

# INDIAN GOLD JEWELLERY RETAIL INDUSTRY

Gold jewellery consumption value to rise by 12-14% in FY2026, however, volume pressure to sustain

**MAY 2025** 



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### **Highlights**





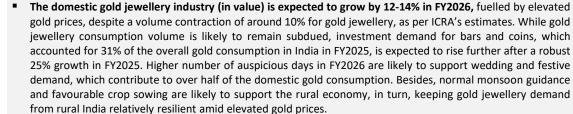
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Domestic jewellery consumption (in value terms) to register 12-14% growth in FY2026, driven by higher price realisations, effects of store expansions and higher number of auspicious days. Pressure on volumes continue amidst sustained rise in aold prices.

*Industry's operating margin to expand by* approximately 30 basis points to 7.2% in FY2026, aided by scale efficiencies and favourable pricing. However, net margin expansion is likely to be constrained by rising financing costs.



















- After a 14% and 33% rise in domestic gold prices in FY2024 and FY2025 respectively, the price continues to rise in the current fiscal and is up by around 20% so far compared to the average price in FY2025. The buoyancy in prices has been fuelled by the evolving global economic and geopolitical scenario, and rising investment demand for gold. However, ICRA expects gold prices to stabilise in the medium term.
- ICRA's sample set of 14 large jewellery retailers, which account for around 68% of the organised market, is projected to post a revenue growth of 14-16% in FY2026, albeit with some moderation, compared to around 18% (estimated) growth witnessed in FY2025. The persistent rise in gold prices, accelerated formalisation of the industry, planned store additions by large jewellers and changing consumer preferences in favour of branded jewellery are likely to drive the revenue growth in FY2026 despite a volume contraction.
- The estimated OPM of ICRA's sample set remained resilient in FY2025 owing to gains from rising gold prices and benefits from scale economies, despite the one-time losses suffered by some of the large retailers who avail gold metal loan (GML). The OPM is projected to witness an improvement by around 30 basis points in FY2026 vis-a-vis FY2025 wherein the customs duty cut had a bearing on the margin.
- Debt protection metrics of ICRA's sample set would continue to remain comfortable, with interest cover projected at around 5.6 times in FY2026, slightly moderating from around 5.8 times in FY2025. The rate hike in GML is likely to result in the marginal moderation in the projected interest cover for FY2026. Gearing is projected to improve and remain at around 1 times in FY2026.



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