



**MANGAL ANALYTICS AND
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MARC Insights Jewellery Industry

2024



Table of Contents

1

Jewellery Market Overview

Introduction to the Indian Jewelry Industry

Page 3-5

4

KPI's of the Industry

Detailed KPI and Trends

Page 8

2

Market Distribution

Demand Concentration in the Country

Page 6

5

Players in the Industry

Mapping Key Competitors in the Industry

Page 9

3

Trends in India

Trends across India by Jewellery type

Page 7

6

Financial Analysis

Financial analysis of players in the Industry

Page 10-13

India's Jewellery Market Overview

India's Jewellery market is renowned for its craftsmanship, diverse designs, & strong consumer affinity for gold and precious stones. Market size was at **INR 5,830 thousand crores** in 2023 and is expected to grow at a CAGR of **16%** from 2024 to 2028 to **INR 12,245 thousand crores**.

24.21%

India's share in Global Jewellery market 2023

4.64 Mn

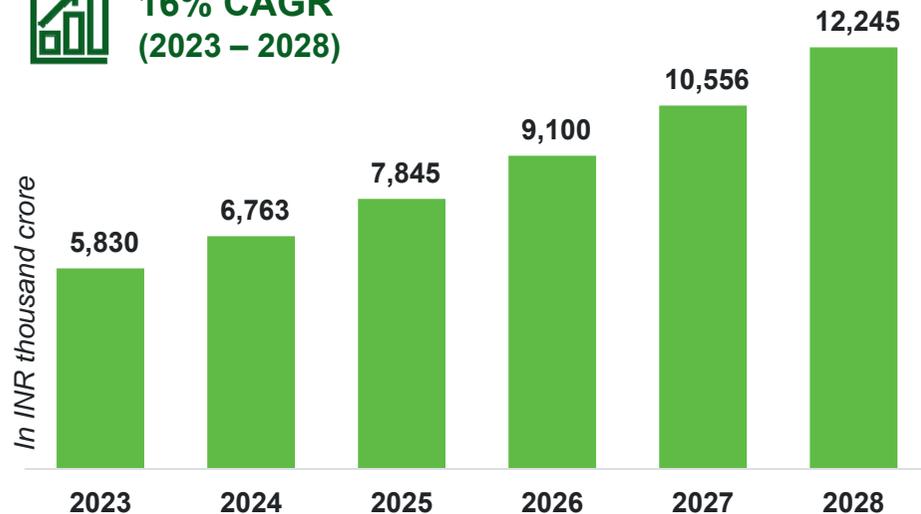
Workers & Craftsmen employed every Year

India's Jewellery Market Size

Key Trends



16% CAGR
(2023 – 2028)



Bridal Jewellery plays a significant role in driving the market accounting for **55%** share as of 2023



The diamond jewellery market is projected to grow at a CAGR of **4.6%** from 2024 to 2030.



The purchase of jewellery through offline stores accounted a revenue share of over **85%** in 2023.

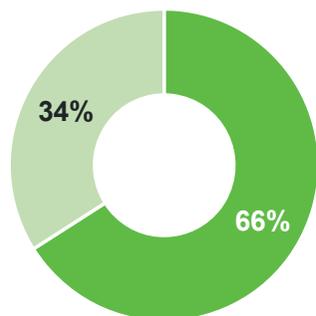


Rising numbers of working women fuel increased demand for luxury jewellery.

Source: Motilal Oswal report & Grand View Research

Organized Store Network

Organized vs Unorganized store network FY23



■ Total unorganised retail ■ Total organised retail

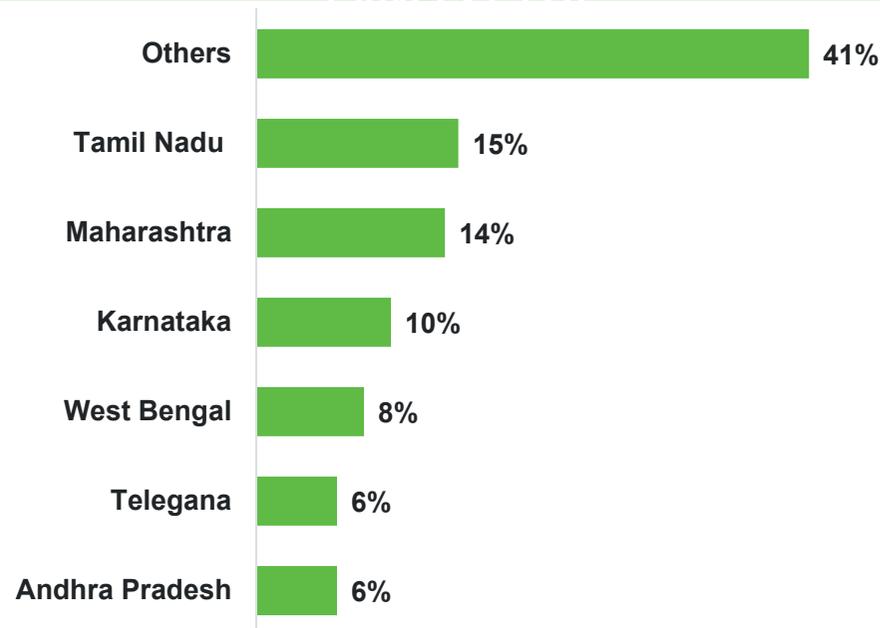
Organized Retail in India (FY23-FY24)

In INR thousand crore



Source: Motilal Oswal report

State wise Store network of Organized Players FY23



- Organized retail in India grew from **INR 1,895 thousand crores** in FY23 to **INR 2,250 thousand crores** in FY24, driven in part by the government's mandate for hallmarking gold purity.
- Tamil Nadu and Maharashtra** has the highest concentration of store network with 15% and 14% respectively as of FY23.

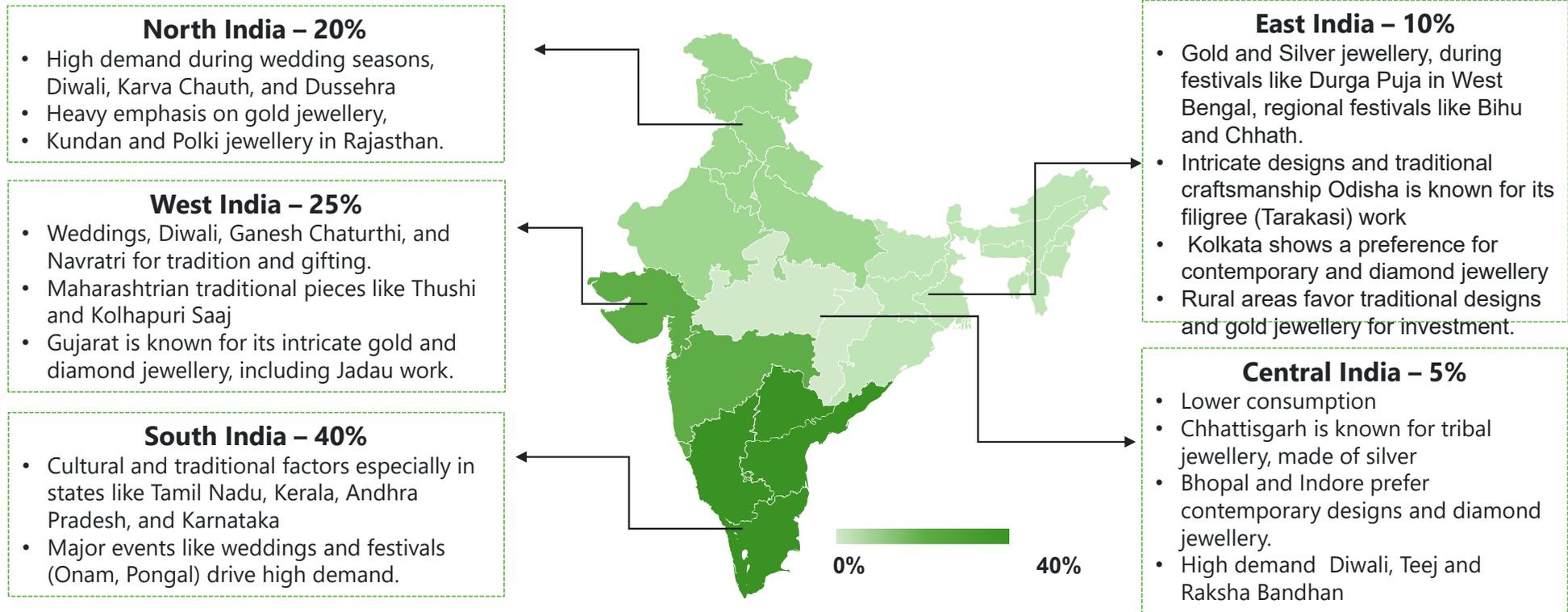
Split of Sales by Jewellery Type

Category	% of Retail sales	Range of Weights	Most common weight sold
 Necklaces	15%-20%	25gms-250gms	30gms-60gms
 Bangles	30%-40%	8gms-25gms	10gms-15gms
 Chains	30%-40%	10gms-50gms	10gms-20gms
 Earrings	5%-15%	2gms-30gms	3gms-8gms
 Finger Rings	5%-15%	2gms-15gms	3gms-7gms

Source: *India's Jewellery Demand And Market | World Gold Council*

Market Distribution

Consumption Percentage in India - 2023



Source: Kalyan Industry Research

Trends Across India

Prominent Jewellery Types in India (2023)

Carat Celebration

Showcasing unique & substantial precious stones, the allure of large-sized gems in designs like 'perch' rings

Everyday Sparkle

Playful everyday jewellery, featuring light-hearted diamonds and precious metals like gold for a touch of sparkle

OTT Cuffs

Over-the-top cuffs replacing basic bracelets with chunky adorned with intricate patterns and stones

Meaningful Opulence

Personalized, symbolic, and bespoke jewellery rises in popularity, emphasizing individuality

Embrace Extremes

Fashion now leans towards casual quirkiness, opulent elegance & experimental jewellery

Shoulder-Dusting Elegance

Long, intricate earrings from vogue diamonds to classic polki chaandbaalis

Modern Art Heirlooms

Modern-day heirlooms become focal points, celebrating bold and experimental designs

Maximalist Extravaganza

The 'more is more' philosophy takes centre stage with stacked bracelets, oversized necklaces, and XL solitaires

Trends: By Type

Kundan jewellery

Gold and precious stones, known as Bikaneri or Jaipuri jewellery

Lacquer jewellery

Originally from Rajasthan, made of lac, resin, stones and mirrors

Meenakari jewellery

Made of enamel and metal and has intricate designs and colours

Polki jewellery

Uncut & unpolished diamond in natural form

Pachchikam jewellery

Silver and glass stones with rustic look

Jadau jewellery

Gold and embedded with precious stones

Jali jewellery

Made of metal and has a lattice-like pattern

Temple jewellery

Used to adorn the idols of gods & goddesses

Tribal jewellery

Natural materials with distinctive style

Source: MARC Analysis

KPI's of the Jewellery Industry

Store Performance (FY23-FY24)

	Average order value	INR 30,000
	Customer Lifetime Value	INR 7,00,000
	Foot traffic per day	300 visitors
	Repeat Customer Rate	45%-55%
	Average basket size	INR 20,000 - 1,00,000

Retail Metrics

	Number of stock keeping units	4,000-5,000 units
	Rental Costs per square foot	INR 150 - 300 per month
	Typical Store area (sq. ft)	1,500-2,500

Plain gold jewellery has a gross margin ranging from **10%-14%**, while diamond-studded has a gross margin ranging from **30%-35%**.

Jewellery demand in India is **seasonal in nature**, peaking before major wedding seasons (May-June, Sep-Nov, Jan).

As per the industry, recycle gold contributes **20%** of India's gold consumption for jewellery as of 2023.

Source: Motilal Oswal report & the Medium

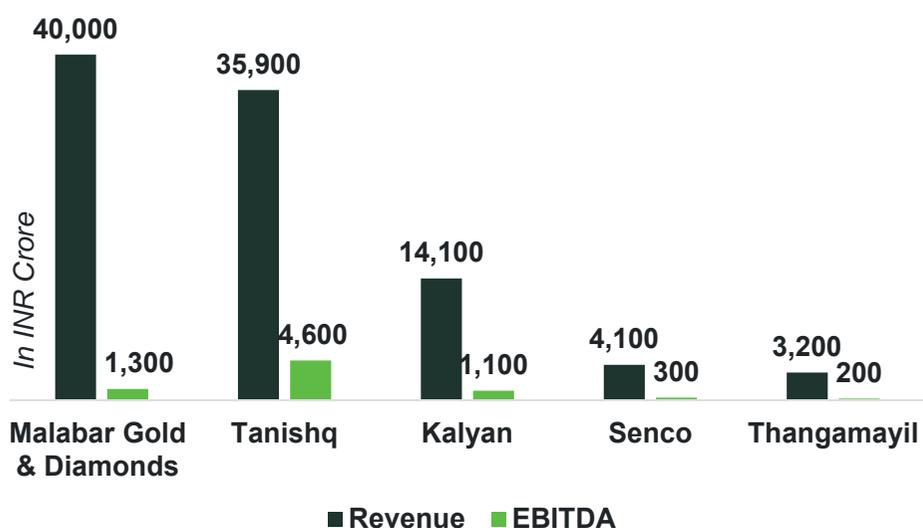
Players in the Jewellery Industry

					
Stores in India FY24	203	483	217	159	57
% Share by store count FY24*	10%	24%	10%	8%	3%
Presence	Pan India, Majorly South India	Pan India, Majorly Maharashtra	Pan India, Majorly South India	Pan India Majorly east India	South India
Average Store size (sq. ft)	8,000	4,200	6,500	2,500	1,500
Market Share FY24	22%	19%	8%	2%	2%

*Percentage of stores owned by an entity relative to the total number of retail jewellery stores in the organized store network in the top 10 states of India
 Source: Motilal Oswal report, Annual reports of listed players & MARC analysis

Financial Analysis of Industry Players

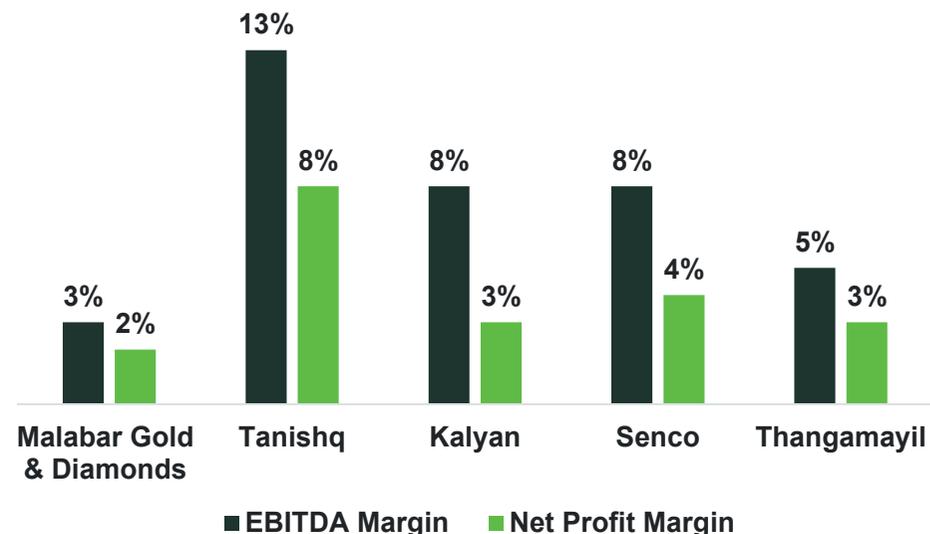
Key Financials of Indian Jewellers (FY23)



- Malabar Gold & Diamonds leads the market with a significant revenue of INR 40,000 crore followed by Tanishq at INR 35,900 crore.
- However, Tanishq boasts a higher EBITDA of INR 4,600 crore compared to Malabar Gold & Diamond's EBITDA of INR 1,300 crore, indicating better profitability despite lower revenue.

Source: Motilal Oswal report, Money Control & MARC analysis

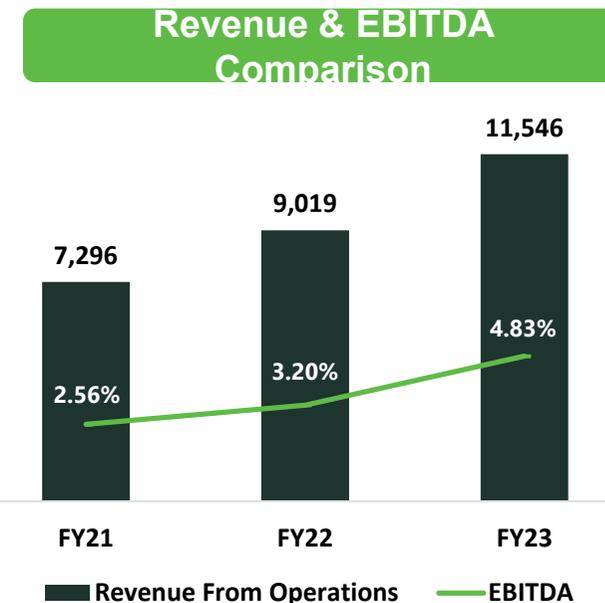
Financial Margins of Indian Jewellers (FY23)



- Tanishq leads with the EBITDA margin of 13% and Net Profit margin of 8%.
- Kalyan Jewellers & Senco follows with a lower EBITDA margin of 8% and a net profit margin of 3% & 4% respectively, indicating profitability and efficiency in the industry.

P&L Snapshot – Kalyan Jewellers

P&L Snapshot Particulars (in INR crores)	Actuals			Common size		
	FY21	FY22	FY23	FY21	FY22	FY23
Revenue From Operations	7,296.0	9,019.0	11,546.0	100.00%	100.00%	100.00%
Cost Of Material Consumed	6,607.0	8,146.0	10,818.0	90.56%	90.32%	93.69%
Expenses						
Employee Benefit Expense	286.0	297.0	371.0	3.92%	3.29%	3.21%
Rent	28.0	23.0	29.0			
Finance Cost	316.0	263.0	234.0	4.33%	2.92%	2.03%
Depreciation And Amortization	174.0	180.0	183.0	2.38%	2.00%	1.58%
Other Expenses	301.0	374.0	476.0	4.13%	4.15%	4.12%
EBITDA	187.0	289.0	558.0	2.56%	3.20%	4.83%



The company's revenue from operations has shown growth over the three fiscal years, increasing from INR 7,296 crores in FY21 to INR 11,546 crores in FY23. This reflects a consistent upward trend.

- The EBITDA margin has improved each year, rising from 2.56% in FY21 to 4.83% in FY23. This indicates better operational efficiency and profitability.
- The cost of materials consumed has also increased significantly, from INR 6,607 crores in FY21 to INR 10,818 crores in FY23. This cost represented 93.69% of revenue in FY23, up from 90.56% in FY21, indicating that material costs are taking a larger share of revenue

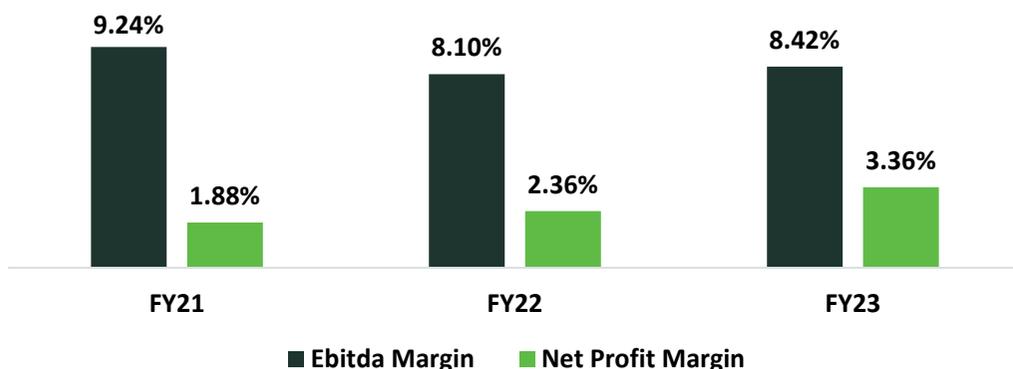
Source: MARC analysis

Ratio Analysis – Kalyan Jewellers

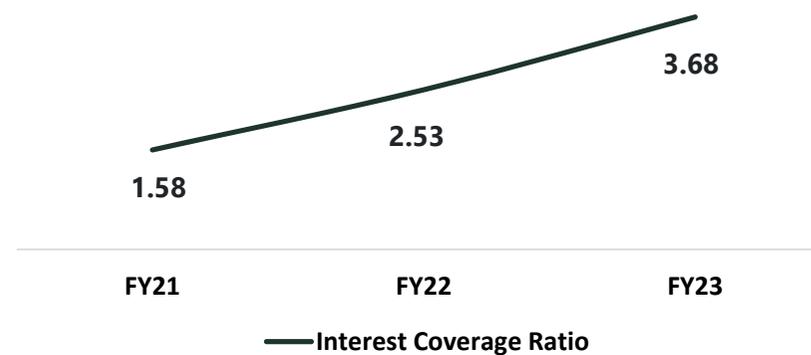
Liquidity Ratios

	FY21	FY22	FY23
Current Ratio	1.29	1.35	1.37
Quick ratio	0.26	0.14	0.20

Profitability Ratios



Interest Coverage Ratio



- Quick Ratio, while improving in FY23 to 0.20, remains low, suggesting a potential liquidity risk as it is below 1.
- The EBITDA Margin slightly declined from 9.24% in FY21 to 8.42% in FY23, but the Net Profit Margin has shown improvement, especially in FY23, where it reached 3.36%.
- The Interest Coverage Ratio has shown improvement over the three years, rising from 1.58 in FY21 to 3.68 in FY23.

Financial Metrics of Jewellery Retailing in India (FY23)

Industry Benchmark FY23

Gross Margin **12%**

EBITDA Margin **7%**

Net profit Margin **4%**

Store Revenue per month (INR)

4 Crores – 6 Crores

Average Revenue per sq. ft (INR)

1,40,000

Inventory Cost (INR)

30 Crores – 40 Crores

Promotional expense as % of store revenue

1-3%

Return on Capital Employed

20-25%

Payback Period

3-5 Years

Store Revenue per month of INR 4-6 Crores indicates high value transactions & large customer base in the industry.

Average Revenue per sq. ft INR 1,40,000 is relatively high, suggesting efficient space utilization for the products.

Inventory Cost of INR 30-40 Crores suggests that industry requires substantial investment in inventory.

1-3% is relatively low, indicating controlled marketing costs but potentially limiting customer acquisition.

Return on Capital Employed of 20-25% suggests strong profitability, indicating effective capital management.

Payback Period of 3-5 years showcases moderate payback period, suggesting steady returns on investment.

Source: Motilal Oswal report



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