

B2B Jewellery Story: Where Craft turns into Commerce & Gold becomes Growth



B2B Jewellery Thematic

November 04, 2025

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India became the **world's largest gold jewellery market** in CY24, with demand rising to 563 tonnes, surpassing China's 479 tonnes. This is supported by strong structural demand drivers like:

- India's consumer economy is **expanding with rising household incomes** (India's per capita income grew ~5.5% CAGR to USD 2,878 in FY25), **driving premiumisation and growing appetite for luxury, fuelled by enduring wedding and festive demand**.
- The jewellery market is witnessing a strong **shift towards organised players** — rising from just 5% in CY05 to 35% in CY23 and projected to reach ~60% by CY29E — driven by mandatory hallmarking, expanding branded retail presence in Tier-2/3 cities and growing consumer trust in organised brands.

We believe the rapid scale-up of organised jewellery retail chains is structurally positive for B2B gold jewellery manufacturers. It not only ensures greater business visibility and operational stability but also accelerates the sector's formalisation. Over the medium term, B2B players with strong design agility, automation-driven production, flexibility to move across karat categories and compliance-led manufacturing will emerge as preferred partners, benefiting disproportionately from the expansion of organised retail.

Recent gold price increase may create near-term volume pressure; however, companies with **strong pan-India presence, integrated operations, design strength, and expansion focus should remain resilient**. Festive and wedding demand will further support volumes.

We initiate coverage on the recently listed **Shringar House of Mangalsutra (SHRINGAR)** and **Shanti Gold International (SHANTIGOLD)**, as both are well-positioned to capitalise on the structural shift from the unorganised to the organised jewellery segment, supported by expanding retail networks, expanding manufacturing capabilities, growth capital through the IPO proceeds and rising consumer preference for hallmarked and certified jewellery that enhances trust and transparency.

SHRINGAR, a leading player in the mangalsutra segment, holds a 6% market share in 2023, projected to rise to 10% over the next 1-2 years. **SHRINGAR** is expanding its pan-India supply chain to capture demand from underserved tier-2 to tier-4 markets. The company's strong B2B positioning is reinforced by its long-standing relationships with India's top jewellery brands, including Titan (Tanishq), Malabar Gold, etc.

SHANTIGOLD holds a strong position in the bridal jewellery segment, which constitutes nearly 52% of India's overall jewellery demand — providing it with a key competitive edge. The company is expanding its capacity to 3,900 kg with a new Jaipur facility focused on machine-made plain gold jewellery. Its strength is further reinforced by robust in-house design capabilities, backed by a team of over 80 skilled designers.

View & Valuation:

SHRINGAR: We value the company using the DCF approach and initiate coverage with a target price of INR 295, with a 27.0% upside and a BUY rating. This equates to an implied PE of 21x (Base case – we have assumed gold price at INR 10.5 Mn/kg for FY26, against the prevailing gold price of 12.4 Mn/kg) and a PEG ratio of 0.58.

SHANTIGOLD: We value the company using the DCF approach and initiate coverage with a target price of INR 350, with a 43.0% upside and a BUY rating. This equates to an implied PE of 19x (Base case – we have assumed gold price at INR 10.5 Mn/kg for FY26, against the prevailing gold price of 12.4 Mn/kg) and a PEG ratio of 0.46.

Key Risks to Thesis:

Working capital-intensive business: The business model demands substantial working capital for raw material purchases (gold), requiring immediate payment, while clients receive credit. Inability to secure additional financing on favourable terms could delay or constrain growth strategies and operations. The funds raised through the IPO strengthen the liquidity position of these companies, enabling to meet working capital needs and support growth.

Gold price volatility: Rising gold prices boost margins but may reduce volumes, while falling prices lift volumes but compress margins. Hedging through futures or options stabilises costs, safeguards margins, and ensures pricing discipline and these companies may pursue hedging policies as they are now in the public market.

About 'Must Read' Series



- The 'Must Read' series that we publish is a culmination of extensive primary and secondary research and rigorous analysis. It includes exclusive management interactions, plant visits and advanced data modelling.
- Every insight we build in this series is carefully validated through a combination of industry data, regulatory developments, proprietary data sources and competitive intelligence.

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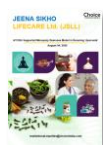
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Our recent 'Initiating Coverage' reports



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Industry Analysis



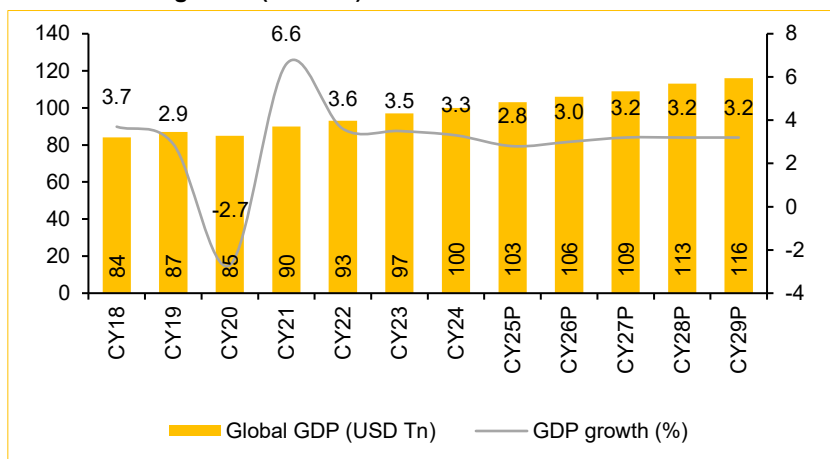
1. Macros That Matter: Shifting Consumption Patterns

- **The Big Picture: India is the fastest-growing large economy:** India remains the world's fastest-growing major economy, with real GDP projected to grow ~6.5% annually and nominal GDP at 9.5% CAGR over 2024–29. Rising incomes, urbanisation and a growing middle class are driving strong consumption, with PFCE up 7.6% YoY in FY25 to 56.7% of GDP.
- **Gold as a macro hedge amid uncertainty:** Gold prices remain supported by central bank buying, geopolitical tensions, and easing expectations. While short-term corrections may occur amid high rates or cooling inflation, gold's long-term value endures, backed by its historic resilience and role as an inflation hedge and safe-haven asset.
- **Central bank gold buying at historically high levels:** Central banks drove demand with record purchases of 1,045t in 2024, pushing gold prices to an all-time high of USD 4,136/oz, up 58% YoY. Jewellery demand stayed flat, reflecting gold's shift toward investment and value preservation.

1.1 The Big Picture: India is the Fastest-Growing Large Economy

According to the IMF's April 2025 update, global GDP growth is expected to slow down to 2.8% in 2025 before improving to 3.0% in 2026, supported by emerging and developing economies. While inflation and labour markets stabilised, growth remains constrained by persistent trade tensions and policy uncertainty.

Resilient GDP growth (USD Tn)



Source: IMF, Choice Institutional Equities

As the global economy faces geopolitical and other risks, India is expected to accelerate faster

India rebounded strongly from the 2020 contraction of 5.8%, with GDP surging ~9.8% in 2021, making it the fastest-growing major economy. It became the world's fifth-largest economy in 2022, growing 7.6%, and is expected to expand 6.5% in 2024, outpacing China and the global average.

India is leading among the world fastest-growing economies

Real GDP (YoY growth)	2019	2020	2021	2022	2023	2024P	2025P	2029P
World	2.9%	-2.7%	6.6%	3.6%	3.5%	3.3%	2.8%	3.2%
US	2.6%	-2.2%	6.1%	2.5%	2.9%	2.8%	1.8%	2.1%
China	6.1%	2.3%	8.6%	3.1%	5.4%	5.0%	4.0%	3.7%
India	3.9%	-5.8%	9.7%	7.6%	9.2%	6.5%	6.5%	6.7%
Emerging & Developing Asia	5.4%	-0.5%	7.8%	4.7%	6.1%	5.3%	4.5%	4.7%
Middle East & Central Asia	1.9%	-2.2%	4.4%	5.5%	2.2%	2.4%	3.0%	3.7%

Note: For India year 2019 refers to fiscal 2020 and so on, the projections and estimates in this table are as per IMF, for India, GDP growth calls are as per CRISIL projections are as follows

Source: Lalitha DRHP, Choice Institutional Equities

Emerging markets and developing economies' per capita GDP is growing faster than the global average

Between 2018 and 2025, global per capita GDP expanded at a compound annual growth rate (CAGR) of 3.1%, while advanced economies recorded a slightly higher growth of 3.3%, according to the IMF. During the same period, India outpaced the global average, registering a per capita GDP CAGR of 5.5%. In comparison, China and the US saw growth rates of 4.5% and 5.0%, respectively.

GDP per capita, current prices (US dollar)	2018	2019	2020	2021	2022	2023	2024	2025	CAGR (2018–25)
World	11,511	11,554	11,147	12,610	13,030	13,474	13,933	14,213	3.1%
China	10,040	10,334	10,696	12,878	12,968	12,961	13,313	13,687	4.5%
USA	63,165	65,561	64,454	71,232	77,801	82,254	85,812	89,105	5.0%
India	1,974	2,050	1,916	2,250	2,361	2,547	2,711	2,878	5.5%
Emerging and Developing Asia	5,487	5,667	5,691	6,696	6,813	6,881	7,077	7,290	4.1%
Middle East	11,809	11,280	9,562	11,480	13,768	13,014	13,170	12,852	1.2%

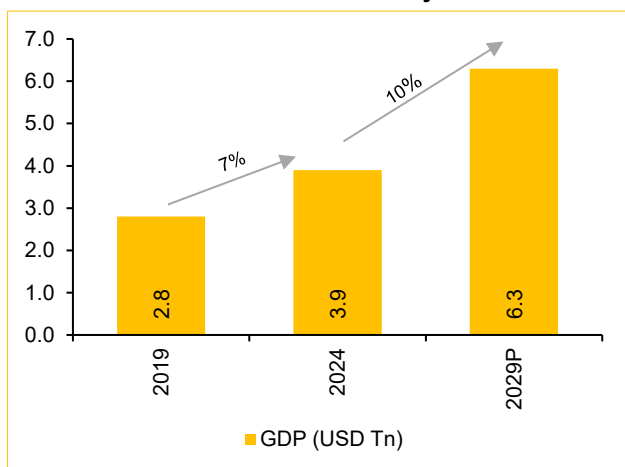
Source: Lalithaa DRHP, Choice Institutional Equities

India: A rapidly-growing consumer economy

India is one of the fastest-growing major economies, with nominal GDP rising over 6.5% CAGR since 2015. Between 2024 and 2029, it is projected to expand at a 9.5% CAGR in nominal terms, outpacing the US (4.1%) and China (5.5%). Real GDP is expected to expand ~6.5% annually, the highest among the top 10 global economies.

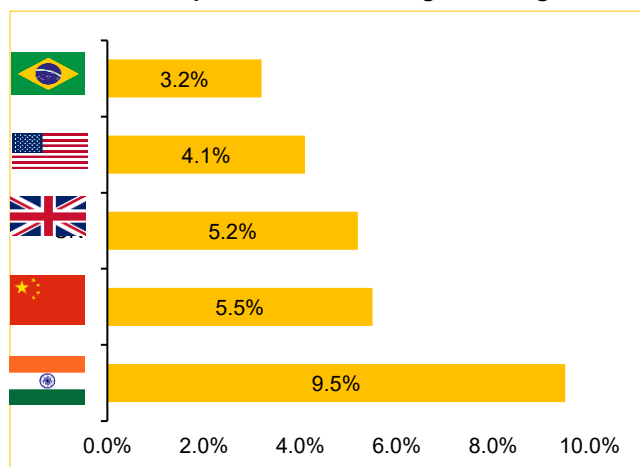
With a 1.4 Bn-strong population, rising incomes, urbanisation and increasing female workforce participation, India's large and young consumer base is driving strong demand for organised retail and convenience-oriented offering.

India GDP set to more than double by 2029



Source: Bluestone DRHP, Choice Institutional Equities

India outshines peers with the strongest GDP growth



Source: Bluestone DRHP, Choice Institutional Equities

Note(s): 1. GDP at current prices: Market value of the final goods and services produced within the domestic territory during an accounting year at current year prices; nominal GDP is the GDP unadjusted for the effects of inflation and is at current market price; 2. Major Economies are countries with GDPs higher than USD 2 Trillion as of 2024

India's per capita income grew ~5.5% CAGR to USD 2,878 in FY25, driven by a rising middle class and premiumization-led discretionary consumption.

Increase in average household income driving demand for premium products

India's per capita income has expanded at a robust ~5.5% CAGR since FY18, reaching around USD 2,878 in FY25. This growth is underpinned by a rapidly expanding middle class, which grew from 144 Mn households in 2019 to 174 Mn in 2024, propelled by economic development and a structural shift toward manufacturing and services. The increasing affluence of higher-income segments is boosting demand for premium products and superior purchasing experiences, boosting growth in discretionary categories and businesses targeting this segment.

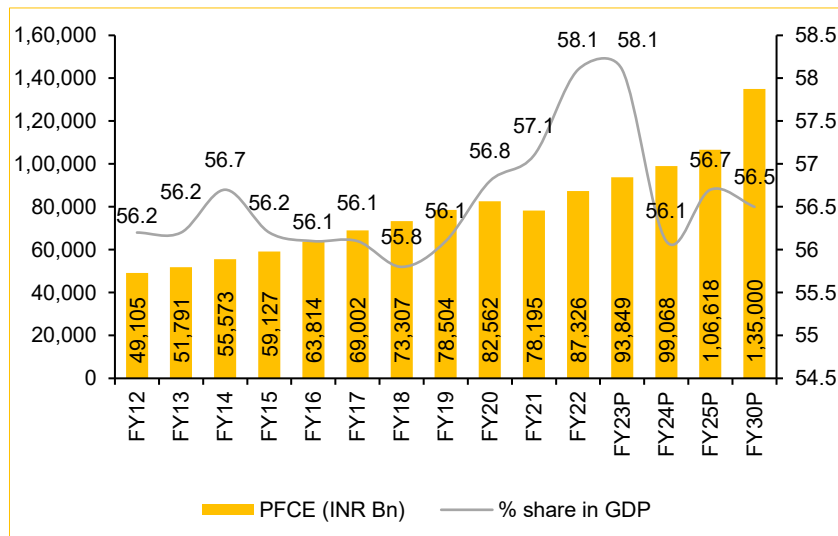
Categorisation	2019 Total Households ~312 Mn	2024 Total Households ~342 Mn		2029P Total Households ~370 Mn	
		CAGR (2019–2024)		CAGR (2024–2029P)	
High Income Households INR 1.1 Mn+ (USD 13,000+)	28 Mn (9%)	~8%	41 Mn (12%)	~8%	60 Mn (16%)
Upper Middle-class Households INR 0.8–1.1 Mn (USD 9,400–13,000)	50 Mn (16%)	~7%	68 Mn (20%)	~6%	92 Mn (25%)
Lower Middle-class Households INR 0.3–0.8 Mn (USD 3,300–9,400)	94 Mn (30%)	~3%	106 Mn (31%)	~2%	118 Mn (32%)
Low-income Households < INR 0.3 Mn (USD <3,300)	140 Mn (45%)	~(2%)	127 Mn (37%)	~(5%)	100 Mn (27%)

Source: Redseer, Choice Institutional Equities

PFCE has a dominant share in India's GDP

Private Final Consumption Expenditure (PFCE) has expanded at a **6% CAGR** over FY12–24, maintaining a dominant share of **56.1% of GDP** in FY24 (INR 99,068 Bn) and rising **7.6% YoY to INR 1,06,618 Bn** in FY25, accounting for **56.7% of GDP**. Growth has been supported by **healthy monsoons, CPC-driven wage revisions, low inflation, benign interest rates and a growing middle-income population**. Rising discretionary spending reflects **higher household disposable incomes**.

Strong consumption backed by rising disposable incomes



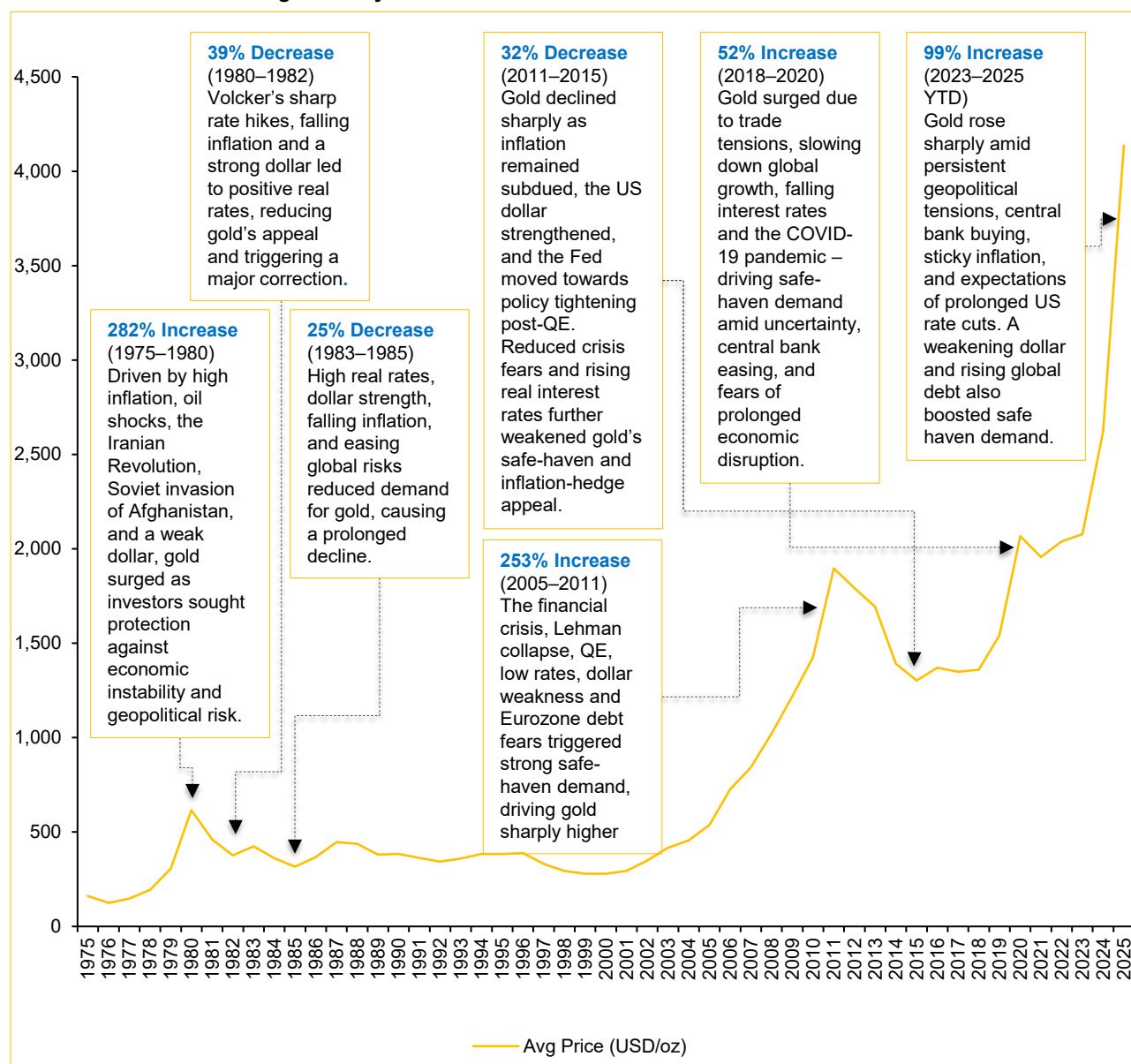
Source: Lalithaa DRHP, Choice Institutional Equities

1.2 Gold as a Macro Hedge Amid Uncertainty

Given the current geopolitical risks, we do not anticipate a sharp decline in gold price in the near term.

- **Safe-haven demand:** Elevated gold price is underpinned by central bank purchases, ongoing geopolitical tensions and expectations of monetary easing
- **Short-term dynamics:** Price may see temporary correction if interest rates remain high or inflation subsides faster than anticipated
- **Long-term resilience:** Gold has a 50-year track record of recovery post-correction, highlighting its durability as an investment
- **Store of value:** Its long-term appreciation is driven by protection against inflation, currency debasement and macroeconomic uncertainty

Gold price has been on a broad uptrend, with the quantum of price upswings being more, while the fall that follows is shallow and bought into by the next rise



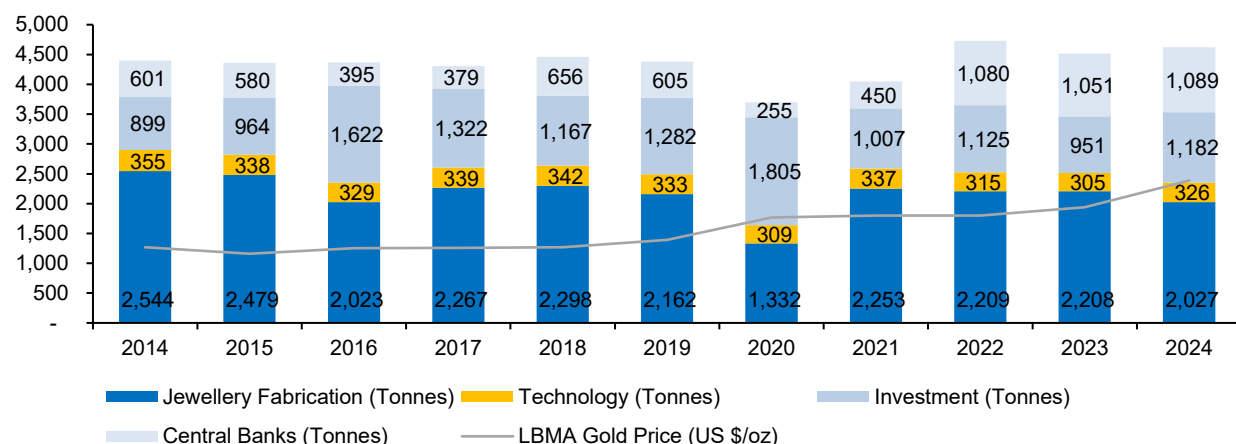
Source: Choice Institutional Equities

1.3 Central Bank Gold Buying at Historically High Levels

With persistent central bank purchases and strong investor interest, gold is likely to remain a preferred safe-haven asset, supporting prices, while jewellery demand may see only moderate growth.

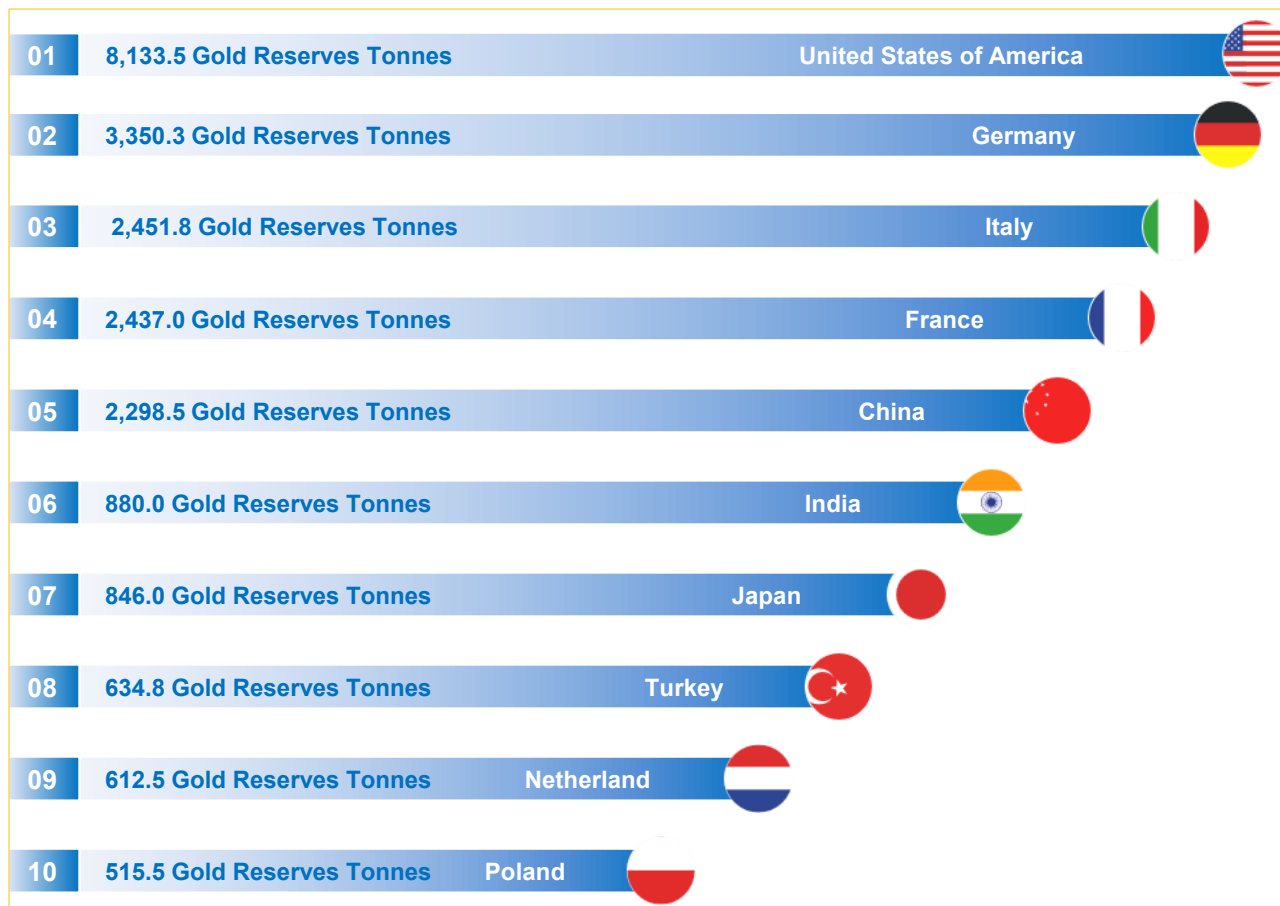
- **Central banks lead:** Annual purchases stayed above **1,000t** for three years, reaching **1,045t in 2024**
- **Prices soar:** Gold prices peaked at **USD 4,136/oz**, up **58% in a year** due to strong demand and geopolitical tensions
- **Jewellery flat:** Fabrication remained around **2,200t/year**, showing gold's shift, from decorative use to a **store of value**

Central banks emerge as the key drivers of gold demand as jewellery consumption plateaus



Source: World Gold Council, Choice Institutional Equities

Central bank reserve at an all-time-high



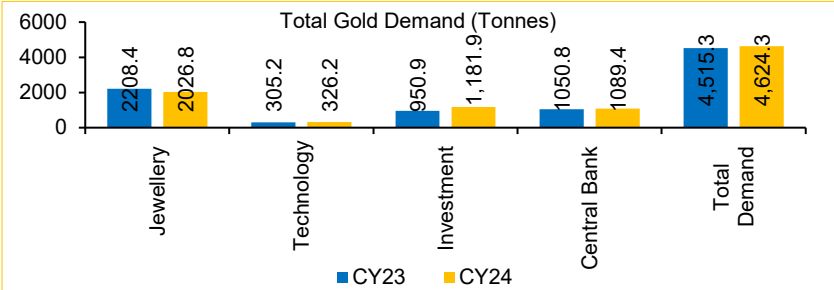
Source: World Gold Council, Choice Institutional Equities

- **Demand response to gold price hikes:** In 2024, **India solidified its position** as the world's largest market for gold jewellery; demand reached **563.4 tonnes**, accounting for nearly **30% of global jewellery consumption**. China followed with 479.3 tonnes, while other major markets, such as the US (132.1 tonnes), Russia (41.2 tonnes) and Turkey (40.9 tonnes) trailed significantly
- **Gold jewellery demand reflects low price elasticity despite record-high prices:** Jewellery demand softened in volume terms as consumers opted for lighter pieces or delayed purchases amid record-high gold prices. Despite a 39.3% YoY rise in gold prices in H1CY25, volumes fell only 16.9%, driving 15.7% value growth (PED: - 0.43), indicating resilient value driven by higher ticket sizes.
- **Global Gem & Jewellery industry: Steady expansion:** Valued at USD 353.3 Bn in 2023, the global jewellery market is set to grow at 4.7% CAGR, led by gold's 54.8% share and strong demand from India and China.
- **Mining output and recycling trends in the global jewellery industry:** Global gold supply rose 1.5% YoY, led by higher recycling, while demand hit a record 4,959t. Persistent supply constraints and strong demand continue to drive gold prices and its safe-haven appeal.

2.1 Demand Response to Gold Price Hikes

Overall global gold demand is up even as jewellery volumes slip, because ETFs, bars/coins and central banks are driving the cycle; this supports high prices but pressures jewellery grams.

CY24 gold demand: Volume stable YoY

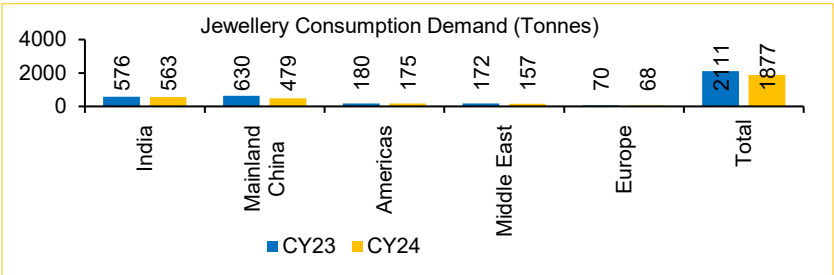


Source: World Gold Council, Choice Institutional Equities

Jewellery softens, Investment and Central Banks lift 2024 Gold demand

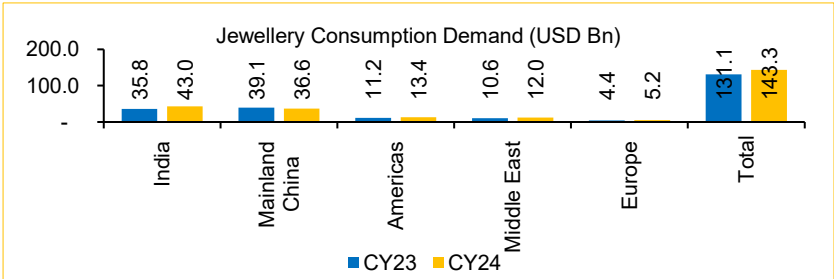
- In 2024, total gold demand was about 4,624 tonnes, with jewellery ~2,027t, technology ~326t, investment ~1,182t, and central bank buying ~1,089t, indicating broad-based support beyond consumer demand.
- Versus 2023, total demand rose from ~4,515t to ~4,624t; jewellery eased from ~2,208t to ~2,027t while technology, investment, and central bank buying increased, keeping overall demand resilient.

Jewellery volumes by region: CY23 vs CY24



Source: World Gold Council, Choice Institutional Equities

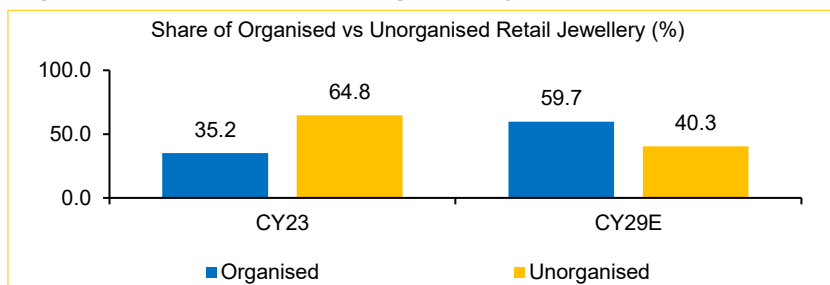
Jewellery value by region: CY23 vs CY24



Source: World Gold Council, Choice Institutional Equities

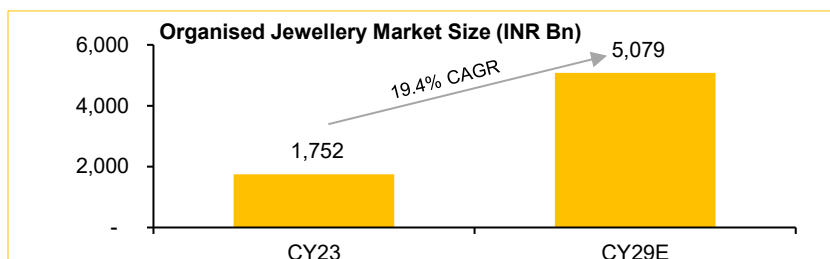
2.2 The Rise of Organised Players in India's B2B Jewellery Space

Organised share to overtake unorganised by CY29



Source: CareEdge Research, Choice Institutional Equities

Organised share to almost triple by CY29

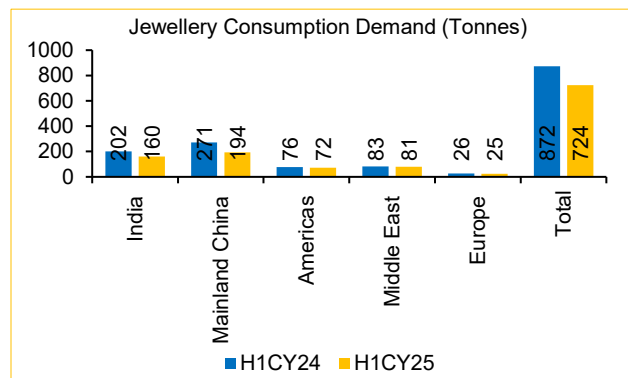


Source: CareEdge Research, Choice Institutional Equities

Even if overall gold demand remains subdued, B2B manufacturers are well-positioned to benefit from the ongoing transition towards organised retail.

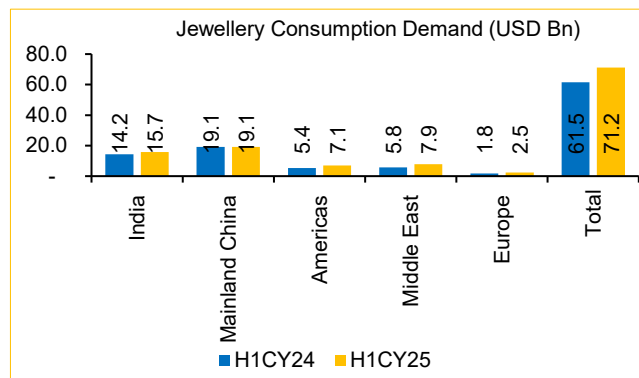
2.3 Gold Jewellery Demand Reflects Low Price Elasticity Despite Record-High Prices

Jewellery volumes by region: H1CY24 vs H1CY25



Source: World Gold Council, Choice Institutional Equities

Jewellery value by region: H1CY24 vs H1CY25



Source: World Gold Council, Choice Institutional Equities

People are buying fewer grams because prices are high, but the average invoice value is still holding or rising since the gold price per gram is higher.

Price Elasticity of Demand (PED) between 0 and -1 indicates inelastic demand. This means demand changes less than proportionally to price changes, showing low responsiveness. In case of gold jewellery with an average PED of -0.6, If price rises by 10%, quantity demanded falls by 6% and if price falls by 10%, quantity demanded rises by 6%.

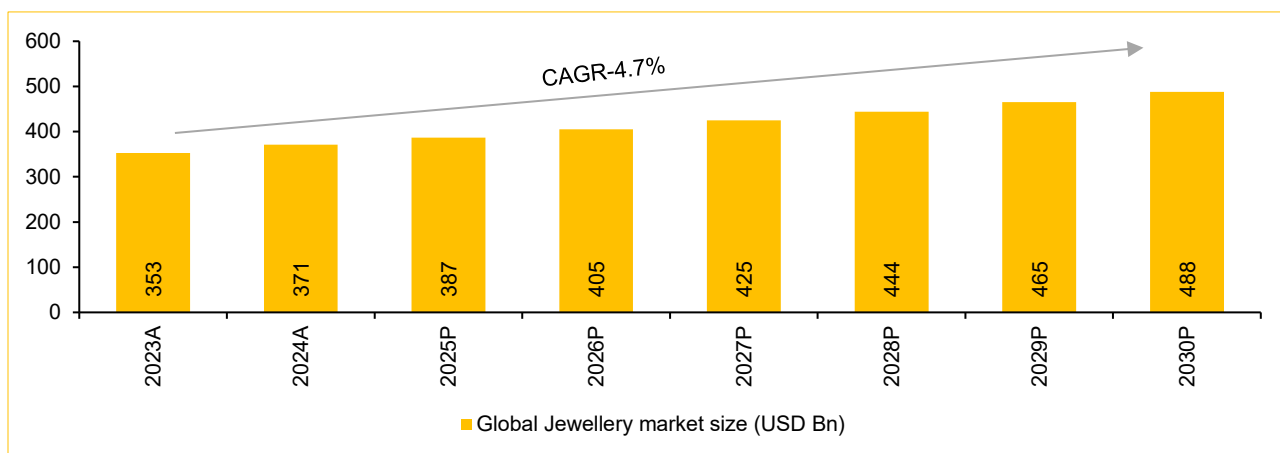
Jewellery demand in volume terms has softened as consumers down trade to lighter pieces or postpone purchases amid record-high gold prices. Our research reinforces the Price Elasticity of Demand (PED) principle for gold jewellery demand. While gold prices rose by 39.3% YoY in H1CY25, volume demand declined by only 16.9%, resulting in a value growth of 15.7% over the same period (reflecting a PED value of -0.43), which is better compared to the historical average. This indicates that despite increase in gold price, the industry is able to sustain value growth.



Source: Choice Institutional Equities

2.4 Global Gem & Jewellery Industry: Steady Expansion

- **Steady market growth:** The global jewellery market was valued at **USD 353.3 Bn in 2023** and is expected to expand at a **4.7% CAGR over 2024–2030**, driven by rising disposable incomes, evolving consumer lifestyles and demand for innovative, design-led products
- **Dominance of gold:** Gold jewellery retains a commanding **54.8% market share**, underpinned by its cultural, religious and investment appeal, especially across Asian economies
- **Asia-Pacific leadership:** **Asia-Pacific contributes nearly 60% of global jewellery revenues**, led by robust consumption in India and China



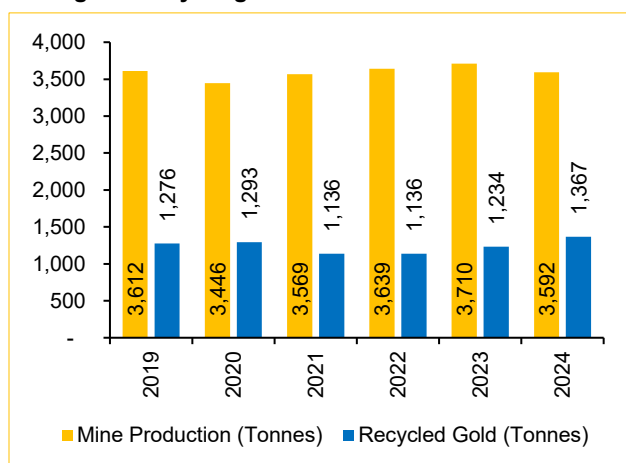
Source: CareEdge, Choice Institutional Equities

2.5 Mining Output and Recycling Trends in the Global Jewellery Industry

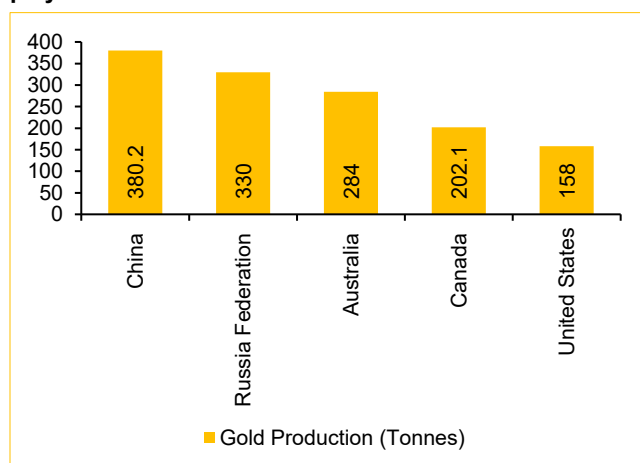
Supply is steady; mine output and recycling are not rising enough to push prices down meaningfully

- **Global gold supply** increased **1.5% YoY**, with **recycled gold** rising **11% to 1,370t**, driven by elevated gold prices
- **Gold demand** surged to a **record 4,974t**, highlighting a **persistent supply-demand imbalance** over the past 5 years
- **Rising prices** propelled **recycling activity**, encouraged **production increases** amid **inflation fears** and **geopolitical uncertainty**
- **Supply trend:** Despite production efforts, **global gold supply has been largely flat** over the last 5 years
- **Takeaway:** **Strong demand** along with **constrained supply** underpins the **consistent rise in gold prices**, making it a **preferred safe-haven asset**

Global gold supply remains balanced between mining and recycling



Concentration of global gold production among key players



Source: World Gold Council, Choice Institutional Equities

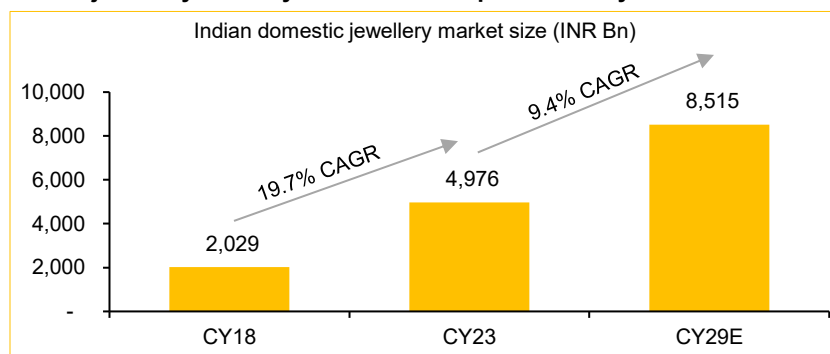
3. Decoding India's Gold Jewellery Landscape

- **Indian jewellery industry: The heart of global gold demand:** India became the **world's largest gold jewellery market** in CY24, with demand rising to 563 tonnes, surpassing China's 479 tonnes.
- **Shining across borders:** India's strong exports and steady imports reflect robust global demand and a well-supplied jewellery manufacturing base, reinforcing its position as a global leader driven by skilled craftsmanship and competitiveness.
- **Jewellery categories: Gold at the core:** Gold remains dominant in India's jewellery market but its share is falling from 87% in CY19 to an expected 70–75% by CY28, as diamond and non-gold jewellery, growing ~20% CAGR, gain traction with evolving consumer preferences.
- **Jewellery Trends: From bridal to daily wear:** Bridal gold jewellery drives ~55% of demand, but growth is shifting toward daily wear (35%) and lightweight, lower-karat designs as affordability and modern preferences evolve.
- **Regional Arenas: Home grounds of demand:** India's jewellery demand centres on key hubs—Mumbai for design and trade, Surat for diamond cutting and Bengaluru–Pune for organised retail. Specialist hubs like Kolkata, Jaipur, Chennai and Hyderabad add unique craftsmanship, boosting differentiation, exports and margins.
- **Gold & Glitter: Seasonal spending on weddings, festivals and harvests:** Jewellery demand peaks in H2 (Oct–Mar) driven by festivals, the main wedding season, and post-harvest liquidity, boosting both retailer stocking and consumer purchases.

3.1 Indian Jewellery Industry: The Heart of Global Gold Demand

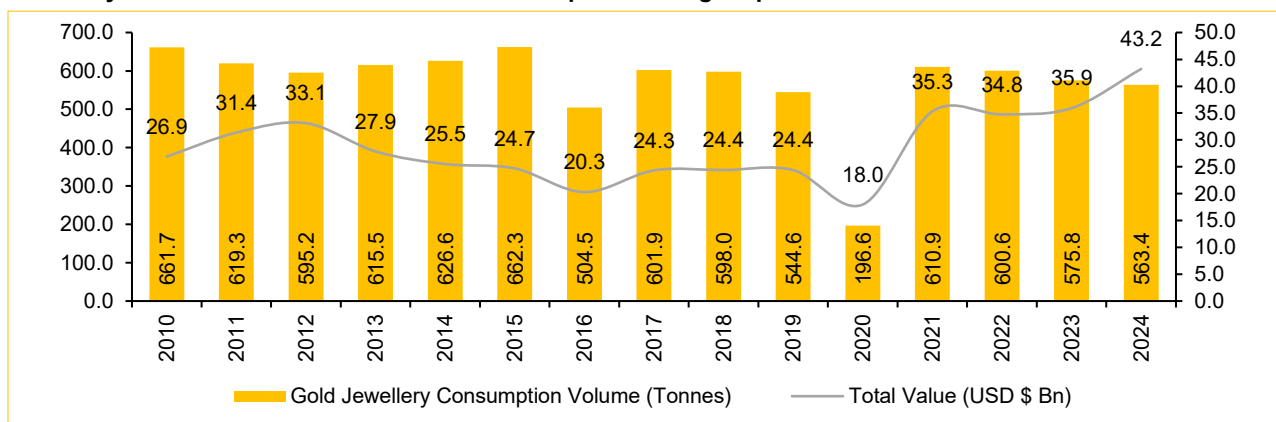
- **Economic significance:** Contributes ~7% to GDP and employs 5 Mn+ people, with strong domestic and export relevance.
- **Market growth:** Valued at INR 4,976 Bn in CY23, projected to reach INR 8,515 Bn by CY29E (CAGR 9.4%), outpacing China (2–4%) and the US (1–2%).
- **Growth drivers:** Rising incomes, urbanisation, financial independence of women and trends, such as daily wear and studded jewellery.
- **Price sensitivity:** Short-term demand may soften with gold price spikes, as consumers defer or opt for lighter, more affordable designs.

India's jewellery industry continues to expand steadily



Source: CareEdge, Choice Institutional Equities

Jewellery demand in India remained resilient despite record gold price in 2024



Source: World Gold Council, Choice Institutional Equities

3.2 Shining Across Borders

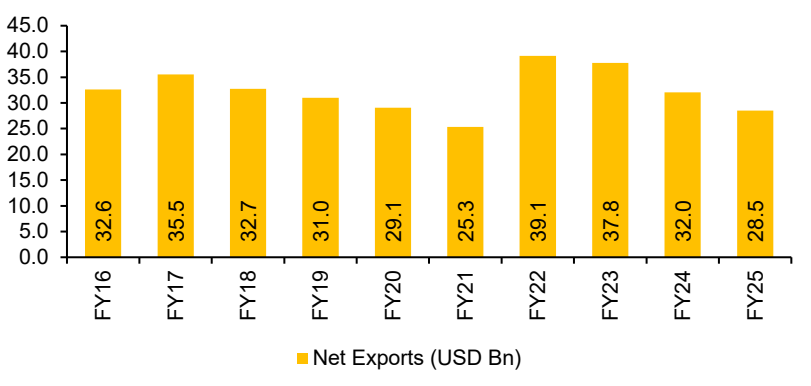
India's strong export performance highlights its global leadership in gems and jewellery, supported by skilled craftsmanship and resilient demand.

The import levels reflect steady domestic demand for raw materials and finished products, ensuring India's jewellery manufacturing sector remains well-supplied and globally competitive

US Tariff Impact: India's US-bound gems and jewellery exports collapsed in September 2025, as the full 50% tariff took hold: stones fell 76.7% and jewellery 71.1%, signaling sharp margin and volume stress, order deferrals and cash-flow risk. We believe that the domestic focused B2B jewellery manufacturers will not be impacted much due to the tariffs.

Net export of gems & jewellery

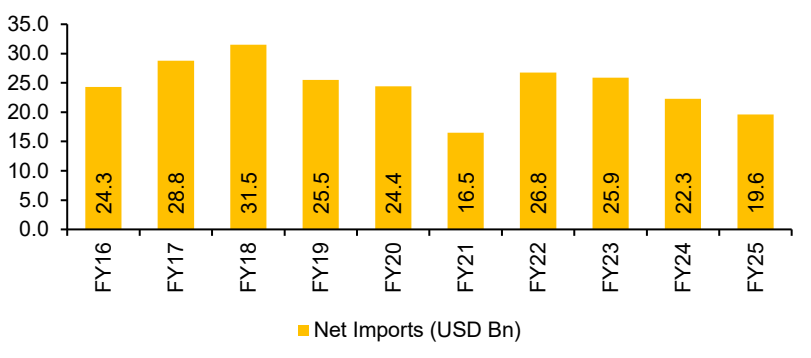
- In FY25, India's gems and jewellery exports stood at **INR 2,431.6 Bn (USD 28.5 Bn)**; March 2025 exports were at **INR 2,203.8 Bn (USD 25.82 Bn)**.



Source: GJEPC, Choice Institutional Equities

Net import of gems & jewellery

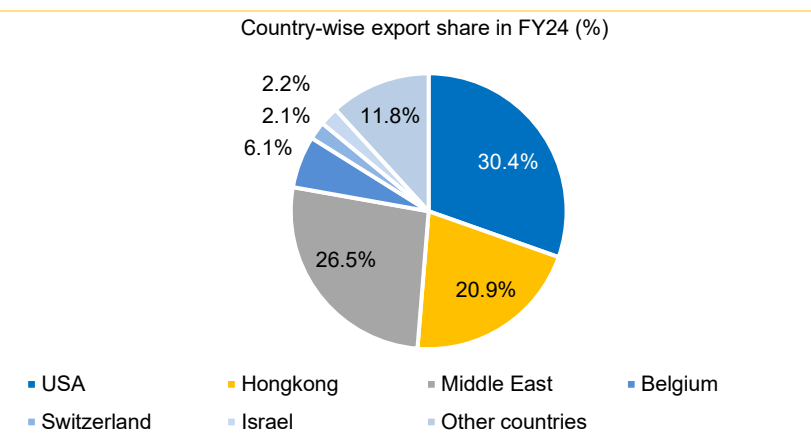
- In FY25, India's overall **gross imports of gems and jewellery** stood at **INR 1,673.2 Bn (USD 196.1 Mn)**. In March 2025 alone, imports were to the tune of **INR 165.5 Bn (USD 1,939.3 Mn)**.



Source: GJEPC, Choice Institutional Equities

Government support driving global reach

The Indian government actively promotes gems and jewellery exports, supporting SMEs and exploring new markets. High-quality Indian products have helped the sector gain a strong presence in markets, such as the US, the UAE, Hong Kong, Israel, Switzerland and Belgium; the US accounted for 30% of exports in FY24.



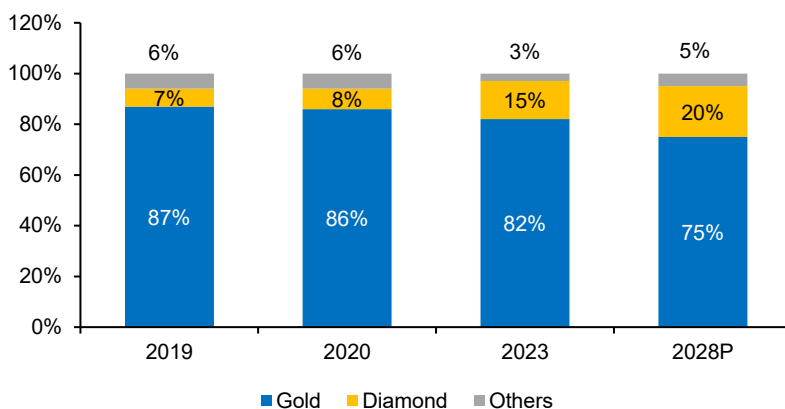
Source: CareEdge Report, Choice Institutional Equities

3.3 Jewellery Categories: Gold at the Core

We expect continued diversification in consumer preference, with diamond and other non-gold segments driving faster growth. Gold will remain dominant in value terms, but the shift towards branded and design-led jewellery will shape the market landscape over the next five years

Gold has long led India's jewellery market, accounting for ~87% in CY19. Post-COVID, it grew 14% to ~INR 4,300 Bn (USD ~52 Bn) by CY23, though its share fell to 82% and is feared to decline further to 70–75% by CY28. Diamond-studded jewellery, the second-largest segment, rose to ~INR 780 Bn (USD ~9 Bn) in CY23 (~15% share) and is projected to expand at ~20% CAGR through CY28.

Gold dominates, but non-gold categories are growing steadily



Source: Redseer Research Report, Choice Institutional Equities

Indian's Jewellery Market: A Comparison

	Gold	Diamond	Silver	Others
 Cultural Significance	Foundation of jewellery market	Symbol of sophistication	Used in traditional designs	Trendy, fashion-forward appeal
 Market Position	Strong demand, investment value	Robust growth, luxury appeal	Affordable, versatile for broad base	Rising, appeals to fashion-forward buyers
 Design Trends	Lighter, modern designs emerging	Innovations in cutting, bespoke options	Traditional and modern designs	Synthetic and alternative materials
 Consumer Base	Weddings, festivals, investors	Luxury, exclusivity-seekers	Broader customer base, middle-income	Fashion-forward, budget-conscious buyers

Source: Choice Institutional Equities

3.4 Jewellery Trends: From Bridal to Daily Wear

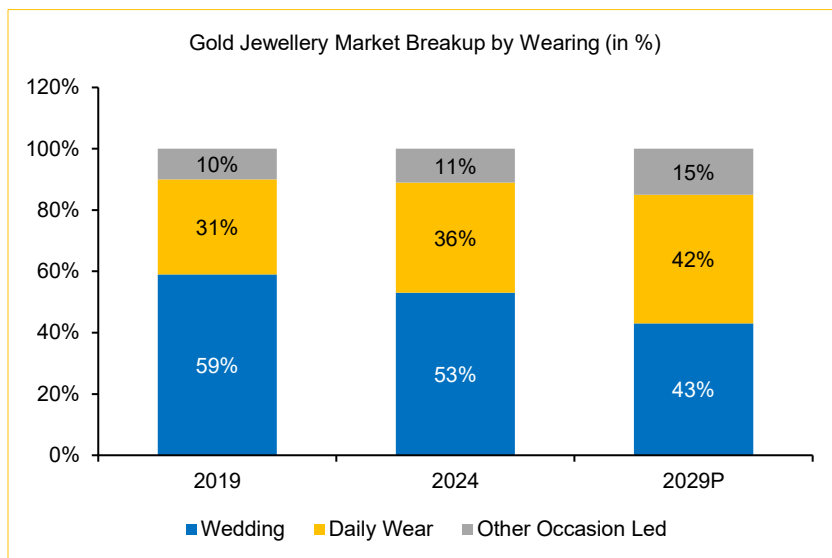
We believe that the bridal segment remains the anchor for revenue and customer acquisition, but sustained growth will be driven by daily wear repeat purchases and festival-linked occasional buying.

India remains the heart of global jewellery demand by tonnage but is migrating from bridal-heavy, high-weight towards everyday/lightweight and lower-karat as affordability adapts with price levels

Bridal gold jewellery accounts for ~55% of India's jewellery demand, driven by weddings as a primary purchase occasion and the cultural role of gold as a woman's financial security asset.

Daily wear jewellery is ~35% aided by the expansion of lower-karatage and lightweight designs, especially among younger consumers seeking pieces compatible for everyday use.

Shift in jewellery demand across key occasions

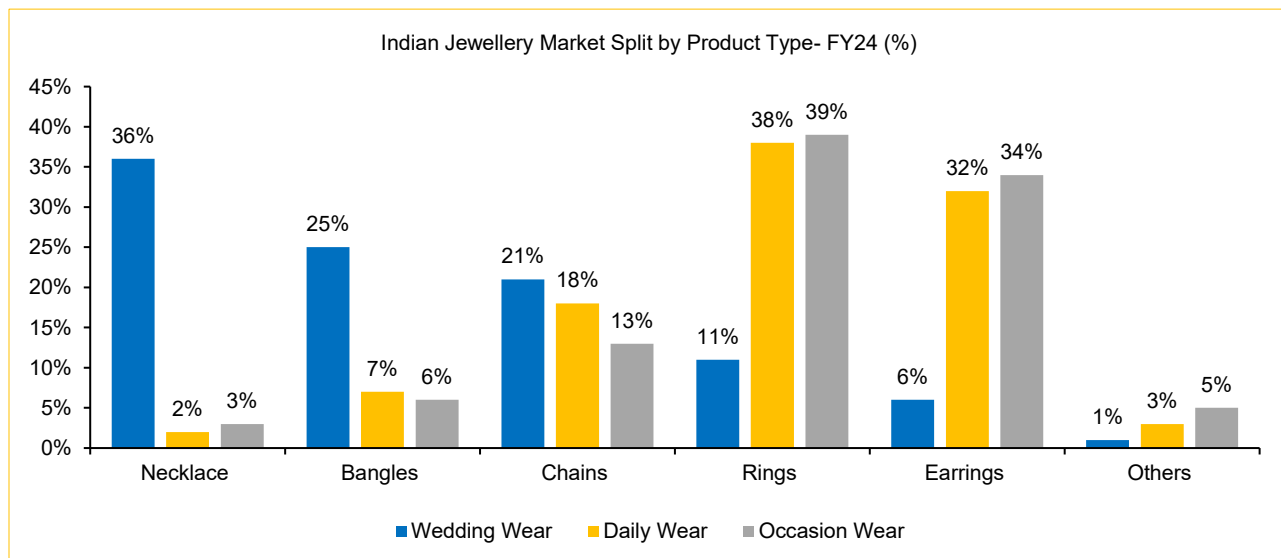


Source: Bluestone DRHP, Choice Institutional Equities

Organised jewellers are focusing on machine-made, lightweight designs and lower-karat gold offering. Hallmarking-led trust and the rapid expansion of organised retail chains into Tier 2 and Tier 3 markets have further strengthened their position. While necklaces remain a staple of wedding-centric purchases, bangles, earrings and rings dominate everyday and festive purchases.

Rings and earrings often serve as entry-level SKUs for customer acquisition and loyalty programs, gradually guiding buyers towards higher-margin, studded and occasion-focussed neckwear through targeted festival and wedding campaigns.

Product-wise jewellery demand across occasions



Source: Bluestone DRHP, Choice Institutional Equities

3.5 Regional Arenas: Home Grounds Of Demand



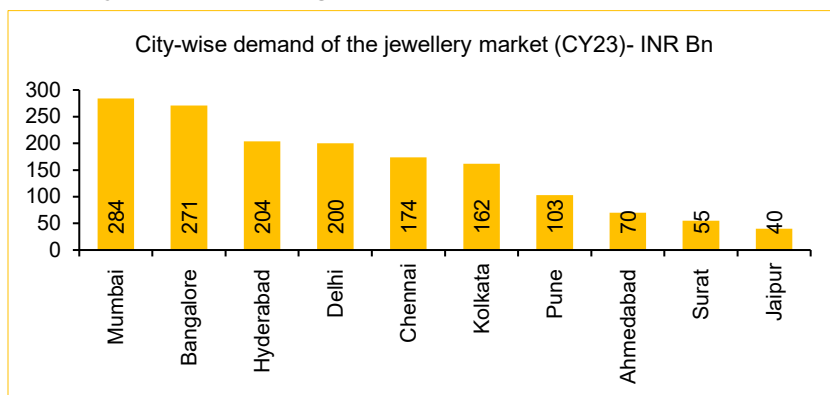
	North	East	West	South
Dominant categories	Rings, Pendants, Necklaces	Bangles, Necklace, Rings	Pendants, Earrings	Pendants, Necklace, Earrings
Important Centers	New Delhi, Jaipur	Kolkata	Mumbai, Ahmedabad	Chennai, Hyderabad, Cochin, Bangalore
Occasion Mix	More non-wedding frequency vs South	Festival/savings-led; wedding-heavy in value	High non-wedding and gifting frequency	Wedding-heavy in value terms
Retail Format Skew	Chains strong in metros; independents Tier 2/3	Independents dominant; chains rising	Strong national/regional chains; mall formats	Large regional chains; high organised share
Avg Ticket (Directional)	Mid (lighter weights, studded mix)	Lower-Mid (value-focussed 22k)	Mid (urban premium willingness)	Highest (wedding, heavier 22k sets)

Source: Bluestone DRHP, Choice Institutional Equities

Demand clusters around proven manufacturing and trading bases: Mumbai (Zaveri Bazaar, Bharat Diamond Bourse) for design, wholesale and finance; Surat for large-scale diamond cutting which feeds high-margin studded lines; Bengaluru–Pune add modern, organised retail to fulfil affluent urban demand.

Product specialist hubs lift differentiation and margin: Kolkata's filigree enables lightweight gold at attractive labour cost; Jaipur's Kundan–Meenakari and coloured gemstones drive heritage value and exports; Chennai–Hyderabad strengthen supply with temple jewellery, pearls and new large factories improving cost-to-serve and scale.

Jewellery demand sparkling across cities



Source: CareEdge, Choice Institutional Equities

State-wise Bridal Jewellery Products Demand Distribution

State	Large sets	Small necklaces	Chains	Bangles	Earrings	Others	Gross weight in gms
Punjab	Diamond 'haar'		Mangalsutra	Kundan, kangan	Vala	Maang teeka, nathni, bajo does kado	190
Rajasthan/Marwar	Rani haar	Thewa		Bangdi, kada, rajputi bangdi	Kundan butti	Rakhdi, hath phool, baju band, anguthi	190
Bengal	Sita haar	Gola chik		Plai bala, mugh bala, chitra bala	Jhumkaa	Kamar chavi, tikloy, kamar band	210
Gujarat	Chandan haar		Mangal sutra	Bangdi, kundan bangdi	Kundan butti	Nath, baju band, damani, pochha	180
Maharashtra	Chapla haar, laxmi haar	Tushi	'Mangalsutra'	Tode, patli	Jhumke	Aangathi, haath pan, nath, baju band	250
Karnataka	Akki sara, malliga sara		Mangal sutra, mohan sara	Lakshmi bale, coorgi bale, kembina bale	Jhimki	Bandhi, odiyanam, kemp ungila	280
Kerala	Kazuthulia, kasu mala, lakshmi mala, mulla motu	Kingini mala, manga mala	Kurumula mala, patthakam	Kolkatta bangle, machine cut bangle	Jhimki	Toe ring, minnu	320
Tamil Nadu	Lakshmi haram, muthu haram	Vella kal mookhuthi	Mangal sutra	Muthu valayal, lakshmi valayal, kemu valayal	Kempu kal jhimkki	Ottiyanam, nethichutty, jadai billai	300
Andhra Pradesh	Nakshi haram	Kandabara nam	Sutaru golusu	Kanjan, gajalu	Buttalu	Aravanki, nakshi vaddanam, jada	300

Source: CareEdge, Choice Institutional Equities

3.6 Gold & Glitter: Seasonal Spending On Weddings, Festivals And Harvests

Demand cyclicalities

Demand for jewellery in India is highly seasonal and heterogeneous, driven largely by cultural calendar events:

The jewellery sector, typically sees demand in H2 stronger than H1 as India's key buying triggers cluster in Oct–Mar: the festival cycle (Navratri–Dussehra–Dhanteras–Diwali), the main wedding season, and post-harvest cash flows in agrarian regions, which together lift retailer stocking and consumer purchases.

1. **Weddings as the core driver:** a) Weddings and festivals are the primary drivers of domestic jewellery demand, b) Bridal jewellery is a dominant segment, accounting for 55% of the overall jewellery demand and 50–60% of domestic consumption, c) Jewellery comprises the second-largest wedding expenditure item, accounting for 22.3% of the total wedding budget in CY23 and d) The number of weddings is increasing, projected to expand at a CAGR of 4.8%, reaching 180.8 lakh by 2032.
2. **Seasonal peaks:**
 - a) Demand for jewellery typically rises during wedding seasons, such as May-June, September-November and January.
 - b) Religious events significantly boost demand for gold and silver:
 - Diwali/Dhanteras (October/November).
 - Akshaya Tritiya (April/May).
 - An average of 40–60 tonnes of gold is sold during these two auspicious festivals alone.
3. **Rural and agricultural influence:** a) In rural regions, harvest periods influence gold purchase decisions. Rural households invest their crop money in gold jewellery in November and December and b) Gold demand in Tier II and Tier III towns is closely tied to agricultural output and monsoon patterns.

	Festivals	Harvest	Marriages
JANUARY	✓	✓	✓
FEBRUARY		✓	
MARCH		✓	
APRIL	✓	✓	
MAY			✓
JUNE			✓
JULY			
AUGUST			
SEPTEMBER	✓	✓	✓
OCTOBER	✓	✓	✓
NOVEMBER	✓	✓	✓
DECEMBER		✓	✓

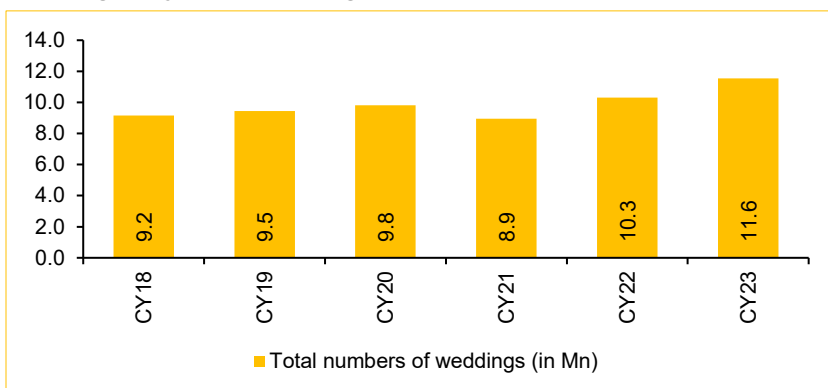
Source: Bluestone DRHP, Choice Institutional Equities

3.6 Gold & Glitter: Seasonal spending on weddings, festivals and harvests

Weddings: India hosts ~10–12 Mn weddings annually, with peak 'muhurat' seasons alone seeing 3.5–4.8 Mn ceremonies over a few weeks – pushing the yearly run-rate towards the higher end.

As compared to 10.3 Mn in CY22, the number of weddings in India rose by 12.2% in CY23, reaching 11.6 Mn. The sector had seen a sharp decline in CY20, with the number of weddings falling to 6.8 Mn due to COVID-19-related restrictions. However, it rebounded strongly in 2021 with 8.9 Mn weddings and the growth momentum carried forward into CY22 and CY23, highlighting a strong recovery in the wedding industry.

Weddings stay stable, keeping demand consistent



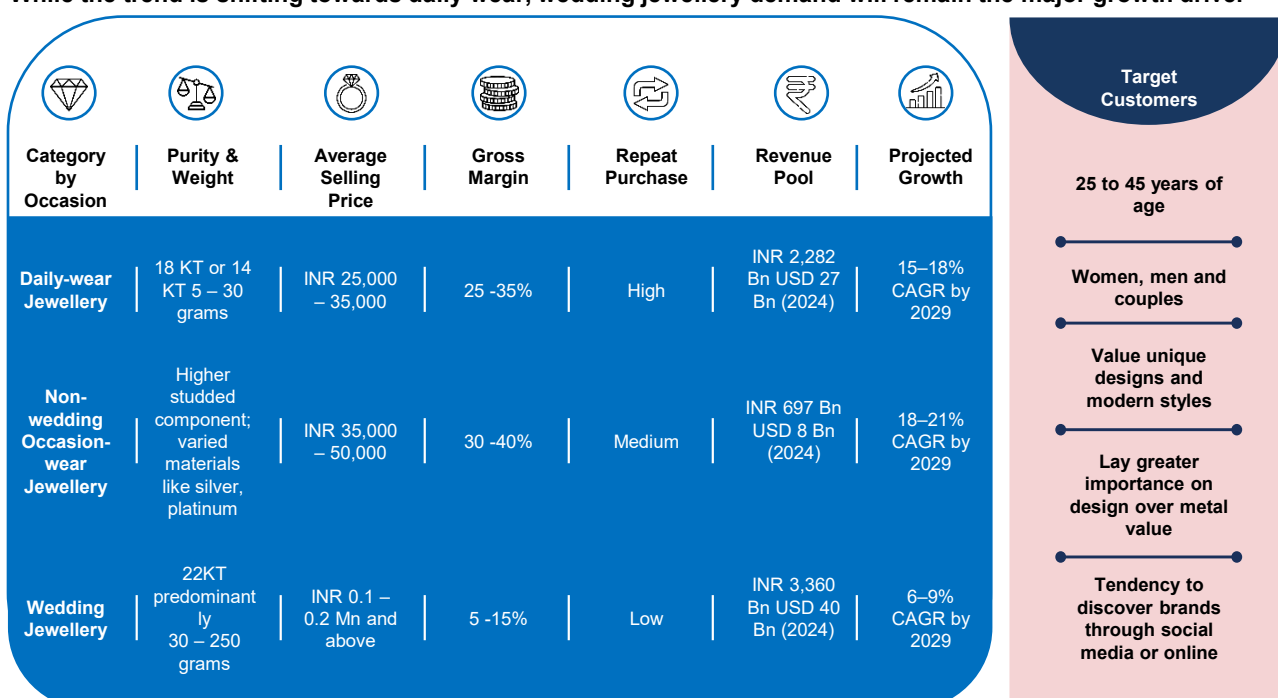
Source: CareEdge, Choice Institutional Equities

We expect that, in 2030, the number of weddings will remain stable at 10–12 Mn, while average wedding spending is expected to rise, propelled by India's growing population. As per Choice research, we expect 11.3 Mn of weddings by FY30E

Particulars	FY26	FY30E	Growth (CAGR %)
Total population of India (Mn)	1,460	1,520	0.8%
Target population (Ages 20-35) (Mn)	355	375	1.1%
Total number of marriages (Mn)	10.7	11.3	1.1%

Source: Choice Institutional Equities

While the trend is shifting towards daily wear, wedding jewellery demand will remain the major growth driver

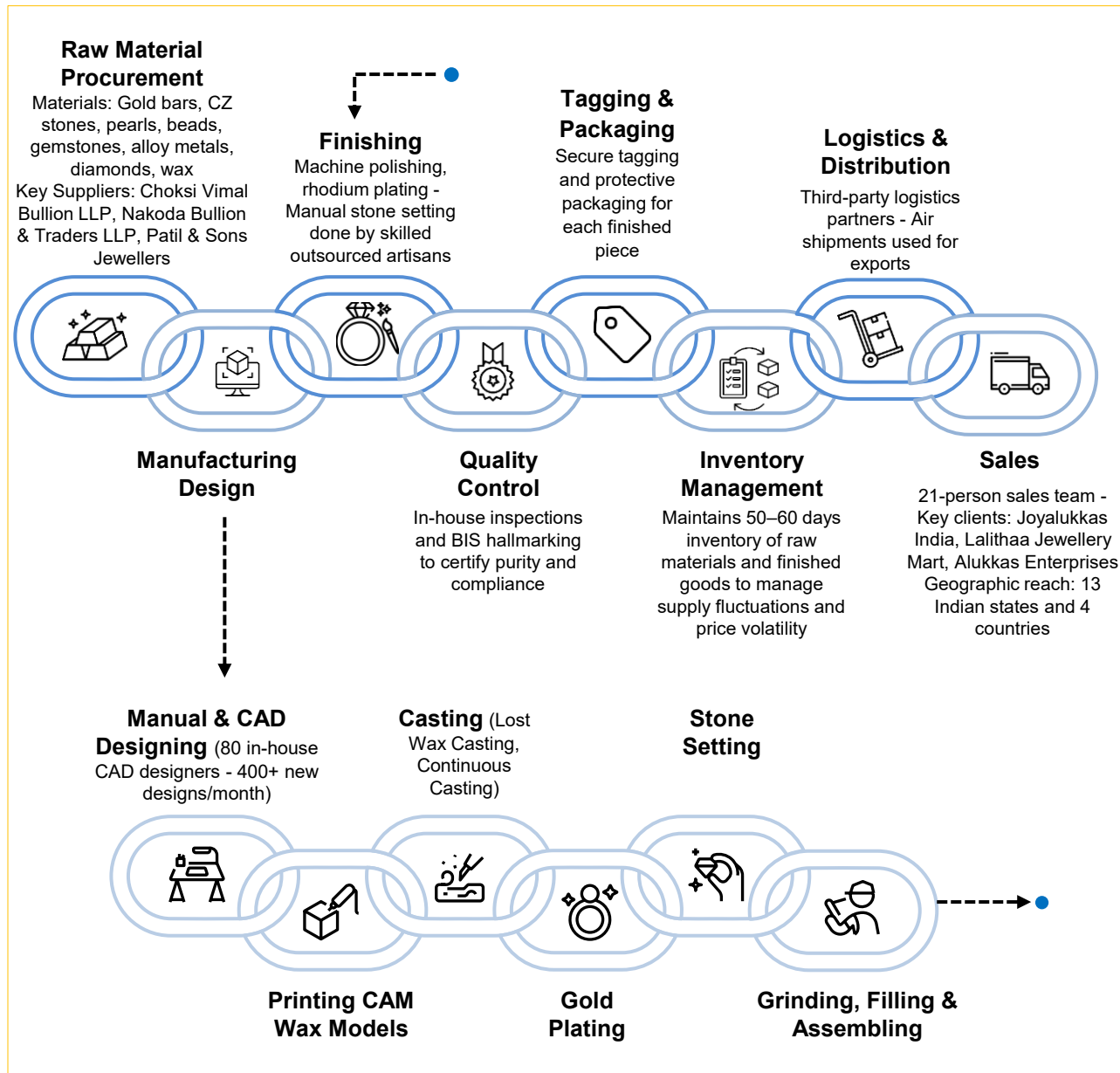


Source: Bluestone, Choice Institutional Equities

4. Manufacturing Ecosystem: The Core of India's Jewellery Value Chain

- **Strategic clusters fueling India's B2B jewellery ecosystem:** India's jewellery market is regionally diverse, with ~75–80% of production from 10 key hubs. Major centres include Mumbai, Chennai, Kolkata, and New Delhi, while Rajkot, Surat, Jaipur, Coimbatore, Thrissur and Hyderabad add depth. Each hub has its niche—Mumbai (machine-made), Jaipur (kundan and semi-precious), Surat (diamond), Coimbatore (casting) and Chennai & Kolkata (handmade).
- **Evolution of karigar networks into organized players:** Karigar networks are becoming organised through formalisation, digital design and automation, improving efficiency, quality and compliance, while ERP and digital systems enhance transparency and consumer trust.
- **Role of contract manufacturing for big brands:** Big jewellery brands increasingly outsource manufacturing to specialised units for scalability, cost efficiency, and faster design turnover, while manufacturers benefit from steady orders and industry formalisation.

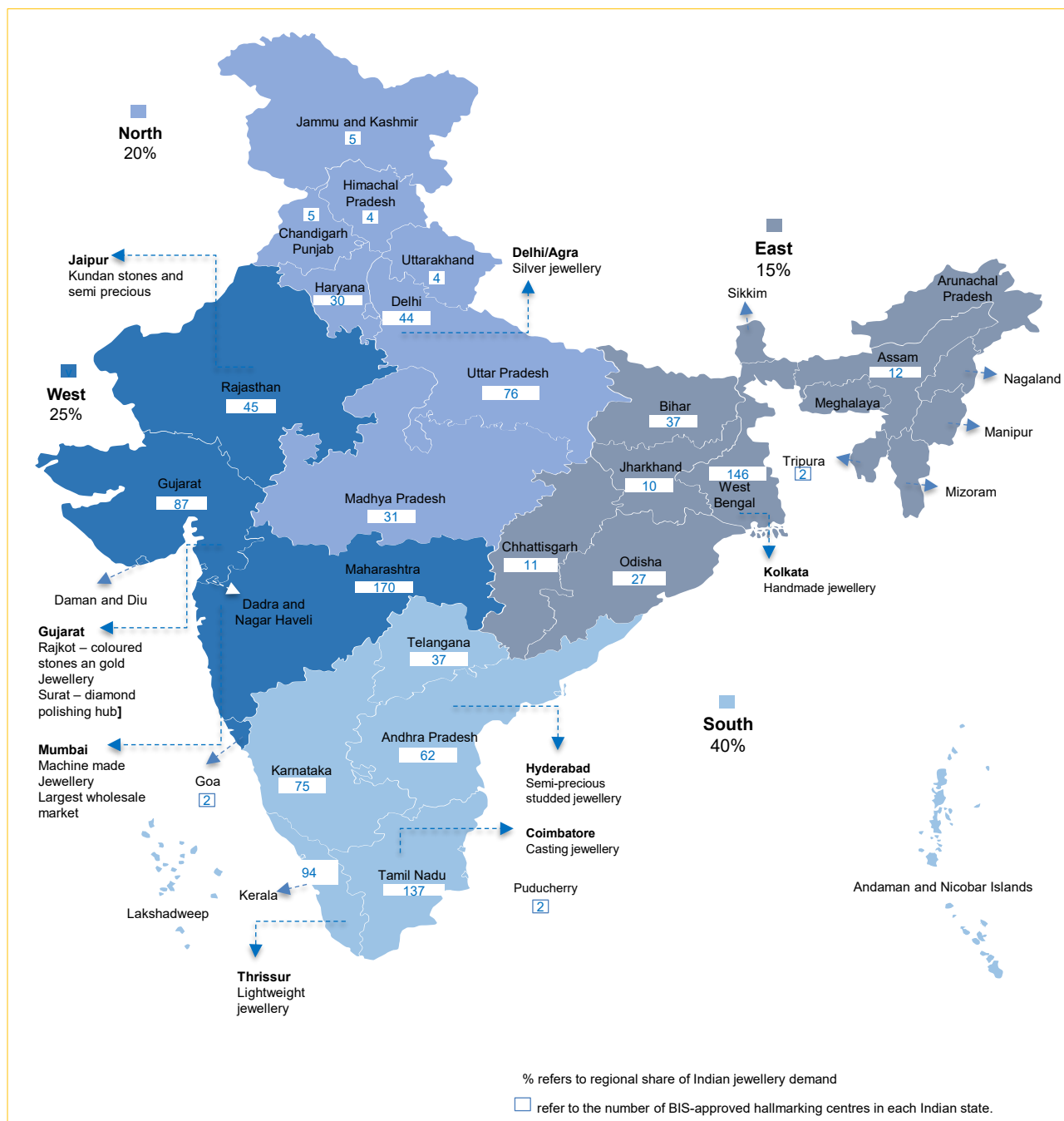
4.1 Manufacturing Elegance: The Process Behind the Shine



Source: Choice Institutional Equities

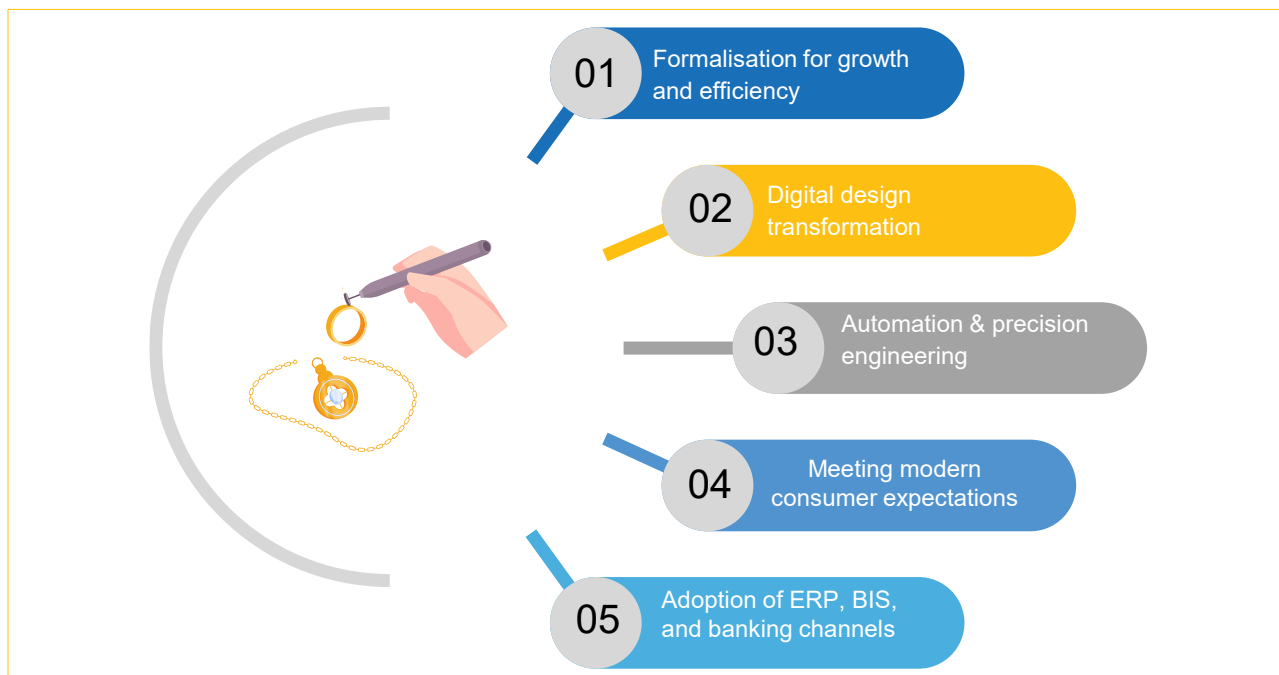
4.2 Strategic Clusters Propelling India's B2B Jewellery Ecosystem

- India's jewellery market is highly diverse, with regional variations in tastes and buying preferences
- Around 10 key manufacturing centres produce ~75–80% of India's jewellery
- Major manufacturing hubs: **Mumbai, Chennai, Kolkata, New Delhi** dominate the landscape
- Other notable centres: **Rajkot, Surat, Jaipur, Coimbatore, Thrissur, Hyderabad**
- Specialisations, by centre:
 - Mumbai** – Machine-made jewellery
 - Jaipur** – Kundan and semi-precious stone jewellery
 - Surat** – Diamond jewellery
 - Coimbatore** – Casting jewellery
 - Chennai & Kolkata** – Handmade jewellery



Source: Redseer, Choice Institutional Equities

4.3 Evolution of 'Karigar' Networks into Organised Players



01

Formalisation for growth and efficiency

- Formalisation enables participation in branded jewellery, exports, e-commerce and cluster-based opportunities.
- Standardised processes, modern design tools and structured operations attract skilled craftsmen and improve operational efficiency.

02

Digital design transformation

- CAD/CAM tools enable precise, rapid prototyping over traditional hand sketches.
- 3D printing allows complex wax models and faster design-to-production cycles.
- Supports mass customisation with easy digital design modifications.

03

Automation & precision engineering

- Laser-cutting, casting automation and robotic polishing enhance uniformity and reduce wastage.
- CNC machines create intricate patterns and lightweight structures for daily-wear designs.

04

Meeting modern consumer expectations

- Consumers now seek seamless shopping, transparent pricing, buyback options and digital payments. As a result of this, chain stores are capturing more market share, with many regional players expanding into national chains

05

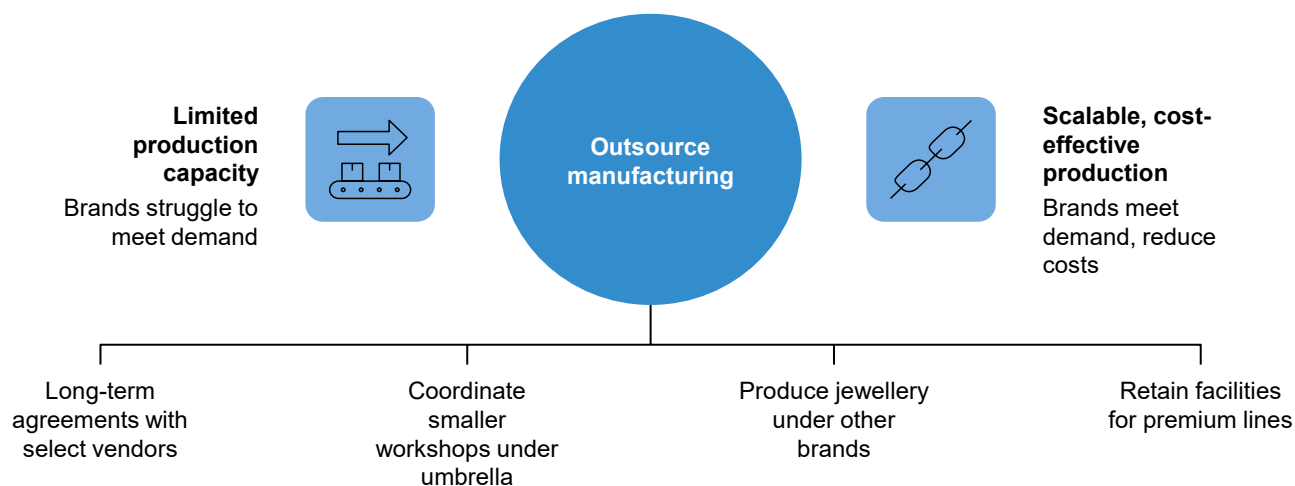
Adoption of ERP, BIS, and banking channels

- Organised jewellers benefit from easier credit access and the ability to maintain larger inventories. Smaller players with limited transparency face financing constraints, while those adopting invoices, banking channels, ERP systems and BIS registration are transitioning into organised operations

Source: Choice Institutional Research

4.4 Role of Contract Manufacturing for Big Brands

Contract manufacturing improves returns by converting fixed capex into variable costs, lifting margins and freeing cash for brand, design, and distribution. It adds scalable capacity, faster time-to-market, quality and compliance expertise, and supply-chain leverage—helping brands meet demand reliably while de-risking operations and focusing on core growth drivers.



Structural rationale for contract manufacturing

- Large jewellery brands increasingly outsource manufacturing to specialised units, mirroring global consumer goods models. Brands focus on design, marketing and distribution, while experts handle production
- This enables rapid product diversification, cost-competitiveness and faster trend adaptation, especially in lightweight and daily-wear jewellery segments which require frequent design rotation and quick production cycles

Advantages for brands

- Outsourcing offers asset-light expansion by minimising capital investments in infrastructure, allowing brands to respond flexibly to surges in seasonal or export demand
- Brands gain access to specialised craftsmanship, standardised quality control and reduced exposure to gold price and labour-related risks, ensuring consistent output across multiple vendors

Benefits for manufacturers

- Contract manufacturing ensures steady order volumes and improved margin for small and mid-sized workshops through sustained partnerships with organised brands
- Manufacturers benefit from exposure to modern systems, certification and compliance standards, enhancing their competitiveness and pushing industry formalisation

Common operating models

- Exclusive vendor arrangements involve long-term brand partnerships, design file sharing and metal loan provisioning to ensure consistency and reliability
- Alternative setups include cluster-based hubs, white-label production for foreign brands and hybrid approaches combining captive and outsourced facilities

Growing relevance in the Indian context

- As organised jewellery retail expands, outsourcing supports brands facing capacity constraints, with clusters, such as Surat and Coimbatore emerging as major contract manufacturing centres
- B2B manufacturers are evolving into integrated supply partners offering design-to-compliance services, aligning with 'Make in India' initiative and future export-oriented policy incentives

Source: Choice Institutional Research

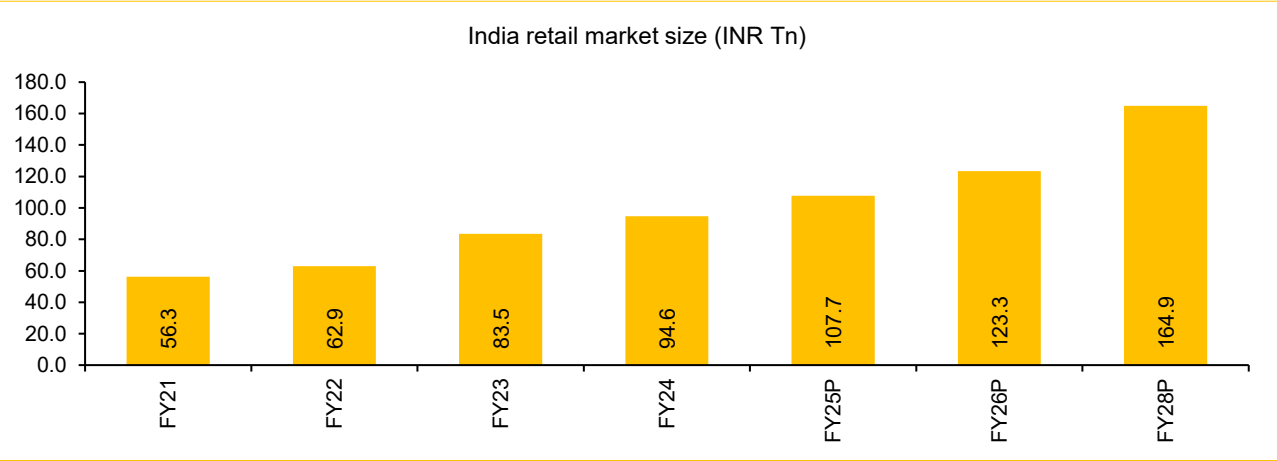
- **Retail sector on a strong growth path:** India's retail sector rebounded strongly to INR 94.6 Tn in FY24 and is set to reach ~INR 164 Tn by FY28, driven by rising incomes, organised retail expansion and e-commerce growth.
- **The organised push: Redefining India's B2B jewellery ecosystem:** India's jewellery market remains fragmented, with ~65% unorganised in CY23. However, organised share has grown from 5% in 2005 to 35% and is projected to reach ~60% by CY29, driven by hallmarking and PAN regulations.
- **Retail footprint expansion: A catalyst for B2B jewellery growth:** The expansion of organised jewellery retail is structurally positive for B2B gold manufacturers, enhancing visibility, stability, and formalisation. Agile, automated, and compliant players will benefit most from this growth.
- **Hallmarking being mandatory, a huge growth driver:** Mandatory hallmarking covers 361 districts, with over 40 crore items tagged with HUID for transparency. It applies to 14k–24k (and 9k from Jul 2025), exempting under-2g, export, and Kundan/Polki/Jadau pieces. BIS registration is mandatory for entities with turnover above INR 4 Mn.
- **Digital & omni-channel play:** Jewellery brands must enhance digital presence with virtual try-ons, influencer tie-ups, and real-time inventory. Omnichannel integration will be crucial to capture growing digitally influenced demand.

5.1 Retail Sector on a Strong Growth Path

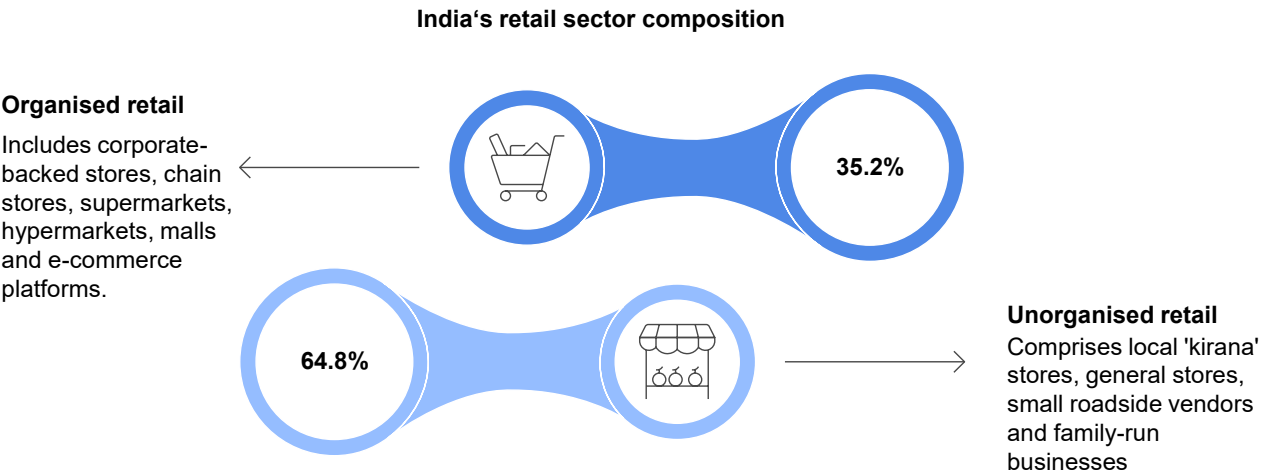
In our view, continued government support through FDI and PLI schemes, coupled with easy credit access and the entry of global retailers, will keep consumer footfalls and sales momentum strong in the years ahead..

- India's retail sector has staged a strong comeback, rising from **INR 83.5 Tn in FY23 to INR 94.6 Tn in FY24**, supported by buoyant consumer sentiment and renewed traction in offline channels. We expect the market to sustain its growth momentum, touching **~INR 107 Tn in FY25** and **INR 164 Tn by FY28E**, driven by rising disposable incomes, deeper organised retail penetration and accelerating e-commerce adoption
- With lifestyle segments, new category launches and aggressive store additions propelling demand recovery, revenue level has surpassed pre-COVID-19 benchmark. The sector remains a key pillar of India's growth story, poised to **create ~25 Mn new jobs by 2030**

Retail revival anchored by rising incomes and expansion



Source: CareEdge, Choice Institutional Equities

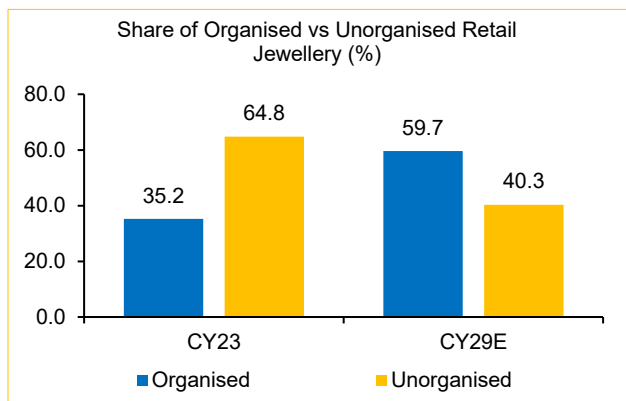


5.2 The Organised Push: Redefining India's B2B Jewellery Ecosystem

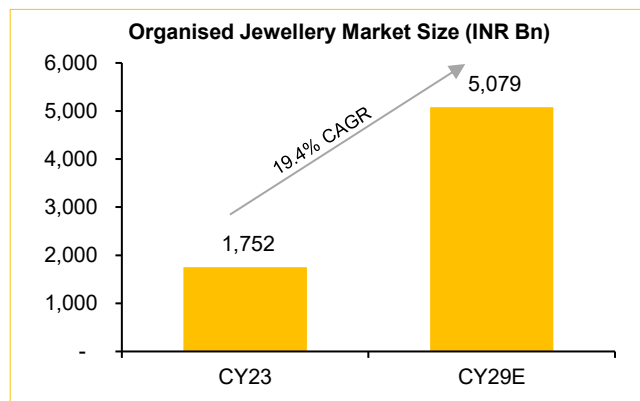
Organised jewellery is set to capture ~60% of India's market by CY29.

- The Indian jewellery segment is highly fragmented and disorganised, with ~64.8% of the market share being unorganised as of CY23. The share of the organised segment is much lower than that in developed markets, such as the US and China.
- Organised jewellery share expanded from 5% in 2005 to 35.2% in CY23, which is expected to rise 59.7% by CY29E, supported by government interventions (mandatory PAN and hallmarking).

Organised share to overtake unorganised by CY29

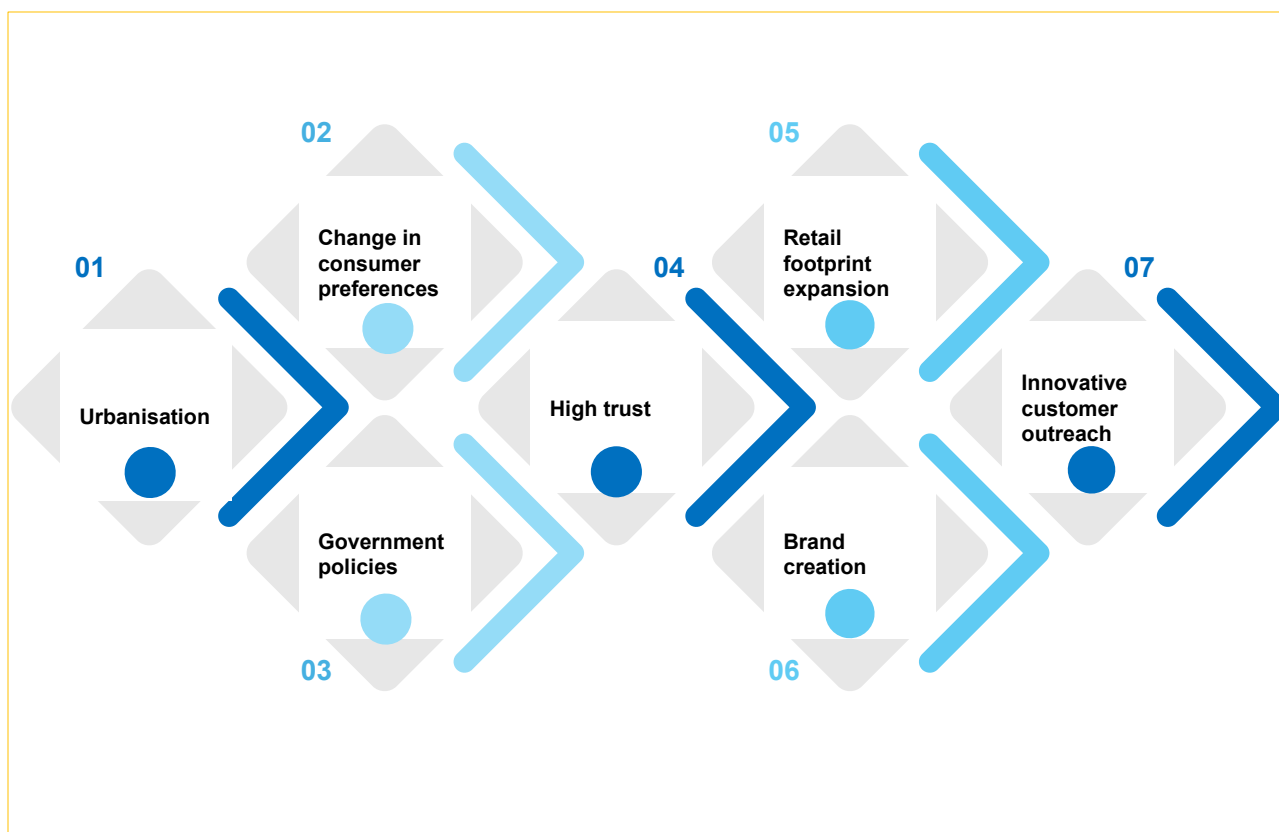


Organised share to almost triple by CY29



Source: CareEdge Research, Choice Institutional Equities

5.3 Growth Drivers in Organised Jewellery Market



Source: Choice Institutional Equities

5.4 Retail Footprint Expansion: A Catalyst for B2B Jewellery Growth

We believe the rapid scaling up of organised jewellery retail chains is structurally positive for B2B gold jewellery manufacturers. It not only ensures greater business visibility and operational stability but also accelerates the sector's formalisation. Over the medium term, B2B players with strong design agility, automation-driven production and compliance-led manufacturing will emerge as preferred partners, benefiting disproportionately from the expansion of organised retail

Retail stores serve as the ultimate consumer touchpoint and, therefore, remain a critical channel for B2B gold jewellery manufacturers. Aggressive expansion of organised jewellery retail chains is reshaping the landscape of India's gold jewellery ecosystem. As leading players, such as **Titan, Kalyan, Malabar and other emerging chains** accelerate their network growth across metros, Tier-2 and Tier-3 cities and overseas markets, they are driving a surge in demand for **consistent, large-scale and design-diverse jewellery supplies**.

The credibility and brand assurance of organised retailers further amplify this momentum. Hallmarked and certified jewellery sourced from reputed retail chains enhances consumer trust, thereby strengthening the positioning and market acceptance of B2B manufacturers' products. Retail expansion, thus, not only drives higher sales volumes but also elevates the **strategic relevance and long-term visibility** for B2B jewellery suppliers.

This growth dynamic translates into a **steady order pipeline**, improved **capacity utilisation** and **longer-term contracts**, reducing manufacturers' reliance on fragmented and unorganised buyers. Simultaneously, organised retailers' emphasis on quality, hallmarking and precision finishing compels B2B players to **invest in design capabilities, manufacturing technology and compliance standards**, ultimately improving their competitiveness.

Expansion by retail chains to aid growth for B2B jewellery manufacturers

Company	State Origin	Stores (India) - Q1 FY26	No. of stores to be added (Q1-Q4 FY26)	Presence
Malabar Gold & Diamond	Kerala	232	60 new stores in FY26 (50-60 India, ~30 global)	Pan India (22 states, 3 UTs by Jun 2025; 13 countries)
Titan (Tanishq)	Tamil Nadu	1,086	Plans to increase its store count to 1,250 across its jewellery brands by FY27	Pan India (247+ cities; 34 states/UTs)
Kalyan Jewellers	Kerala	287 stores (Q1 FY26 end; 300 by Q2)	Continued expansion; 13 added in Q2	Pan India; majority South India
Lalitha Jewellers	Tamil Nadu	50+	Plan to reach 100 stores by 2028	South India (Tamil Nadu, AP, Karnataka, Telangana, Puducherry)
Joyalukkas	Kerala	91	Plan to add 30 more stores in FY26	Pan India; majority South India
PN Gadgil & Sons	Maharashtra	64	20-25 new stores in FY26 (7-9 in Q2 planned)	Maharashtra, Goa; expanding to UP, MP; 1 in USA
PNG Jewellers	Maharashtra	63	20-25 new stores in FY26 (7-9 in Q2 planned); targeting 76-78 by FY26 end	Maharashtra, Goa, UP, MP; 1 store in USA
Senco Gold & Diamonds	West Bengal	186 stores (179 Jewellery + 7 Sennes)	20 new stores planned in FY26 (10 owned, 10 franchisee)	Pan India (17 states + 1 Dubai + East India majority)
Thangamayil Jewellers	Tamil Nadu	64 stores (up from 58 in Q1 FY25)	15 new stores in FY26 (11 more after Q1); targeting 100 by 2028	Tamil Nadu (all 64 stores)

Source: Company, Choice Institutional Equities

5.5 Hallmarking Being Mandatory, A Huge Growth Driver

- **Coverage expansion:** As of November 2024, hallmarking has been mandated in 361 districts across India, with the fourth phase adding 18 more districts
- **Hallmarking unique identification (HUID):** Over 40 crore gold jewellery items have been hallmarked with a unique HUID, ensuring greater trust and transparency for consumers
- **Purity grades:** Hallmarking is mandatory for 14k, 18k, 20k, 22k, 23k, 24k, and, starting July 2025, 9k gold
- **Exemption:** Jewellery weighing less than 2g, export/re-import items, exhibition pieces and Kundan/Polki/Jadau jewellery are exempt from mandatory hallmarking
- **Registration requirements:** Manufacturers, wholesalers and retailers with an annual turnover exceeding INR 4 Mn must register with BIS to sell hallmarked gold jewellery
- **Implementation timeline:** Hallmarking is mandatory across all districts, with the fourth phase commencing on November 5, 2024

BIS hallmarks for gold jewellery consist of several components



Source: Company, Choice Institutional Equities

Sr.	State /UT	Number of gold hallmarking stores	Share in total number of hallmark stores
1	Maharashtra	31,736	17.5
2	West Bengal	30,563	16.8
3	Tamil Nadu	14,553	8.0
4	Gujarat	14,400	7.9
5	Uttar Pradesh	12,066	6.6
6	Rajasthan	8,313	4.6
7	Karnataka	7,976	4.4
8	Kerala	7,103	3.9
9	Delhi	5,931	3.3
10	Andhra Pradesh	5,396	3.0
11	All India	1,81,453	

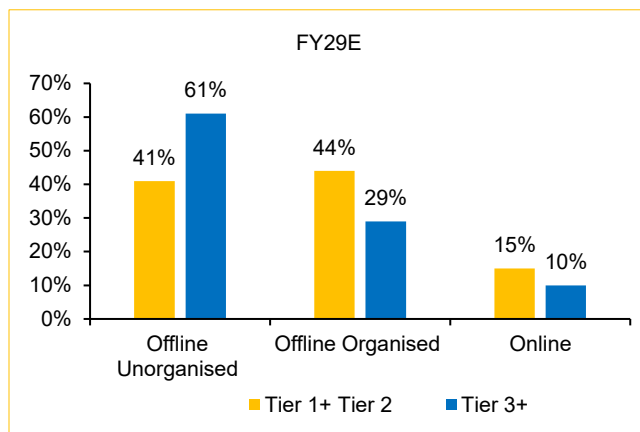
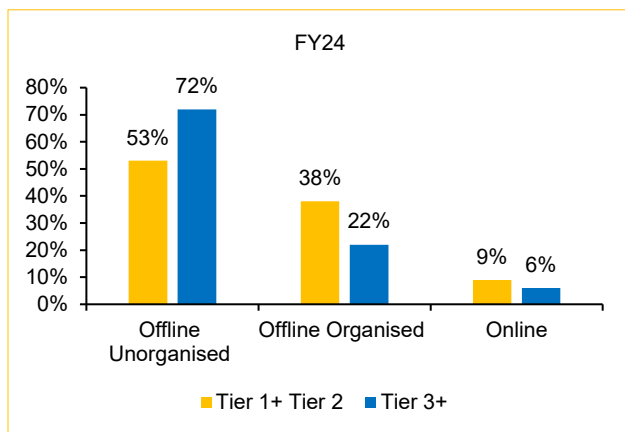
Note: BIS website as accessed on 11th March 2025

Source: Lalithaa DRHP, Choice Institutional Equities

5.6 Digital & Omni-Channel Play to Drive Growth for Retailers

India's jewellery market, long dominated by offline channels, is increasingly moving online. The unorganised segment still drives ~63% of the market, mainly in Tier 3+ cities, but consumers are inclining towards branded players owing to trust and after-sales support. Organised players are projected to capture 43%–47% by 2029, while online channels are expected to grow from 6-8% in 2024 to 11-13%, driven by rising digital adoption across city tiers.

Tier-wise shift in jewellery buying channels



Source: Bluestone DRHP, Choice Institutional Equities

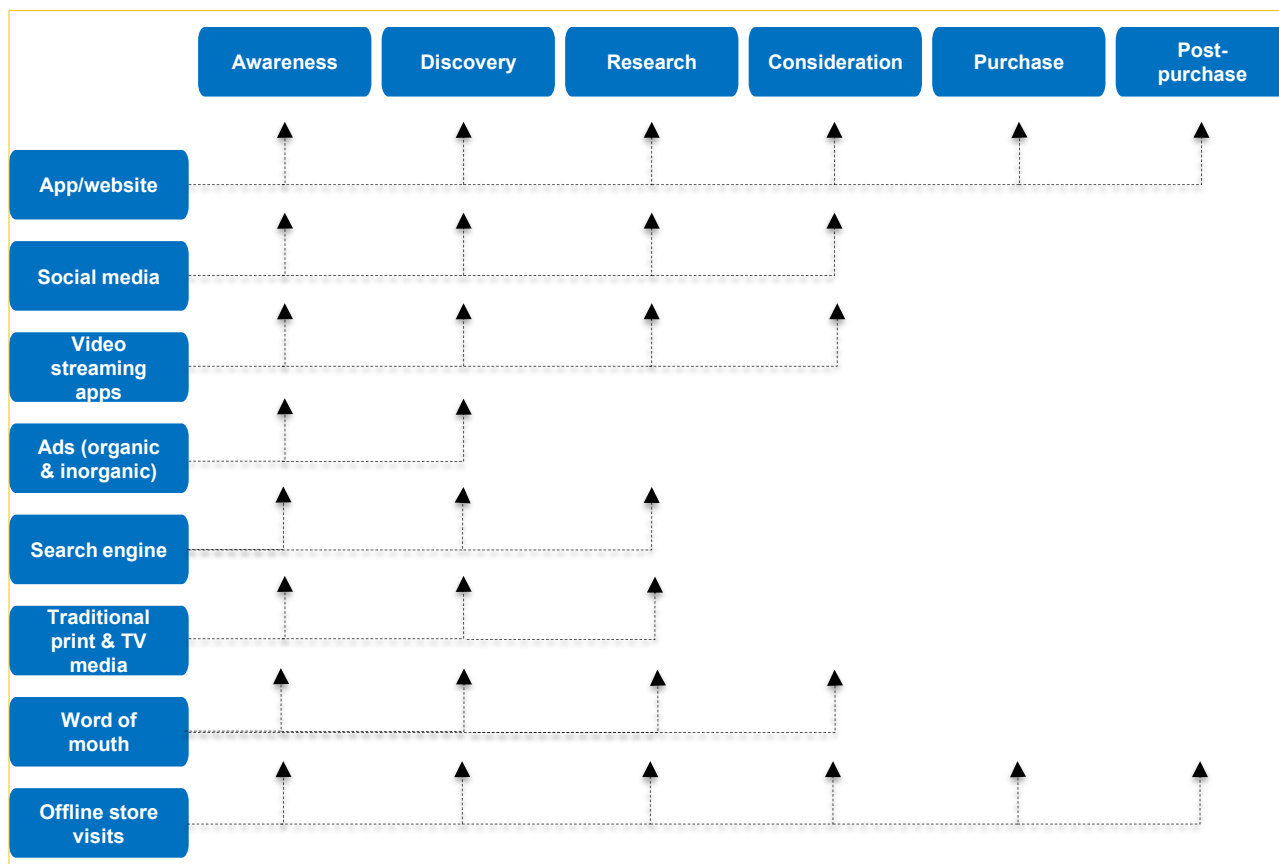
Evolving consumer journey & digital influence

- **Online research drives offline sales:** Customers increasingly research designs, compare prices, and check availability online before visiting physical stores — blurring channel boundaries.
- **Omni channel advantage:** Shoppers using both online and offline channels spend **~2.5x more** than single-channel buyers, underlining the need for seamless integration.
- **Design-led demand:** The modern customer seeks **individuality and constant innovation**, shifting preference toward trend-driven, diverse jewellery designs.
- **Digital engagement surge:** India saw **~24 Bn retail-related searches in 2023**, indicating a strong online validation behaviour before purchase.
- **Data accuracy matters:** Accurate online inventory boosts conversion, as buyers increasingly check stock digitally before store visits.
- **Brand investments rising:** Large Indian companies' **digital ad spends are set to grow 19–20% CAGR (2023–2028)**, from ₹403 bn to INR 960 Bn, signaling deeper digital brand-building focus.

Retail jewellery players must strengthen digital presence through virtual try-ons, influencer collaborations, and real-time inventory visibility.

Omnichannel readiness is key—bridging discovery and purchase seamlessly will be a major differentiator in capturing digitally influenced demand.

5.7 Multiple Drivers Necessitate Backward Integration

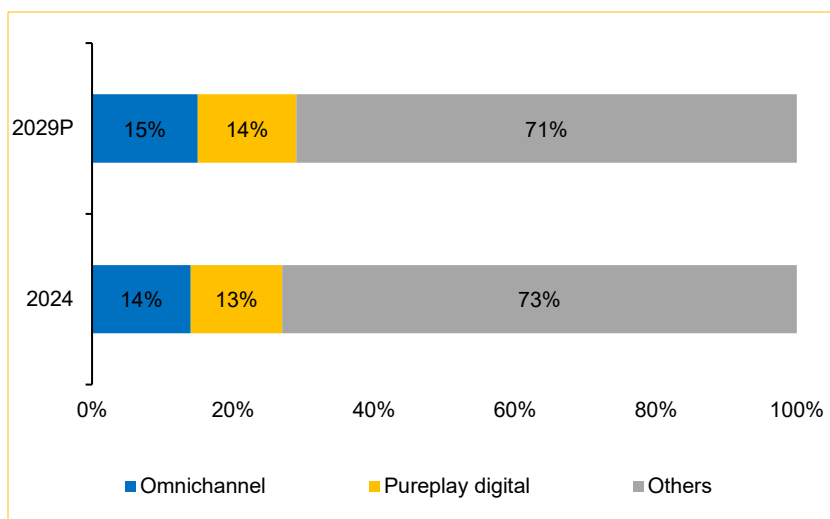


Source: Redseer Research, Choice Institutional Equities

Rapid digital surge in India's retail jewellery market

India's online and online-influenced jewellery market surged nearly 70% between 2021 and 2024 to INR 444 Bn (USD 5 Bn), contributing 6–8% to the total jewellery market. Driven by COVID-led digital adoption, the segment is set to grow at a strong 24–26% CAGR, reaching INR 1.3–1.4 Trn (USD 15–16 Bn) by 2029.

Although B2C players may backward integrate, they are largely dependent on B2B players as they get access to wide range of prevailing design capabilities across geographies



Note: Omnichannel includes both online and offline sales of omnichannel players; Pureplay/ digital are players that operate via their online storefronts only; Others include offline sales of multichannel players

Source: Bluestone DRHP, Choice Institutional Equities

5.8 Challenges and Growth Potential of Omni-Channel Jewellery in India

Challenges and growth potential of omni channel jewellery in India

Building a true Omni channel experience in India's jewellery sector is challenging due to diverse SKUs, high-value authentication needs, and complex inventory coordination across online and offline channels. Leading jewellery players have addressed these challenges with tech-enabled integration, unified inventory, and personalised service, achieving high GMROI. Despite India's online jewellery penetration at 5–7% in 2024—below China (8–10%) and the US (10–13%)—the sector has significant growth potential, driven by rising consumer trust and expanding Omni channel strategies.

Customer decision drivers across omnichannel, multichannel, pureplay digital, and traditional retail models

Metrics	Omnichannel	Multichannel	Pureplay digital	Traditional	
Brand reliability					5
Service ability					
Ease of online discoverability					
Design variety					4
Transparent pricing					
Touch & feel					
In-person purchase support					3
Ease of selection					
Quality assurance					
Product info availability					2
Fulfilment timelines					
Schemes and policies					
After-sales support					1
Customization options					
Additional support					
Conversion rate					
Repeat rate					
Customer data focus					

Source: Redseer Research, Choice Institutional Research

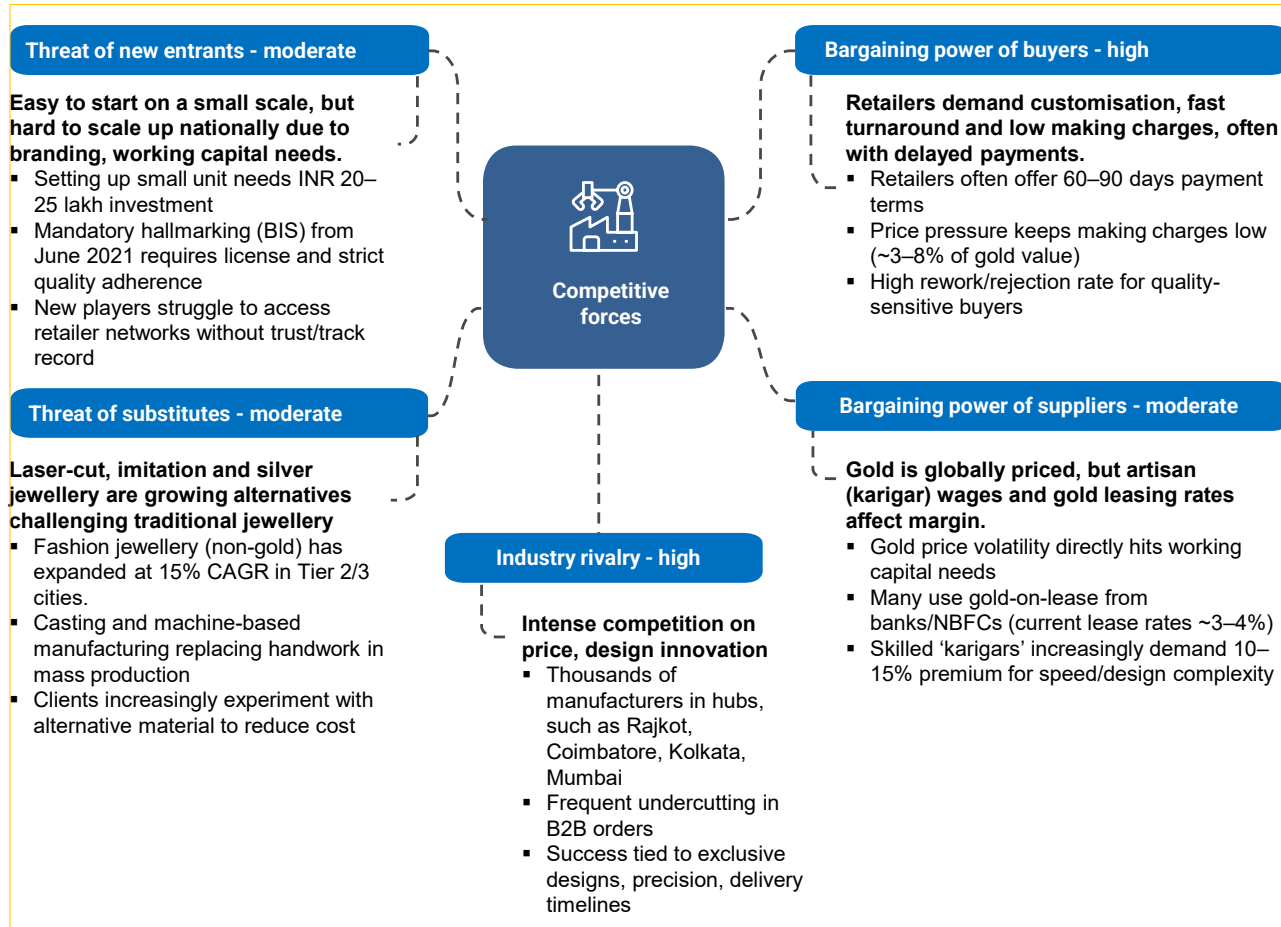
Competitive Landscape



6. Competitive Landscape

6.1 Competitive Intensity in the B2B Jewellery Market

Elevated buyer power and rivalry drive competitive pressures in gold jewellery manufacturing industry



To emerge as a winner in the highly competitive B2B gold jewellery market, a company must focus on:

- Establishing strong relationships with organized retailers and exporters
- Achieving tight control over gold rotation and working capital
- Strong design innovation and differentiation

6.2 Relative Analysis

Operational Metrics

Companies	Existing capacity	Cash conversion days	% of export	B2B share	Regional focus	Product categories
Shringar House of Mangalsutra Ltd.	2500 kgs	63	1.4%	100%	Pan India	24k/22k/18k/14k Mangalsutra
Shanti Gold Ltd.	2700 kgs	87	7.8%	100%	South & West & North	22k studded Bridal jewellery
Sky Gold Ltd.	9000 kgs	88	8.0%	100%	North	22k Plain & studded jewellery
Utssav CZ Gold Jewels Ltd.	1500 kgs	62	4.7%	100%	West	22k/20k/18k Light weight studded jewellery
RBZ Jewellers Ltd.	2000 kgs	260	2.0%	70%	South & West	22k Bridal and 18k daily wear

Source: Bloomberg, Sceener.in

Financial Metrics

Companies	FY25 Revenue (INR Bn)	FY25 EBITDA (INR Bn)	FY25 PAT (INR Bn)	Revenue CAGR (FY22-25)	EBITDA CAGR (FY22-25)	PAT CAGR (FY22-25)	FY25 EBITDA Margin	FY25 PAT Margin %	FY25 EPS	ROE % FY25	FY25 ROCE %
Shringar House of Mangalsutra Ltd.	14.3	0.9	0.6	20.8%	46.3%	44.5%	6.5%	4.3%	8.5	36.2%	31.7%
Shanti Gold Ltd.	11.1	0.9	0.5	37.2%	69.3%	156.7%	8.3%	5.0%	10.3	44.8%	25.3%
Sky Gold Ltd.	35.5	2.0	1.3	65.3%	114.0%	98.5%	5.5%	3.7%	9.0	28.6%	23.4%
Utssav CZ Gold Jewels Ltd.	6.5	0.4	0.2	73.8%	86.6%	102.7%	6.0%	3.9%	10.5	30.9%	21.5%
RBZ Jewellers Ltd.	5.3	0.6	0.4	28.1%	33.3%	40.7%	12.1%	7.4%	9.7	17.2%	20.2%

Source: Bloomberg, Sceener.in

Valuation Metrics

Companies	CMP	Mcap (in INR Bn)	TTM PE	Current EV (in INR Bn)	Current EV/EBITDA	Price/Sales	Trailing PEG Ratio	Debt/Equity
Shringar House of Mangalsutra Ltd.	232	22.4	30.8	23.6	25.5	1.6	0.7	0.6
Shanti Gold Ltd.	245	17.7	24.8	20.0	20.5	1.6	0.2	1.6
Sky Gold Ltd.	358	55.2	35.6	59.8	22.4	1.4	0.3	0.9
Utssav CZ Gold Jewels Ltd.	271	6.5	14.5	7.2	10.4	0.8	0.2	1.0
RBZ Jewellers Ltd.	149	5.9	16.2	6.8	10.8	1.1	0.4	0.4

Note: CMP as on Nov 3, 2025

Source: Bloomberg, Sceener.in

Initiating Coverage



**SHRINGAR
HOUSE OF
MANGALSUTRA
LTD.
(SHRINGAR)**

**Scaling Mangalsutra
Leadership Through
Strong Brand Alliances**



Shringar House of Mangalsutra (SHRINGAR)

Nov 04, 2025 | CMP: INR 232 | Target Price: INR 295

Sector View: Positive

BUY

Expected Share Price Return: 27.0% | Dividend Yield: 0.0% | Expected Total Return: 27.0%

**Company Information**

Shringar House of Mangalsutra Limited is a jewellery company specialising in the design and manufacture of 'mangalsutras' – a culturally significant segment in India's gold jewellery market. The company operates primarily on a B2B model, catering to corporate clients, wholesale jewellers and retailers with a diverse range of designs, weights and price points.

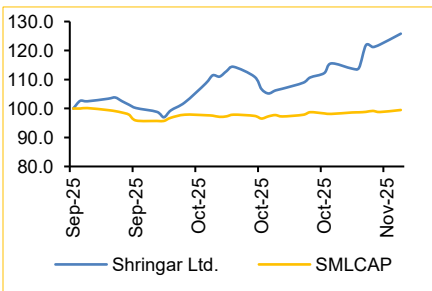
BB Code	SHRINGAR
ISIN	INE1B3L01017
Face Value (INR)	10.0
52 Week High (INR)	235.0
52 Week Low (INR)	177.4
Mkt Cap (INR Bn)	22.4
Shares o/s (Mn)	96.4
Free Float	17.6%

Shareholding Pattern (%)

	Sep-25
Promoters	74.8
FIIs	3.9
DII	3.8
Public	17.5

Relative Performance (%)

	45 Days	30 Days	15 Days
SMLCAP	(0.5)	1.7	2.3
SHRINGAR	25.8	23.2	17.8

Rebased Price Performance**Ashutosh Murarka**

Email: Ashutosh.murarka@choiceindia.com
Ph: +91 22 6707 9521

Heet Chheda

Email: heet.chheda@choiceindia.com
Ph: +91 22 6707 9233

Links[Bull Bear Case](#)[Management and Plant Visit](#)[Investors Concerns Answered](#)

Category leader in growing market: SHRINGAR, a leading player in the mangalsutra segment, holds a 6% market share in 2023, projected to rise to 10% over the next 1-2 years, far ahead of competitors with less than 1-2% share. Supported by steady wedding volumes (10–12 Mn annually) and rising wedding spends, SHRINGAR is poised to gain from consumers' shift toward organised, hallmark-certified brands. With its extensive distribution network, superior craftsmanship and strong brand trust, the company is well-positioned to capture growing demand and reinforce its market leadership.

Hub-and-spoke model to increase penetration and enable faster gold rotation: SHRINGAR is expanding its pan-India supply chain to capture demand from unorganised and underserved tier-2 to tier-4 markets. Moving beyond its direct supply model, it now partners with third-party facilitators to reach new customers. The company has expanded to six cities, identified 42 more, and onboarded 11 facilitators. Under this model, SHRINGAR bills customers directly, while facilitators showcase around 5 kg of inventory to display designs and leverage its strong brand to drive sales.

Trusted by India's leading B2C jewellery brands: SHRINGAR strong B2B positioning is reinforced by its long-standing relationships with India's top jewellery brands, including Titan (Tanishq), Malabar Gold, Joyalukkas and Kalyan Jewellers. With customer associations spanning 10–15 years, the company enjoys deep trust and repeat business from reputed national and regional players. Partnership with Titan, India's largest branded jeweller, underscores SHRINGAR strong design, quality and compliance capabilities. Its diversified customer base mitigates concentration risk, ensuring revenue stability.

View & Valuation: We believe SHRINGAR is poised for a growth phase, supported by the increasing share of organised market. This positions the company for robust financial performance, with Revenue/EBITDA/PAT expected to expand at a CAGR of 51.3%/34.1%/36.0% over FY25–28E. We value the company using the DCF approach. We initiate coverage with a target price of INR 295, with a 27.0% upside and a BUY rating. This equates to an implied PE of 21x (Base case – we have assumed gold price at INR 10.5 Mn/kg for FY26, against the prevailing gold price of 12.4 Mn/kg) and a PEG ratio of 0.58.

Key risks to the investment case:

Working capital intensive: The model requires heavy upfront investment in gold with delayed client payments; limited financing access could strain liquidity and slow growth.

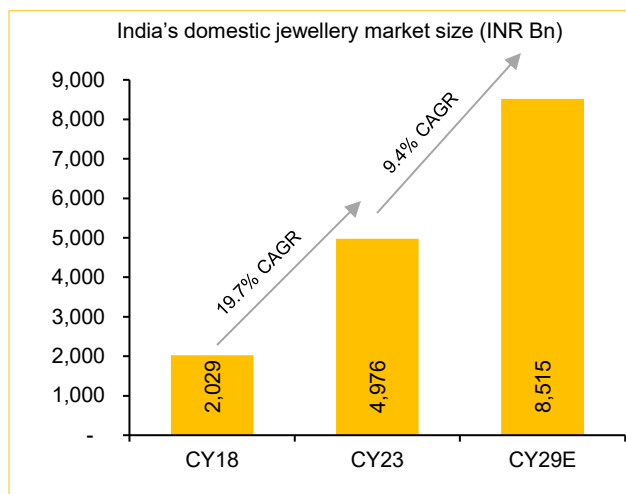
Product concentration: Revenue reliance on Mangalsutras poses risk from shifting trends. With competencies in the bridal market, the company may explore opportunities in wider bridal segment.

Upcoming triggers: Shifting to a larger facility (2-3x of the current facility), setting up a regional office in Pune, which will cater to the demand from Marathwada and Vidarbha regions.

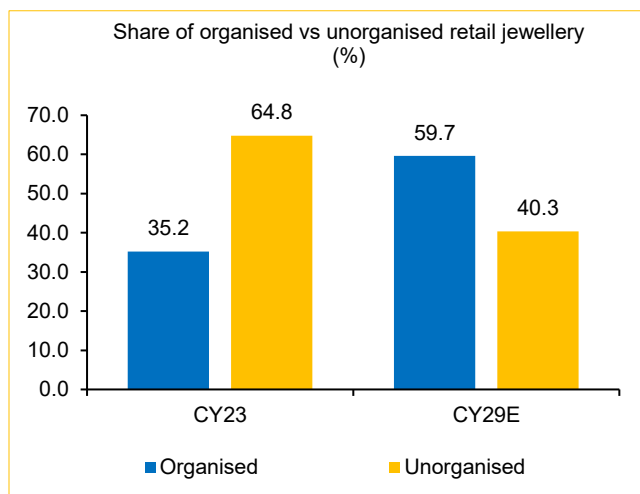
Key Financials - IND AS

INR Mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	9,502	11,015	14,298	23,291	38,798	49,563
YoY (%)	17.3	15.9	29.8	62.9	66.6	27.7
EBITDA	378	496	923	1,358	1,702	2,224
YoY (%)	28.3	31.1	86.2	47.1	25.3	30.7
EBITDAM %	4.0	4.5	6.5	5.8	4.4	4.5
RPAT	234	311	611	929	1,152	1,539
EPS (INR)	3.2	4.3	8.5	9.6	11.9	16.0
ROE %	24.8	25.6	36.2	21.6	16.1	18.1
ROCE %	19.4	21.4	31.7	23.7	18.7	20.5
PE (x)	51.0	38.3	19.5	24.1	19.4	14.5

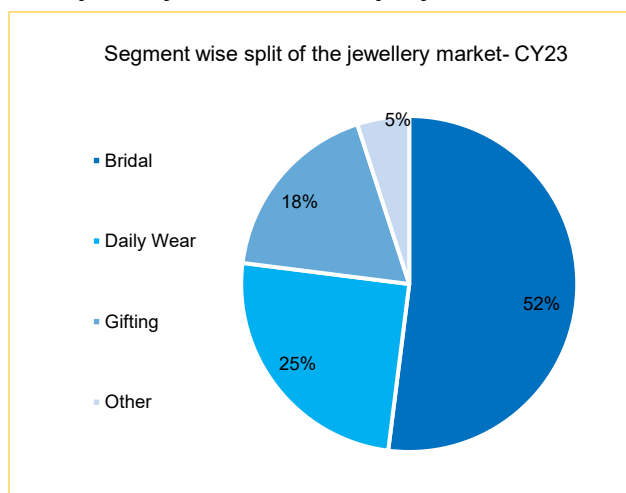
Source: Shringar, Choice Institutional Equities

India's jewellery market poised for strong growth

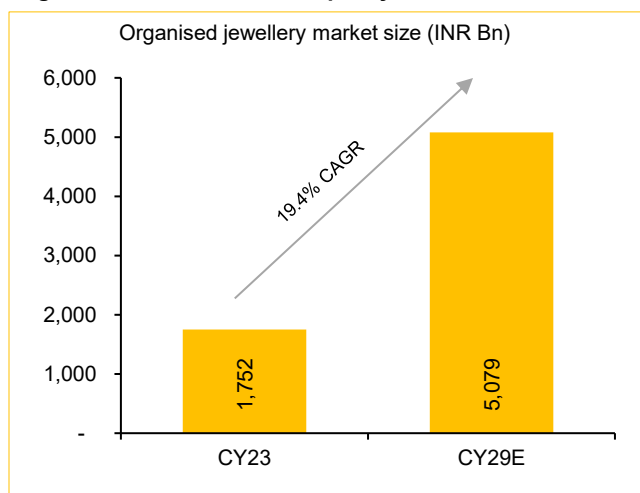
Source: CareEdge Research, Choice Institutional Research

Organised share to overtake unorganized share by CY29

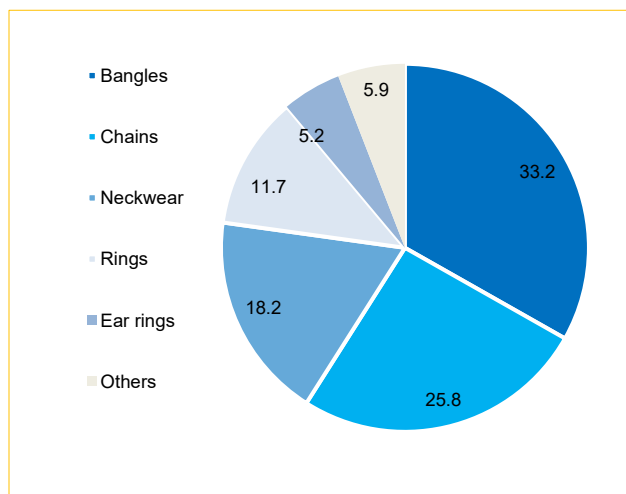
Source: CareEdge Research, Choice Institutional Research

Bridal jewellery accounts for a majority market share

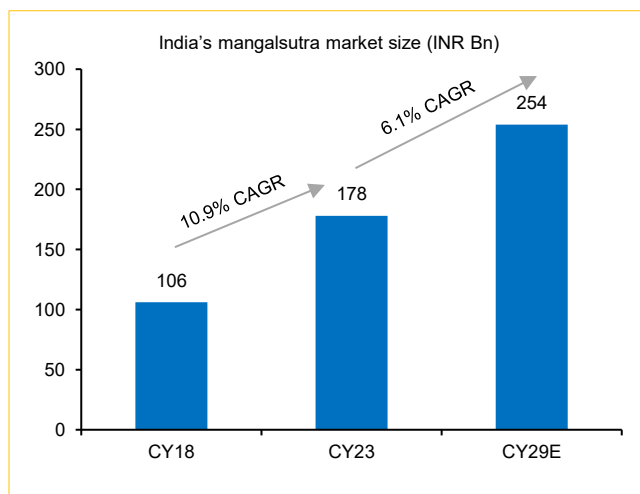
Source: CareEdge Research, Choice Institutional Research

Organised share to almost triple by CY29

Source: CareEdge Research, Choice Institutional Research

Product-wise split in jewellery market- CY23

Source: CareEdge Research, Choice Institutional Research

Culturally anchored, structurally growing segment

Source: CareEdge Research, Choice Institutional Research

7.2 Investment Rationale :

7.2.1 Category Leader in Growing Market

SHRINGAR, a leading player in the mangalsutra segment, **holds a 6% market share in 2023, projected to rise to 10% over the next 1-2 years**, far ahead of competitors with less than 1-2% share. **Supported by steady wedding volumes (10–12 Mn annually)** and rising wedding spends, SHRINGAR is poised to gain from consumers' shift toward organised, hallmark-certified brands. With its extensive distribution network, superior craftsmanship and strong brand trust, the company is well-positioned to capture growing demand and reinforce its market leadership.

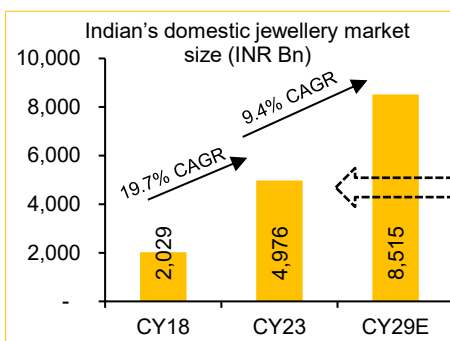
Consistent B2B demand anchored in culture and weddings

Cultural & wedding demand: Gold jewellery remains essential in Indian weddings and traditions, reinforcing its role as both, a cultural and financial asset.

Shift to organised retail: Consumers are moving from unorganised to organised players, driven by trust in quality, hallmarking and branded offering.

Market expansion drivers: Rising disposable income and growing demand from Tier 2/3 cities are propelling growth, benefiting organised manufacturers with strong design, quality and delivery capabilities.

Indian's jewellery market poised for strong growth

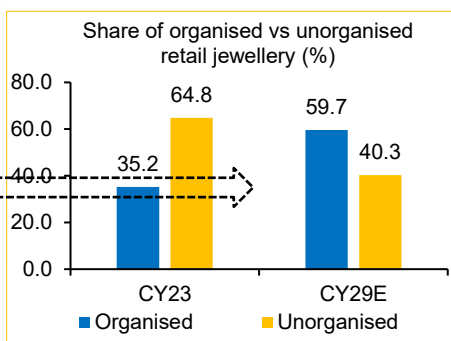


Source: CareEdge Research, Choice Institutional Research

While India's gold jewellery market is expected to grow at a 9.4% CAGR from CY23-29, this growth is likely to be led by a mix of gold price increase and volume increase.

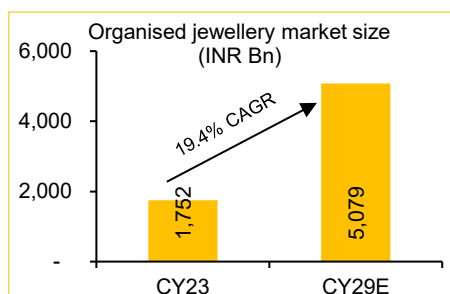
The organised jewellery players are poised for significant growth, led by the shift from unorganised to organised, which is set to capture almost 60% of India's jewellery market by FY29E.

Organised share to overtake unorganised share by CY29



Source: CareEdge Research, Choice Institutional Research

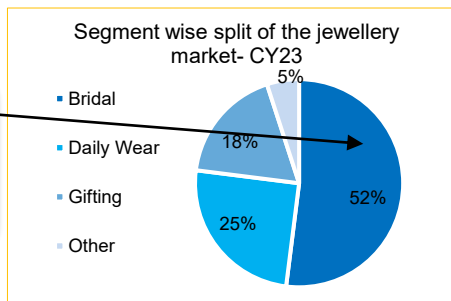
Organised share to almost triple by CY29



Source: CareEdge Research, Choice Institutional Research

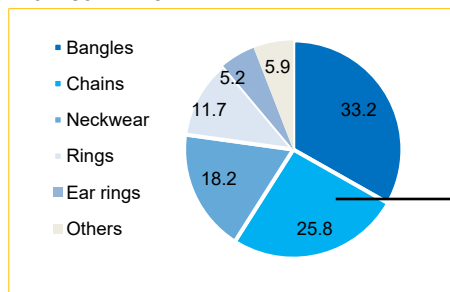
Considering the expertise and well-established name in the bridal segment (mangalsutra), in future, the company may explore opportunities in wider bridal segment.

Bridal jewellery accounts for a majority market share



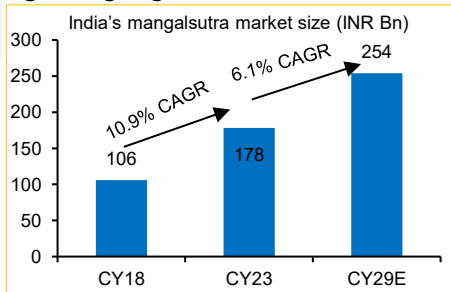
Source: CareEdge Research, Choice Institutional Research

Product-wise split in jewellery market- CY23



In CY23, Shringar held 6% market share of the Mangalsutra segment, which is expected to reach 10% by CY26.

Culturally anchored, structurally growing segment



Note: Shringar also manufactures other products, such as Rudraksh & Tulsi Mala, Ring Mangalsutra, Bracelets Mangalsutra

Source: CareEdge Research, Choice Institutional Research

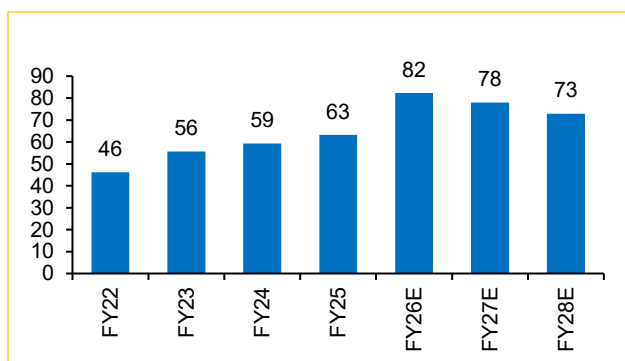
7.2.2 Hub-and-Spoke Model to Increase Penetration

SHRINGAR is expanding its **pan-India supply chain to capture demand from unorganised and underserved tier-2 to tier-4 markets**. Moving beyond its direct supply model, it now partners with third-party facilitators to reach new customers. **The company has expanded to six cities, identified 42 more, and onboarded 11 facilitators**. Under this model, SHRINGAR bills customers directly while facilitators showcase around 5 kg of inventory to display designs and leverage its strong brand to drive sales.

Sets the stage for penetration and faster rotation in the global price scenario and enables better working capital days:

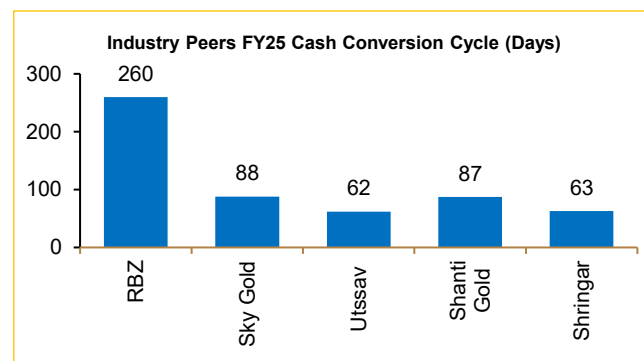
Efficient working capital management: SHRINGAR's superior cash conversion cycle of 63 days sets the stage for deeper market penetration and faster inventory rotation, allowing the company to swiftly respond to global price fluctuations and capture emerging demand opportunities.

SHRINGAR cash conversion cycle from FY22- FY28E



Source: SHRINGAR, Choice Institutional Equities

SHRINGAR cash conversion cycle compared to its peers (FY25)

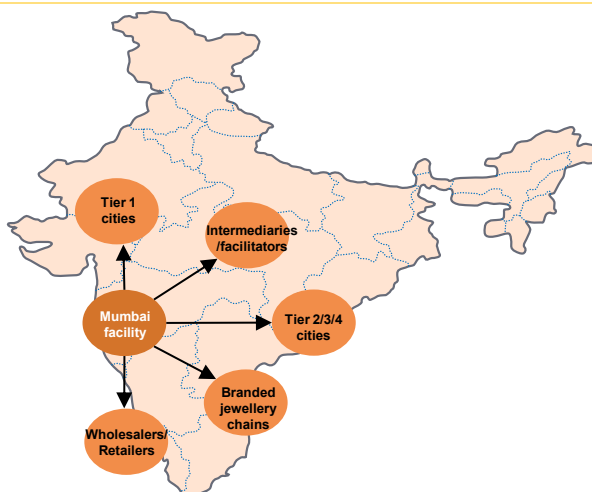


Source: Screener, Choice Institutional Equities

For efficient gold rotation, the company will focus on strategic hub-and-spoke expansion:

Establishing a pan-India supply chain network so as to capture the unorganised and untapped domestic markets:

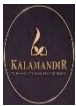
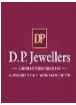
- SHRINGAR is partnering with third-party facilitators to cater to the unorganised markets in the tier 2/3/4 cities, a shift from the current direct supply approach, where clients visit its facility or they engage at exhibitions.
- The company has already expanded to 6 cities and has identified 42 cities nationwide for this expansion and has made arrangements with 11 third-party facilitators.
- SHRINGAR will engage in direct billing with the customers and the facilitators will act as intermediaries for the transaction.
- These facilitators will hold 5 kgs of inventory for targeting potential clients with their design portfolio and leveraging SHRINGAR strong brand identity.



7.2.3 Trusted by India's Leading B2C Jewellery Brands

SHRINGAR strong B2B positioning is reinforced by its long-standing relationships with India's top jewellery brands, including **Titan (Tanishq)**, **Malabar Gold**, **Joyalukkas** and **Kalyan Jewellers**. With customer associations spanning 10–15 years, the company enjoys deep trust and repeat business from reputed national and regional players. Partnership with **Titan**, India's largest branded jeweller, underscores SHRINGAR strong design, quality and compliance capabilities. Its diversified customer base mitigates concentration risk, ensuring revenue stability.

SHRINGAR's customer profile is its key strength, underpinning its growth prospects and revenue stability. Operating exclusively in the B2B segment, the company supplies to leading national and regional jewellery retailers.

Source: SHRINGAR, Choice Institutional Equities

This marquee portfolio of reputed, market-leading clients, especially Titan, India's largest branded jewellery retailer and owner of the Tanishq brand, as a customer, serves as a significant credibility marker for Shringar. Supplying to a highly quality-conscious and compliance-driven organisations, such as Titan demonstrates Shringar's ability to meet stringent standards in design consistency, purity and production timelines.

Top Customers	% of total revenue	No. of years relationship
Malabar Gold And Diamonds Ltd.	15.3	11 Years
Purushottam Narayan Gadgil Saraf & Jewellers	8.7	12 Years
RB Jewellers Private Ltd.	1.9	10 Years
Kubde Jewellers Pvt. Ltd.	2.3	15 Years
P N Gadgil Jewellers Ltd.	2.1	12 Years

Source: SHRINGAR, Choice Institutional Equities

7.3.1 Key Risks

- **Working capital-intensive business:** The business is inherently working-capital intensive due to the need to hold gold inventory and support distributor credit cycles. However, SHRINGAR's strong brand recall, efficient inventory turnover and disciplined gold procurement practices help manage this efficiently, supporting steady liquidity and operational flexibility.
- **Product concentration:** The company's revenue is concentrated in *mangalsutras*, exposing it to demand or trend shifts. However, the company may expand into the bridal segment, offering an optional growth avenue, though execution remains a key monitorable.

7.3.2 View & Valuation

We believe SHRINGAR is poised for a growth phase, supported by supported by the increasing share of organised market. This positions the company for robust financial performance, with Revenue/EBITDA/PAT expected to expand at a CAGR of 51.3%/34.1%/36.0% over FY25–28E. We value the company using the DCF approach. We initiate coverage with a target price of INR 295, having a 27.0% upside and a BUY rating. This equates to an implied PE of 21x (Base case – we have assumed gold price at INR 10.5 Mn/kg for FY26, against the prevailing gold price of 12.4 Mn/kg) and a PEG ratio of 0.58.

7.3.3 DCF Valuation

Key Assumptions

Particular	
WACC (%)	9.5
Terminal Growth Rate (%)	3.5
Cost of Equity (%)	10.6
PV of FCFF	3,133
Terminal Value	61,160
PV of Terminal Value	26,151
EV	29,284
Less: Net Debt	1,062
Equity Value	28,222
Equity Value Per Share	295

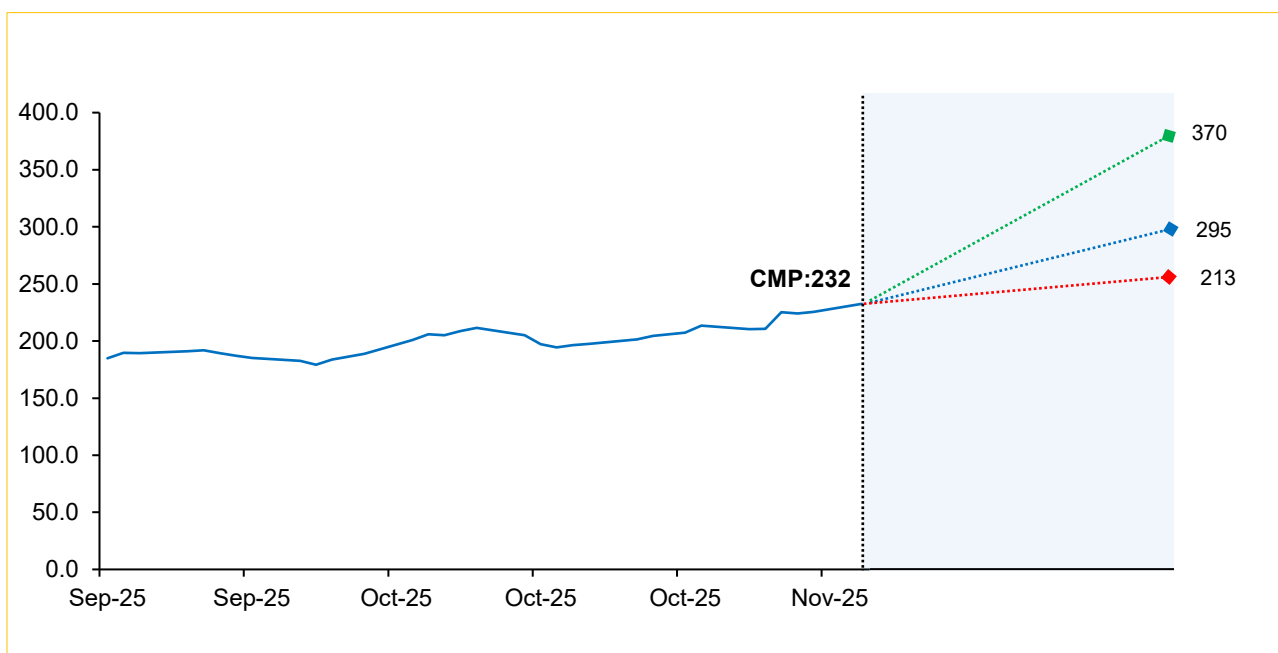
Note: We assign a terminal value growth of 3.5%, a discount to India's GDP forecast over the next two years (6-7%). Given the growth driven by shift from unorganised to organised, we believe our estimate is conservative and represents a sustainable rate the business can maintain over the long-term.

Sensitivity Analysis

	Terminal growth rate					
		2.5%	3.0%	3.5%	4.0%	4.5%
WACC	8.5%	321	349	384	425	478
	9.0%	284	308	335	368	408
	9.5%	253	272	295	321	353
	10.0%	227	243	261	282	308
	10.5%	204	217	232	250	270

Source: SHRINGAR, Choice Institutional Equities

7.3.4 Bull and Bear Case



Source: Factset, Choice Institutional Equities



INR 370
59.4% Upside

BULL Assumptions

- Improvement in gold price by 10% every year
- Change in gold price impacts volume, while overall value improvement drives revenue growth and better margin
- ~55.9% net revenue CAGR over FY25–28E



INR 295
27.0% Upside

BASE Assumptions

- We have considered flat INR 10.5 Mn/kg gold price (prevailing gold price is 12.4 Mn/kg) for FY26
- ~51.3% net revenue CAGR over FY25–28E



INR 213
(8.1)% Upside

BEAR Assumptions

- We have assumed 10% decline in gold price in FY27E and 5% decline in FY28E
- ~42.6% net revenue CAGR over FY25–28E

7.3.5 Investor Concerns Answered

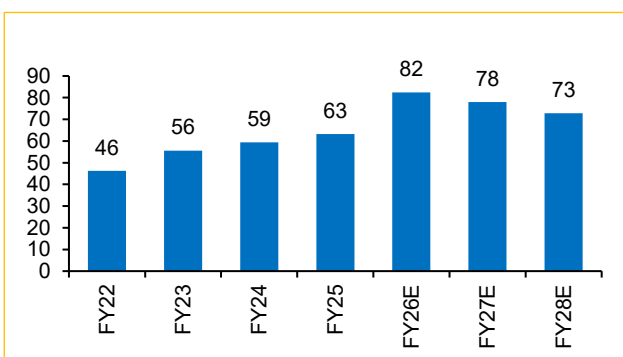
➤ **How big is the 'Managalsutra' market in India? And, what is SHRINGAR's positioning?**

- Focussed leadership in 'mangalsutras,' a core wedding jewellery item
- Mangalsutra market is expected to expand at a CAGR of 6.1%, from INR 178Bn in CY23 to INR 303Bn in CY32
- With the ongoing shift from the unorganised to the organised segment, **SHRINGAR is poised to capture a 10% market share over the next 1-2 years.**
- Strong relationships with large retailers, such as Titan, Reliance, Malabar, Kalyan Jewellers, P.N. Gadgil Jewellers and D.P. Abhushan Jewellers

➤ **How is the company's working capital cycle and how does it impact growth?**

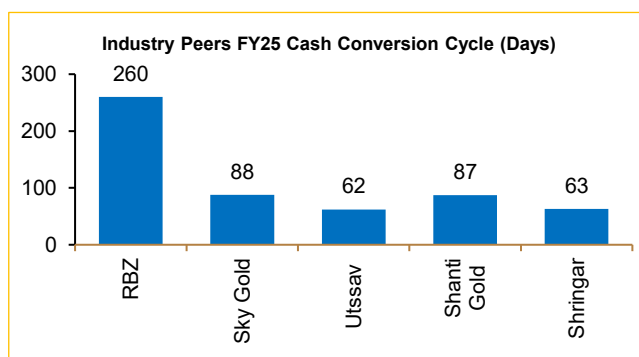
- Operates in a working capital-intensive industry with high gold inventory, ~10,000 designs and trade credit to B2B clients
- Maintains one of the most efficient cycles among listed jewellery peers, with a 63-day cash conversion cycle
- Efficiency enables faster fulfilment, larger order handling and better service in peak season
- Core manufacturing in place; working capital is the main lever for top line growth
- Targeting B2B distribution expansion in 42 cities
- Capital efficiency and focussed deployment boost growth potential and returns

SHRINGAR cash-conversion cycle from FY22–FY28E



Source: SHRINGAR, Choice Institutional Equities

SHRINGAR cash conversion cycle compared to its peers (FY25)



Source: SHRINGAR, Choice Institutional Equities

➤ **Is the demand for mangalsutras consistent throughout the year, or is it seasonal?**

- Demand is both, seasonal and recurring
- Sales peak during major wedding seasons (Oct–Jan, Feb–Mar) and festivals (Akshaya Tritiya, Diwali, Dussehra)
- Steady, non-seasonal revenue from gifting, anniversaries and lighter daily-wear designs
- Retailers restock ahead of peak periods, giving SHRINGAR volume visibility
- Cultural significance ensures a stable base demand year-round

7.3.5 Key investor concerns

- **Does SHRINGAR have a hedging policy to manage gold price volatility and how would a sharp rise or fall in gold prices affect SHRINGAR?**
 - SHRINGAR does not maintain a formal gold price hedging policy, the company effectively manages short-term volatility through **natural hedging mechanisms**, such as daily gold rate-linked pricing and **just-in-time procurement**, ensuring minimal inventory risk.
 - SHRINGAR also works with big brands like Titan, Reliance, etc on advance gold which is approximately 40-50% of the total volume.
 - Instead of purchasing gold upfront, SHRINGAR prudently avails **Gold Metal Loans**, borrowing gold by weight for manufacturing and returning equivalent gold later — making this a **fungible, low-cost substitute for conventional debt**, improving capital efficiency and liquidity management.
 - SHRINGAR's **pass-through mechanism** (advance gold) enables it to transfer gold price movements to clients, thereby safeguarding operating margins and ensuring stability despite price fluctuations.

- **What is the Company's succession plan and how is the leadership transition being managed?**
 - The Company is presently led by Mr. Chetan N. Thadeshwar, Chairman and Managing Director, who brings over four decades of rich experience and strategic vision to the jewellery business.
 - His sons, Mr. Viraj C. Thadeshwar (CEO) and Mr. Balraj C. Thadeshwar (COO), are actively involved in key leadership roles, contributing to operations, strategy, and business expansion.
 - Under the continued guidance and mentorship of Mr. Chetan N. Thadeshwar, both are expected to further strengthen their leadership capabilities and drive the Company's growth and excellence in the coming years.

Key Insight from Management Meeting and Facility Visit

We had the opportunity to meet with **Mr. Chetan Thadeshwar (Chairman & Managing Director)**, **Mr. Viraj Thadeshwar (CEO)**, **Mr. Balraj Thadeshwar (COO)**, and **Mr. Ritish Doshi (CFO)**. Additionally, we visited the company's **8,300 sq. ft. manufacturing facility in Lower Parel, Mumbai**, and interacted extensively with the management team.

Key takeaways from our interactions are as follows:

Shifting to new facility: SHRINGAR's plans to relocate its manufacturing unit to Kandivali, with the new facility being nearly 2–3 times larger than the current one. The upcoming unit will span ~20,000-30,000 sq. ft., compared to the existing 8,300 sq. ft. facility.

Expansion to strengthen regional presence: SHRINGAR's is setting up a regional office in Pune to cater to the growing demand from the Marathwada and Vidarbha regions.

Strong and enduring B2B footprint: SHRINGAR's robust B2B positioning is anchored in longstanding partnerships—with India's leading jewellery brands such as Titan Company Limited (Tanishq), Malabar Gold & Diamonds, Joyalukkas India Limited and Kalyan Jewellers India Limited—many of which span 10 to 15 years.

Launch of India's first 24K HUID hallmarked mangalsutra collection: At the prestigious IJS Expo, SHRINGAR unveiled the *24K Shuddh Collection* — among the nation's first 24K HUID-hallmarked mangalsutra ranges. Crafted in 995 fineness and certified by BIS, the collection reimagines the mangalsutra as both a timeless cultural emblem and a pure 24K investment, seamlessly blending tradition with modern consumer aspirations.

Focused growth strategy with new product launch: Management expressed strong confidence in the sustained growth of the mangalsutra market, emphasising no immediate plans to diversify into other bridal jewellery segments. However, they remain open to exploring such opportunities in the future if market dynamics warrant. Additionally, the company announced the launch of a new product line — *diamond mangalsutras* — expanding its premium offerings within the core category.

Expanding reach through facilitator network: SHRINGAR is transitioning from its direct supply model to a facilitator-led approach to tap into unorganised tier 2/3/4 markets. It has expanded to six cities, identified 42 more, and partnered with 11 facilitators who will hold ~5 kg of inventory to showcase designs and drive customer engagement. Under this model, SHRINGAR will continue direct billing with customers while facilitators act as intermediaries.

The company is targeting expansion in tier 2, 3 and 4 cities to enhance market reach by transitioning from a direct supply model to a facilitator-led approach.



Source: SHRINGAR, Choice Institutional Equities



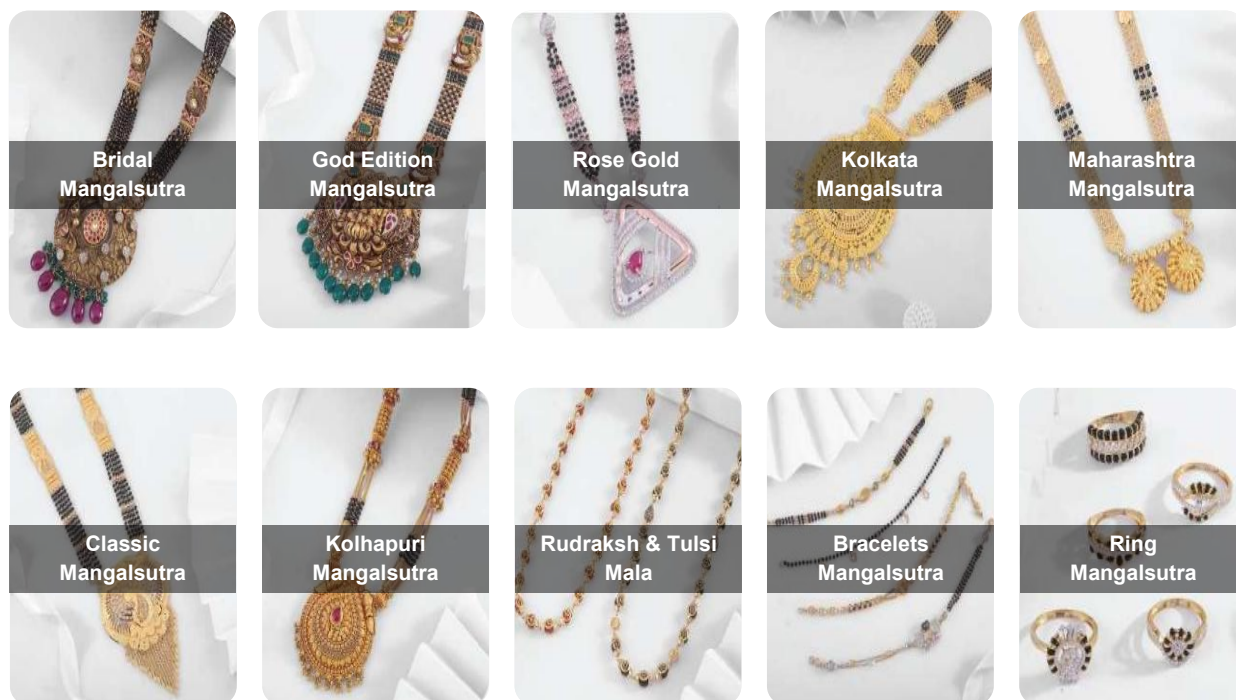
Source: SHRINGAR, Choice Institutional Equities

7.5.1 Business Overview

SHRINGAR is a focussed jewellery company specialising in the design and manufacture of 'mangalsutras,' a core and culturally significant category in Indian gold jewellery. Established in 2009 and headquartered in Mumbai, the company has built a strong presence in this niche by offering a wide range of products across designs, weights and price points. SHRINGAR operates predominantly on a Business-to-Business (B2B) model, supplying its products to corporate clients, wholesale jewellers and retailers.

➤ **Product portfolio: Focused portfolio, diversified designs, distinct occasion-driven offerings**

- Focussed portfolio around gold mangalsutras – a culturally significant, high-repeat jewellery category
- SHRINGAR offers designs in 18k and 22k gold with 10,000+ active SKUs across 15+ curated collections. The company also plans to introduce products in lower karats like 14k and 9k, enhancing affordability and expanding its customer base.
- Studded with American diamonds, cubic zirconia, pearls, mother-of-pearl and semi-precious stones
- Covers multiple occasions – daily wear, weddings, anniversaries and festivals
- Styles span traditional, contemporary, bridal and Indo-Western themes.
- Company also manufactures items, such as ring 'mangalsutra,' 'tulsi' and 'rudraksh' mala and bracelets 'mangalsutra.'



Source: SHRINGAR, Choice Institutional Equities

7.5.2 Customer Network: 24 States Served, Global Clients, Renowned Client Roster

The company's network includes corporate clients, wholesale jewellers and retailers. SHRINGAR serves clients in 24 states and 4 union territories in India. The company has also expanded its reach internationally, with clients in the UK, New Zealand, the UAE, the US and the Republic of Fiji. Key clients include prominent names, such as Malabar Gold Limited, Titan Company Limited, Joyalukkas India Limited and P N Gadgil Jewellers Limited. Many of these relationships are long-standing, with some key clients associated with SHRINGAR for over 10 years. In FY24, Shringar served 33 corporate clients, 96 wholesalers and 832 retailers and also undertook job-work manufacturing of 'mangalsutras' for some of its corporate clients.

Customer Concentration	FY22	FY23	FY24	FY25
Top 1	17.7%	15.3%	12.9%	13.2%
Top 5	31.6%	32.1%	30.8%	29.7%
Top 10	38.2%	39.6%	39.4%	38.0%

Source: SHRINGAR, Choice Institutional Equities

Region	FY22	FY23	FY24	FY25
Maharashtra	44.6%	44.1%	49.2%	49.5%
South India	16.5%	15.9%	16.4%	15.1%
Rest of India	35.2%	35.8%	32.5%	34.0%
Exports	3.7%	4.2%	1.9%	1.4%

Source: SHRINGAR, Choice Institutional Equities

7.5.3 Manufacturing Facilities: Integrated Facility, In-House Talent and Efficient End-to-End Operations

SHRINGAR operates a single integrated manufacturing facility in Mumbai, Maharashtra, spanning 8,300 sq. ft. This facility manages end-to-end operations, encompassing conceptualisation, designing, manufacturing and sales of its 'mangalsutras.' The manufacturing process blends traditional methods with modern techniques, utilising machinery, such as induction melting furnaces, engraving CNC machines, laser cutting and 3D printing. The facility is staffed by an in-house team of 12 designers and 182 'karigars' (artisans), complemented by a network of over 100 third-party 'karigars' for the sake of diversified designs.

FY23		FY24		FY25		FY26E		FY27E	
Capacity	Utilisation	Capacity	Utilisation	Capacity	Utilisation	Capacity	Utilisation	Capacity	Utilisation
1,850 kgs	66.8%	2,500 kgs	70.0%	2,500 kgs	69.0%	2,500 kgs	75.0%	5,000 kgs	80.0%

Source: SHRINGAR, Choice Institutional Equities

Note: After its IPO, the company plans to shift to a new manufacturing facility in Mumbai, which will increase the company's current capacity to 2-3x.

7.5.4 Brand Recognition

Shringar unveils 24K Shuddh collection at IJS expo 2025



Source: SHRINGAR, Choice Institutional Research

- At the prestigious IJS Expo, SHRINGAR, India's leading mangalsutra maker, launched the **24K Shuddh Collection**, one of the country's first 24 Karat HUID Hallmarked mangalsutra lines.
- Crafted in 995 finesse with BIS-certified HUID hallmarking, the collection redefines the mangalsutra as both a symbol of tradition and a pure 24K investment, blending cultural heritage with modern consumer value.
- The launch drew an overwhelming response from retailers and was attended by prominent industry leaders, including Mr. Sachin Jain (**CEO India, World Gold Council**), Mr. Rajesh Rokde (**Chairman, GJC**), Mr. Sabyasachi Ray (**Executive Director, GJEPC**), Mr. Rajesh Kalyanaraman (**Kalyan Jewellers**), Mr. Varghese Jos Alukka (**Jos Alukkas**), Mr. Saurabh Gadgil (**Chairman & MD, PNG Jewellers**), Mr. Ashish Pethe (Director, WHP Jewellers), Mr. Anil Kataria & Mr. Santosh Kataria (**DP Abhushan**), Mr. Vikas Kataria (Kumari Jewels), and Mr. Kinjal Shah (Head of RJC Asia).

Award from Titan & 6th edition of Bullion & Jewellery



Acknowledged by **Titan** for robust quality control and self-regulatory standards.



Honored as the Best Jewellery Brand at the 6th India **International Bullion Summit**.

Key note:

- Chetan N Thadeshwar, Chairman & MD of Shringar House of Mangalsutra, is a Zonal Committee member of All-India Gem and Jewellery Domestic Council. He is also a Joint Convenor for Preferred Manufacturer of India (PMI 6).

7.5.5 Milestones



2009

Incorporated as Shringar House of Mangalsutra Private Limited



2013

Nominated in top 5 for Best Gold Jewellery Manufacturers at the National Jewellery Awards



2014

Made first export sales to the UAE



2016

Became a member of Indian Bullion and Jewellers Association Limited



2019

Crossed annual turnover of INR 5,000 Mn



2023

Received Excellence in Self-Certification Level-1 from Titan Company Limited - Processed over 1,200 kgs of gold in its manufacturing facility



2024

Crossed annual turnover of INR 10,000 Mn



2025

Converted from a private limited company to a public limited company



2025

Became a publicly listed company

Aug, 2025

Launched 24K gold mangalsutra, becoming the first player in India to do so.

7.5.6 Leadership & Management Team & Shareholding Pattern



Chetan N Thadeshwar
Chairman & Managing Director

Chetan N Thadeshwar is the Chairman & Managing Director of Shringar House of Mangalsutra. He is a Director of the Company since its incorporation, having over forty years of experience in the industry. A strategic leader, he oversees functions, such as identifying growth opportunities as well as building and maintaining relationships with key stakeholders. He is a Zonal Committee member of All-India Gem and Jewellery Domestic Council and also a Joint Convenor for Preferred Manufacturer of India (PMI 6).



Viraj C Thadeshwar
Executive Director & Chief Executive Officer

Viraj C Thadeshwar is the Executive Director & Chief Executive Officer of the Company. He is a Director of the Company since February, 2009. He has over fifteen years of experience. He is actively involved in the business of the Company such as production and business expansion. He has played a pivotal role in formulating and executing the overall business strategy to drive growth and profitability.



Balraj C Thadeshwar
Whole-time Director & Chief Operating Officer

Balraj C Thadeshwar is the Whole-time Director & Chief Operating Officer of the Company. He is a Director of the Company since June, 2019. He holds a bachelor's degree in management studies from University of Mumbai. He oversees various facets of day-to-day administrative and operational functions of the business in the Company.



Mamta C Thadeshwar
Non-Executive Director

Mamta C Thadeshwar is the Non-Executive Director of the Company. She is a Director of the Company since incorporation. She oversees functions such strategic direction & oversight, board dynamics & effectiveness, committee involvement, leadership and mentorship in the Company.

Key Managerial Personnel and Senior Management

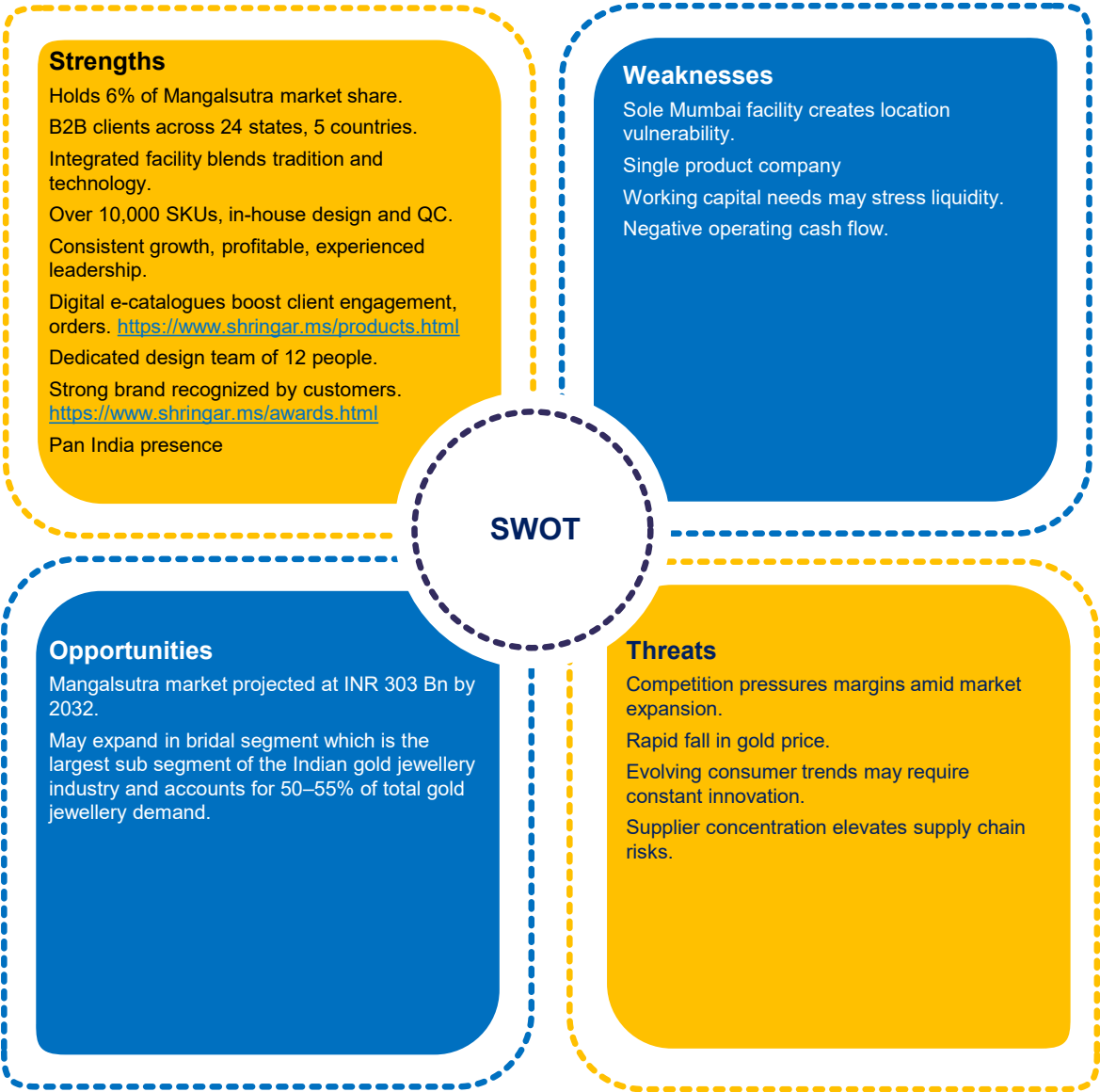
- Ritesh Ashokkumar Doshi - Chief Financial Officer (5+ years of experience)
- Rachit S Sinha - Company Secretary and Compliance Officer (4+ years of experience)
- Chetan R Parmar- Inventory Head (16+ years of experience)
- Chintan Naishadh Pandya - Vice President – Operations (15+ years of experience)

Independent Directors

- Radhamanalan (Over 37+ years of experience, including 34 years with Titan.)
- Nitesh Mahendra Kothari (18+ years of experience)
- Anilkumar Mohanraj Marlecha (8+ years of experience)
- Dr. Ruchika Agarwal (14+ years of experience)

Sr No.	Name of Shareholders	Shareholding Pattern
		% of paid up equity share capital
Promoters (A)		
1	Chetan N Thadeshwar	41.76
2	Mamta C Thadeshwar	21.62
3	Viraj C Thadeshwar	5.71
4	Balraj C Thadeshwar	5.71
Total (A)		74.80%
FIIs (B)		3.95%
DIIIs (C)		3.80%
Public (D)		17.45%
Total (A+B+C+D)		100.00%

Source: Screener



Income Statement (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Revenue	11,015	14,298	23,291	38,798	49,563
Gross Profit	670	1,148	1,704	2,277	2,960
EBITDA	496	923	1,358	1,702	2,224
Depreciation	26	26	57	64	71
EBIT	470	897	1,301	1,637	2,154
Other Income	12	3	5	8	10
Interest Expense	60	82	62	104	104
PBT	422	818	1,243	1,541	2,060
Reported PAT	311	611	929	1,152	1,539
EPS (INR)	4.3	8.5	9.6	11.9	16.0

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios					
Revenues	15.9	29.8	62.9	66.6	27.7
Gross Profit	25.0	71.4	48.4	33.7	30.0
EBITDA	31.1	86.2	47.1	25.3	30.7
PAT	33.2	96.5	52.0	24.0	33.6
Margins					
Gross Profit Margin	6.1	8.0	7.3	5.9	6.0
EBITDA Margin	4.5	6.5	5.8	4.4	4.5
EBIT Margin	4.3	6.3	5.6	4.2	4.3
PAT Margin	2.8	4.3	4.0	3.0	3.1
Profitability					
Return on Equity (ROE)	25.6	36.2	21.6	16.1	18.1
Return on Invested capital (ROIC)	26.0	38.9	22.5	17.1	18.9
Return on Capital Employed (ROCE)	21.4	31.7	23.7	18.7	20.5
Financial Leverage					
OCF/EBITDA (x)	(0.3)	(0.1)	(2.0)	(0.3)	0.2
Debt to Equity (x)	0.8	0.6	0.2	0.3	0.2
Interest Coverage (x)	7.8	10.9	20.9	15.7	20.7
Net Debt to Equity (x)	0.8	0.6	0.2	0.2	0.2
Net Debt to EBITDA (x)	2.1	1.3	0.8	1.1	0.8
Working Capital					
Inventory days (x)	44	52	65	59	52
Receivable days (x)	18	19	20	22	24
Creditor days (x)	2	7	3	3	3
Working Capital Days	59	63	82	78	73
Valuation Metrics					
No of Shares (INR Mn)	72.1	72.1	96.4	96.4	96.4
EPS (INR)	4.3	8.5	9.6	11.9	16.0
PE (x)	38.3	19.5	24.1	19.4	14.5
EV/EBITDA (x)	26.1	14.2	17.3	14.3	10.9
EV/Sales (x)	1.2	0.9	1.0	0.6	0.5

Source: SHRINGAR, Choice Institutional Equities

Balance Sheet (Consolidated in INR Mn)

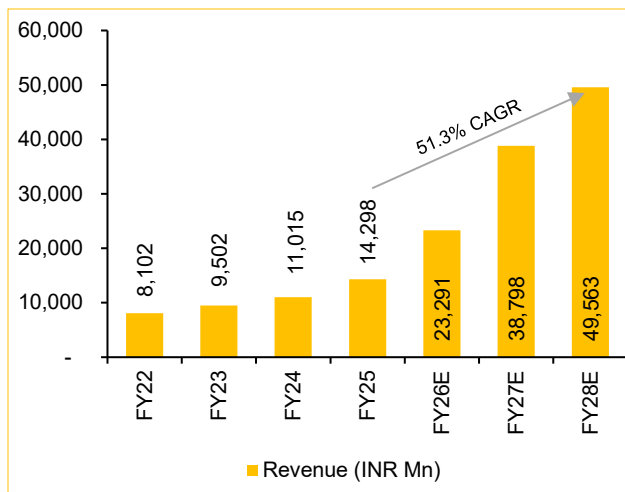
Particular	FY24	FY25	FY26E	FY27E	FY28E
Net Worth	1,368	2,008	6,587	7,738	9,277
Borrowings	1,070	1,210	1,185	1,985	1,985
Trade Payables	92	435	162	273	349
Deferred Tax	10	7	7	7	7
Other Liabilities & Provisions	110	97	97	97	97
Total Net Worth & Liabilities	2,650	3,758	8,037	10,100	11,714
Net Block	32	51	693	779	858
Capital WIP	-	-	-	-	-
Goodwill & Intangible Assets	-	-	-	-	-
Investments	-	-	-	-	-
Trade Receivables	605	878	1,276	2,338	3,259
Cash & Cash Equivalents	39	31	123	91	177
Inventories	1,438	2,281	5,425	6,337	6,843
Loans & Advances & Other Assets	537	517	520	554	577
Total Assets	2,650	3,758	8,037	10,100	11,714

Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows from Operations	(155)	(74)	(2,770)	(577)	340
Cash Flows from Investing	(3)	(26)	(700)	(150)	(150)
Cash Flows from Financing	121	90	3,561	696	(104)

DuPont Analysis	FY24	FY25	FY26E	FY27E	FY28E
Tax Burden (%)	73.8	74.7	74.7	74.7	74.7
Interest Burden (%)	89.7	91.2	95.6	94.1	95.6
EBIT Margin (%)	4.3	6.3	5.6	4.2	4.3
Asset Turnover (x)	4.6	4.5	3.9	4.3	4.5
Equity Multiplier (x)	2.0	1.9	1.4	1.3	1.3
ROE (%)	25.6	36.2	21.6	16.1	18.1

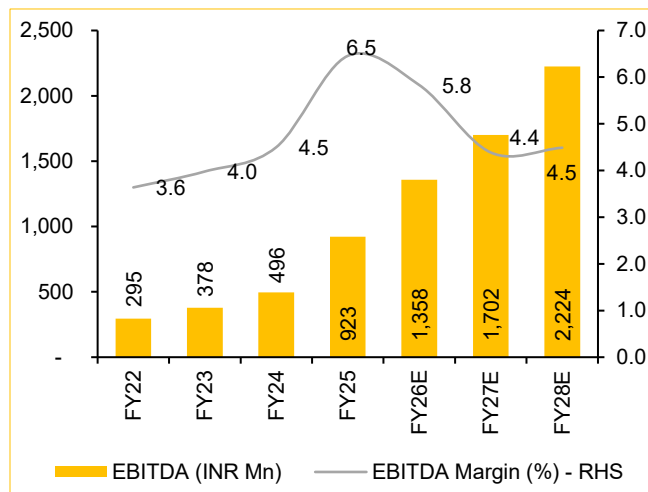
Source: SHRINGAR, Choice Institutional Equities

Strong revenue momentum to sustain, driven by new gold purchases and entry into new product segments



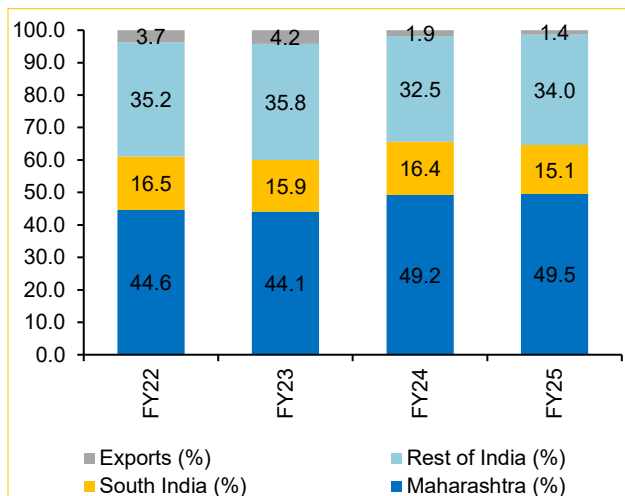
Source: SHRINGAR, Choice Institutional Equities

EBITDA margin to stabilise at 4.5%, except FY25 on gold price increase



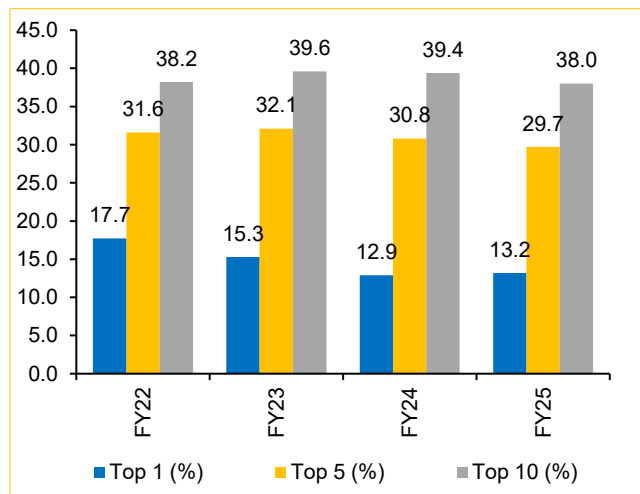
Source: SHRINGAR, Choice Institutional Equities

Pan-India presence



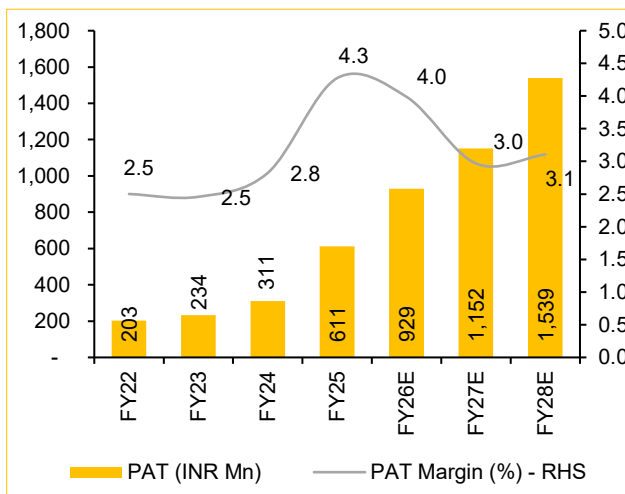
Source: SHRINGAR, Choice Institutional Equities

Diversified customer base (%)



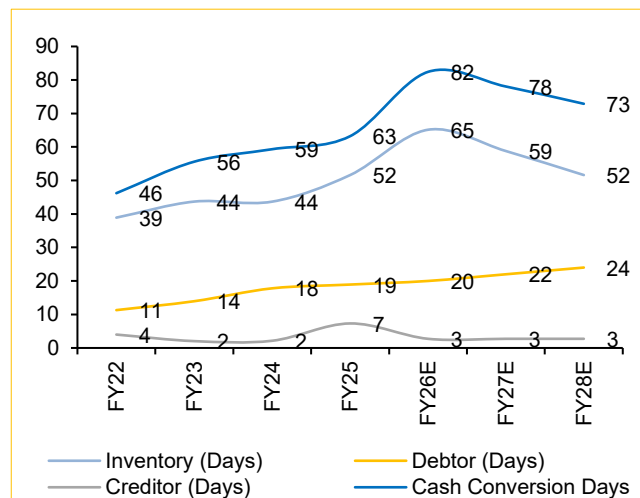
Source: SHRINGAR, Choice Institutional Equities

Strong PAT growth with margin to stabilise in coming years



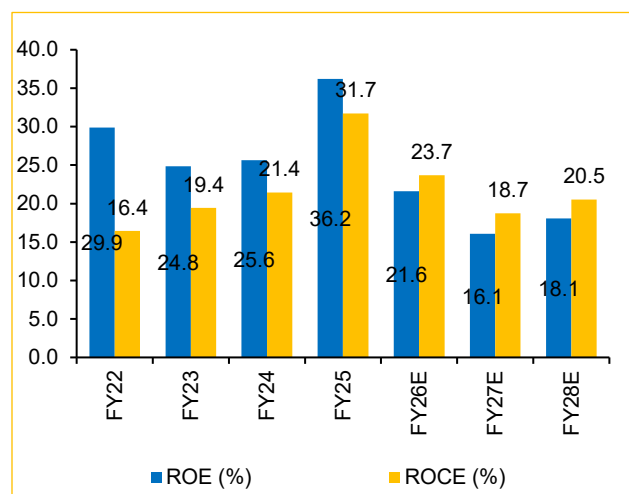
Source: SHRINGAR, Choice Institutional Equities

Efficient cash conversion cycle



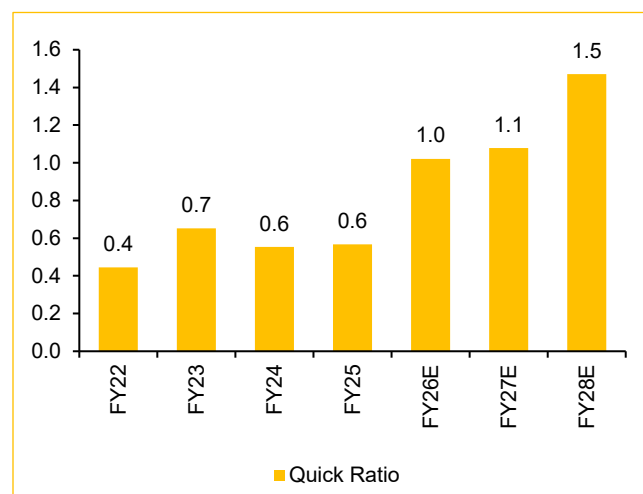
Source: SHRINGAR, Choice Institutional Equities

Return ratios on a steady uptrend post IPO



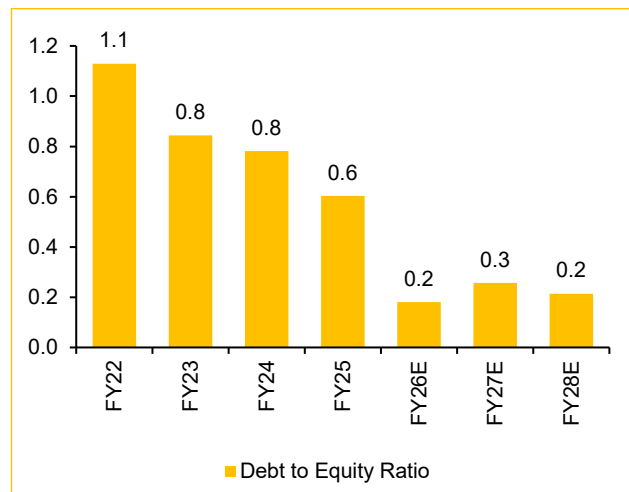
Source: SHRINGAR, Choice Institutional Equities

Strong quick ratios reflect solid financial cushion



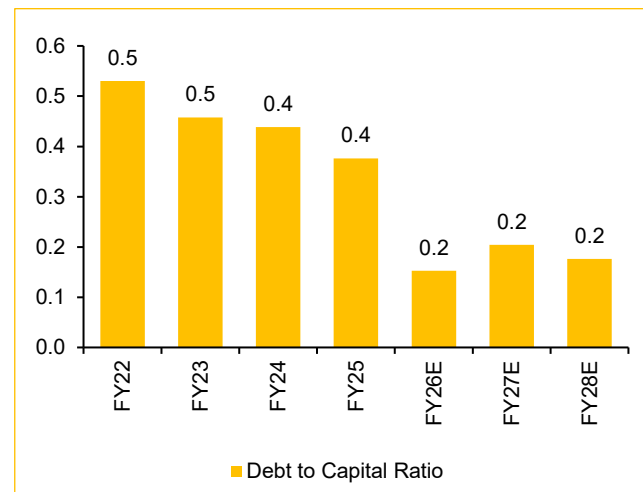
Source: SHRINGAR, Choice Institutional Equities

Strengthening balance sheet – sharp decline in Debt-to-Equity Ratio over time



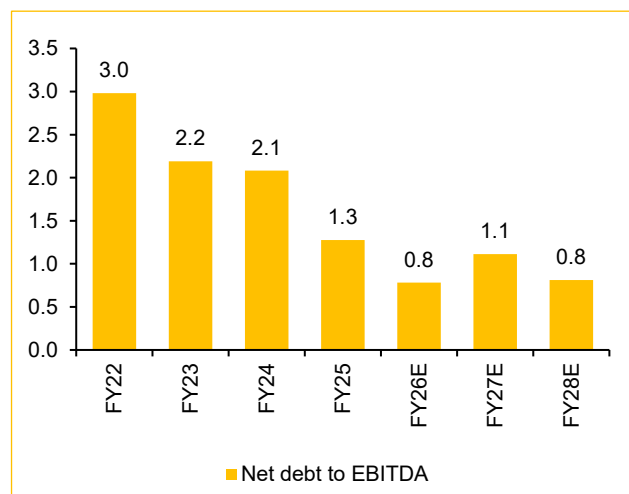
Source: SHRINGAR, Choice Institutional Equities

Deleveraging in action – Improving capital structure



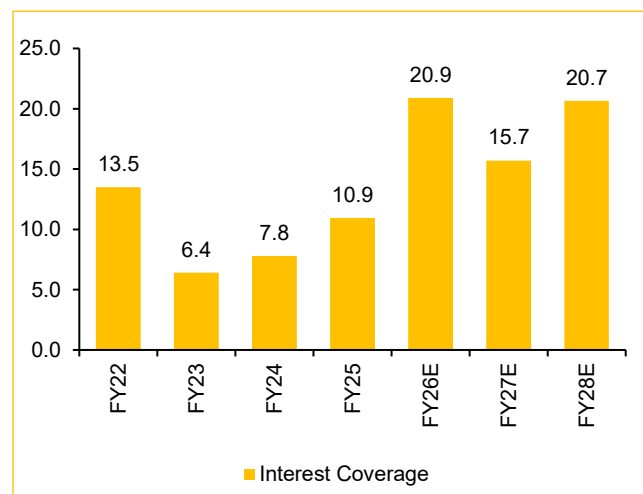
Source: SHRINGAR, Choice Institutional Equities

Future-Ready with disciplined debt



Source: SHRINGAR, Choice Institutional Equities

Improving ability to meet interest obligations



Source: SHRINGAR, Choice Institutional Equities



SHANTI GOLD INTERNATIONAL LTD. (SHANTIGOLD)



**Strong Bridal Jewellery
Demand, In-House Design
Capability and Strategic
Expansion to take
SHANTIGOLD into Next
Orbit**

Shanti Gold International Ltd (SHANTIGOLD)

Nov 04, 2025 | CMP: INR 245 | Target Price: INR 350

Sector View: Positive

BUY

Expected Share Price Return: 43.0% | Dividend Yield: 0.0% | Expected Total Return: 43.0%



Company Information

Shanti Gold International Limited, established in 2003 as *M/s Shanti Gold*, is a leading manufacturer of 22kt CZ casting gold jewellery. The company designs and produces a diverse range of bangles, rings, necklaces, and jewellery sets across various price points—catering to weddings, festivals, and everyday wear with designs tailored to diverse customer preferences.

BB Code	SHANTIGOLD
ISIN	INE06ZD01017
Face Value (INR)	10.0
52 Week High (INR)	274.1
52 Week Low (INR)	196.1
Mkt Cap (INR Bn)	17.7
Shares o/s (Mn)	72.1
Free Float	17.6%

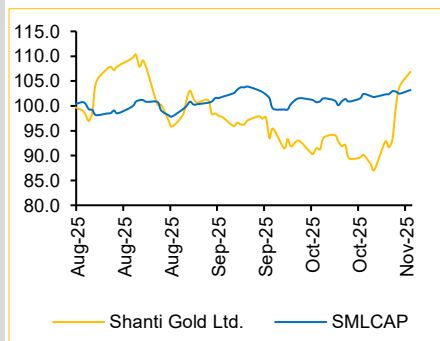
Shareholding Pattern (%)

	Sep-25
Promoters	74.9
FIIs	2.7
DII	4.0
Public	18.4

Relative Performance (%)

	3M	2M	1M
SMLCAP	2.4	2.3	1.7
Shanti Gold	7.8	3.7	14.9

Rebased Price Performance



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[Bull Bear Case](#)[Management and Plant Visit](#)[Investors Concerns Answered](#)

Strong bridal share in the B2B jewellery segment, driven by a shift to organised: SHANTIGOLD's strong foothold in the bridal jewellery segment is a key competitive advantage, as the bridal market accounts for nearly 52% of India's jewellery demand. With deep expertise in 22k handcrafted bridal pieces, the company benefits from higher ASPs, superior margins and consistent bulk orders from organised B2B retailers who increasingly prefer hallmark-certified suppliers. This strong bridal share ensures steady volume visibility, supports working capital efficiency and enhances profitability, positioning SHANTIGOLD to capture a larger share of the fast-formalising organised jewellery market.

Strategic Expansion: Machine-made jewellery with new Jaipur facility and expansion in the exports segment: SHANTIGOLD is setting up a new Jaipur facility to produce machine-made plain gold jewellery, adding 1,200 kg capacity and raising the total to 3,900 kg. Targeting North Indian markets like Haryana and Rajasthan, this move broadens its customer base and enables cross-selling of high-margin designs. The company also plans to scale exports to the USA and UAE through trade exhibitions and partnerships to enhance global reach.

SHANTIGOLD is well-positioned through design innovation and well-thought-out strategy: SHANTIGOLD strength lies in its advanced in-house design capabilities. **With 80+ skilled designers using CAD technology to create 400+ new designs monthly**, the Company consistently delivers innovative, trend-driven collections across bridal, fashion, and lightweight jewellery—reinforcing its position as a design-led leader in the organised jewellery space.

View & Valuation: We believe SHANTIGOLD is poised for a growth phase, supported by new capacity expansion at Jaipur, venturing into plain-gold jewellery. This positions the company for robust financial performance, with Revenue/EBITDA/PAT expected to expand at a CAGR of 59.0%/34.9%/40.7% over FY25–28E. We value the company using the DCF approach. We initiate coverage with a target price of **INR 350**, having a 43.0% upside and a **BUY** rating. This equates to an implied PE of 19x (Base case – we have assumed gold price at INR 10.5 Mn/kg for FY26, against the prevailing gold price of 12.4 Mn/kg) and a PEG ratio of 0.46.

Key Risks:

Dependence on gold prices: Profitability is sensitive to gold price fluctuations, impacting raw material costs and margin.

High product concentration risk: Dependence on 22kt CZ jewellery makes the company vulnerable to demand shifts toward 18kt and 14kt segments, potentially impacting revenue and profitability. However, the company's foray into plain gold jewellery provides diversification and mitigates concentration risk, offering growth optionality.

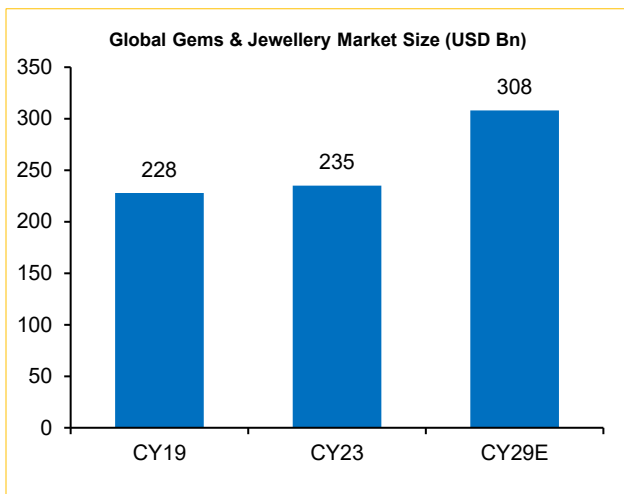
Upcoming Triggers: New manufacturing capacity expansion at Jaipur.

Key Financials - IND AS

INR Mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	6,794	7,114	11,064	19,694	33,629	44,463
YoY (%)	58.6	4.7	55.5	78.0	70.8	32.2
EBITDA	427	498	917	1,547	1,724	2,251
YoY (%)	125.9	16.7	83.9	68.8	11.4	30.6
EBITDAM %	6.3	7.0	8.3	7.9	5.1	5.1
RPAT	198	269	558	1,007	1,119	1,554
EPS (INR)	3.7	5.0	10.3	14.0	15.5	21.6
ROE %	33.1	32.3	44.8	27.7	17.8	20.4
ROCE %	18.9	17.6	25.3	24.3	17.8	20.0
PE (x)	54.2	40.0	19.2	17.4	15.7	11.3

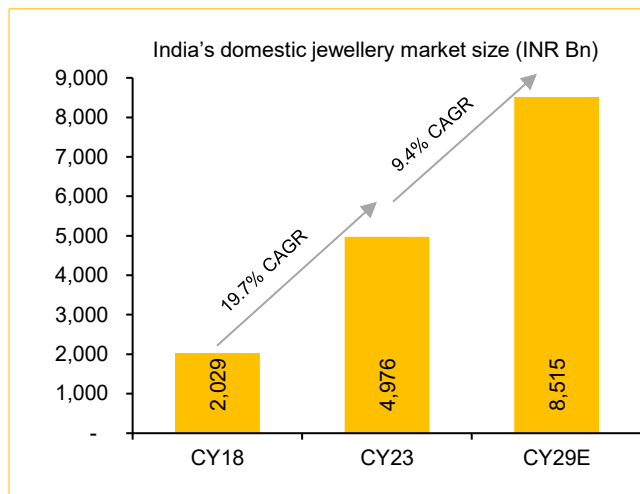
Source: SHANTIGOLD, Choice Institutional Equities

Global market to grow at 4.6% CAGR



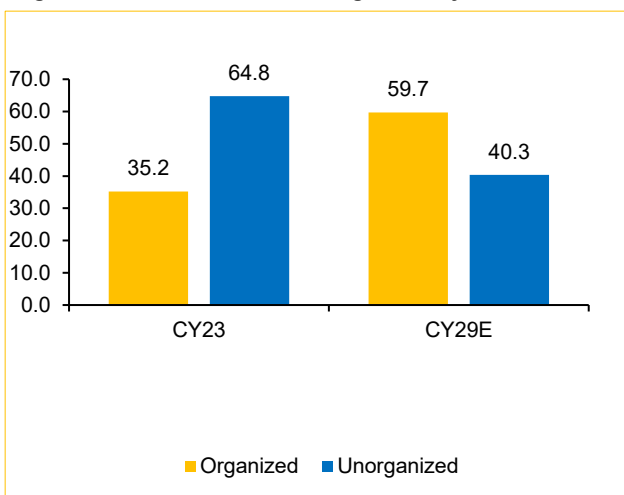
Source: CareEdge, Choice Institutional Equities

India's jewellery market poised for strong growth



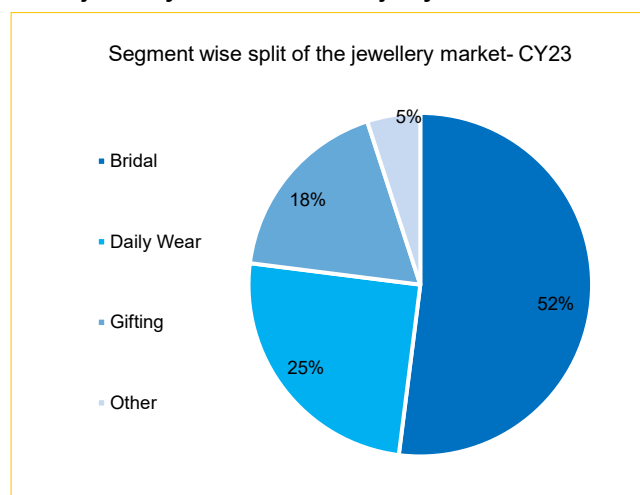
Source: CareEdge, Choice Institutional Equities

Organised share to overtake unorganised by CY29E



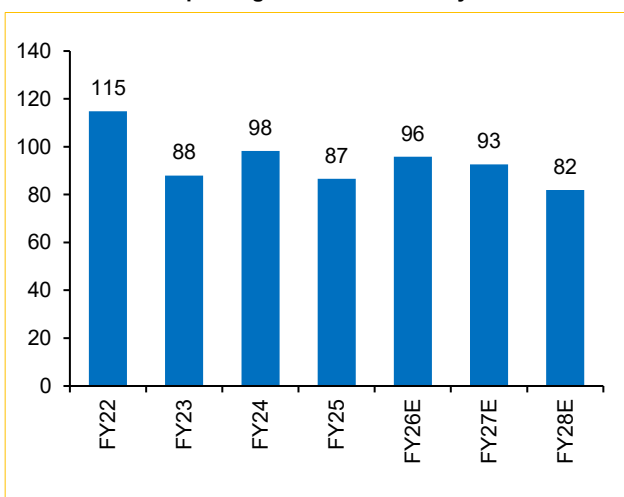
Source: CareEdge, Choice Institutional Equities

Bridal jewellery accounts for a majority market share



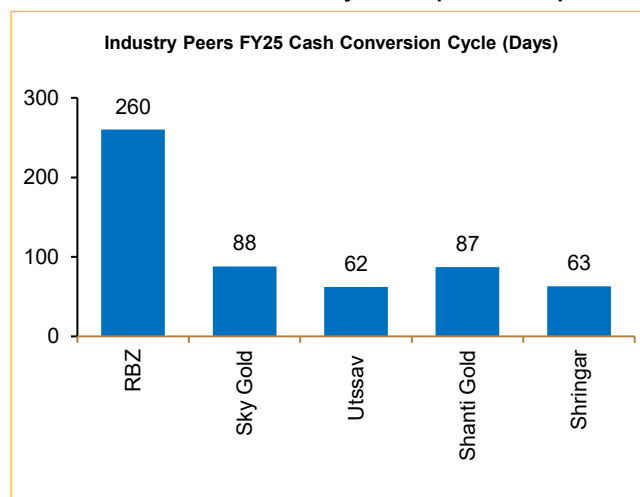
Source: CareEdge, Choice Institutional Equities

SHANTI GOLD improving cash conversion cycle over time



Source: SHANTIGOLD, Choice Institutional Equities

SHANTIGOLD cash conversion cycle compared to its peers



Source: Choice Institutional Equities

8.2.1 Strong Bridal Share in the B2B Jewellery Segment, Driven by a Shift to Organised:

SHANTIGOLD strong foothold in the bridal jewellery segment is a key competitive advantage, as bridal market accounts for nearly 52% of India's jewellery demand. With deep expertise in 22k handcrafted bridal pieces, the company benefits from higher ASPs, superior margins, and consistent bulk orders from organised B2B retailers who increasingly prefer hallmark-certified suppliers. This strong bridal share ensures steady volume visibility, supports working capital efficiency, and enhances profitability, positioning Shanti Gold to capture a larger share of the fast-formalising organised jewellery market.

The Indian jewellery market is poised for sustained growth, driven by a deep-rooted cultural affinity, rising disposable incomes and expanding urbanisation. The rising global preference for handcrafted, ethnic and customizable jewellery—core strengths of Indian manufacturers—offers long-term export growth potential. What makes the gold jewellery industry particularly attractive is its growing consumer sophistication, formal financing and digital adoption, making the sector well-positioned to deliver multi-decade growth while providing ample opportunities for all players to grow.

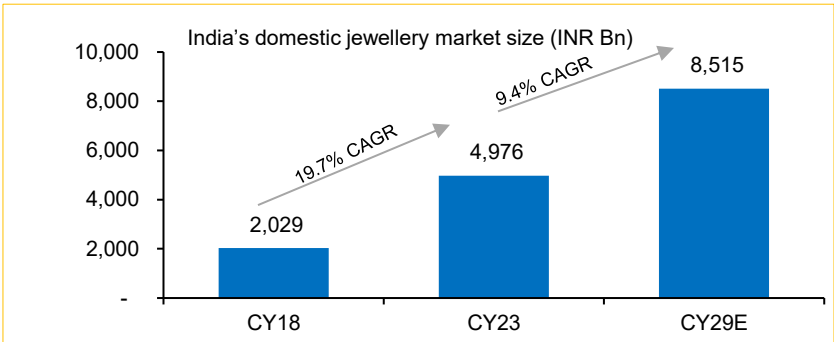
The global gold jewellery market is expected to grow at a 4.7% CAGR during 2024–2030, creating significant export opportunities for Indian manufacturers.

Global market to grow at 4.6% CAGR



Source: CareEdge, Choice Institutional Equities

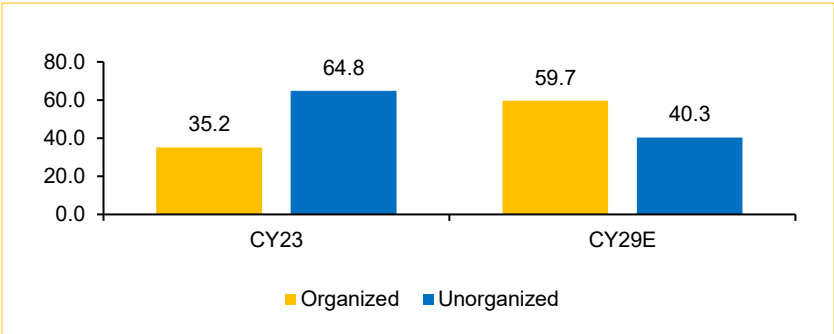
Indian jewellery market poised for strong growth



Source: CareEdge, Choice Institutional Equities

India became the world's largest gold jewellery market in CY24

Organised share to overtake unorganised by CY29E



Source: CareEdge, Choice Institutional Equities

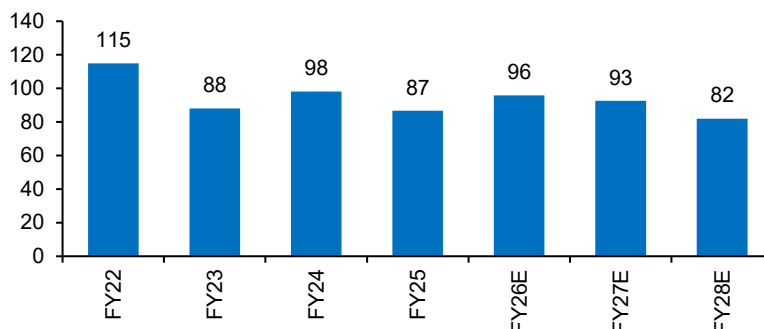
Rising consumer preference for trusted brands, regulatory reforms, hallmarking mandates and retail modernisation are driving organised jewellery growth, with the segment projected to command about 60% of India's market by CY29E.

8.2.2 It is all About Having More Gold and Rotating it Efficiently

In the gold jewellery industry, growth depends on efficient gold rotation—quickly converting raw gold into finished jewellery to fund new cycles. Shanti Gold's revenue rose to **INR 11,064 Mn in FY25**, growing at a **37.2% CAGR since FY22**, while **net profit surged from INR 33 Mn to INR 558 Mn**. **EBITDA margin improved from 4.4% to 8.3%**, driven by better efficiency. A major part of the **INR 2,575 Mn working capital** will fund **gold purchases** to meet demand.

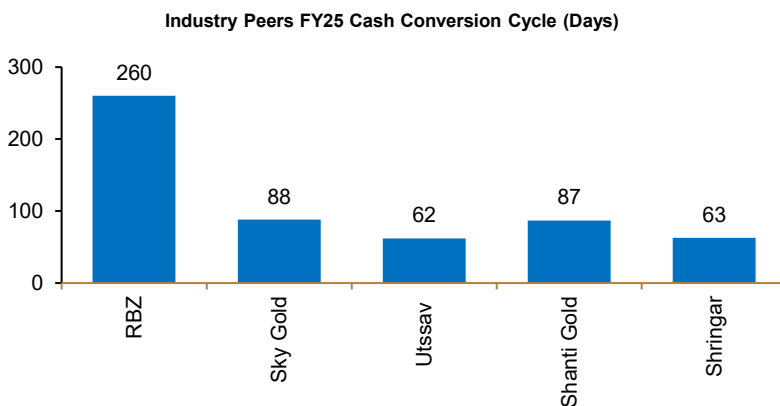
SHANTIGOLD improving cash conversion cycle over time

The cash conversion cycle improved from 115 to 87 days, expected to reach 82 days by FY28E, reflecting strong working capital control and faster inventory turnover.



Source: ShantiGold, Choice Institutional Equities

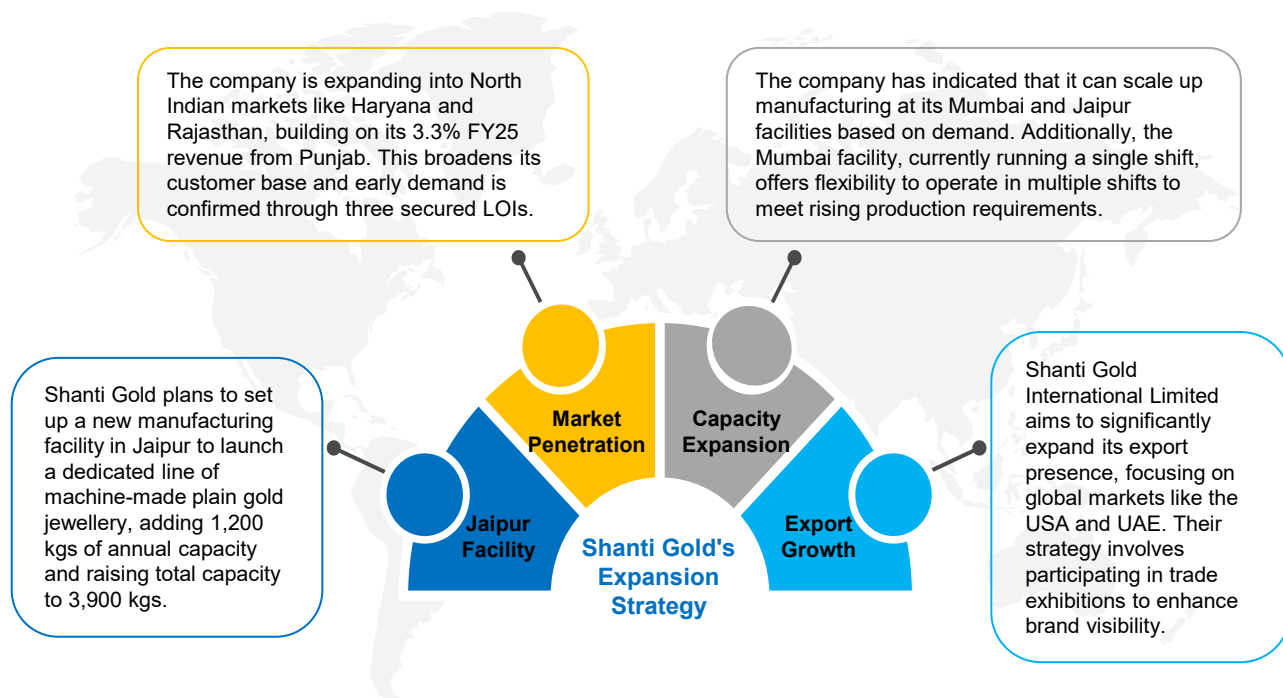
SHANTIGOLD cash conversion cycle compared to its peers



Source: Choice Institutional Equities

8.2.3 Strategic Expansion: Machine-Made Jewellery with New Jaipur Facility and Expansion in the Exports Segment

SHANTIGOLD is setting up a new Jaipur facility to produce machine-made plain gold jewellery, adding 1,200 kg capacity and raising the total to 3,900 kg. Targeting North Indian markets like Haryana and Rajasthan, this move broadens its customer base and enables cross-selling of high-margin designs. The company also plans to scale exports to the USA and UAE through trade exhibitions and partnerships to enhance global reach.



Source: SHANTIGOLD, Choice Institutional Equities

Unit	Location	Products	Status	Capacity	Area covered (sq ft)
Unit-1	Mumbai	22kt CZ casting gold jewellery	Operational	2,700 kg	13,448
Unit-2	Jaipur	Machine-made plain gold jewellery	To be operational in H1FY27	1,200 kg	50,000

Source: SHANTIGOLD, Choice Institutional Equities

8.2.4 Shanti Gold is Well-Positioned Through Experienced Leadership, Design Innovation and Well-Thought-Out Strategy

- **Promoters with over 20 years of jewellery industry experience:** Shanti Gold is led by an experienced and strategically focused management team, led by seasoned promoters Mr. Pankajkumar H. Jagawat (Chairman and Managing Director), Mr. Manojkumar N. Jain (Whole-Time Director) each bringing over 20 years of experience in the jewellery industry and Mr. Shashank Bhawarlal Jagawat (Non-Executive Director) with over 16 years of industry experience.
- **Robust in-house design team:** A key growth engine is the company's robust in-house design team, **comprising over 80 skilled designers** who work exclusively on Computer-Aided Designing (CAD) software to create contemporary, trend-aligned collections. With a monthly output of over **400 new designs**, Shanti Gold consistently delivers innovation and product variety across bridal, fashion, and lightweight categories, an essential capability in a style-sensitive and trend-driven market.

8.3.1 Key Risks

- **High concentration on 22kt CZ jewellery and vulnerability to demand shifts:** High reliance on 22kt CZ casting jewellery exposes the company to shifts in consumer preferences toward lower karat segments like 18kt and 14kt, potentially impacting sales. However, the company's planned diversification into plain gold jewellery is expected to mitigate this concentration risk over time.
- **Dependence on gold prices and availability:** The company's profitability is sensitive to gold price fluctuations, which are influenced by global, regulatory, and geopolitical factors, potentially increasing raw material costs and impacting production planning and margins.

8.3.2 View & Valuation

We believe SHANTI GOLD is poised for a growth phase, supported by new capacity expansion at Jaipur venturing into plain-gold jewellery. This positions the company for robust financial performance, with Revenue/EBITDA/PAT expected to expand at a CAGR of 59.0%/34.9%/40.7% over FY25–28E. We value the company using the DCF approach. We initiate coverage with a target price of INR 350, with a 43.0% upside and a BUY rating. This equates to an implied PE of 19x (Base case – we have assumed gold price at INR 10.5 Mn/kg for FY26, against the prevailing gold price of 12.4 Mn/kg) and a PEG ratio of 0.46.

8.3.3 DCF Valuation

Key Assumptions

Particular	
WACC (%)	9.0
Terminal Growth Rate (%)	3.5
Cost of Equity (%)	10.6
PV of FCFF	3,524
Terminal Value	52,867
PV of Terminal Value	23,567
EV	27,091
Less: Net Debt	1,971
Equity Value	25,120
Equity Value Per Share	350

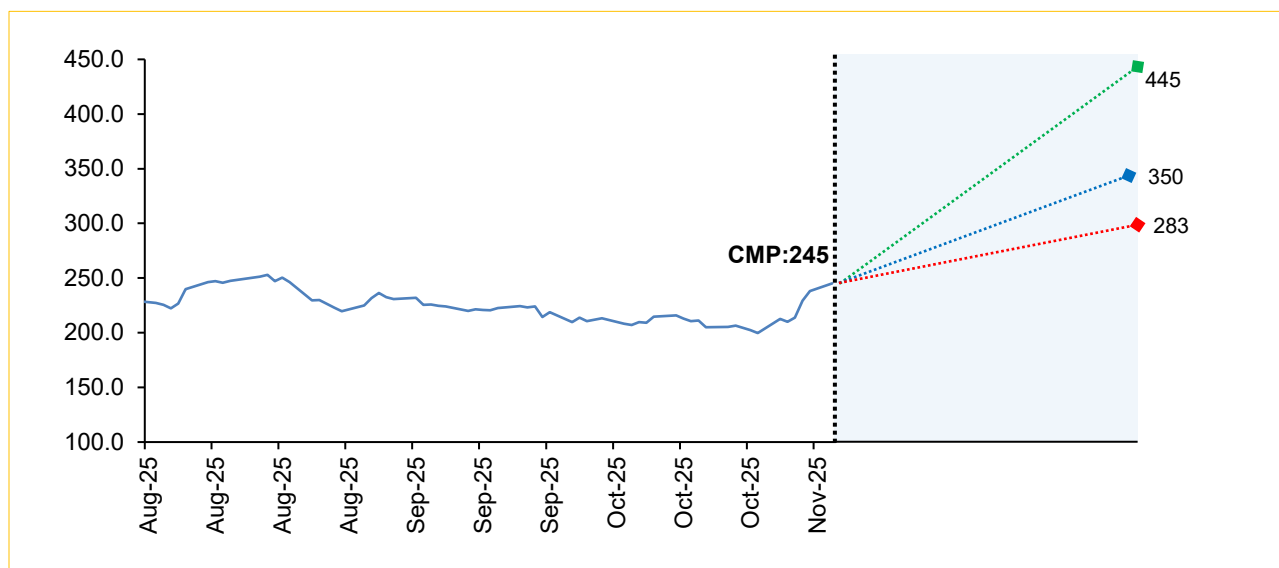
Note: We assign a terminal value growth of 3.5%, a discount to India's GDP forecast over the next two years (6-7%). Given the growth driven by shift from unorganised to organised, we believe our estimate is conservative and represents a sustainable rate the business can maintain over the long-term.

Sensitivity Analysis

		Terminal Growth Rate				
		2.5%	3.0%	3.5%	4.0%	4.5%
WACC	8.0%	383	420	466	523	597
	8.5%	336	366	402	446	501
	9.0%	297	322	350	385	427
	9.5%	264	284	308	335	369
	10.0%	236	252	272	294	321

Source: SHANTI GOLD, Choice Institutional Equities

8.3.4 Bull and Bear Case



Source: Factset, Choice Institutional Equities



INR 445
81.5% Upside

BULL Assumptions

- Improvement in the gold price by 10% every year
- Change in gold price impacts volume, while overall value improvement drives revenue growth and better margins
- ~68.2% net revenue CAGR over FY25-28E



INR 350
43.0% Upside

BASE Assumptions

- We have considered flat INR 10.5 Mn/kg gold price (prevailing gold price is 12.4 Mn/kg) for FY26
- ~59.0% net revenue CAGR over FY25-28E



INR 283
15.5% Upside

BEAR Assumptions

- We have assumed 10% decline in gold price in FY27E and 5% decline in FY28E
- ~53.0% net revenue CAGR over FY25-28E

8.3.5 Investor Concerns Answered

- **Does Shanti Gold have a hedging policy to manage gold price volatility and how would a sharp rise or fall in gold prices affect the company?**
 - No formal gold price hedging policy in place as the management believes that the underlying value of the gold inventory will continue to go up.
 - Manages volatility through natural hedging i.e via daily gold rate-linked pricing and just-in-time procurement. Pass-through mechanism shifts gold price changes to clients, protecting margins.
 - However, Shanti Gold may consider partial hedging in the future if the company feels the need to do so.
- **Does having mainly 22kt jewellery in the portfolio pose a risk in the scenario where gold price is rising and consumer preference is shifting towards light weight jewellery?**
 - The company is majorly dominant in South India which forms ~73% of the total revenue and believes that there will be strong demand for higher purity jewellery from south in future as well driven by the strong cultural significance in the region.
- **Is there any plan for a merger with Utssav CZ Gold Jewels?**
 - Currently, the management has no plans to merge Shanti Gold and Utsaav CZ. However, if such a move is deemed beneficial for both companies in the long run, it may be considered in the future.
 - There are no related-party transactions between the two companies. Utsaav CZ operates independently with its own designated CEO, CFO, and management team. The management also intends to appoint a dedicated CEO for Shanti Gold in the near term.
- **What are details regarding the Jaipur facility?**
 - Shanti Gold is setting up a new manufacturing facility in Jaipur to launch a dedicated line of machine-made plain gold jewellery, adding 1,200 kgs of annual capacity and raising total capacity to 3,900 kgs.
 - The management expects the capacity to start production in H1FY27.
 - This move targets North Indian markets like Haryana and Rajasthan, leveraging its existing presence in Punjab.
- **What is the Company's succession plan and how is the leadership transition being managed?**
 - The Company is presently led by Mr. Pankaj H. Jagawat, Chairman and Managing Director, who has been a co promoter since incorporation and continues to provide strategic direction to the jewellery business through his long operating experience.
 - Mr. Manojkumar N. Jain, Promoter and Executive Director, plays a central leadership role alongside Mr. Jagawat, underpinning execution across financing, operations, and governance as one of the two largest shareholders of the Company.
 - Under the continued guidance and mentorship of the Promoters, the next generation leaders, Mr. Krish Pankaj Jagawat and Mr. Vansh Manojkumar Jain, are actively involved in the business and are expected to further strengthen their capabilities and drive the company's growth and excellence in the coming years.

Key Insight from Management Meeting and Facility Visit

We had the opportunity to meet with **Pankajkumar H Jagawat (Chairman & Managing Director)** and **Manojkumar N Jain (WTD)** and **Mr. Shriram Iyengar (CFO)**. Additionally, we visited the company's **13,448 sq. ft. manufacturing facility in MIDC Andheri, Mumbai**, and interacted extensively with the management team.

Key takeaways from our interactions are as follows:

Capacity expansion through new Jaipur facility: SHANTIGOLD plans to establish a new manufacturing facility in Jaipur to introduce a dedicated line of machine-made plain gold jewellery, adding 1,200 kgs of annual capacity and increasing its total production capacity to 3,900 kgs.

Robust in-house design capability: Shanti Gold's 80-member design team uses advanced CAD tools to create over 400 new designs monthly, ensuring continuous innovation and trend alignment across bridal, fashion, and lightweight jewellery segments.

Extensive customer network: Shanti Gold has built strong relationships with leading corporate and jewellery businesses, including Joyalukkas India, Lalithaa Jewellery Mart, Alukkas Enterprises, Vysyaraju Jewellers, and Shree Kalptaru Jewellers. Its customer base spans 13 states and one union territory in India, along with four international markets — the UAE, USA, Singapore, and Qatar.

Business Update: In Q2FY26, the Company achieved ~60% YoY revenue growth, driven by strong demand from domestic and international B2B clients, innovative designs and favourable gold price trends.

Shanti Gold plans a new Jaipur facility to launch machine-made plain gold jewellery, adding 1,200 kg capacity and reaching 3,900 kg total.



Source: SHANTIGOLD, Choice Institutional Equities



Source: SHANTIGOLD, Choice Institutional Equities



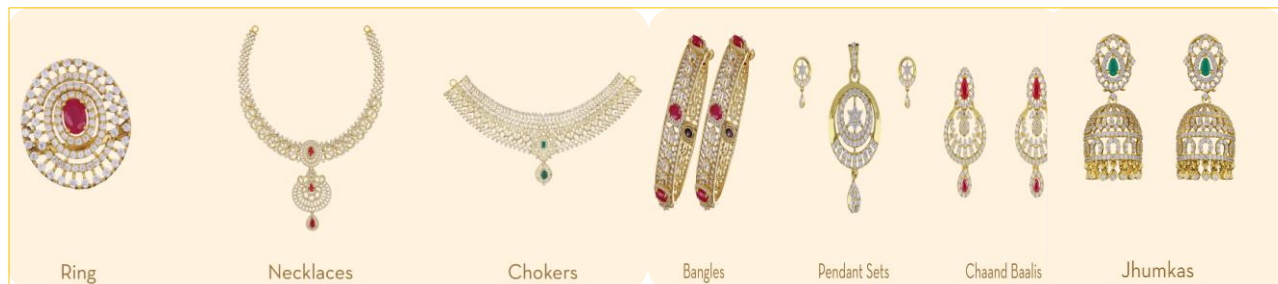
Source: SHANTIGOLD, Choice Institutional Equities



Source: SHANTIGOLD, Choice Institutional Equities

8.5.1 Business overview

- SHANTIGOLD (the "Company") originated as a partnership firm, "M/s Shanti Gold," established on August 5, 2003. The Company is recognised as a leading manufacturer of high-quality 22kt CZ casting gold jewellery. The Company specializes in the design and production of various gold jewellery types.
- **Product Portfolio:** They offer a wide range of intricately designed pieces, including bangles, rings, necklaces, and complete jewellery sets. These products cater to various price points, from jewellery for special occasions like weddings to festive and daily-wear items. The company primarily focuses on developing and manufacturing a wide variety of designs tailored to clients' diverse tastes.



- **Customer Network:** The Company has established relationships with corporate and jewellery businesses. A significant portion of their revenue comes from corporate clients such as Joyalukkas India Limited, Lalithaa Jewellery Mart Limited, Alukkas Enterprises Private Limited, Vysyaraju Jewellers Private Limited, and Shree Kalptaru Jewellers (I) Private Limited. Their customer network extends across 13 states and one union territory in India and four countries abroad (UAE, USA, Singapore, Qatar).

Customer Concentration	FY22	FY23	FY24	FY25
Top 1	6.8%	5.1%	8.9%	7.3%
Top 5	27.1%	21.1%	24.2%	23.2%
Top 10	41.0%	33.2%	36.4%	34.5%

Region	FY22	FY23	FY24	FY25
South India	66.4%	71.1%	79.9%	72.8%
Punjab	13.0%	7.1%	4.6%	3.3%
Rest of India	15.6%	13.6%	11.2%	18.5%
Exports	5.0%	8.2%	4.3%	5.4%

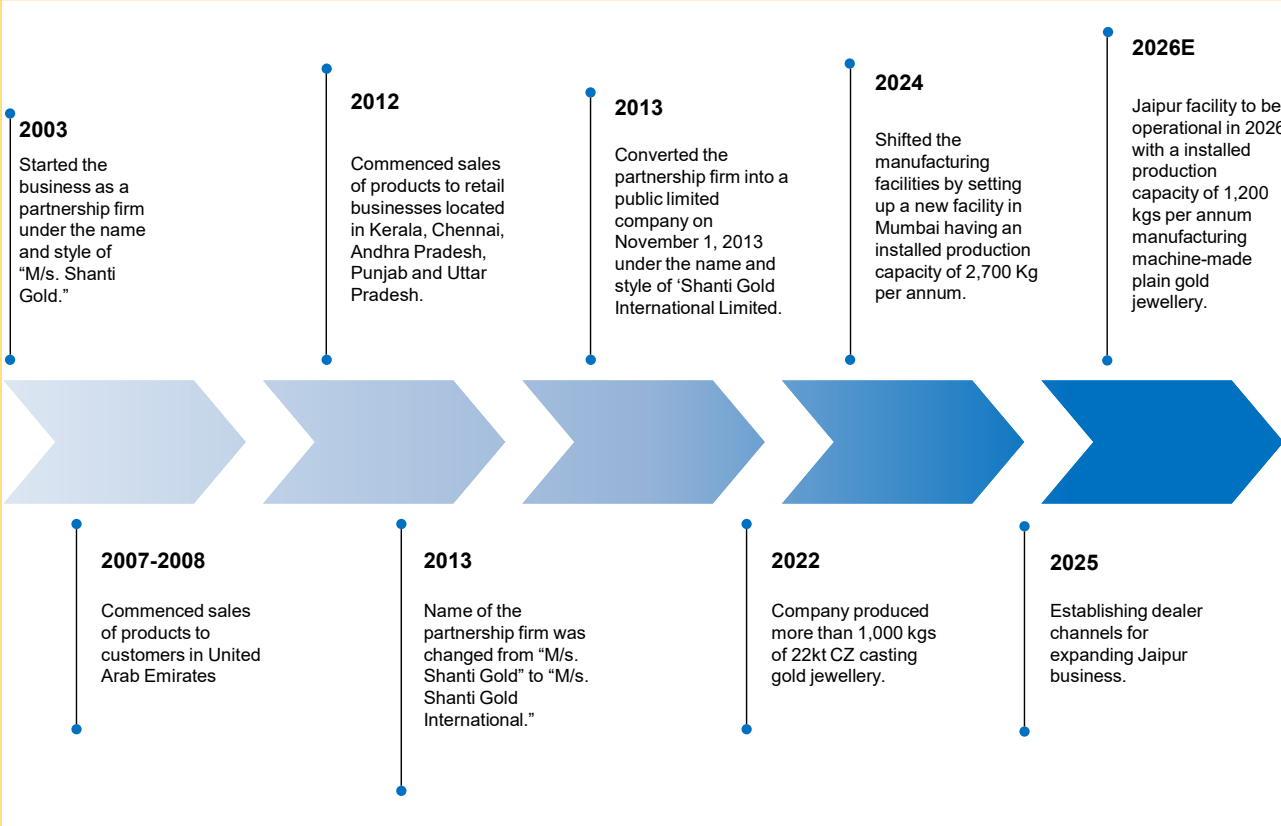
Source: SHANTIGOLD, Choice Institutional Equities

▪ **Manufacturing Facilities:**

Unit	Location	Products	Status	Capacity	Area covered (sq ft)
Unit-1	Mumbai	22kt CZ casting gold jewellery	Operational	2,700 kg	13,448
Unit-2	Jaipur	Machine-made plain gold jewellery	To be operational in H2FY26	1,200 kg	50,000

Source: SHANTIGOLD, Choice Institutional Equities

8.5.2 Milestones



Source: SHANTIGOLD, Choice Institutional Equities

8.5.3 Leadership & Management Team & Shareholding Pattern



Pankajkumar H Jagawat **Chairman & Managing Director**

Pankajkumar H Jagawat is the Chairman and Managing Director of the Company. He is also one of the Promoters and founders of the Company. His key responsibilities in the Company include general management of the Company's business and operations. He is also responsible for undertaking and executing strategic decisions, with the approval of the Board and members of the Company, as applicable, for the growth of the Company. He was one of the partners in the erstwhile partnership firm, M/s Shanti Gold and has been associated with the Company since its inception. He has experience of over 21 years in jewellery manufacturing.



Manojkumar N Jain **Whole-time Director**

Manojkumar N Jain is the Whole-time Director of the Company. He is also one of the Promoters and founders of the Company. His key responsibilities include participation in administrative decisions pertaining to affairs of the Company including supervision over the Company's diverse functions and employee related matters. He was one of the partners in the erstwhile partnership firm, M/s Shanti Gold and has been associated with the Company since its inception. He has experience of over 21 years in jewellery manufacturing.



Shashank Bhawarlal Jagawat **Non-Executive Director**

Shashank Bhawarlal Jagawat is the Non-Executive Director of the Company. He is also one of the Promoters and founders of the Company. He was previously associated with M/s. Raksha Jewellers and M/s. Dinesh Jewellers. He has been associated with the Company since inception. He has experience of over 16 years in jewellery manufacturing.

Key Managerial Personnel and Senior Management

- Shriram Kannan Iyengar - Chief Financial Officer
- Vrushti Parag Shah - Company Secretary and Compliance Officer
- Hitesh J Chhajed - Production Head

Independent Directors

- Yash Mahansaria
- Bhavika Yash Ghuntla
- Purvi Pathik Shah

Sr No.	Name of Shareholders	Shareholding Pattern
		% of total paid up equity share capital
Promoters (A)		
1	Pankajkumar H Jagawat	37.43
2	Manojkumar N Jain	37.43
3	Shashank Bhawarlal Jagawat	0.01
4	Krish Pankaj Jagawat	0.01
5	Vansh Manojkumar Jain	0.01
Total (A)		74.89%
6	FII's	2.68
7	DII's	4.01
8	Public	18.42
Total (B)		25.11%
Total (A+B)		100.0%

Source: Screener, Choice Institutional Equities

 Strengths	 Weaknesses	 Opportunities	 Threats
Leading 22kt CZ Jewellery	Reliance on leased properties	Growing Indian jewellery market	Client, regional concentration risk
Fully integrated in-house manufacturing	Product, customer concentration risks	New plain gold line - 3 LOI received	Raw material price fluctuations
Experienced promoters guide growth	Gold price volatility	Geographical expansion in North	Operational, security vulnerabilities
Established corporate client base	Negative operating cash flow	Expand USA, UAE presence	IP infringement, stiff competition
BIS hallmarked, financial stability	Unprotected jewellery designs	Leverage organized sector growth	Urban consumers, shifting towards, 18kt and 14kt jewellery

Source: Choice Institutional Equities

Income Statement (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Revenue	7,114	11,064	19,694	33,629	44,463
Gross Profit	617	1,072	1,858	2,191	2,875
EBITDA	498	917	1,547	1,724	2,251
Depreciation	34	57	115	144	167
EBIT	465	860	1,432	1,580	2,085
Other Income	36	61	93	159	211
Interest Expense	143	192	180	244	217
PBT	358	728	1,346	1,495	2,078
Reported PAT	269	558	1,007	1,119	1,554
EPS (INR)	5.0	10.3	14.0	15.5	21.6

Source: SHANTIGOLD, Choice Institutional Equities

Ratio Analysis	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios					
Revenues	4.7	55.5	78.0	70.8	32.2
Gross Profit	16.9	73.7	73.3	17.9	31.2
EBITDA	16.7	83.9	68.8	11.4	30.6
PAT	35.6	107.8	80.3	11.1	39.0
Margins					
Gross Profit Margin	8.7	9.7	9.4	6.5	6.5
EBITDA Margin	7.0	8.3	7.9	5.1	5.1
EBIT Margin	6.5	7.8	7.3	4.7	4.7
PAT Margin	3.8	5.0	5.1	3.3	3.5
Profitability					
ROE	32.3	44.8	27.7	17.8	20.4
ROIC	26.2	39.7	27.7	18.3	20.1
ROCE	17.6	25.3	24.3	17.8	20.0
Financial Leverage					
OCF/EBITDA (x)	(0.3)	(0.2)	(1.5)	(0.3)	0.3
Debt to Equity (x)	2.1	1.5	0.4	0.4	0.3
Interest Coverage (x)	3.3	4.5	8.0	6.5	9.6
Net Debt to Equity (x)	1.6	1.4	0.3	0.4	0.3
Net Debt to EBITDA (x)	3.1	2.4	1.3	1.7	1.1
Working Capital					
Inventory Days (x)	55	46	58	55	44
Receivable Days (x)	46	43	40	40	40
Creditor Days (x)	3	2	2	2	2
Working Capital Days	98	87	96	93	82
Valuation Metrics					
No of Shares (INR Mn)	54.0	54.0	72.1	72.1	72.1
EPS (INR)	5.0	10.3	14.0	15.5	21.6
PE (x)	40.0	19.2	17.4	15.7	11.3
P/BV (x)	11.1	7.1	3.1	2.6	2.1
EV/EBITDA (x)	24.7	14.1	12.6	11.8	8.9
EV/Sales (x)	1.7	1.2	1.0	0.6	0.5

Source: SHANTIGOLD, Choice Institutional Equities

Balance Sheet (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Net Worth	967	1,524	5,735	6,854	8,408
Borrowings	1,984	2,330	2,180	2,958	2,636
Trade Payables	45	61	94	166	219
Deferred Tax	72	59	59	59	59
Other Liabilities & Provisions	187	225	225	225	225
Total Net Worth & liabilities	3,254	4,198	8,293	10,261	11,547
Net Block	185	162	547	572	505
Capital WIP	78	89	89	-	-
Goodwill & Intangible Assets	-	-	-	-	-
Investments	-	-	-	-	-
Trade Receivables	782	1,816	2,158	3,685	4,873
Cash & Cash equivalents	429	142	209	65	94
Inventories	1,286	1,486	4,740	5,309	5,383
Loans & Advances & other assets	493	503	550	630	693
Total Assets	3,254	4,198	8,293	10,261	11,547

Source: SHANTIGOLD, Choice Institutional Equities

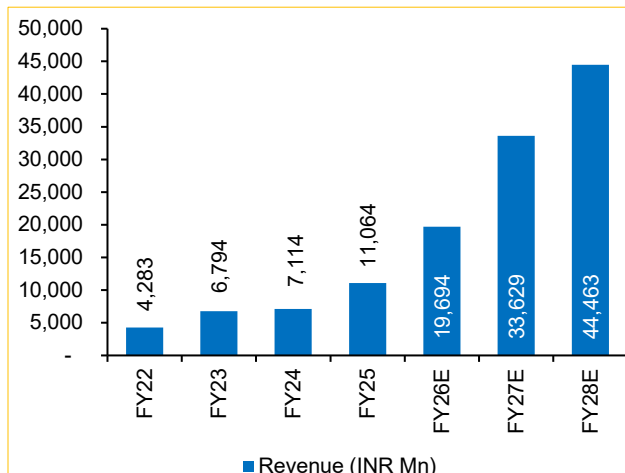
Cash Flows (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows from Operations	(125)	(146)	(2,308)	(598)	668
Cash Flows from Investing	(51)	13	(500)	(80)	(100)
Cash Flows from Financing	196	133	2,875	534	(539)

Source: SHANTIGOLD, Choice Institutional Equities

DuPont Analysis	FY24	FY25	FY26E	FY27E	FY28E
Tax Burden (%)	75.0	76.7	74.8	74.8	74.8
Interest Burden (%)	77.0	84.7	94.0	94.6	99.7
EBIT Margin (%)	6.5	7.8	7.3	4.7	4.7
Asset Turnover (x)	2.4	3.0	3.2	3.6	4.1
Equity Multiplier (x)	3.5	3.0	1.7	1.5	1.4
ROE (%)	32.3	44.8	27.7	17.8	20.4

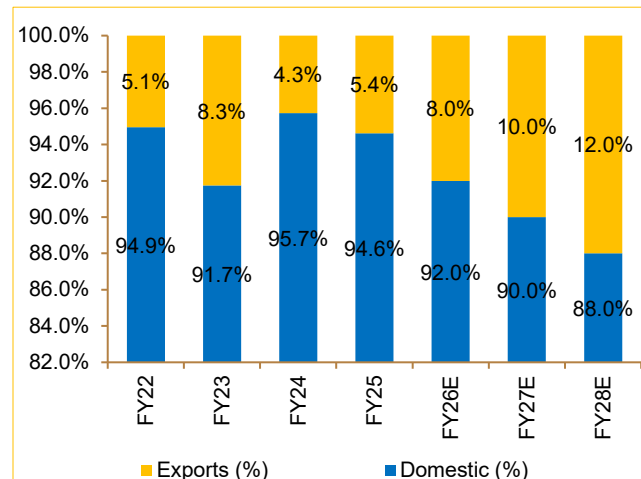
Source: SHANTIGOLD, Choice Institutional Equities

Strong revenue growth momentum to continue backed by scaling up of capacity and purchase of new gold



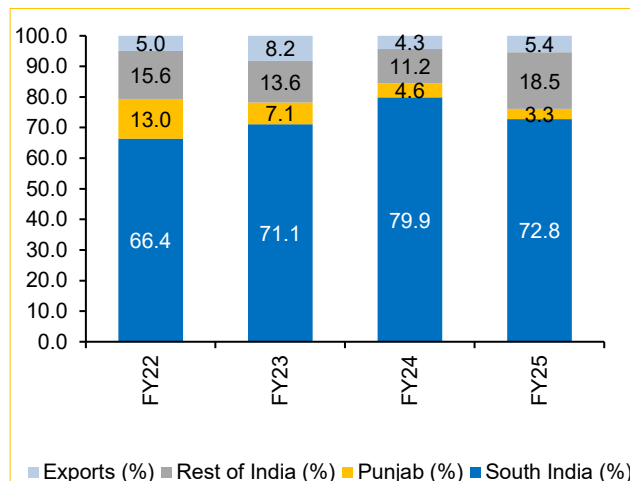
Source: SHANTIGOLD, Choice Institutional Equities

Rising Export contribution reflects strategic global expansion



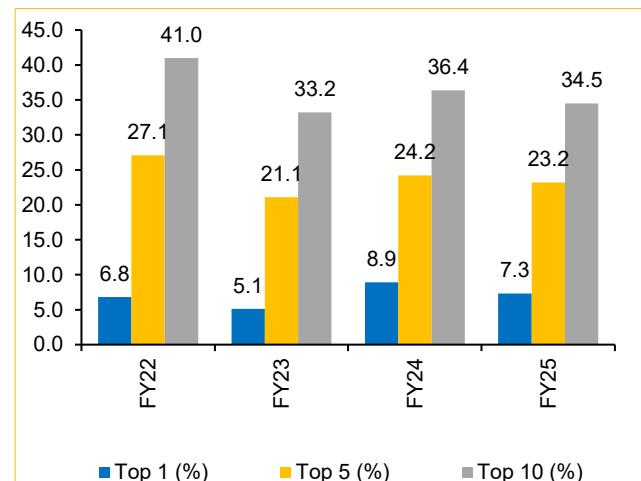
Source: SHANTIGOLD, Choice Institutional Equities

South India share is gradually rising (%)



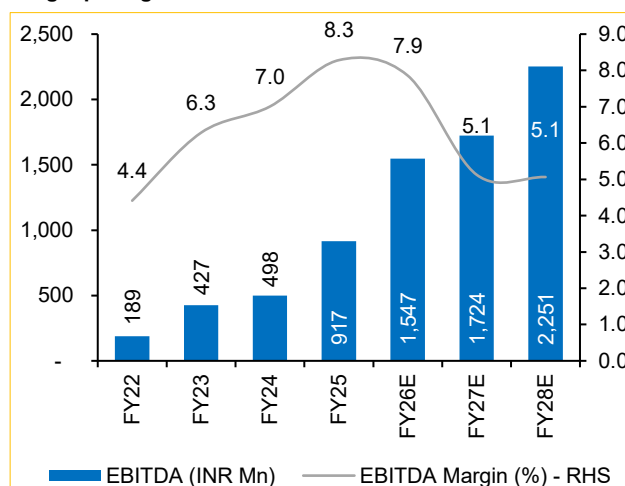
Source: SHANTIGOLD, Choice Institutional Equities

Diversified customer base (%)



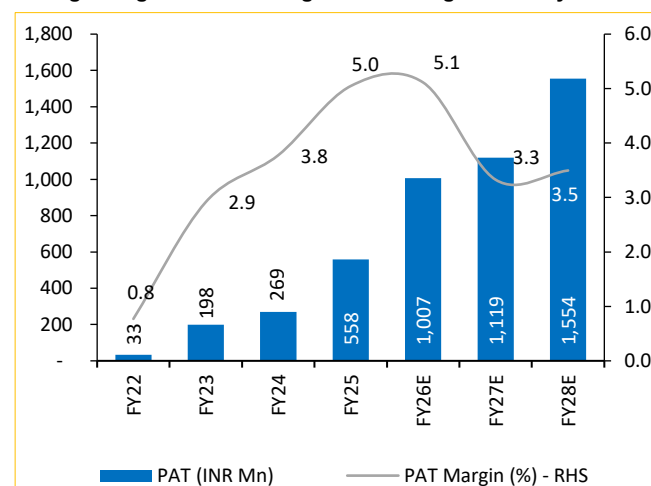
Source: SHANTIGOLD, Choice Institutional Equities

EBITDA margin to decline because of venturing into low-margin plain gold business



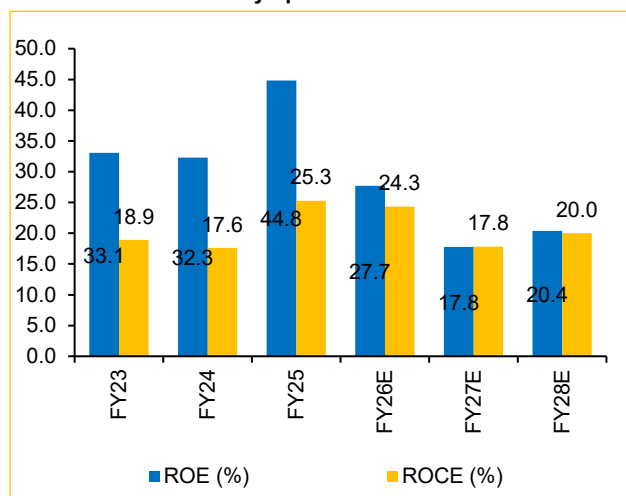
Source: SHANTIGOLD, Choice Institutional Equities

Strong PAT growth with margins stabilizing in recent years



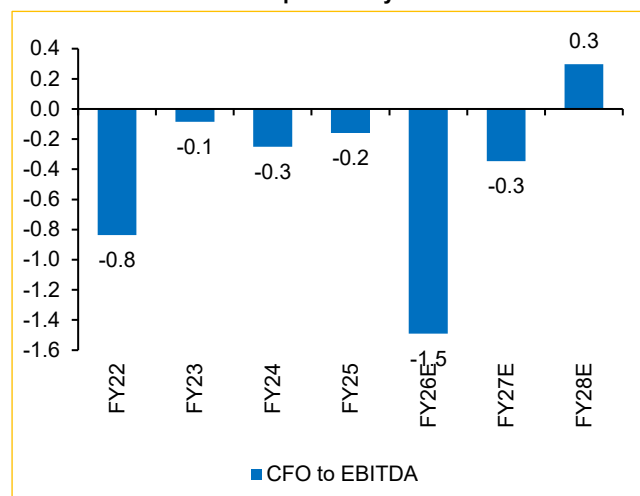
Source: SHANTIGOLD, Choice Institutional Equities

Return ratios on a steady uptrend



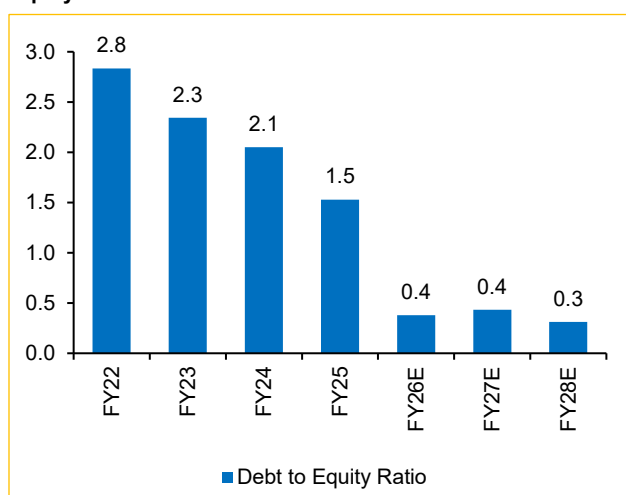
Source: SHANTIGOLD, Choice Institutional Equities

CFO to EBITDA set to turn positive by FY28E



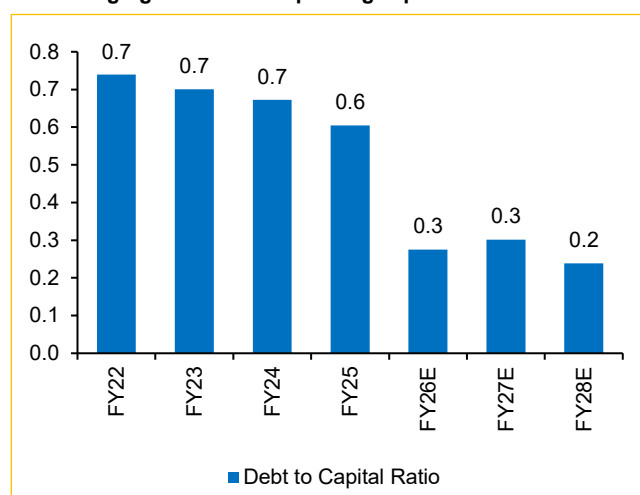
Source: SHANTIGOLD, Choice Institutional Equities

Strengthening balance sheet – sharp decline in Debt-to-Equity Ratio over time



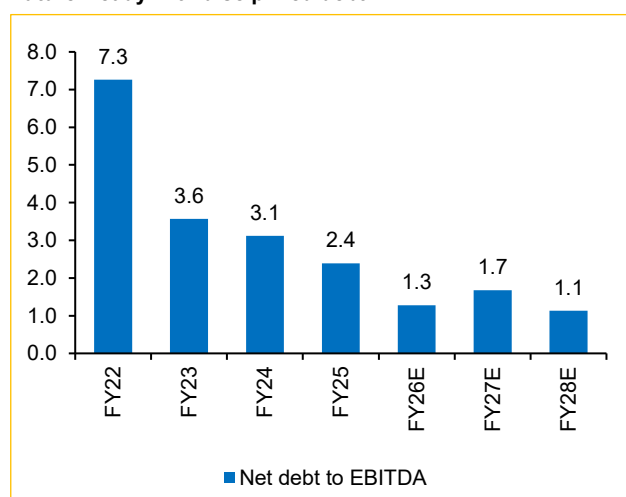
Source: SHANTIGOLD, Choice Institutional Equities

Deleveraging in action – Improving capital structure



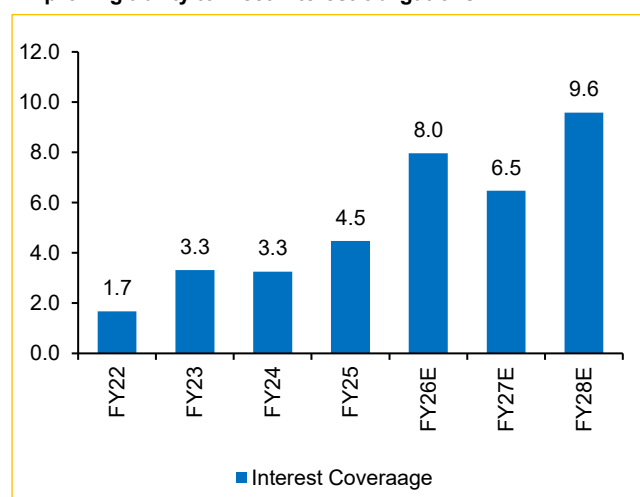
Source: SHANTIGOLD, Choice Institutional Equities

Future-Ready with disciplined debt



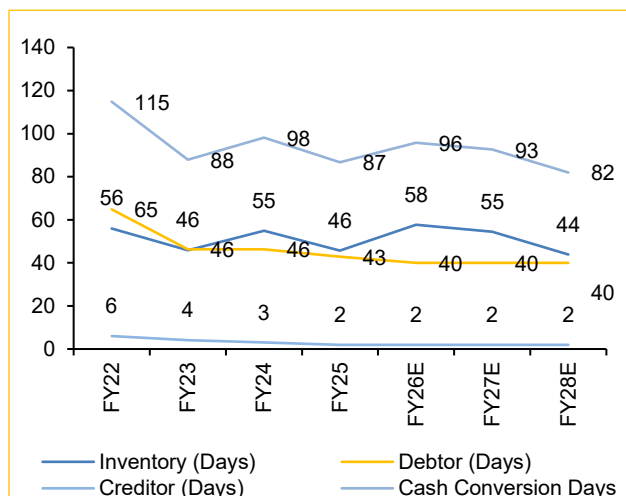
Source: SHANTIGOLD, Choice Institutional Equities

Improving ability to meet interest obligations



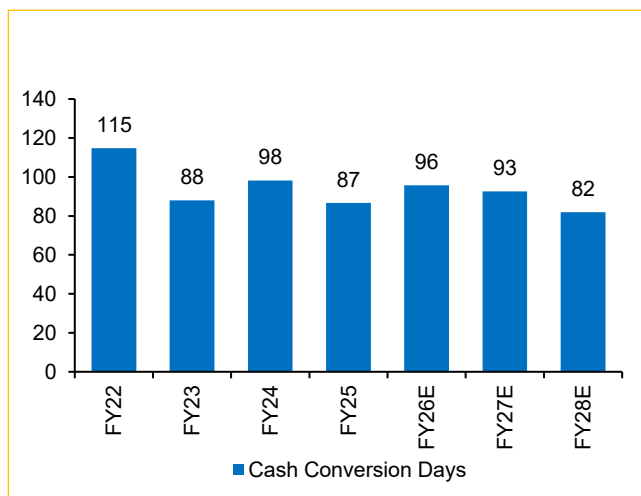
Source: SHANTIGOLD, Choice Institutional Equities

Better, Faster, Leaner: Working Capital Efficiency in Action



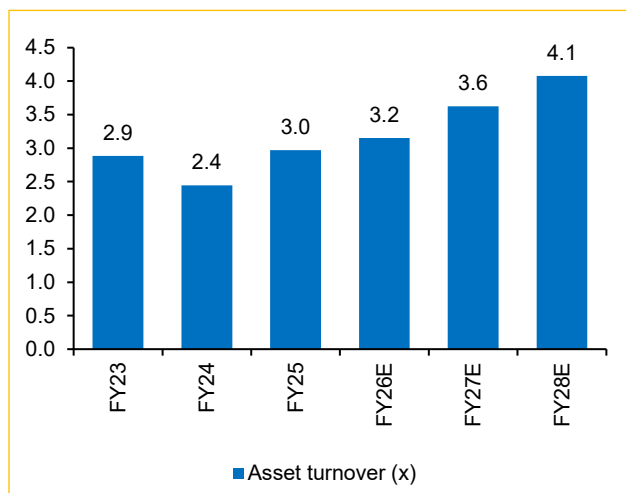
Source: SHANTIGOLD, Choice Institutional Equities

Optimising Inventory and Collections for Future Readiness



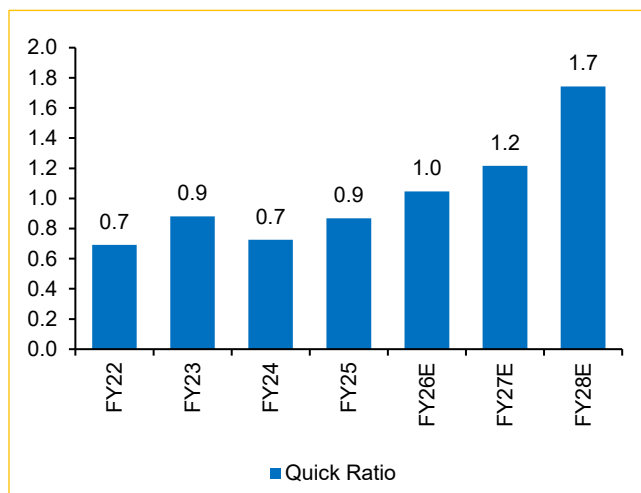
Source: SHANTIGOLD, Choice Institutional Equities

Maximizing Returns on Assets for Sustainable Growth



Source: SHANTIGOLD, Choice Institutional Equities

Strong Quick Ratios Reflect Solid Financial Cushion



Source: SHANTIGOLD, Choice Institutional Equities

Appendix



9.1 Synthetic or Lab made gold – Potential impact on gold demand & prices

Synthetic gold is not yet a material threat to demand or prices. If technological breakthroughs make it cost-competitive and socially accepted, it could erode the rarity-based premium that underpins gold's role as a store of value.

Synthetic Gold Today

- **Technology:** Achievable via nuclear transmutation and vapor-deposition, but extremely costly.
- **Commercial scale:** Negligible; cost per gram exceeds mined gold by several multiples.
- **Market acceptance:** No recognition in investment, central bank, or jewellery markets.
- **Share of supply (2024):** ~0% of global production.

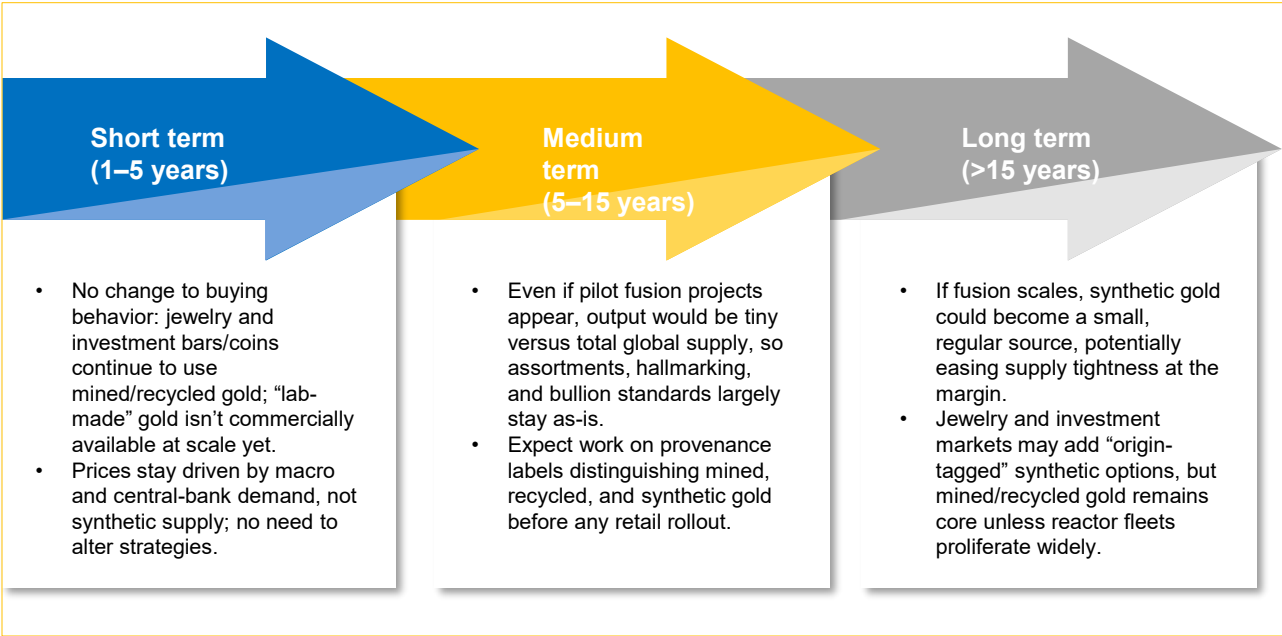
Key Insight: Current synthetic gold production has **no measurable impact** on global gold prices.

Scenario	Synthetic share of supply	Likely market effect	Price sensitivity
Minimal Uptake	<1%	Negligible change in supply; traditional demand persists	None
Moderate Uptake	5-10%	Slight oversupply; price pressure may emerge	Low to Medium
Large-Scale Uptake	>20%	Structural shift: mined gold loses scarcity premium	High

We do not expect synthetic gold to affect the market in any meaningful way in the short to medium term. However, given its long-term disruptive potential, we can expect that the story would unfold slowly in a couple of decades. Regulatory responses to synthetic gold and how production costs compare to traditional mining will remain key factors to watch.

Key demand concerns

- **Jewellery:** Tradition-linked demand in India/China unlikely to shift soon.
- **Investment:** Risk of reduced scarcity premium; potential ETF and bullion downgrades.
- **Industrial and technological utility:** Gold's unique physical and chemical properties make it vital in electronics, aerospace, and medical devices—applications that demand precise, consistent molecular specifications matched exactly by lab-grown gold.
- **Regulatory:** Indistinguishability of lab vs mined gold could cause certification challenges.



Source: Choice Institutional Equities

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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
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