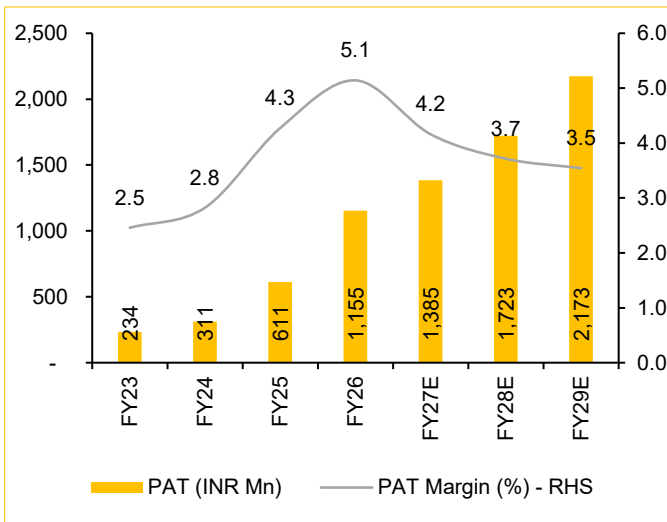
Source: SHRINGAR, Choice Institutional Equities

EBITDA margin to remain stable at 5.0–5.9% going forward



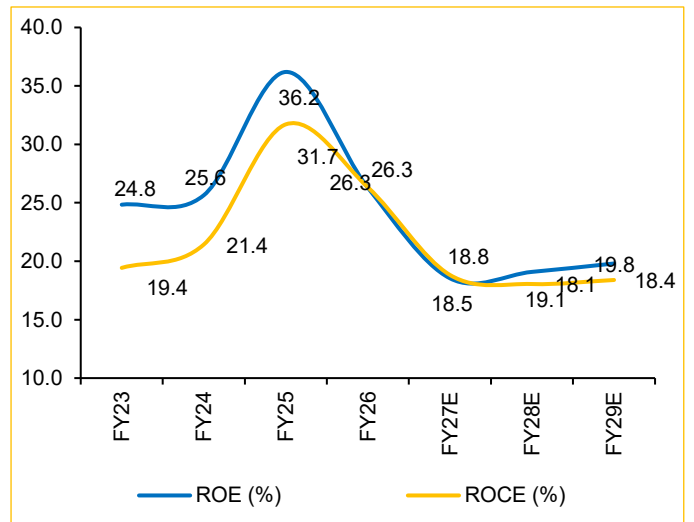
Source: SHRINGAR, Choice Institutional Equities

Strong PAT growth with margin to stabilise in the coming years



Source: SHRINGAR, Choice Institutional Equities

Return ratios on a steady uptrend



Source: SHRINGAR, Choice Institutional Equities

Income Statement (INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Revenue	14,298	22,458	33,292	46,360	61,335
Gross Profit	1,148	2,121	2,861	3,541	4,334
EBITDA	923	1,587	1,960	2,441	3,046
Depreciation	26	36	56	64	72
EBIT	897	1,552	1,904	2,377	2,974
Other Income	3	46	68	95	126
Interest Expense	82	75	146	201	235
PBT	818	1,523	1,826	2,271	2,865
PAT	611	1,155	1,385	1,723	2,173
EPS (INR)	8.5	16.0	19.2	23.9	30.1

Ratio Analysis	FY25	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)					
Revenue	29.8	57.1	48.2	39.3	32.3
EBITDA	86.2	72.0	23.5	24.5	24.8
PAT	96.5	89.0	19.9	24.4	26.2
Margins (%)					
EBITDA	6.5	7.1	5.9	5.3	5.0
PAT	4.3	5.1	4.2	3.7	3.5
Profitability (%)					
ROE	36.2	26.3	18.5	19.1	19.8
ROCE	31.7	26.3	18.8	18.1	18.4
ROIC	38.9	26.7	19.3	20.0	20.5
Working Capital					
Inventory Days	52	60	78	81	72
Debtor Days	19	26	22	24	24
Payable Days	7	5	3	3	3
Cash Conversion Cycle	63	81	97	102	93
Valuation Metrics					
PE(x)	19.5	15.1	12.6	10.1	8.0
EV/EBITDA (x)	14.2	11.3	10.5	9.0	7.3
P/BVPS (x)	5.9	2.6	2.1	1.8	1.4
EV/Sales (x)	0.9	0.8	0.6	0.5	0.4

Source: SHRINGAR, Choice Institutional Equities

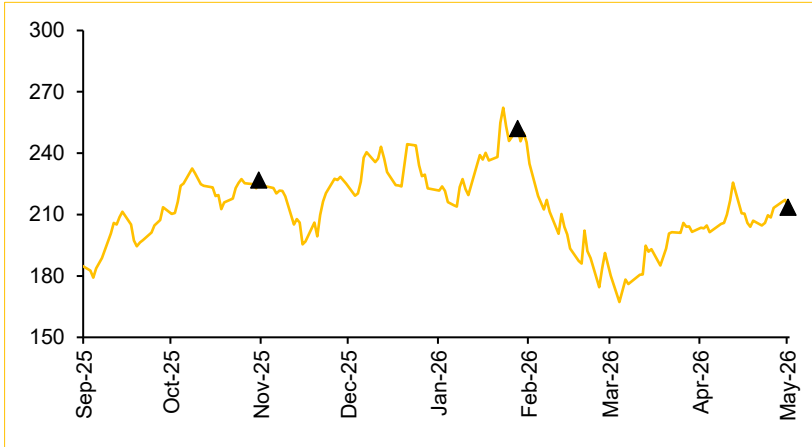
Balance Sheet (INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Net Worth	2,008	6,778	8,163	9,886	12,059
Deferred Tax	7	5	5	5	5
Total Debt	1,210	1,793	3,493	4,793	5,593
Trade Payables	435	93	228	320	426
Other Liabilities & Provisions	97	249	249	249	249
Total Net Worth & Liabilities	3,758	8,917	12,137	15,253	18,332
Net Fixed Assets	51	124	418	505	583
Capital Work in Progress	-	-	-	-	-
Investments	-	-	-	-	-
Cash & Bank Balance	31	1,272	336	370	745
Loans & Advances & Other Assets	517	769	846	909	981
Inventories	2,281	4,394	8,530	10,421	11,990
Debtors	878	2,357	2,007	3,048	4,033
Total Assets	3,758	8,917	12,137	15,253	18,332

Cash Flows (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	(74)	(2,817)	(2,140)	(915)	(40)
Cash Flows from Investing	(26)	(1,034)	(350)	(150)	(150)
Cash Flows from Financing	90	4,103	1,554	1,099	565

DuPont Analysis	FY25	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	74.7	75.9	75.9	75.9	75.9
Interest Burden (%)	91.2	98.1	95.9	95.5	96.3
EBIT Margin (%)	6.3	6.9	5.7	5.1	4.8
Asset Turnover (x)	4.5	3.5	3.2	3.4	3.7
Equity Multiplier (x)	1.9	1.4	1.4	1.5	1.5
ROE (%)	36.2	26.3	18.5	19.1	19.8

Historical Price Chart: SHRINGAR



Date	Rating	Target Price
November 04, 2025	BUY	295
February 13, 2026	BUY	315
May 28, 2026	BUY	315

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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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