

‘Organised jewellers to see 15% revenue growth this fiscal’

Our Bureau

Mumbai

Organised jewellery retailers will continue to outpace the industry in this fiscal, aided by planned store additions by a majority of large jewellery retailers and market share gains due to accelerated formalisation of the industry.

ICRA expects organised jewellers’ revenue to grow 12-15 per cent in this fiscal despite a high base and evolving macro-economic environment, against the expected industry growth of 8-10 per cent y-o-y.

It expects profitability, operating margin to remain comfortable and stabilise at about 7.5-8 per cent over the next two years.

STRONG DEMAND

ICRA expects industry growth to moderate to be 8-

10 per cent y-o-y (in value terms) in this fiscal, with volume growth likely to remain constrained by expected volatility in gold prices, amid global macro-economic uncertainties and evolving domestic inflation. Nonetheless, the strong cultural affinity of Indians to gold is likely to support festive and wedding demand for gold jewellery.

Kaushik Das, Vice-President and Co-Group Head, ICRA said most jewellers have recorded revenue growth of over 15 per cent on this Akshaya Tritiya.

The aggressive retail expansion by most players last fiscal along with a steep increase of 10-12 per cent in gold prices will aid revenue growth, he said.

While volume growth remained muted in the light of the high base, evolving domestic inflation and volatility in gold prices, Das added.