Choice Institutional Equities

BUY

Q1FY27 Result Update

Shringar House of Mangalsutra: Maintains Growth Momentum

August 14, 2026 | CMP: INR 227 | Target Price: INR 330

Expected Share Price Return: 45.2% I Dividend Yield: 0.0% I Potential Upside: 45.2%

Sector View: Positive

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)	266.4 / 165.8
Mkt Cap (Bn)	INR 22.4 / USD 0.2
Shares o/s (Mn)	72.1
3M Avg. Daily Volume	779,856

Change in CIE Estimates

	FY27E			FY28E		
INR Bn	**New**	**Old**	**Dev. (%)**	**New**	**Old**	**Dev. (%)**
Revenue	32.9	33.3	(1.3)	44.2	46.4	(4.7)
Adj.EBITDA	2.1	2.0	7.8	2.6	2.4	7.9
Adj.EBITDAM%	6.4	5.9	54.1	6.0	5.3	69.5
Adj.PAT	1.5	1.4	8.3	1.9	1.7	9.2
EPS (INR)	20.8	19.2	8.3	26.1	23.9	9.2

Actual vs CIE Estimates

INR Mn	Q1FY27A	CIE Est.	Dev.%
Revenue	5,458	5,255	4.4
Adj. EBITDA*	489	384	27.6
Adj. EBITDAM %	8.9	7.3	162 Bps
Adj. PAT	340	298	14.2

**Adjusted EBITDA excludes hedging losses*

Key Financials

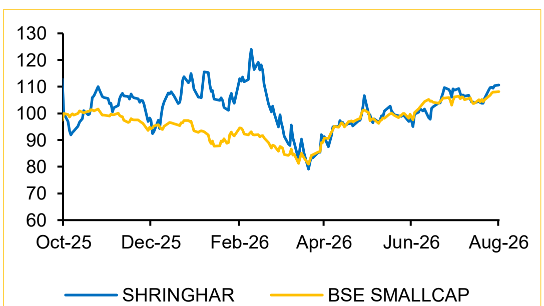
INR Bn	FY26	FY27E	FY28E	FY29E
Revenue	22.5	32.9	44.2	56.4
YoY (%)	57.1	46.3	34.4	27.8
Adj. EBITDA	1.8	2.1	2.6	3.4
Adj. EBITDAM %	8.0	6.4	6.0	6.0
Adj PAT	1.4	1.5	1.9	2.5
EPS (INR)	16.0	20.8	26.1	34.5
ROE %	29.8	19.9	20.4	21.8
ROCE %	26.3	20.2	19.6	21.4
PE(x)	12.0	10.9	8.7	6.6
EV/EBITDA	10.6	9.1	7.6	5.7

Shareholding Pattern (%)

	Jun-26	Mar-26	Dec-25
Promoters	74.80	74.80	74.80
FIIs	2.92	5.77	3.36
DIIs	2.72	1.53	1.69
Public	19.53	17.88	20.15

Relative Performance (%)

YTD	9M	6M	3M
BSE SMALLCAP	8.8	15.4	10.8
SHRINGAR	8.3	(2.6)	13.6



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[B2B Jewellery Story_Thematic]

Better than expectation: SHRINGAR reported a strong Q1FY27 performance **driven by a stable demand and gold price. Volume grew 5.5% YoY in line with our** estimate. **Adj. EBITDA margin expanded sharply QoQ, supported by highest ever inventory gains of INR 1.46 Bn leading to gross margin expansion of 150 bps sequentially to 10.4%.**

In previous earnings call (Q4FY26), **SHRINGAR had guided for ~30–40% revenue growth in FY27** led by bridal jewellery scale-up and capacity ramp-up. **Additionally, the management had indicated, if gold prices remain stable at around INR 150,000, revenue growth could potentially exceed the guided level. Medium-term EBITDA margin guidance maintained at 6.5%–8.5%.**

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 spend. 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.

Valuation: We have increased our FY27/FY28 Adj. PAT estimate by 8%/9% to account for better-than-expected Adj. EBITDA margin in Q1FY27 on back of stable gold prices and increase share of bridal jewellery. We value SHRINGAR using the DCF approach with the revised TP of 330 [earlier TP INR 315, with a 45% upside and a 'BUY' rating (unchanged)]. This equates to an implied PE of 12.6x on FY28 EPS and a **PEG ratio of 0.6.**

Q1FY27 result: Maintains growth momentum

- Volume was up 5.5% YoY and down 24.8% QoQ to 376 Kgs
- Revenue was up 64.9% YoY and down 24.4% QoQ to INR 5,485 Mn (vs. CIE estimate of INR 5,255 Mn)
- Adj. EBITDA was up 16.5% YoY and down 8.3% QoQ to INR 489 Mn (vs. CIE estimate of INR 384 Mn). Adj. EBITDA margin was down 371 bps YoY and up 156 bps QoQ to 8.9% (vs. CIE estimate of 7.3%)
- Adj. PAT was up 16.8% YoY and down 16.1% to INR 340 Mn (vs. CIE estimate of INR 298 Mn)

Shringar House of Mangalsutra	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Volume (Kgs)	376	356	5.5	500	(24.8)
Revenues (INR Mn)	5,485	3,326	64.9	7,256	(24.4)
COGS	4,915	2,841	73.0	6,610	(25.6)
Gross Profit (INR Mn)	570	485	17.5	645	(11.7)
Gross Margin (%)	10.4%	14.6%	(419)bps	8.9%	150 bps
Employee Cost	45	34	33.5	50	(8.6)
Other Expenses	35	39	(10.0)	148	(76.4)
Adj. EBITDA (INR Mn)	489	420	16.5	534	(8.3)
Adj. EBITDA Margin (%)	8.9%	12.6%	(371)bps	7.4%	156 bps
Depreciation	13	7	75.4	11	13.7
EBIT (INR Mn)	476	413	15.4	523	(8.8)
EBIT Margin (%)	8.7%	12.4%	(372)bps	7.2%	148 bps
Other Income	13	1	2,104.9	19	(30.9)
Interest	21	23	(10.0)	17	23.8
PBT	469	391	20.2	525	(10.7)
Tax	129	97	32.7	99	30.8
PAT (INR Mn)	340	285	19.3	340	(0.0)
Adj. PAT (INR Mn)	340	291	16.8	405	(16.1)
Basic EPS (INR)	3.5	4.0		3.5	

Source: SHRINGAR, Choice Institutional Equities

Company Result Highlights

FY27: SHRINGAR has guided for ~30–40% revenue growth.

Medium-term EBITDA margin guidance maintained at 6.5%–8.5%

Around 30% of bullion requirements are fulfilled through Advanced Gold

- **New facility ramp-up remains a key growth lever:** Commercial production at the new manufacturing facility started from **23 February 2026**, with utilisation at **57%** initially. Management expects production to ramp up over the next few quarters. The company has invested approximately **INR 150 Mn through internal accruals** to expand capacity, upgrade machinery and improve efficiency.

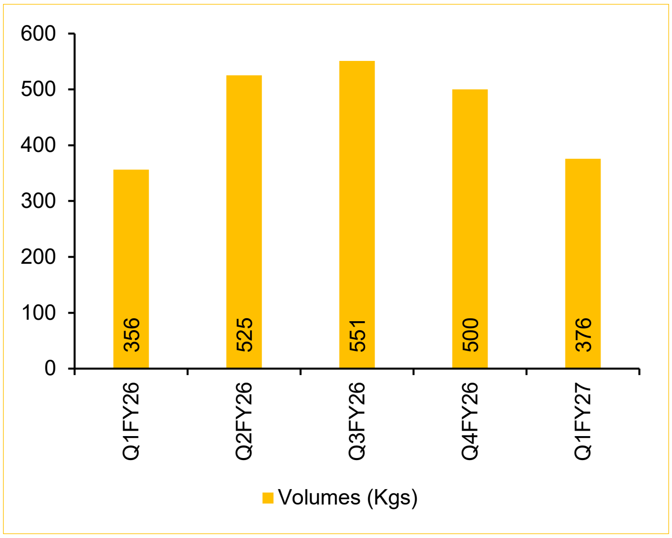
- **Capacity expansion provides operating leverage:** The Kandivali facility has expanded installed capacity from **2,500 kg to 4,000 kg p.a.**, while the new facility is also being geared towards contemporary mangalsutra and bridal jewellery designs.

- **Distribution expansion gaining traction:** Pune and Delhi branch offices have been established to deepen the company's presence in **Vidarbha/Marathwada and North India**. Third-party facilitators have been expanded to five cities, targeting underserved Tier-2 to Tier-4 markets.

- **Client Split:** Client diversification remains healthy with ~49% corporate/organised retail clients and ~51% non-corporate customers.

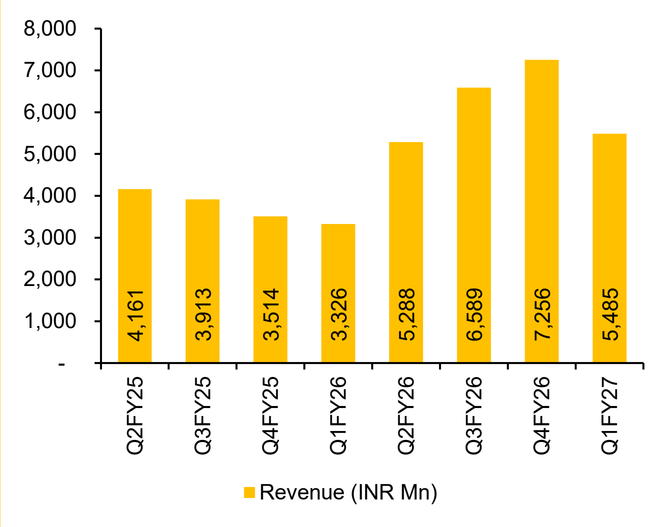
- **Gold Hedging:** Around **30% of bullion requirements are fulfilled through Advanced Gold.**

Volume growth remained stable



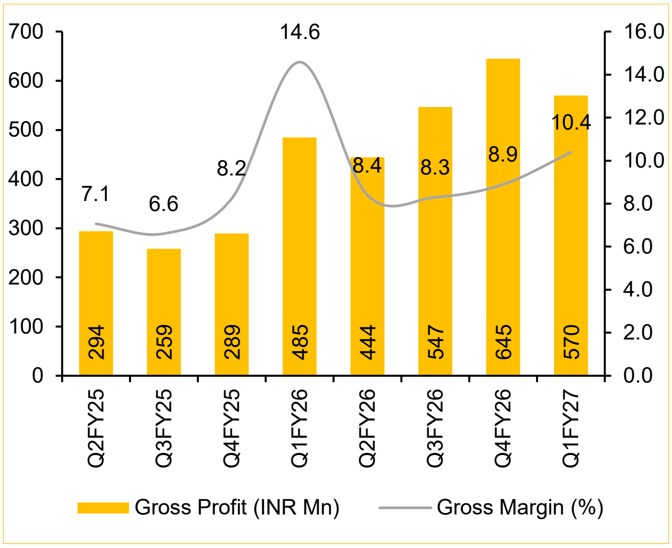
Source: SHRINGAR, Choice Institutional Equities

Pricing momentum anchors revenue growth



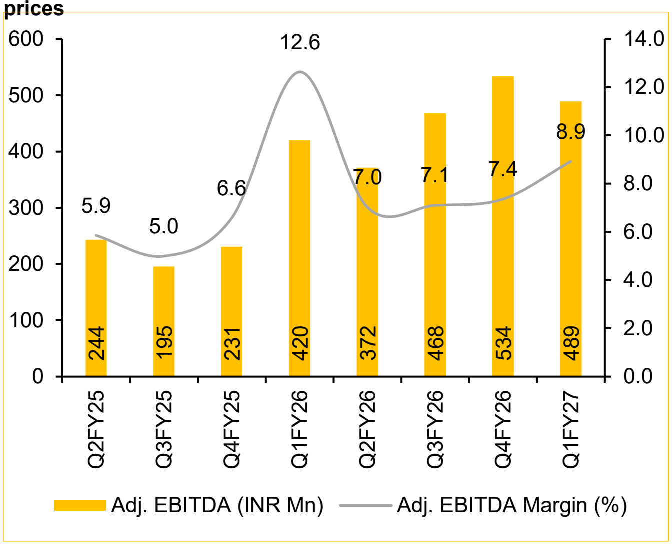
Source: SHRINGAR, Choice Institutional Equities

Gross margin improved 150 bps on a QoQ basis



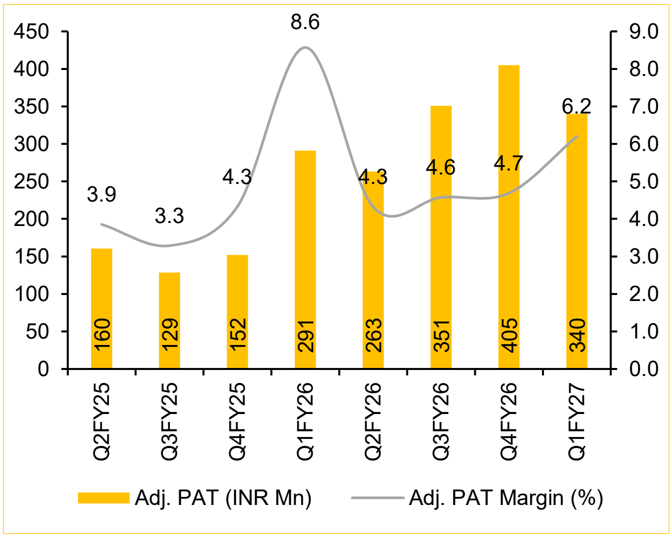
Source: SHRINGAR, Choice Institutional Equities

Adj. EBITDA margin improved 156 bps QoQ owing to stable gold prices



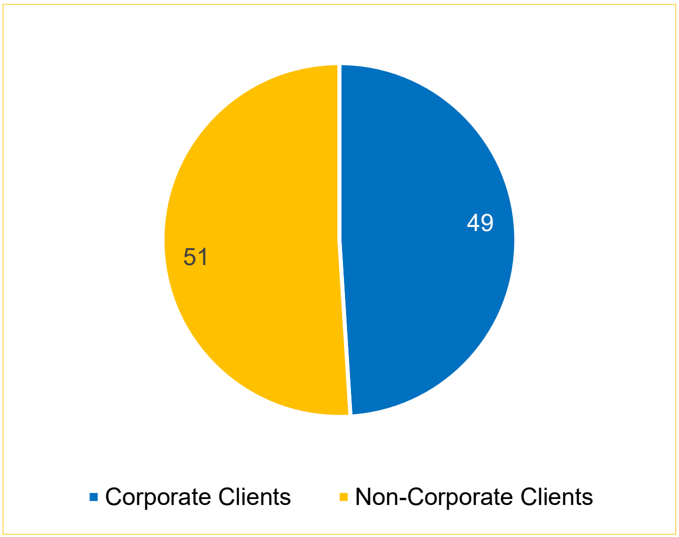
Source: SHRINGAR, Choice Institutional Equities

Adj. PAT grew 16% YoY



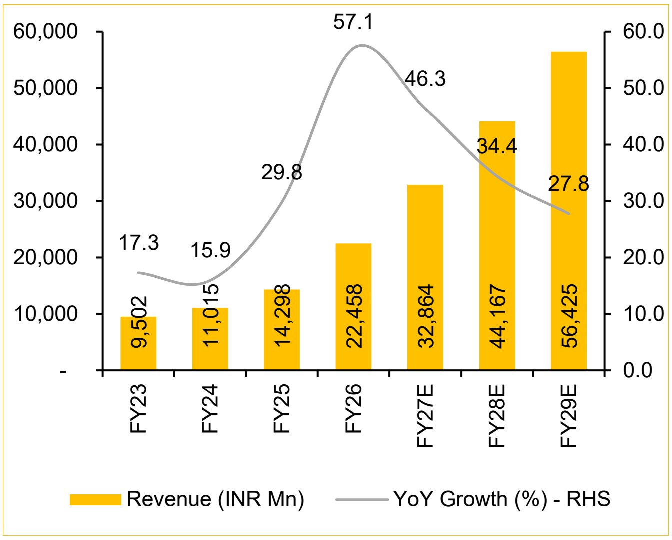
Source: SHRINGAR, Choice Institutional Equities

FY26 revenue contribution (%)



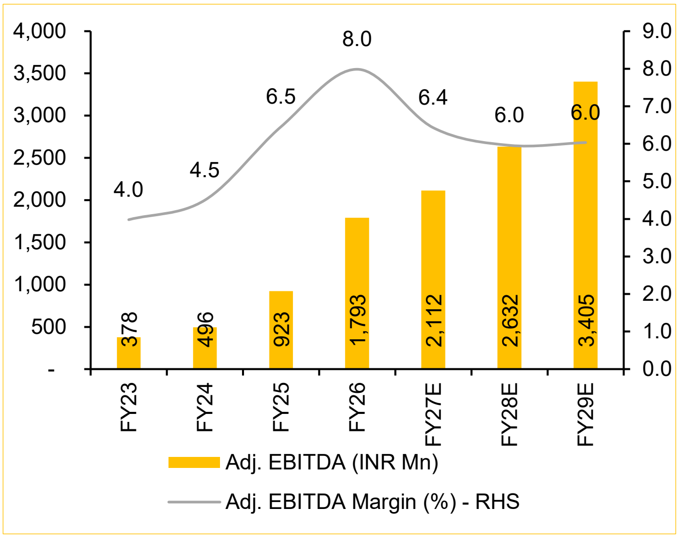
Source: SHRINGAR, Choice Institutional Equities

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



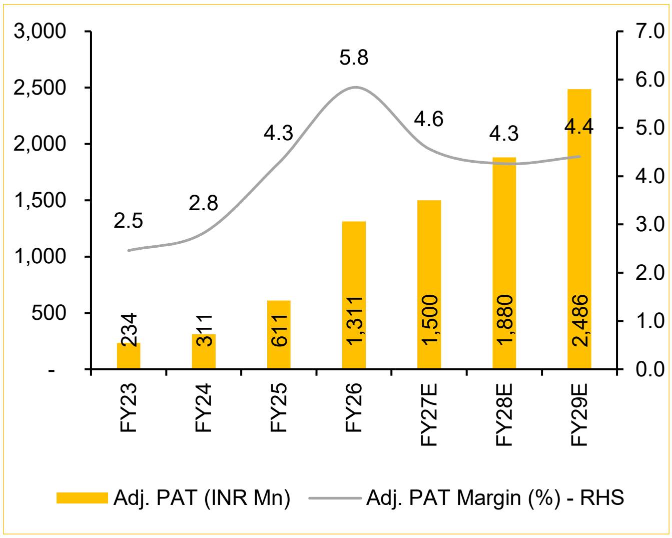
Source: SHRINGAR, Choice Institutional Equities

Adj. EBITDA likely to grow at CAGR 24% over FY26-29E



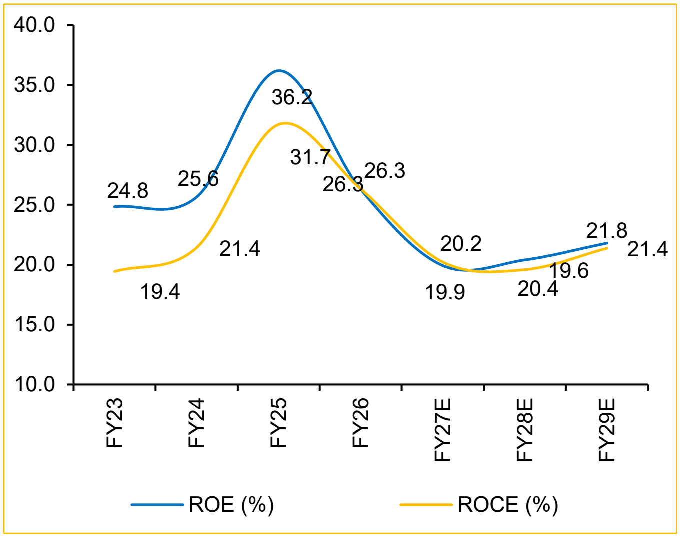
Source: SHRINGAR, Choice Institutional Equities

Adj. PAT likely to grow at CAGR 24% 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	32,864	44,167	56,425
Gross Profit	2,121	2,805	3,427	4,308
Adj. EBITDA	1,793	2,112	2,632	3,405
Depreciation	36	56	64	72
EBIT	1,758	2,057	2,568	3,333
Other Income	46	67	91	116
Interest Expense	75	146	180	172
PBT	1,729	1,978	2,479	3,277
PAT	1,155	1,500	1,880	2,486
Adj. PAT	1,311	1,500	1,880	2,486
EPS (INR)	16.0	20.8	26.1	34.5

Ratio Analysis	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)				
Revenue	57.1	46.3	34.4	27.8
Adj. EBITDA	94.3	17.8	24.6	29.4
Adj. PAT	114.5	10.2	25.3	32.2
Margins (%)				
Adj. EBITDA	8.0	6.4	6.0	6.0
Adj. PAT	5.8	4.6	4.3	4.4
Profitability (%)				
ROE	29.8	19.9	20.4	21.8
ROCE	26.3	20.2	19.6	21.4
ROIC	26.7	20.7	21.1	22.2
Working Capital				
Inventory Days	60	78	82	73
Debtor Days	26	22	24	24
Payable Days	5	3	3	3
Cash Conversion Cycle	81	97	103	94
Valuation Metrics				
PE(x)	12.0	10.9	8.7	6.6
EV/EBITDA (x)	10.6	9.1	7.6	5.7
P/BVPS (x)	2.4	2.0	1.6	1.3
EV/Sales (x)	0.8	0.6	0.5	0.3

Source: SHRINGAR, Choice Institutional Equities

Balance Sheet (INR Mn)

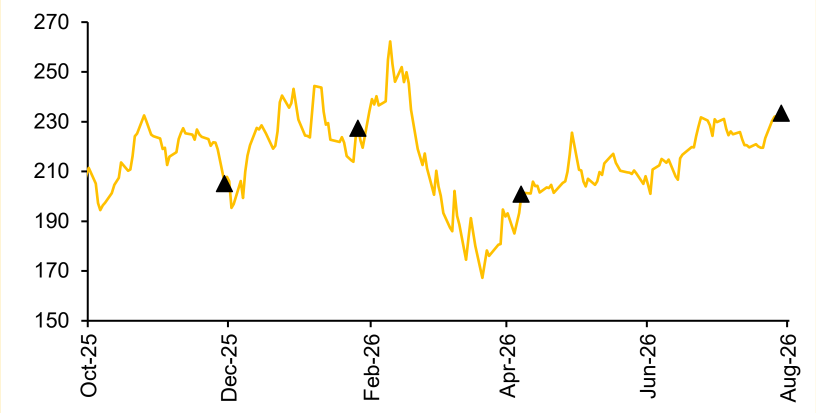
Particular	FY26	FY27E	FY28E	FY29E
Net Worth	6,778	8,278	10,159	12,644
Deferred Tax	5	5	5	5
Total Debt	1,793	3,493	4,293	4,093
Trade Payables	93	225	305	390
Other Liabilities & Provisions	249	249	249	249
Total Net Worth & Liabilities	**8,917**	**12,250**	**15,010**	**17,381**
Net Fixed Assets	124	418	505	583
Capital Work in Progress	-	-	-	-
Investments	-	-	-	-
Cash & Bank Balance	1,272	586	783	1,163
Loans & Advances & Other Assets	769	844	899	958
Inventories	4,394	8,420	9,920	10,967
Debtors	2,357	1,981	2,904	3,710
Total Assets	**8,917**	**12,250**	**15,010**	**17,381**

Cash Flows (INR Mn)	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	(2,817)	(1,890)	(273)	902
Cash Flows from Investing	(1,034)	(350)	(150)	(150)
Cash Flows from Financing	4,103	1,554	620	(372)

DuPont Analysis	FY26	FY27E	FY28E	FY29E
Tax Burden (%)	86.1	75.9	75.9	75.9
Interest Burden (%)	98.1	96.2	96.5	98.3
EBIT Margin (%)	6.9	6.3	5.8	5.9
Asset Turnover (x)	3.5	3.1	3.2	3.5
Equity Multiplier (x)	1.4	1.4	1.5	1.4
ROE (%)	**29.8**	**19.9**	**20.4**	**21.8**

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

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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
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***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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