Industry Research Report
On
Indian Gems and Jewellery Industry

April 2025

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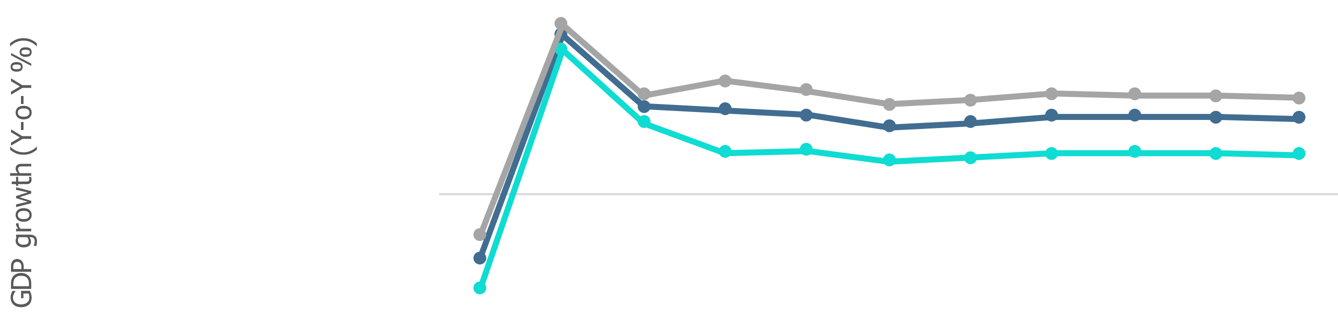
1 Economic Outlook

1.1 Global Economy

Global growth, which reached 3.5% in CY23, is estimated to stabilize at 3.3% for CY24 and projected to decrease at 2.8% for CY25. Global trade is expected to be disrupted by new US tariffs and countermeasures from trading partners, leading to historically high tariff rates and negatively impacting economic growth projections. The global landscape is expected to change as countries rethink their priorities and policies in response to these new developments. Central banks priority will be to adjust policies, while smart fiscal planning and reforms are key to handling debt and reducing global inequalities.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P	CY30P
World	-2.7%	6.6%	3.6%	3.5%	3.3%	2.8%	3.0%	3.2%	3.2%	3.2%	3.1%
Advanced Economies	-4.0%	6.0%	2.9%	1.7%	1.8%	1.4%	1.5%	1.7%	1.7%	1.7%	1.7%
Emerging Market and Developing Economies	-1.7%	7.0%	4.1%	4.7%	4.3%	3.7%	3.9%	4.2%	4.1%	4.1%	4.0%

Source: IMF – World Economic Outlook, April 2025; Notes: P-Projection, E-Estimated

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)										
	CY20	CY21	CY22	CY23	CY24E	CY25P	CY26P	CY27P	CY28P	CY29P	CY30P
India	-5.8	9.7	7.6	9.2	6.5	6.2	6.3	6.5	6.5	6.5	6.5
China	2.3	8.6	3.1	5.4	5.0	4.0	4.0	4.2	4.1	3.7	3.4
Indonesia	-2.1	3.7	5.3	5.0	5.0	4.7	4.7	4.9	5.0	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.3	3.0	3.7	3.6	3.2	3.2	3.3
Brazil	-3.3	4.8	3.0	3.2	3.4	2.0	2.0	2.2	2.3	2.4	2.5
Euro Area	-6.0	6.3	3.5	0.4	0.9	0.8	1.2	1.3	1.3	1.2	1.1
United States	-2.2	6.1	2.5	2.9	2.8	1.8	1.7	2.0	2.1	2.1	2.1

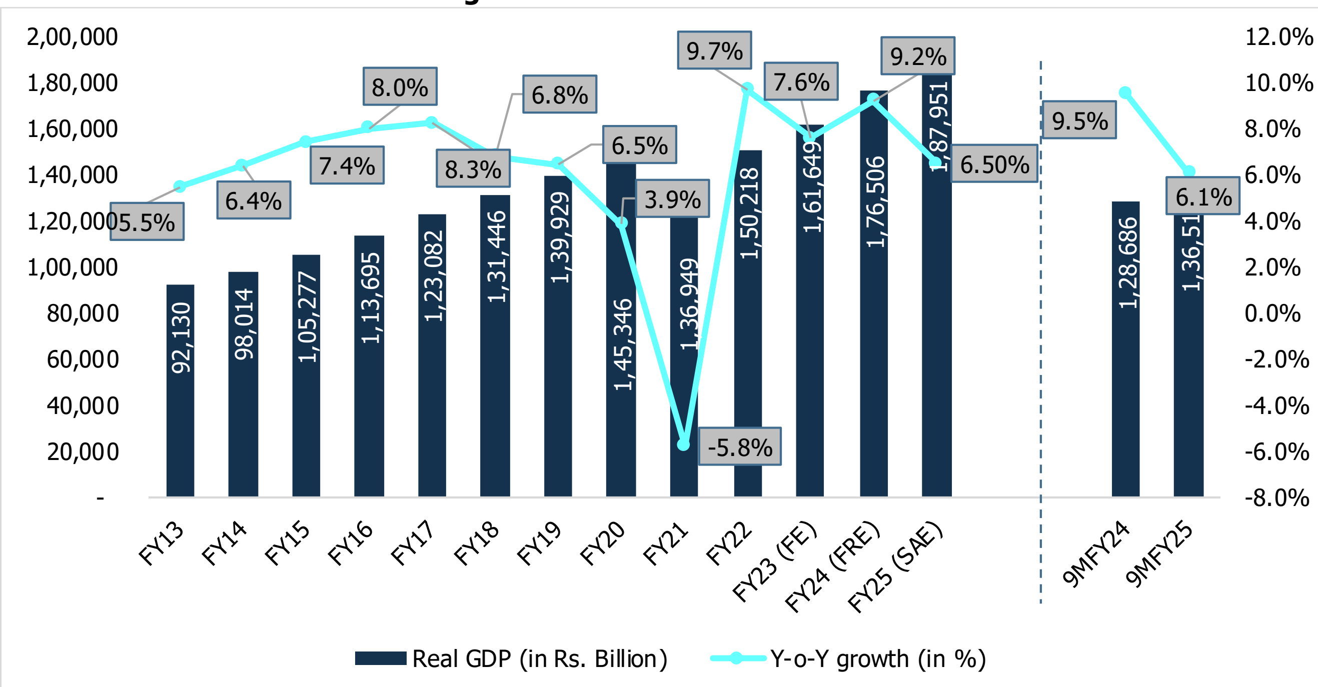
Source: IMF- World Economic Outlook Database (April 2025)
Note: P- Projections, E-Estimated; India's fiscal year (FY) aligns with the IMF's calendar year (CY). For instance, FY24 corresponds to CY23.

1.2 Indian Economic Outlook

1.2.1 GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

Chart 2: Trend in Real Indian GDP growth rate



Source: MOSPI; Note: SAE – Second Advance Estimates, FE – Final Estimate, FAE- First Advance Estimates

India's real GDP grew by 9.2% in FY24 (Rs 176,506 billion) which is the highest in the previous 12 years and is estimated to grow 6.5% in FY25 (Rs 187,951 billion), driven by double digit growth particularly in the Manufacturing sector, Construction sector and Financial, Real Estate & Professional Services. In 9MFY25, GDP grew 6.1% Y-o-Y, with private consumption increasing by 7.6% and government spending increasing by 3.8% Y-o-Y.

GDP Growth Outlook

FY26 GDP Outlook: Real GDP growth is projected at 6.5%, driven by strong rural demand, improving employment, and robust business activity. The agriculture sector's bright prospects, healthy reservoir levels, and robust crop production support this growth. Manufacturing is reviving, and services remain resilient, despite global uncertainties. Investment activity is gaining traction, supported by healthy balance sheets and easing financial conditions. However, risks from geopolitical tensions, global market volatility, and geo-economic fragmentation persist

Persistent geopolitical tensions, volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its April 2025 monetary policy, has projected real GDP growth at 6.5% y-o-y for FY26.

Table 2: RBI's GDP Growth Outlook (Y-o-Y %)

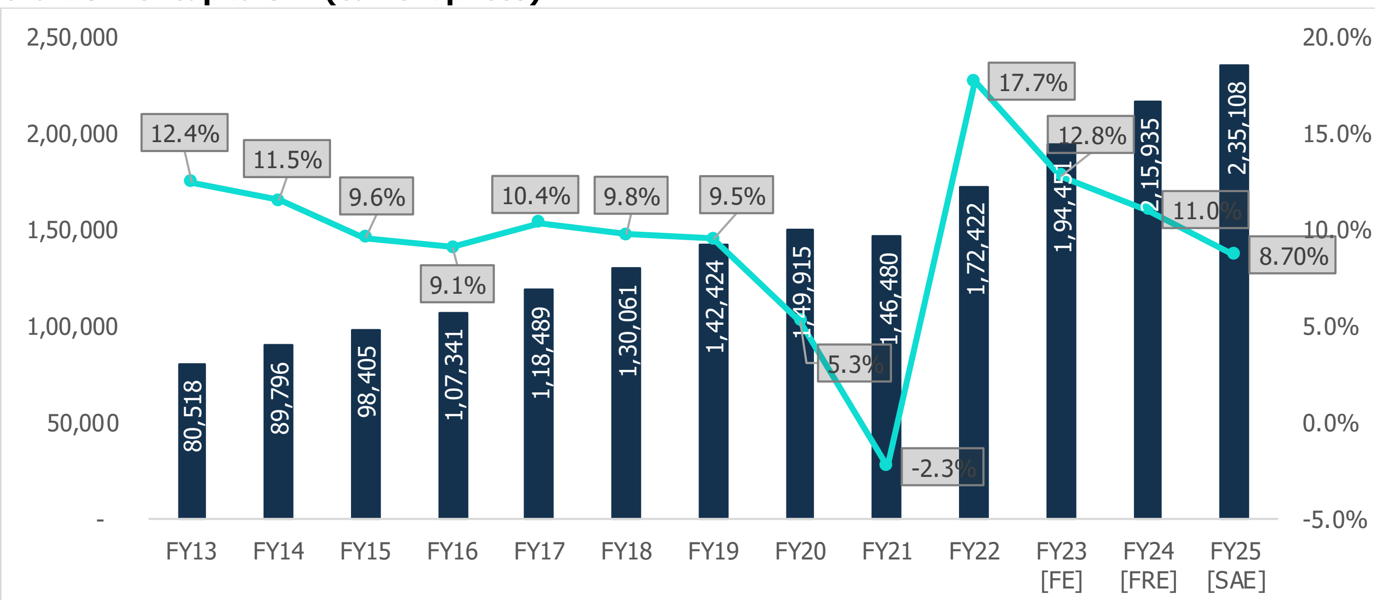
FY26P (complete year)	Q1FY26P	Q2FY26P	Q3FY26P	Q4FY26P
6.5%	6.5%	6.7%	6.6%	6.3%

Source: Reserve Bank of India; Note: P-Projected

1.2.2 India's GDP Per Capita

India's per capita GDP has shown a consistent upward trend over the past decade, reflecting steady economic growth. From FY13 to FY25, the per capita GDP is expected to increase from ₹80,518 to ₹235,108, with an average growth rate of around 9.7% annually. Key drivers of this growth include structural reforms, digitalization, rising domestic consumption, and increased foreign investment. However, there was a slight dip in FY20, primarily due to the economic impact of the COVID-19 pandemic. Despite this, the country has rebounded with strong growth rates in subsequent years, supported by economic recovery and continued expansion in various sectors

Chart 3: Per capita GDP (current prices)



Source: MOSPI; Note: SAE – Second Advance Estimates, FE – Final Estimate, FAE- First Advance Estimates

1.2.3 Gross Value Added (GVA)

India's recovery is led by the industrial and services sectors In FY25, the agriculture sector grew by 4.6%, upward trend from 2.7% in FY24. The industrial sector plummeted to 5.6%, due to weak industrial activities. The services sector grew 7.3%, supported by public administration, defence & other services. Growth in 9MFY25 improved in agriculture (4.0%) and there was a slowdown in the services (7.1%) as compared to 9MFY24.

Table 3: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

At constant Prices	FY19	FY20	FY21	FY22	FY23 (FE)	FY24 (FRE)	FY25 (SAE)	9MFY24	9MFY25
Agriculture, Forestry & Fishing	**2.1**	**6.2**	**4.1**	**3.5**	**5.1**	**2.7**	**4.6**	**3.3**	**4.0**
Industry	**5.3**	**-1.4**	**-0.9**	**11.6**	**2.0**	**10.8**	**5.6**	**11.3**	**5.6**
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	2.8	3.2	2.8	4.3	2.9

Manufacturing	5.4	-3.0	2.9	11.1	-3.0	12.3	4.3	12.7	4.3
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	11.5	8.6	6.0	8.6	6.0
Construction	6.5	1.6	-5.7	14.8	10.0	10.4	8.6	11.1	8.5
Services	**7.2**	**6.4**	**-8.2**	**8.8**	**11.3**	**9.0**	**7.3**	**9.4**	**7.1**
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	14.4	7.5	6.4	8.0	6.1
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	10.7	10.3	7.2	10.6	7.0
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	8.2	8.8	8.8	8.9	8.9
GVA at Basic Price	**5.8**	**3.9**	**-4.2**	**8.8**	**7.4**	**8.6**	**6.4**	**9.0**	**6.2**

Source: MOSPI; Note: FRE – First Revised Estimates, PE – Provisional Estimate, FAE- First Advance Estimates

1.2.4 Trends in Per capita State Domestic Product (SDP)

State Domestic Product is the total value of goods and services produced, during any financial year, within the geographical boundaries of a state. The top 10 best performing states on per capita SDP include Delhi, Gujarat, Karnataka, and Tamil Nadu.

As of FY24, major states having a per capita SDP below national average include Andhra Pradesh, Rajasthan, Madhya Pradesh, and Uttar Pradesh growing y-o-y by 7.20%, 6.94%, 4.83%, and 6.42% respectively. Bihar is the poorest performing state with a per capita SDP of Rs 32,174. It has consistently been the performing the poorest since FY18 growing only at a CAGR of 3.14% from FY18 to FY24.

Table 4: Per Capita State Domestic Product (SDP) for Key States (at constant prices, in Rs)

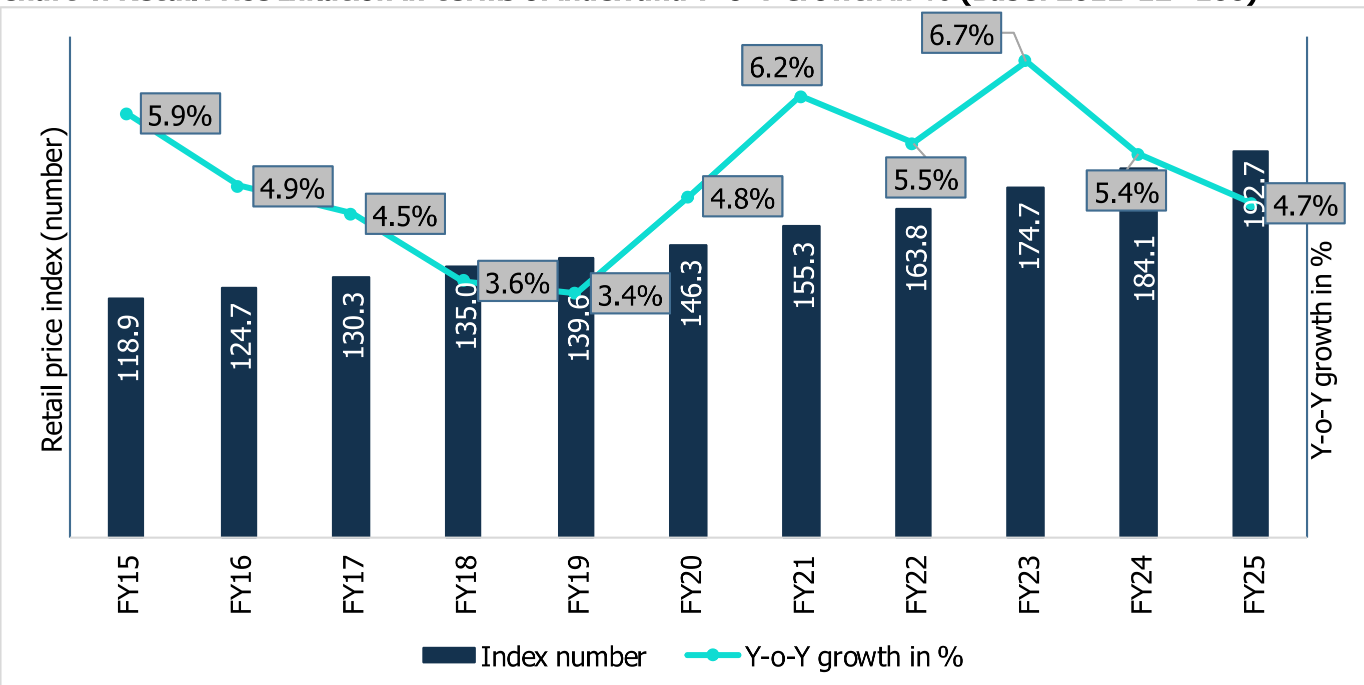
State\UT	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Andhra Pradesh	1,03,177	1,08,853	1,10,587	1,10,971	1,21,762	1,26,690	1,35,806
Bihar	26,719	29,092	29,798	26,839	27,674	29,909	32,174
Gujarat	1,43,604	1,54,887	1,64,060	1,56,285	1,70,519	1,81,963	1,81,963
Karnataka	1,40,747	1,49,024	1,56,478	1,49,673	1,63,732	1,75,895	1,86,038
Madhya Pradesh	54,824	59,005	60,452	56,086	60,166	63,379	6,6441
Maharashtra	1,37,808	1,40,782	1,45,626	1,27,550	1,40,718	1,53,664	163,820
Rajasthan	73,529	73,975	76,840	73,447	79,507	84,935	90,831
Tamil Nadu	1,33,029	1,41,844	1,44,845	1,43,482	1,54,269	1,66,590	1,79,732
Uttar Pradesh	41,771	42,333	43,061	39,866	44,178	47,808	50,875
Delhi	2,52,960	2,57,597	2,60,559	2,28,162	2,44,024	2,58,941	2,73,687

Source: MOSPI

1.2.5 Consumer Price Index

The CPI (general) and food inflation in March, 2025 over March,2024 (3.34%, provisional) witnessed lowest Y-o-Y inflation since August 2019. The moderation was driven by decline of price inflation in Vegetables, Egg, Meat & fish, Cereals and Pulses and Milk.

Chart 4: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)

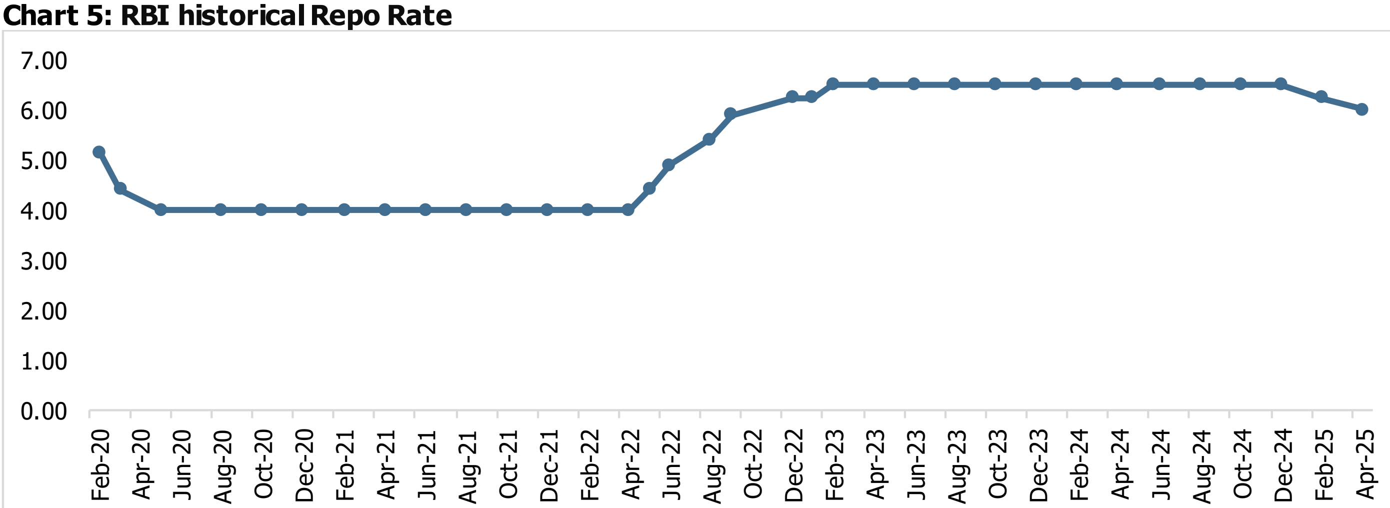


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. At the bi-monthly meeting held in April 2025, RBI projected inflation at 4.0% for FY26 with inflation during Q1FY26 at 3.6%, Q2FY26 at 3.9% and Q3FY26 at 3.8% and Q4FY26 4.4%.

Considering the current inflation situation, RBI has cut the repo rate to 6.00% in the April 2025 meeting of the Monetary Policy Committee.

Chart 5: RBI historical Repo Rate



Source: RBI

Further, the central bank changed its stance to be accommodative. While headline inflation moderated during January-February 2025, with a decline in food inflation.

The economic growth outlook for India is expected to remain resilient, but it will require careful monitoring due to depreciation of the Indian rupee in recent months. Additionally, certain key sectors may face headwinds amid hiked tariffs from the US.

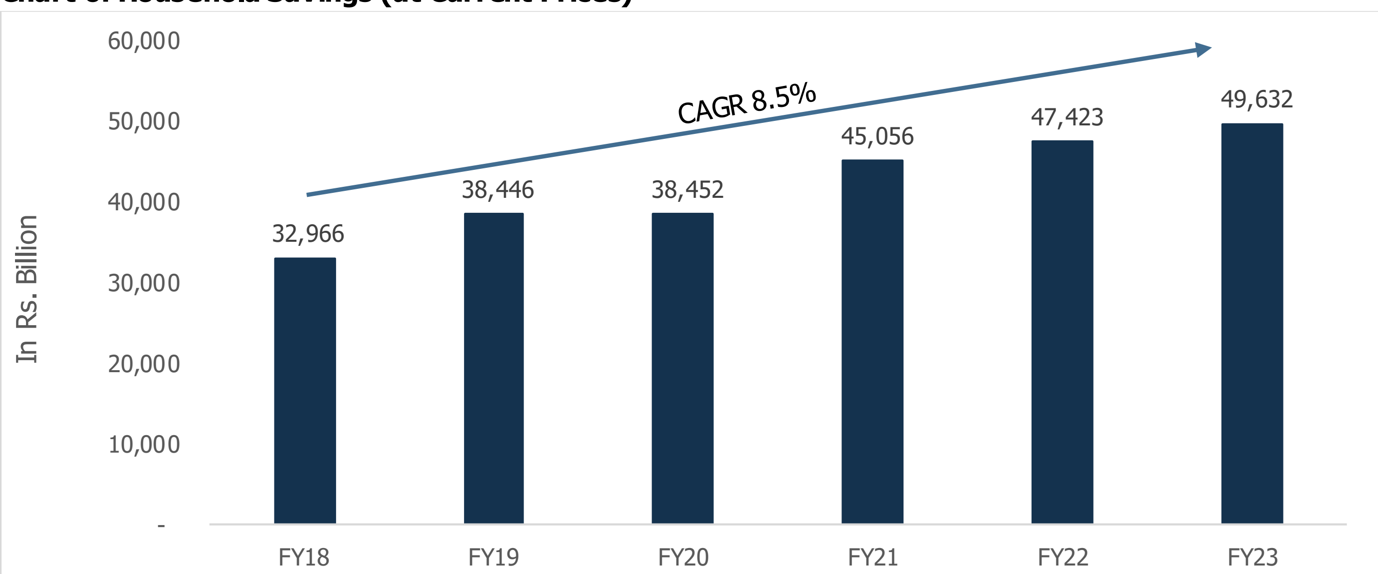
The RBI has adopted for a non-inflationary growth with the foundations of strong demand and supply with a good macroeconomic balance. The domestic growth and inflation curve require the policies to be supportive with the volatile trade conditions.

1.2.6 Trends in Household and Gross Savings

Household savings in India have grown steadily at a CAGR of 8.5% since FY18, with a slight dip in FY20 due to the pandemic. In FY23, total household savings reached Rs 49,632.14 billion, growing by 4.7% year-on-year. Significant contributors to this growth include savings in physical assets (real estate, etc.), which increased by 17.4%, and gold and silver ornaments, which grew by 39%. The shift towards physical assets is driven by slow appreciation in monetary assets in a high-inflation environment.

This increase in savings has been supported by higher borrowing, particularly in housing, auto, and personal loans, leading to a 73.2% rise in financial liabilities to Rs 15,571.9 billion. Additionally, growth in savings in mutual funds (11.5%) and life insurance funds (13.6%) indicates a shift towards newer financial instruments, with increased participation in equity and capital markets for higher returns.

Chart 6: Household Savings (at Current Prices)

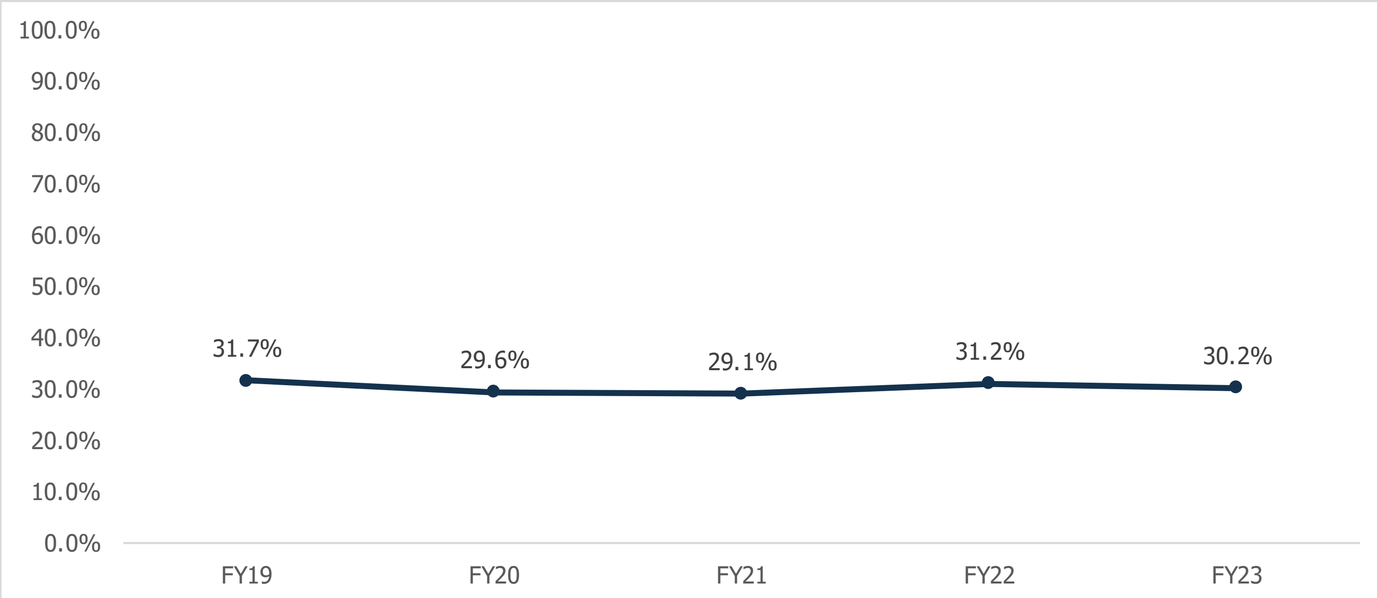


Source: MOSPI

Gross Savings as percentage of GDP, has seen a flat growth moving within a narrow range. Within the last five years, it was highest in FY19 at 31.7%. It declined to less than 30% during FY20 and FY21 on account of pandemic increasing again to 31.2% in FY22 before declining to 30.2% in FY23.

As of FY23, Savings were Rs 81,500.08 billion indicating a y-o-y growth of 10.7% while GDP was at Rs 2,69,496.5 billion showing a growth of 14.2%.

Chart 7: Gross Savings (as % of GDP) (at current prices)



Source: MOSPI

1.2.7 Growth of the middle class in India and the rural economy in India

India's rural economy is becoming a significant driver of the Fast-Moving Consumer Goods (FMCG) sector's resurgence, signalling a promising turnaround in aggregate demand after a slow start to the 2024-25 financial year. The Reserve Bank of India (RBI) highlights that rising incomes and improved infrastructure are fueling increased rural consumption of FMCG products. This boost is supported by a rise in rural savings, marked by growing numbers of savings bank accounts and balances, and a reduction in inflationary pressures, which has allowed rural consumption to catch up with urban areas. Additionally, favourable monsoon conditions and improved sowing data are expected to sustain this growth, complemented by increased government spending on rural development and infrastructure.

The expansion of middle-income households in rural India is transforming the country's economic landscape. This growth is driven by rising incomes, increased discretionary spending, a shift towards online and omnichannel shopping, and advancements in payment and logistics infrastructure. There is also a notable dietary shift in rural areas from carb-based foods to more protein-rich diets. India's middle class, characterised by significant income variability, exhibits diverse spending patterns. Lower-middle-class households allocate much of their income to private healthcare, education, and essential consumer goods, such as motorbikes and basic appliances. In contrast, the upper-middle class invests in luxury items, entertainment, property, and personal services, with a higher propensity to own assets like cars, computers, and air conditioners Both segments of the middle class are substantial and emerging as key drivers of consumption and economic growth in India. Recent policies, including the Mahatma Gandhi National Rural Employment Guarantee Act, have increased rural incomes, enabling more rural households to enter the middle class. The growing, more inclusive, and politically engaged middle class reflects broader economic growth, although there is a risk of social strain if growth falters and quality job creation does not keep pace.

The forecasted above-normal southwest monsoon by the India Meteorological Department (IMD) is expected to boost kharif production and replenish reservoir levels, further enhancing rural consumption. Improvements in agriculture and rural spending are emerging as bright spots in demand conditions. The government's Budget measures, which focus on agriculture, infrastructure, and rural development, aim to increase incomes and revitalise the rural sector. These measures include transforming agricultural research, introducing new crop varieties, promoting natural farming, and enhancing digital infrastructure for agriculture. Successful implementation of these programs, coupled with proper fund allocation, is crucial for improving farm incomes and strengthening supply chains. A shift towards diversified, high-value agricultural production, along with marketing and trade reforms, is needed to foster more inclusive, environmentally friendly, and climate-resilient agriculture.

Despite higher absolute incomes among the wealthy, the sheer size of India's middle class indicates it will become a major force in the economy, creating one of the world's largest markets. This burgeoning middle class, with its growing discretionary spending power, is poised to drive investment, generate employment, and spur further economic growth. Assuming effective reforms are implemented and the middle class expands to over one billion people, its role will be pivotal in India's economic and social fabric, influencing a wide range of activities from consumption to employment and political change.

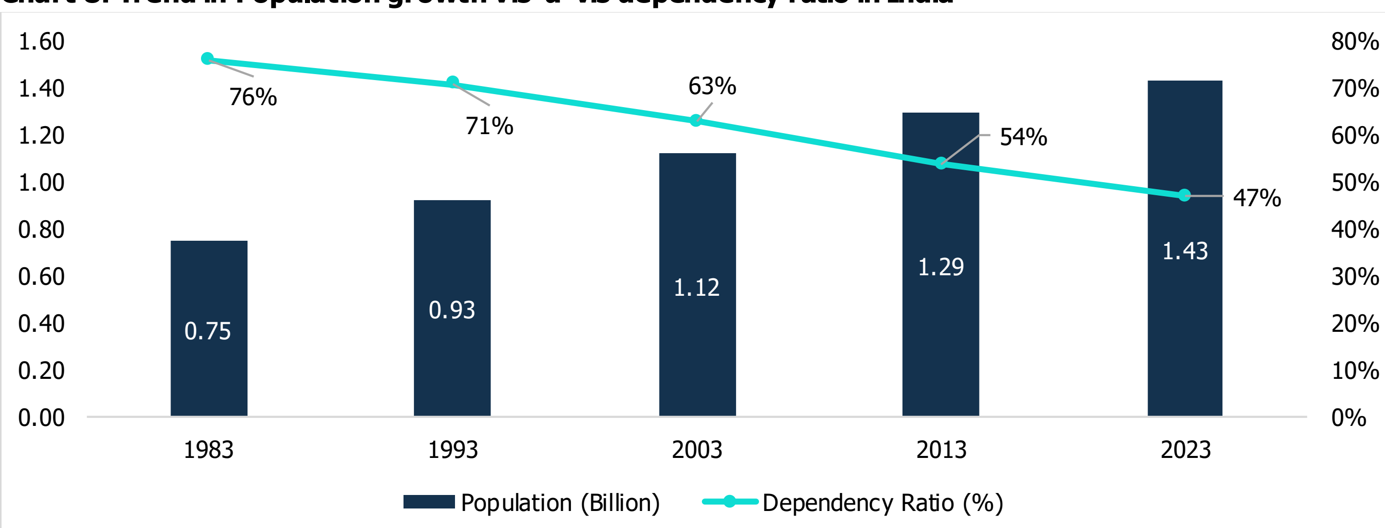
1.2.8 Overview of Key Demographic Parameters

- **Population growth and urbanisation**

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanisation. According to the World Bank, India's population in 2022 surpassed 1.42 billion, slightly higher than China's population of 1.41 billion and became the most populous country in the world.

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are the population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1983, which has reduced to 47% in 2023. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy.

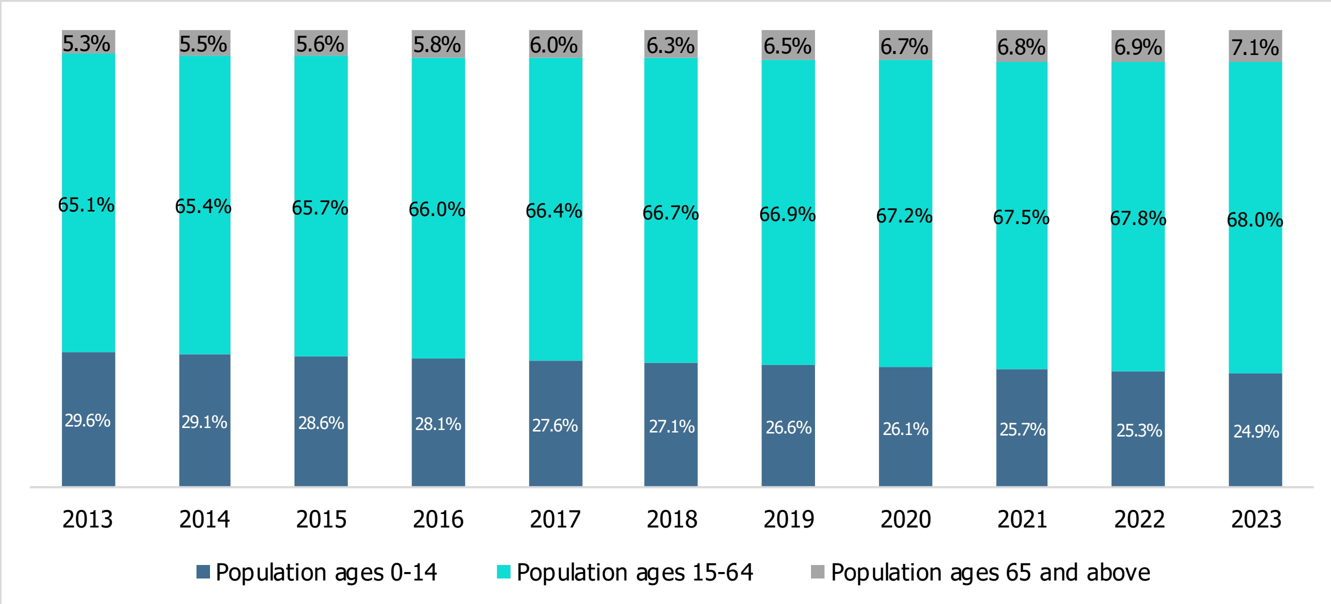
Chart 8: Trend in Population growth vis-à-vis dependency ratio in India



Source: World Bank Database

With an average age of 29, India has one of the youngest populations globally. With vast resources of young citizens entering the workforce every year, it is expected to create a 'demographic dividend'. India is home to a fifth of the world's youth demographic and this population advantage will play a critical role in economic growth.

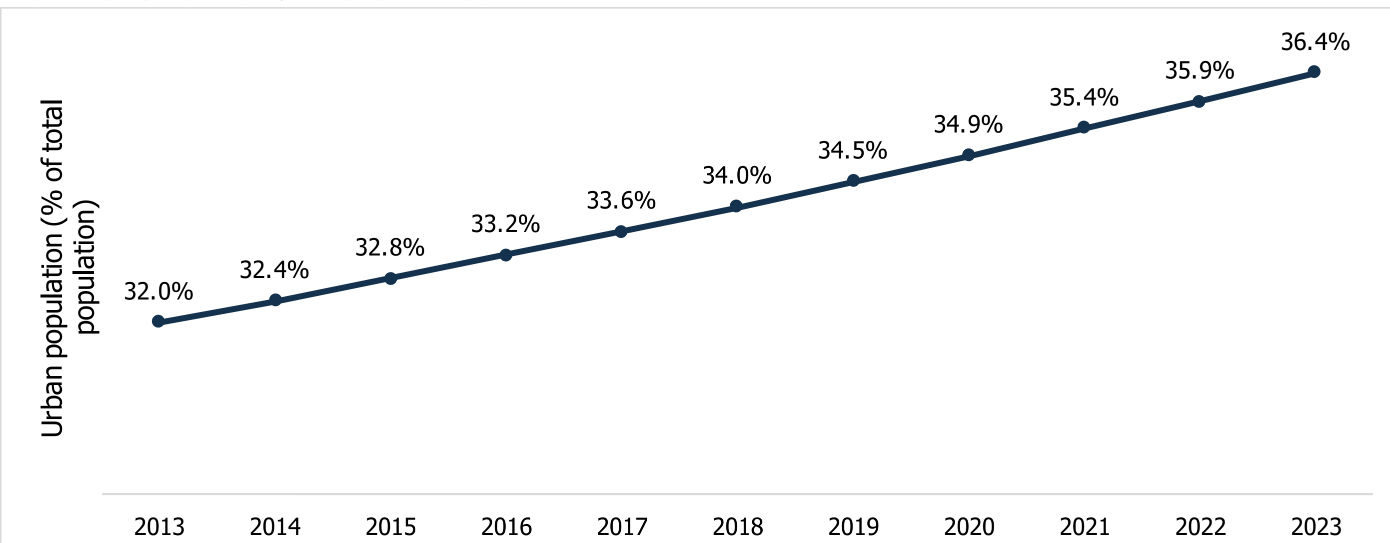
Chart 9: Age-Wise Break Up of Indian population



Source: World Bank Database

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 413 million (32% of the total population) in 2013 to 519.5 million (36.4% of the total population) in the year 2023.

Chart 10: Urbanization Trend in India



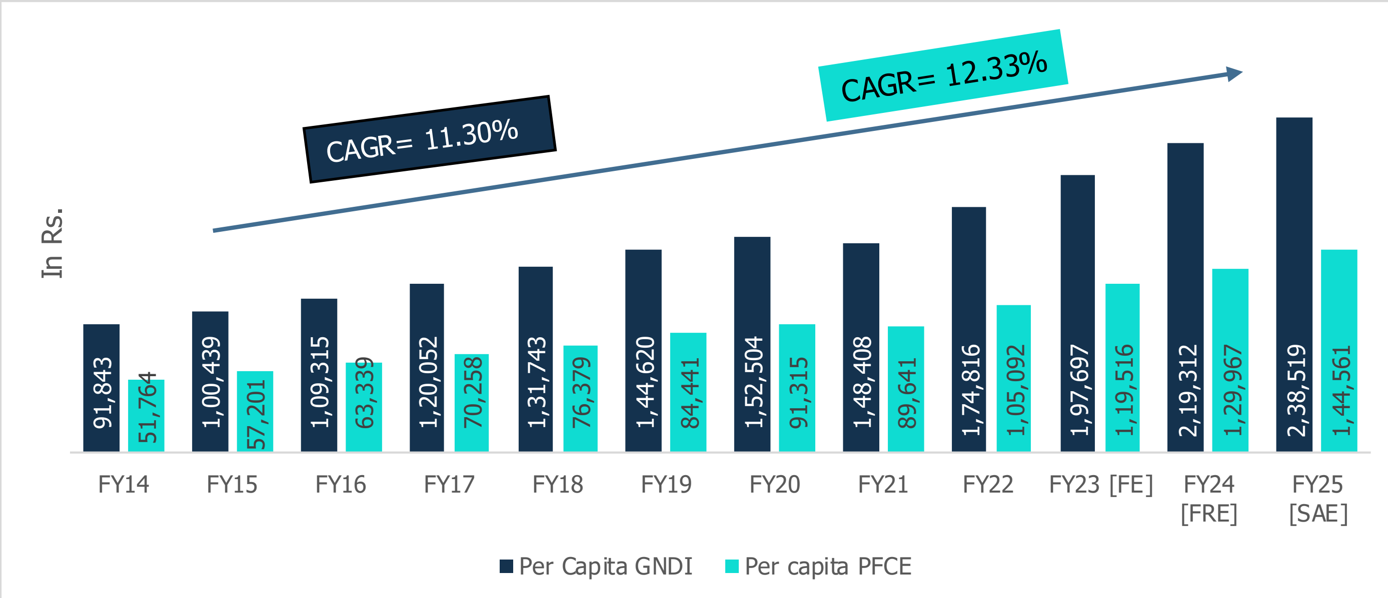
Source: World Bank Database

- **Increasing Disposable Income and Consumer Spending**

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY25, per capita GNDI at current prices registered a CAGR of 11.30%. More disposable income drives more consumption, thereby driving economic growth.

With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Per capita Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has also showcased significant growth from FY14 to FY25 at a CAGR of 12.33%.

Chart 11: Trend of Per Capita GNDI and Per Capita PFCE (Current Price)



Source: MOSPI; Note: FRE – First Revised Estimates, FE – Final Estimate, SAE-Second Advance Estimate

1.2.9 Concluding Remarks

Global economic growth faces headwinds from geopolitical tensions, volatile commodity prices, high interest rates, inflation, financial market volatility, climate change, and rising public debt. However, India's economy remains relatively strong, with an IMF forecast of 6.5% GDP growth in CY24 (FY25 according to the fiscal year), compared to the global projection of 3.3%. Key drivers include strong domestic demand, government capital expenditure and moderating inflation.

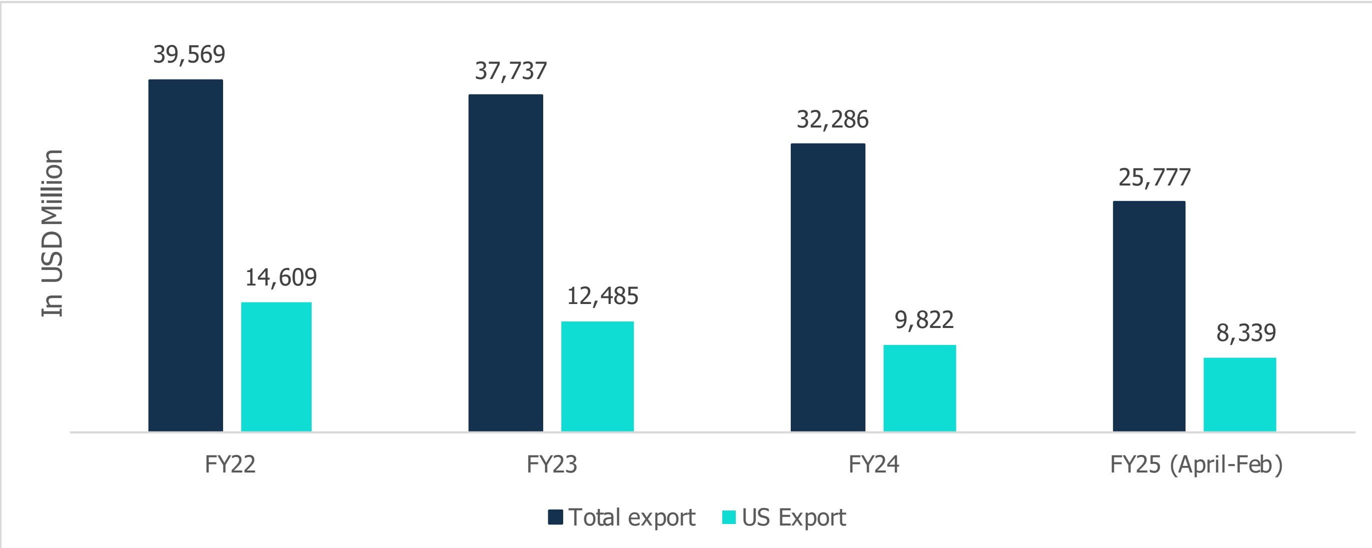
Public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs 1,12,100 billion for FY26. The private sector's intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to healthy sowing, improving reservoir levels, and progress in south-west monsoon along with government's thrust on capex and other policy support will aid the investment cycle in gaining further traction.

The impact of U.S. tariffs on India

The impact of U.S. tariffs on India's export trade is anticipated to be minimal. The key sectors which will have a potential impact are engineering goods, electronics, gems and jewellery, pharmaceuticals, textiles, and automobiles, among others. The affected sectors represent a small fraction of India's total exports, with key industries such as steel industry affected by the 25% tariffs, although the impact is expected to be minimal given the volume of goods exported is less, and textiles are potentially benefiting from reduced competition.

The U.S. tariff hike is a major challenge for India's gems and jewellery sector, as it could reduce export earnings, as US accounts for around 31% of India's total Gems and Jewellery export.

Trade Data between India and the USA of gems and jewellery



Source: GJEPC, CareEdge Research

India's relatively lower tariff structure enhances its attractiveness as a trade partner, and ongoing negotiations with the U.S., along with efforts to diversify export markets, including the EU and ASEAN, are likely to mitigate potential adverse effects. As India progressively positions itself as a competitive manufacturing hub, particularly in textiles, pharmaceuticals, electronics, and auto components, it remains more competitive than countries like China, Taiwan, Bangladesh, and Vietnam. This strengthens India's position as a viable alternative in global trade, particularly in sectors where it holds a comparative advantage. India's expanding manufacturing capacity, coupled with its skilled workforce, makes it an appealing investment destination for global companies. Sectors such as electronics and textiles, including the relocation of Apple's iPhone production, are likely to attract greater U.S. interest as businesses seek lower-tariff alternatives.

On February 13, Prime Minister Narendra Modi and President Donald Trump discussed enhancing the U.S.-India trade relationship, with a target to increase bilateral trade from USD 200 billion to USD 500 billion by 2030. Negotiations for a multi-sector bilateral trade agreement (BTA) are expected to commence later this year, focusing on trade fairness, national security, and job creation.

Thus, while U.S. tariffs may have a limited impact on India's exports, ongoing trade negotiations and India's competitive manufacturing advantage position it well for continued growth in global trade.

2 Global Gems and Jewellery Industry

2.1 Overview of the Global Gems and Jewellery Industry

The global jewellery market is shaped by diverse economic trends, cultural practices, and shifting consumer preferences. The interest in gold chains and necklaces extends beyond just weddings and unique events. People are increasingly wearing platinum and gold rings, delicate gold chains, bracelets, and anklets as everyday fashion accessories. These items are also commonly given as gifts for occasions like birthdays and anniversaries. This shifting consumption pattern is likely to drive market growth. Modern designs and emerging fashion trends are drawing in customers, and manufacturers are capitalizing on these frequent changes by creating unique products to attract buyers. Coloured gemstones such as emeralds, sapphires, and opals are gaining prominence, adding vibrant touches and uniqueness to jewellery collections. While classic earring and necklace sets remain popular, artificial jewellery is exploring new avenues, with items like hair clips, headbands, anklets, and waist chains gaining popularity as ways to showcase personal style.

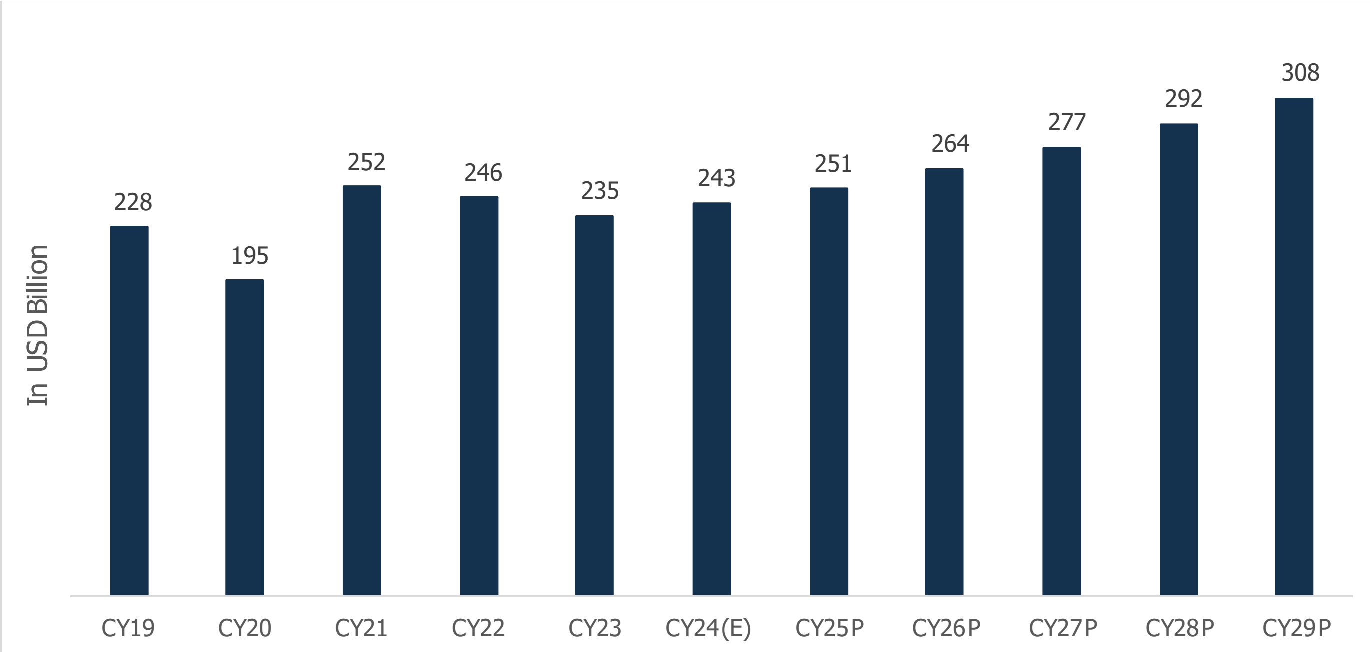
The global appetite for jewellery is anticipated to grow as more individuals seek luxury items. Jewellery offers various benefits, including enhancing certain body features, reflecting fashion trends and styles, and improving one's appearance or that of others. Its appeal as a status symbol among higher-income groups has accelerated its consumption. The rising demand for contemporary designs and the influx of new designers are further driving market expansion.

The global gold jewellery market is likely to grow due to increasing consumer disposable income and the appeal of gold as a long-term investment. Gold is considered a haven, and most investors turn to gold during market turmoil for safe investment. Between CY20 to CY24, the global gems and jewellery market rebounded, achieving a Compound Annual Growth Rate **(CAGR)** of 6%. The diamond-studded gold jewellery segment has also gained traction, particularly in developed markets like North America and China, where it holds a higher share due to consumer preference for branded and certified jewellery.

Annually, around 3,600 tons of gold is mined globally, around 1200 tons of gold is recycled, and around 4,400 tons of gold is consumed for various purposes like jewellery fabrication, technology, investments, etc. Around 52% of the total gold demand comes from China and India. China is the largest country producing gold in the world, accounting for around 10% of total CY23 gold production. Africa, which includes various other countries, produces around 28%, whereas Asia produces 18% of the total newly mined gold. Central and South America produce around 15%, North America produces around 13%, and Australia and Russia produce around 8% of the total newly mined gold.

2.1.1 Market Size and Trend of the Global Gems and Jewellery Industry

Chart 12: Global Gems and Jewellery Market Size (CY19-CY29P)



Source: IMARC Group, CareEdge Research

In CY24, the global gems and jewellery industry was valued at around USD 243 billion, and there was a stagnant CAGR of 1.3% during CY19 to CY24. This is due to economic uncertainties, pandemic-related disruptions, and shifting consumer preferences toward essential spending. There has been a slight slowdown in CY23 compared to CY22 due to the economic slowdown caused by geopolitical tensions and regional conflicts. However, the gems and jewellery market is expected to reach USD 308 billion by CY29, driven by economic recovery, rising disposable incomes in emerging economies, and increased demand for innovative and ethically sourced jewellery options.

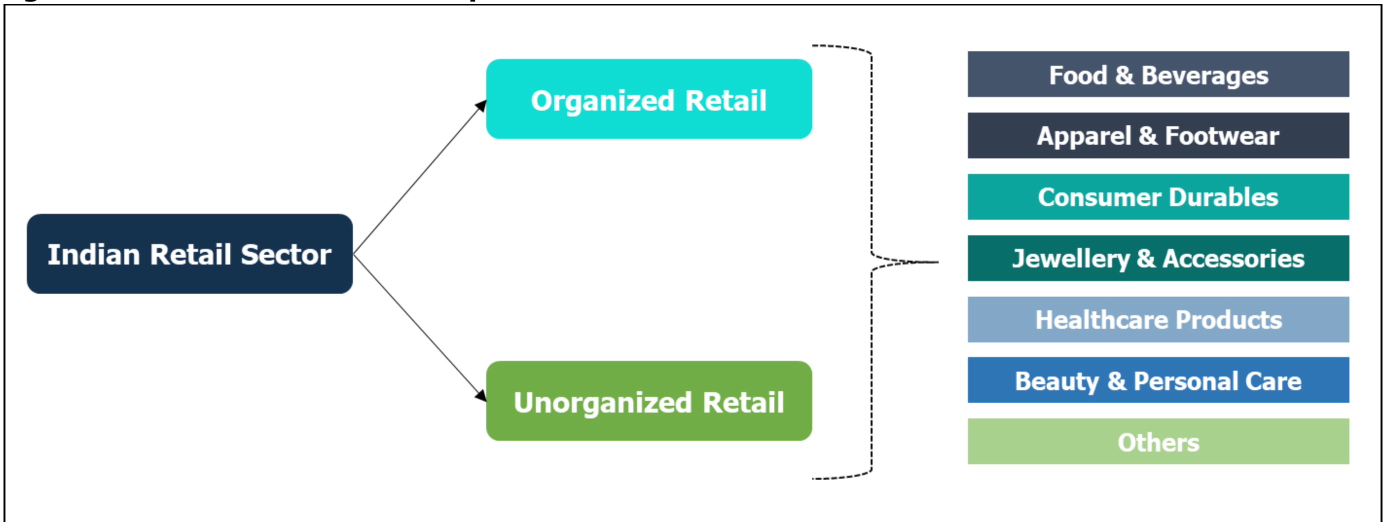
The global gems and jewellery market is expected to experience steady growth in the coming years, fuelled by emerging economies and rising disposable incomes. Although gold and diamond jewellery will continue to dominate the market, alternative materials are likely to see increased demand due to concerns over ethics and affordability. Additionally, the growth of e-commerce platforms and innovations in jewellery design technology are anticipated to drive significant expansion.

3 Indian Retail Consumer Market

3.1 Overview

The Indian retail sector is one of the fastest-growing sectors. It has the largest consumer base, and as a result, the industry's market size has been increasing significantly. Further, robust demand, increasing investments, innovations, and government initiatives fuelled India's retail growth. As digitization widens the market, better access channels, faster customer acquisition leading to cash conversion, and rapid shifts in both demand & supply factors will accelerate the momentum of retail expansion in India.

Figure 1: Indian Retail Sector Composition



Source: CareEdge Research

The Indian retail industry consists of organized and unorganized segments. Currently, the unorganized sector dominates the retail industry and organized retail sector penetration in India is much lower compared to the developed countries. This also implies that the organized retail segment has huge growth potential. The continued expansion of the organized retail segment may aid the growth of the overall retail sector.

The outbreak of COVID-19 led to an acceleration in online sales of consumer products due to consumer behaviour changes. Consumers avoided physical store visits due to fears of virus contraction. Industry participants consequently witnessed a transition from traditional to digital and are now moving towards an omni-channel mode of commerce. In some ways, the pandemic has aided in the transformation of retail into a more digitally enabled environment.

3.2 Indian Retail Market

In the 1990s, metro cities saw the growth of pure-play modern retail, which was once controlled by traditional retail. Consumer preferences began to move from need-based to premium purchasing, and the first hints of modernization in operations (backend) and formalization of the value chain emerged.

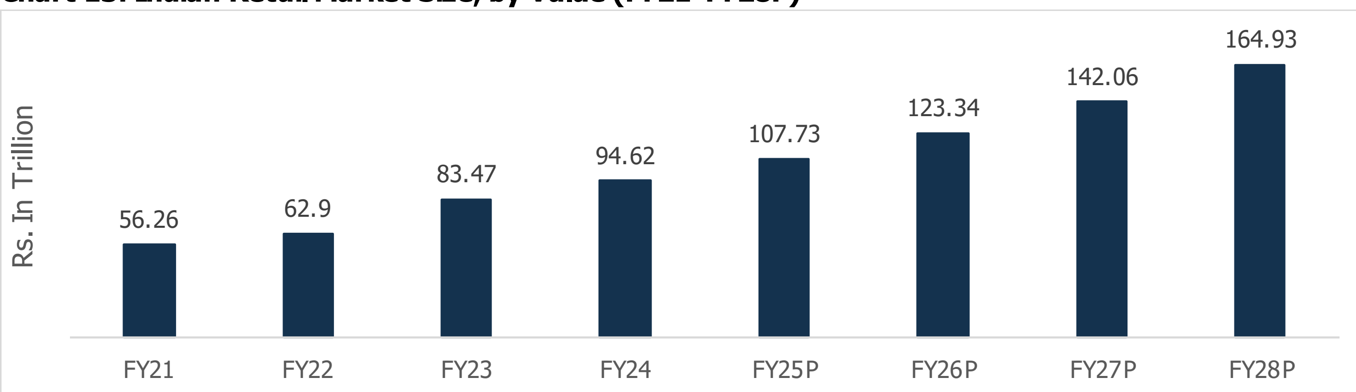
Furthermore, the introduction of hypermarkets, super-marts, large format stores and exclusive jewellery outlets in tier 1 cities further drove the evolution of retail. Consumers' primary concern shifted from quality shopping experiences to convenience. The jewellery sector adapted by providing in-store experiences with personalized services and loyalty programs. Meanwhile, technology began to play a crucial role in operations, as retailers launched websites to offer product details and allowed consumers to browse collections online before visiting stores.

Online retail grew rapidly as retailers realized they needed to adopt digital technology to stay relevant to the increasing number of online shoppers. Online retail in gold and jewellery also expanded rapidly, as consumers became more inclined toward digital shopping. Personalized recommendations and virtual try-on tools became vital for retailers to cater to the discerning jewellery customer.

Modern retail is still in its early stages of growth in emerging markets. Micro-retailers, kiosks, hawkers, open market vendors, wholesalers, and distributors make up traditional retail. Traditional retail is based on interpersonal relationships between customers and merchants. It is dominated by an unorganized segment of the retail channels.

While modern retail in gold and jewellery continues to grow, the unorganized sector—comprising micro-jewellers, local goldsmiths, and market vendors—still holds a substantial share. This traditional segment thrives on long-standing relationships between customers and merchants. However, modern retail players, such as national jewellery chains and high-end stores, provide a more structured shopping experience. Inventory management, logistics, and merchandising in modern jewellery outlets are organized and data-driven, which distinguishes them from the unorganized sector.

Chart 13: Indian Retail Market Size, by Value (FY21-FY28P)



Source: IBEF, CareEdge Research

In FY23, the Indian retail market reached Rs. 83.47 trillion, showing a strong recovery from the previous years, driven by improved consumer demand and a resurgence in offline retail channels. By FY24, the market has reached Rs. 94.62 trillion, with steady growth expected to continue. The outlook remains optimistic, with the sector anticipated to reach Rs. 164.93 trillion by FY28. This growth is driven mainly by increasing disposable incomes, higher penetration of organised retail, and the growing use of e-commerce. The retail industry will be a key driver of India's economic growth, making a significant contribution to employment generation. By CY2030, the industry will have generated 25 million new jobs, highlighting its significance in the socio-economic profile of the country. The industry is poised to continue its growth path, resulting in growing footfalls and contributing to subsequent sales growth.

Furthermore, the sector is likely to continue to grow, leading to an increase in footfall, which will support the sales growth going forward. The revenue has reached pre-COVID levels, mainly driven by the strong show in lifestyle brands, new category launches, and store additions amongst various players. Furthermore, the demand is expected to increase due to consumer preference for non-discretionary spending.

For the coming years, the market size is estimated to grow to nearly Rs. 107 trillion by FY25 and around Rs. 164 trillion in FY28 on account of changing lifestyle and demand-supply drivers like increasing purchasing power, innovative financing through easy credit, growing entry of foreign retailers, and continuous government support through FDI policies and PLI schemes.

3.3 Demand Drivers for the Indian Retail Market

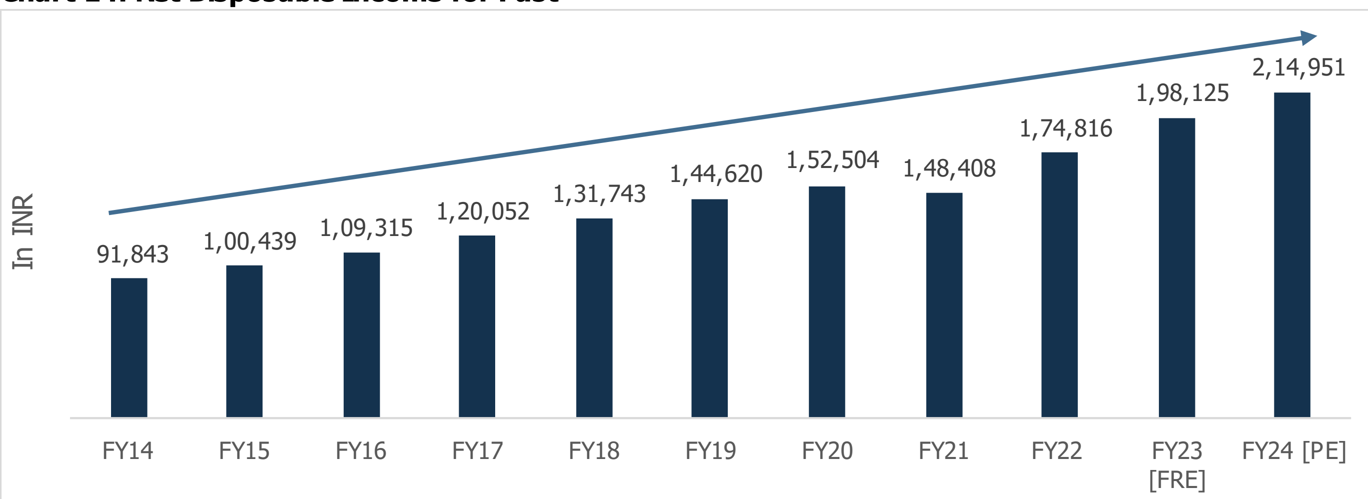
- **Increasing Purchasing Power**

The rising disposable income, growing at a CAGR of 8.88% between the period FY14 to FY24, is expected to boost consumer spending across multiple sectors. As people experience greater financial stability, their ability to purchase real estate increases, driving demand for home-related retail categories such as furniture, home décor, and consumer electronics. An increase in disposable income is leading to higher spending on fashion, jewellery, beauty, and lifestyle products, which is advantageous for both offline and online retail. This change in consumer purchasing habits is anticipated to stimulate growth in India's retail sector, positively impacting both organized and unorganized businesses.

With the recent increase in the income tax exemption limit to Rs. 12 lakhs in the Union Budget FY25, households now have higher disposable incomes. This policy change is expected to boost consumer spending across essential and discretionary segments, increasing demand for products like groceries, electronics, fashion, Jewellery, and home appliances. Additionally, higher disposable income will drive increased expenditure on travel, entertainment, and dining services, benefiting businesses across these sectors.

India is experiencing a demographic shift, as the working-age population has increased from 65.1% in CY13 to 68% in CY23. This rise in financial independence among this group is fuelling the demand for premium and branded products, which in turn is benefiting organized retail and digital commerce. This trend is anticipated to contribute to ongoing growth in the Indian retail market.

Chart 14: Net Disposable Income for Past



Source: CMIE, CareEdge Research

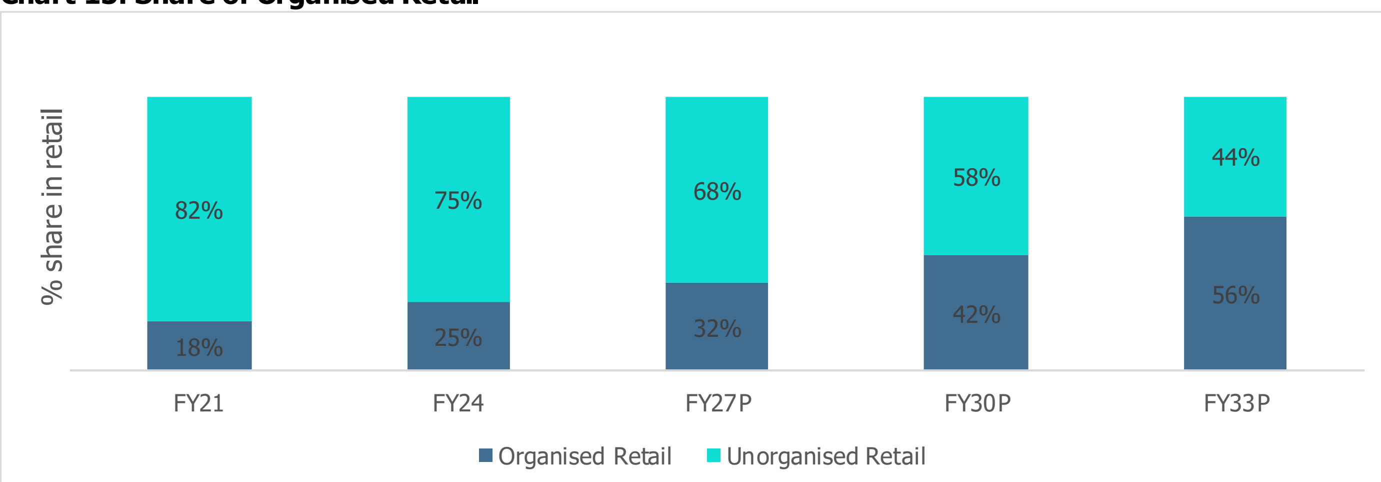
Key Area	Details
Innovative Financing Modes	New financing options, such as Merchant Cash Advances (MCA), allow retailers to secure cash advances based on anticipated card sales. Invoice financing enables immediate cash by selling outstanding invoices to financial institutions. The collaboration between banks and financial institutions supports retailers in financing inventory and business growth.
Continuous Government Support	The government has rolled out various policies to create a supportive business environment and foster retail sector growth. Key measures include:
FDI Policy	The government has relaxed FDI policies to attract foreign investment, allowing 100% FDI in single-brand retail and 51% in multi-brand retail. FDI in e-commerce has boosted online retail, while recent reforms in insurance strengthen financial services and retail financing.
GST Implementation	The implementation of GST has simplified India's tax structure, reducing compliance costs and enhancing supply chain efficiency, benefiting organized retail and improving logistics and distribution.

Key Area	Details
Pradhan Mantri Mudra Yojana (PMMY)	Launched in 2015, the scheme offers collateral-free loans to small businesses, including retailers. Over 370 million people have benefited, promoting retail entrepreneurship and financial inclusion.
National Retail Policy	This policy aims to support small retailers, improve supply chain infrastructure, and promote e-commerce. Other initiatives include infrastructure development, skill training, and incentives for startups.
SEZ Incentives	Special Economic Zones (SEZs) attract investment and enhance the retail landscape, with benefits such as tax exemptions and reduced import duties. These incentives encourage the establishment of manufacturing and retail hubs, boosting employment and economic growth.

3.4 Overview of the Organized Indian Retail Market

The retail sector in India is largely unorganized. However, the share of organized retail is witnessing continuous growth with about 25.3% contribution to the total retail market in FY24, a sizeable increase from 18% in FY21.

Chart 15: Share of Organised Retail



Source: Industry Sources, CareEdge Research

The expansion of the organized retail market in India is mostly attributed to the implementation of GST and shifting customer behaviour. Increased affluence, changing lifestyles, and favourable demographic patterns have all contributed to the shift in consumer behaviour. Consumers now prefer to shop at a location where they can enjoy food, entertainment, and shopping—all in one spot. This has supported the growth in the Indian organized retail market.

3.5 Trends in the Retail Industry by Segment

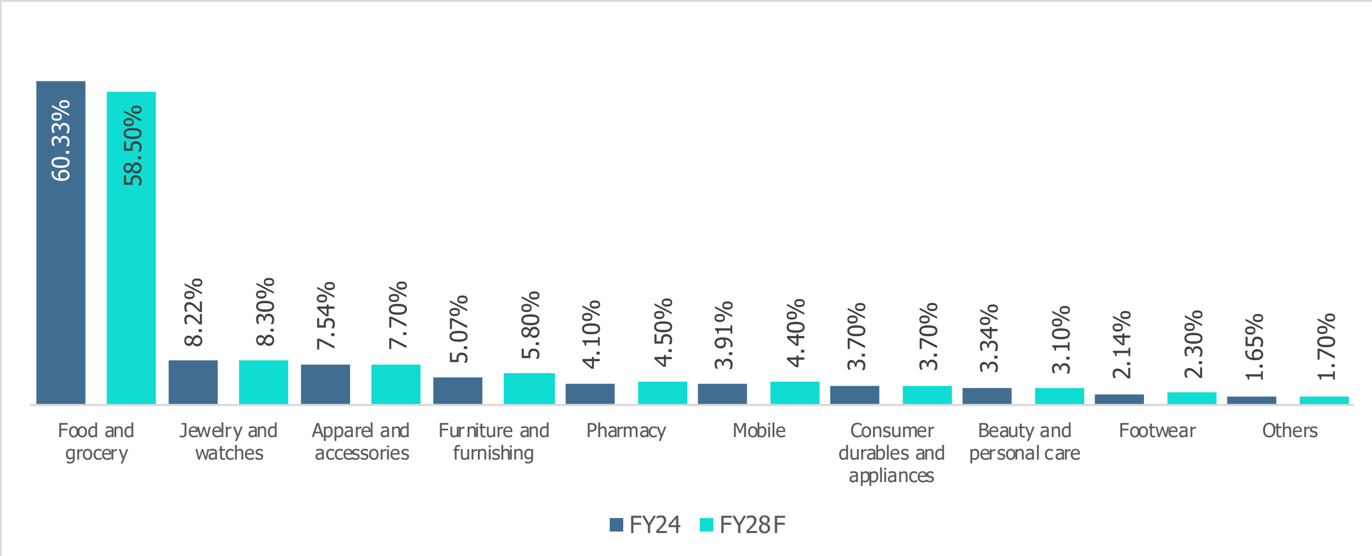
Segment	Description
FMCG	This segment includes groceries, staples, health & hygiene products, and food & grocery, all falling under the essential category compared to other retail industry segments. The consumer food business has benefitted from increased urbanisation, the growing number of working women, rising standards of living, more supermarkets & shopping malls, and an expanding online food delivery market. Despite inflationary pressures, sales growth in FMCG has outpaced that of the

Segment	Description
	non-FMCG/discretionary segment. Future volume growth is expected with stable raw material prices and reduced reliance on pricing, leading to margin improvement.
Apparel	The apparel segment covers fashion and lifestyle products, including clothing, footwear, and accessories across various brands. This sector has witnessed significant shifts due to the pandemic, accelerating the adoption of online shopping and omnichannel retailing. Retailers have responded by increasing store numbers, revamping e-commerce platforms, and integrating physical and digital channels for an enhanced shopping experience. Demand is expected to grow, driven by affordable luxury, athleisure, and sustainability trends.
Consumer Durables	This category includes household appliances and electronics such as refrigerators, washing machines, and air conditioners. The sector has shown resilience, with steady demand for essential and seasonal products. Government initiatives like the PLI scheme and reductions in import duties are boosting local manufacturing. Despite challenges such as inflation and foreign exchange fluctuations, the sector remains optimistic, supported by premiumisation and improved sales channels, including e-commerce.
Consumer Food	The consumer food segment encompasses packaged foods, beverages, snacks, ready-to-eat meals, and staples, catering to changing urban lifestyles. There is growing demand for convenience foods and healthier alternatives. Post-pandemic, the shift to online grocery shopping and D2C models has become a key growth driver. Although inflationary pressures affected pricing in FY24, stabilisation of raw material costs is expected to lead to improved margins and volume growth. The growing focus on healthier, organic, and natural products is reshaping consumer preferences in this space.
Household & Personal Care Products	This category includes cleaning supplies, toiletries, cosmetics, and personal hygiene items. The pandemic led to a surge in demand for hygiene and sanitation products, a trend that continues. The segment has also seen increasing consumer interest in premium and eco-friendly alternatives, with a growing market for natural and organic products. While inflationary pricing supported revenue growth in FY24, focus is shifting to margin expansion through better raw material cost management and a focus on premium product lines.
Jewellery & Accessories	This segment includes precious metals, stones, fashion jewellery, watches, and other personal accessories. Historically dominated by unorganised players, the sector is formalising with the rise of branded and hallmark-certified products. Festivals and weddings continue to drive demand, with a strong preference for high-value, premium items. The industry is also embracing digitalisation, with e-commerce platforms playing an increasingly important role in reaching younger, tech-savvy customers. Growth is expected to be driven by expanding organised retail, government regulations promoting quality assurance, and omnichannel retailing.

3.6 Boost to Wholesale Market Due to Retail Growth

The increasing trends in the retail sector have significantly impacted the wholesale market, driving higher demand across multiple segments. With the rapid expansion of organised retail, e-commerce penetration, and omnichannel models, wholesalers are experiencing increased bulk-purchasing orders from retailers. The growth of FMCG, consumer durables, and apparel segments has particularly strengthened wholesale distribution networks. Furthermore, the formalisation of retail through GST implementation and digital payment adoption has streamlined supply chains, benefiting wholesale traders. As retailers scale up their operations, the wholesale market is expected to witness sustained growth, backed by improved logistics, warehousing, and direct retailer engagement.

Chart 16: Retail Industry in India – Segmentation



Source: Netscribes (July 2024), Retail Industry in India 2024, from EMIS Professional Database, CareEdge Research

4 Indian Gems and Jewellery Industry

4.1 Overview of Indian Gems & Jewellery Industry

The Indian gems and jewellery industry is a significant pillar of the national economy, contributing approximately 7% to the country's GDP and around 15% of total merchandise exports. The sector is expected to grow steadily, driven by domestic consumption and international demand. India holds a prominent position globally, being the largest diamond-cutting and polishing hub, producing over 90% of the world's polished diamonds.

The industry comprises various segments, including gold jewellery, diamond jewellery, coloured gemstones, and diamond studded gold jewellery, with gold jewellery dominating the market. Gold plays a vital cultural and religious role in India, symbolizing prosperity and wealth, and is an essential part of weddings, festivals, and other ceremonies. Geographically, the manufacturing base is concentrated in key states like Maharashtra, Gujarat, and Tamil Nadu.

Organized players are gaining traction as the industry undergoes formalization. Increasing consumer preference for branded jewellery, quality assurance, and contemporary designs is driving this transition. Government initiatives, such as mandatory hallmarking for gold jewellery, the Gold Monetization Scheme, and easing gold import restrictions, are bolstering the formal sector.

In 2024, seven major trade fairs were organized by prominent councils such as the Gem and Jewellery Export Promotion Council (GJEPC), the All India Gem and Jewellery Domestic Council and others. These events were held across cities, including Jaipur, Mumbai, Bengaluru, Coimbatore, Delhi NCR, Hyderabad, and Kolkata, showcasing the dynamic Gems and Jewellery sector in India. Serving as vital platforms, these fairs promoted innovation, enhanced domestic and international trade, and fostered collaborations among industry stakeholders.

Domestic demand is fuelled by rising disposable incomes, urbanization, and a growing preference for lightweight, modern designs, especially among younger consumers. On the export front, markets like the U.S., UAE, and Hong Kong continue to drive growth. Trade agreements and government support for export-oriented policies further strengthen India's position in the global market.

While the sector holds immense potential, it faces challenges such as gold price volatility, dependency on imports, and increasing competition from synthetic diamonds. Fluctuations in international demand and compliance with stringent regulatory norms also pose risks. However, these hurdles are being addressed through policy interventions, innovation, and diversification.

Technological advancements, while still emerging, are being explored to improve efficiency and build trust. Digital retail platforms and blockchain-based supply chain transparency tools are examples of these efforts. However, traditional factors such as India's skilled workforce, robust manufacturing infrastructure, and a deep-rooted cultural affinity for jewellery remain the primary growth drivers.

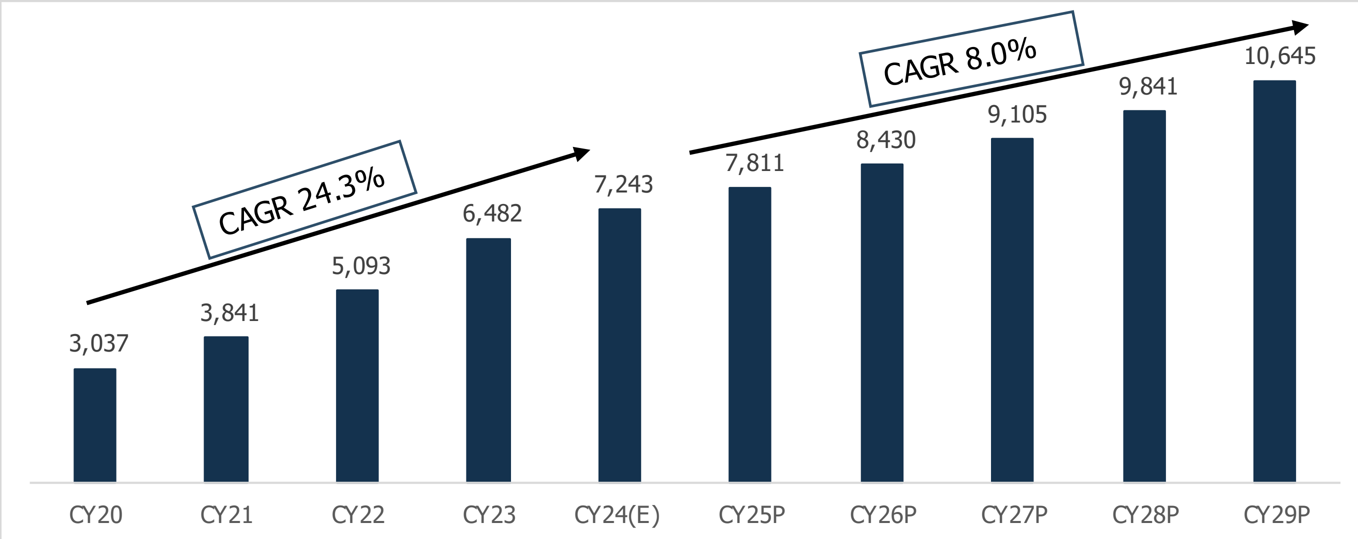
In conclusion, the Indian gems and jewellery industry continues to thrive, blending traditional strengths with evolving consumer preferences and gradual modernization. Its ability to adapt to changes while leveraging its heritage ensures its sustained growth and competitiveness on the global stage.

4.2 Indian Gems & Jewellery Industry Market Size

The Indian Gems and Jewellery (G&J) business has traditionally been fragmented with consumers purchasing from family jewellers. The fragmented nature of this sector makes it difficult to quantify the number of jewellers in India.

However, the industry has seen structural transformation in the recent decade with more G&J players moving up the value chain with a greater focus on branded jewellery. Moreover, consumers are more predisposed to branded jewellery particularly in metro & tier I cities, given the rising media and Western influences and willingness to pay a premium price.

Chart 17: Indian Gems & Jewellery Industry Market Size (CY20-CY29)

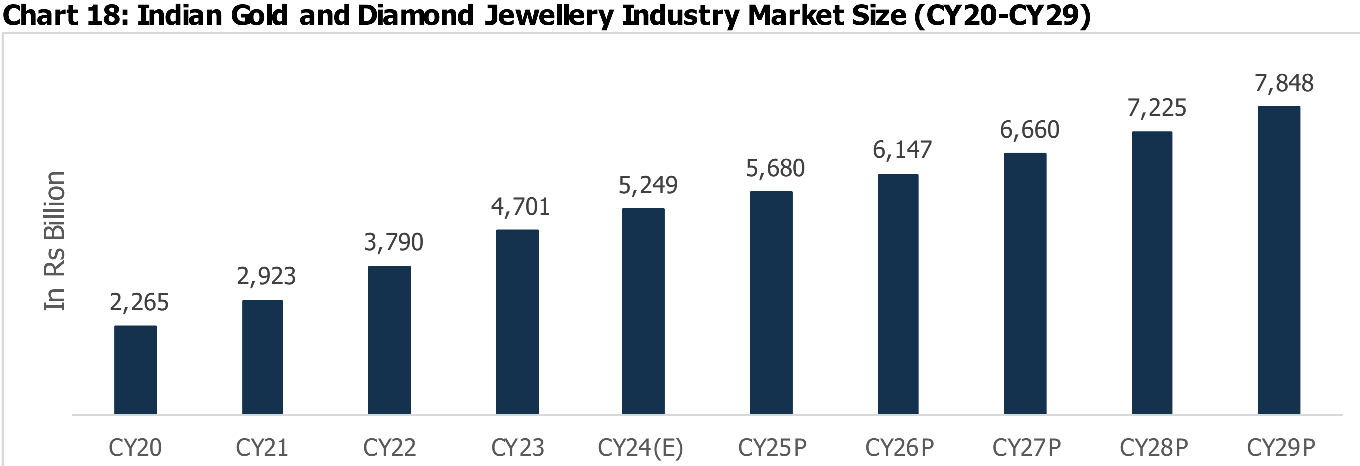


Source: IMARC Group, CareEdge Research

In CY24, the domestic gems and jewellery industry was valued at around Rs. 7,243 billion, with a CAGR of 24.3% during CY20–CY24. Further, the gems and jewellery market is expected to grow at a CAGR of 8.0% between CY24 and CY29. The long-term demand prospects for the sector are supported by a growing working population, higher disposable income, easier access to credit, and improved living standards. To cater to the changing consumer preferences and design trends, larger stores are offering more variety and a diverse range of jewellery. This continuous adaptation to consumer trends and behaviour is likely to further support the shift towards the organised jewellery segment.

4.3 Indian gold and diamond jewellery industry market

Chart 18: Indian Gold and Diamond Jewellery Industry Market Size (CY20-CY29)

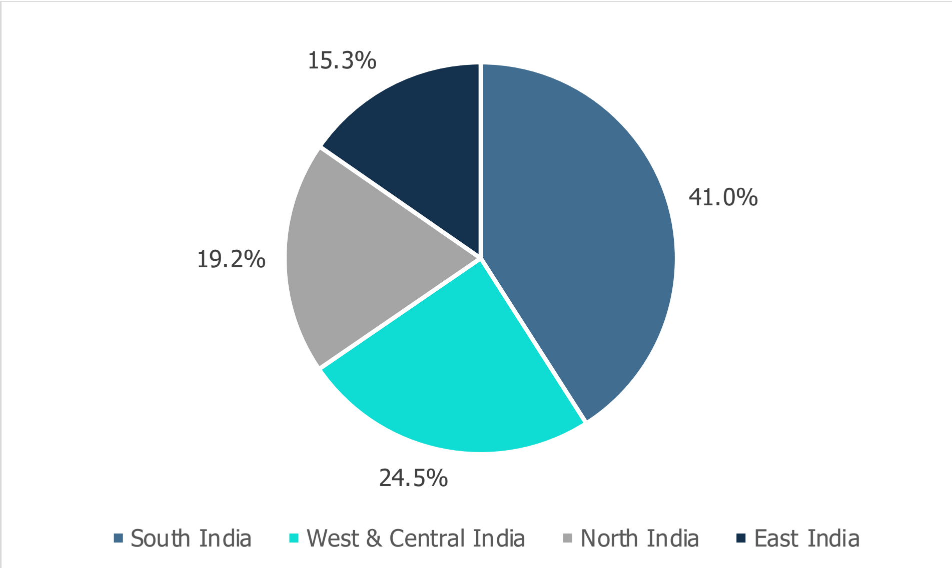


Source: IMARC Group, CareEdge Research,

In CY24, the domestic gold and diamond jewellery industry was valued at around Rs. 5,249 billion, and there was a CAGR of 23.4% during CY20 and CY24.

Furthermore, the market is expected to grow at a compounded annual growth rate (CAGR) of 8.4% between CY25 and CY29 to Rs 7,848 billion. In India, the surge in demand for gold and diamond jewellery can be attributed to the growing middle-class population and their increasing disposable income levels. As more individuals experience higher income levels, they are more capable of affording luxury items like gold and diamond jewellery. These growing middle-class views gold and diamond jewellery as a status symbol, a reflection of their improved lifestyle, and a worthwhile investment. The trend is especially prominent in urban areas where economic growth has enhanced financial independence and purchasing power.

Chart 19: Indian Jewellery Industry Breakup by Region (% Share) in CY24



Source: IMARC Group, CareEdge Research

Jewellery preferences vary significantly across different age groups, reflecting the evolving interests, lifestyles, and values of Indian women. Every demographic has diverse needs and perspectives, from senior women who value traditional motifs to young brides who choose modern patterns. Furthermore, according to a report by the World Gold Council, recent interactions between Metals Focus and retailers have highlighted a significant increase in demand for lightweight jewellery, especially in the daily wear segment. For instance, it is now common to find chains or Mangal sutras weighing just 5-8 grams, a development that would have been unlikely five years ago. This surge in demand can be attributed to the rising per capita income, increased expenditure on jewellery, a higher number of weddings in India, and the influence of social media. These demographic shifts have significantly impacted gold jewellery purchases in recent years.

Regional demographics play a crucial role in influencing purchase decisions. In South India, the tradition of investing heavily in gold jewellery, is deeply ingrained, with families often prioritizing substantial, intricate designs that reflect both wealth and cultural heritage. The emphasis on gold as an investment also drives higher expenditure in this region.

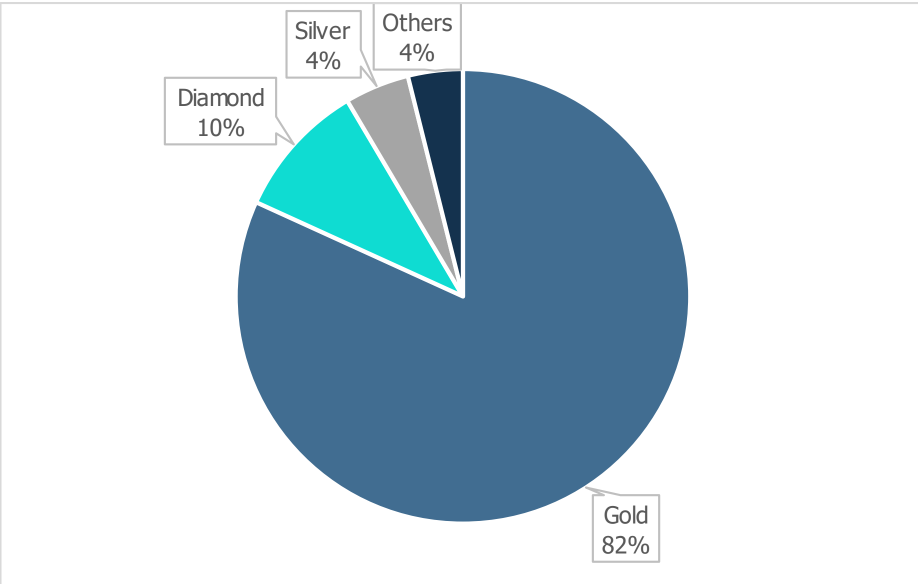
In contrast, Maharashtra sees continuous spending on jewellery, driven by strong replacement demand. Women in this region often buy new pieces or upgrade existing ones, reflecting both cultural practices and evolving fashion trends. The state's inclination towards nath (nose rings) and kamarband (waistbands) also influences the jewellery market.

In North India, the preference for heavy gold jewellery remains strong, but there is a growing trend towards more versatile, lightweight designs that cater to modern lifestyles. Meanwhile, in Eastern India, especially Bengal, traditional motifs inspired by nature dominate jewellery designs, reflecting the region's rich cultural heritage.

4.4 Indicative Share of Indian Retail Gems and Jewellery Industry

India's retail gems and jewellery market is one of the largest and most vibrant in the world, deeply embedded in the country's cultural and economic life. The market can be divided by material type, with gold, diamonds, gemstones, and other materials playing a significant role in its diversity and value.

Chart 20: Retail Gems and Jewellery Market Breakup- By Material Type (CY24)



Source: IMARC Group, CareEdge Research

In CY24, gold was the dominant material in India's retail gems and jewellery market, making up 82% of the total market share. It was followed by diamonds, silver, and other materials.

Gold: Gold remains the foundation of India's jewellery market, due to its cultural and historical importance. It is highly prized for weddings and festivals, and as an investment, often seen as a symbol of wealth and social status. Although demand fluctuates with market prices and economic factors, gold jewellery continues to be in strong demand, thanks to its deep ties to tradition. There has also been a growing interest in lighter, more modern gold jewellery designs, particularly among younger consumers, adding a contemporary layer to the traditional market.

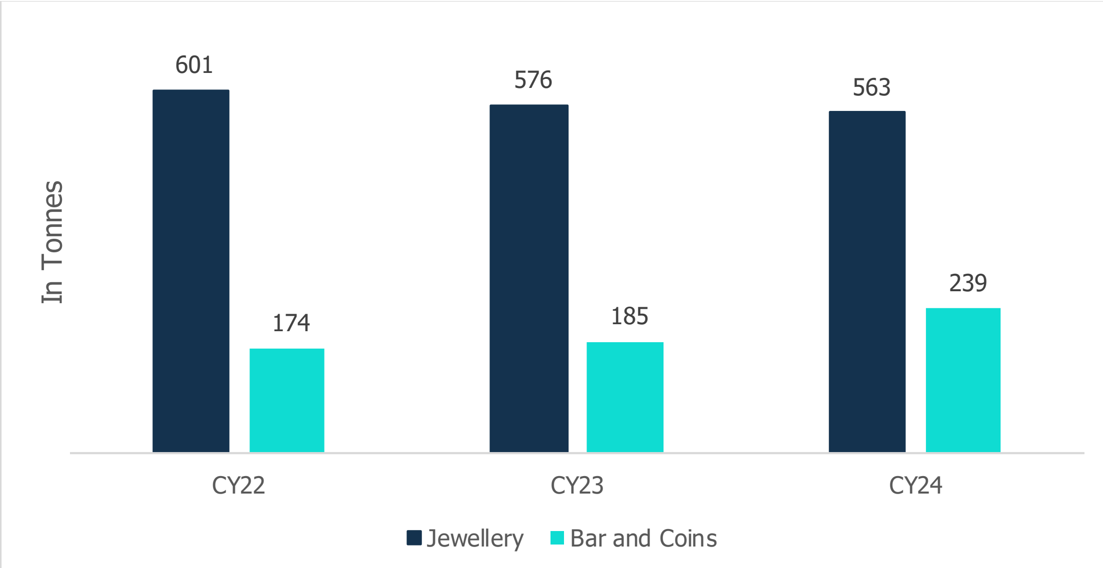
Diamond: The diamond jewellery sector in India has seen robust growth in recent years, particularly among consumers looking for luxury and exclusivity. Diamonds are a popular choice for special occasions, particularly weddings, and are often seen as a symbol of sophistication. This segment is supported by a strong retail presence and branding efforts from both domestic and international jewellers. Innovations in diamond cutting and bespoke design options have further driven interest, making diamond jewellery a staple in modern Indian collections.

Silver: Silver is valued for its affordability and versatility, appealing to a broader customer base. It is commonly used in both traditional and modern jewellery designs, such as bangles, anklets, and earrings. Silver also plays a key role in fashion jewellery, where its flexibility allows for more creative and experimental styles. The material has gained popularity due to its cost-effectiveness in comparison to gold and diamonds, particularly among middle-income consumers. Additionally, the rise of silver-plated and sterling silver items has introduced a modern twist to traditional designs, catering to changing consumer preferences.

Others: The "others" category encompasses a variety of materials, including platinum, gemstones and non-traditional metals. Fashion jewellery incorporating synthetic and alternative materials is on the rise, attracting consumers who seek trendy yet affordable options. This segment is particularly appealing to fashion-forward buyers looking for unique, budget-friendly pieces.

4.5 Domestic Gold Demand from Various Segments

Chart 21: Trend in Domestic Gold Demand- in Volume Terms



Source: WGC, CareEdge Research

In CY24, the total domestic demand for gold (including jewellery, bars, and coins) was estimated at 803 tonnes as compared to 761 tonnes in CY23. In CY24, the gold demand was 803 tonnes, an increase of 5.5% y-o-y over CY23.

The jewellery segment continued to be the largest contributor and accounted for ~70% of the gold demand in India, while bars and coins accounted for the balance. The gold jewellery demand declined by 2.2% y-o-y in CY24. The demand was impacted due to increasing gold prices.

4.6 Gold Processing in India vs China

Gold Mining

In CY22, China was the largest producer in the world with 10.3% of total global production, which amounted to 3,627.7 tonnes. During CY23, the gold mining in the country was recorded at 375 tonnes. The value of gold mining in China grew at a CAGR of about 9.1% from USD 16,458 million in CY19 to USD 23,300 million in CY23.

Whereas gold mining in India has been low due to factors such as lack of investments, closure of mines, regulatory challenges and poor infrastructure. The mining in India recorded only 0.8 tonnes in CY23 with a value of USD 48 million. It is projected to increase its mining volumes to 1.3 tonnes in CY24.

Table 5: Gold Mining in China and India

Particulars	CY19		CY23		CY24F	
	Volumes (Tonnes)	Value (USD Million)	Volumes (Tonnes)	Value (USD Million)	Volumes (Tonnes)	Value (USD Million)
China	380	16,458	375	23,300	401	28,090
India	1.7	79	0.8	48	1.3	90

Source: Maia Research, CareEdge Research

Gold Ore Concentrate

The scale of gold ore concentrates (including production and import volumes) in china has been growing steadily over the period CY19 to CY23 and recorded a total of 78,00,000 tonnes in CY23. The value of these ore concentrates in China region has increased swiftly by 9.7% CAGR during the same period. Further, the volumes and value are estimated to grow by around 8% and 16% respectively in CY24 for China.

The scale of gold ore concentrate in Indian market has witnessed a notable growth in recent years. Moreover, the reserves with central bank has been rising in the recent times as RBI is driving the gold purchases in the current year 2024. The Hutti Gold Mine located in Karnataka is one of the primary and significant producers of gold ore concentrate in India. This mine has higher grade of ore and is responsible for producing more output in the country. Additionally, Birla copper's smelter in Gujarat is also involved in producing gold as a by-product of domestic copper production. Alongside, the government is thriving to promote domestic availability of critical minerals including gold. As a result, the production activities of gold ore have increased in India both in terms of volume and value terms.

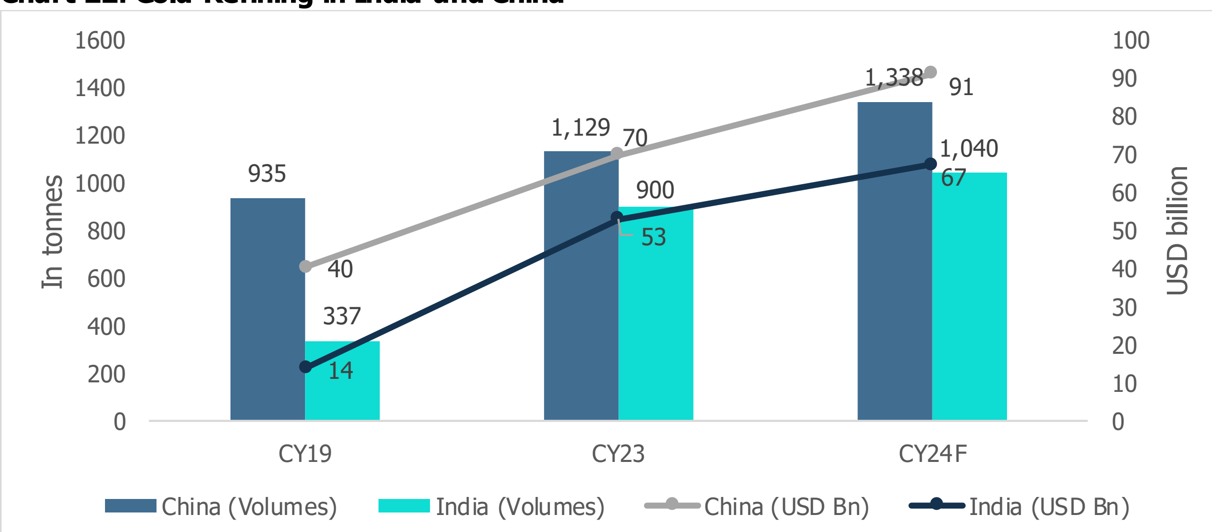
Table 6: Gold Ore Concentrate in India and China

Particulars	CY19		CY23		CY24F	
	Volumes (Tonnes)	Value (USD Million)	Volumes (Tonnes)	Value (USD Million)	Volumes (Tonnes)	Value (USD Million)
China	78,00,000	13,948	78,00,000	20,179	84,00,000	23,445
India	46,900	83	31,826	164	50,008	313

Source: Maia Research, CareEdge Research
Note: Gold ore concentrate includes both production and import volumes

Gold Refining
The refining of gold in China has witnessed a CAGR of around 5% during the period of CY19 to CY23. It rose from 935 tonnes in 2019 to 1,129 tonnes in 2023. On the other hand, the volumes of gold refining in India has significantly increased with a CAGR of around 28% from 337 tonnes in 2019 to 900 tonnes in CY23.

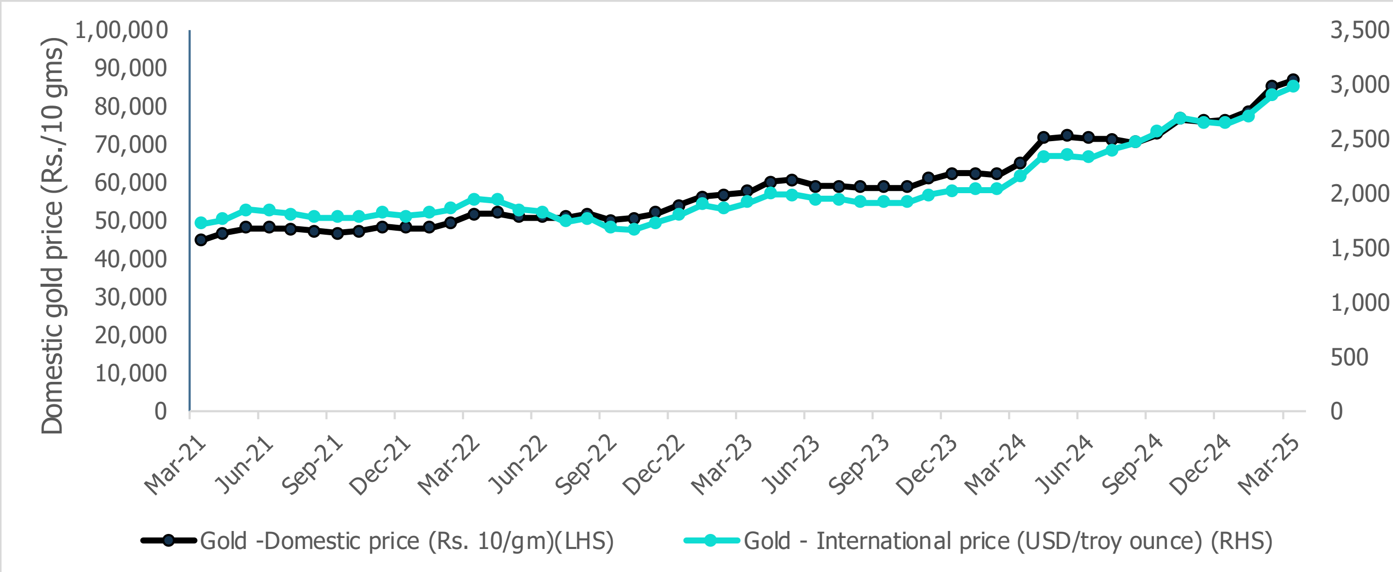
Chart 22: Gold Refining in India and China



Source: Maia Research, CareEdge Research

4.7 Impact of Interest Rates, Geopolitical Tensions on Gold Prices
Gold jewellery accounts for a major share of overall jewellery consumption in India. However, the demand for gold, particularly physical gold in the form of coins and bars, which is primarily for investment, is dependent on movements in gold prices.

Chart 23: Trend in International Gold Prices



Source: CMIE; CareEdge Research

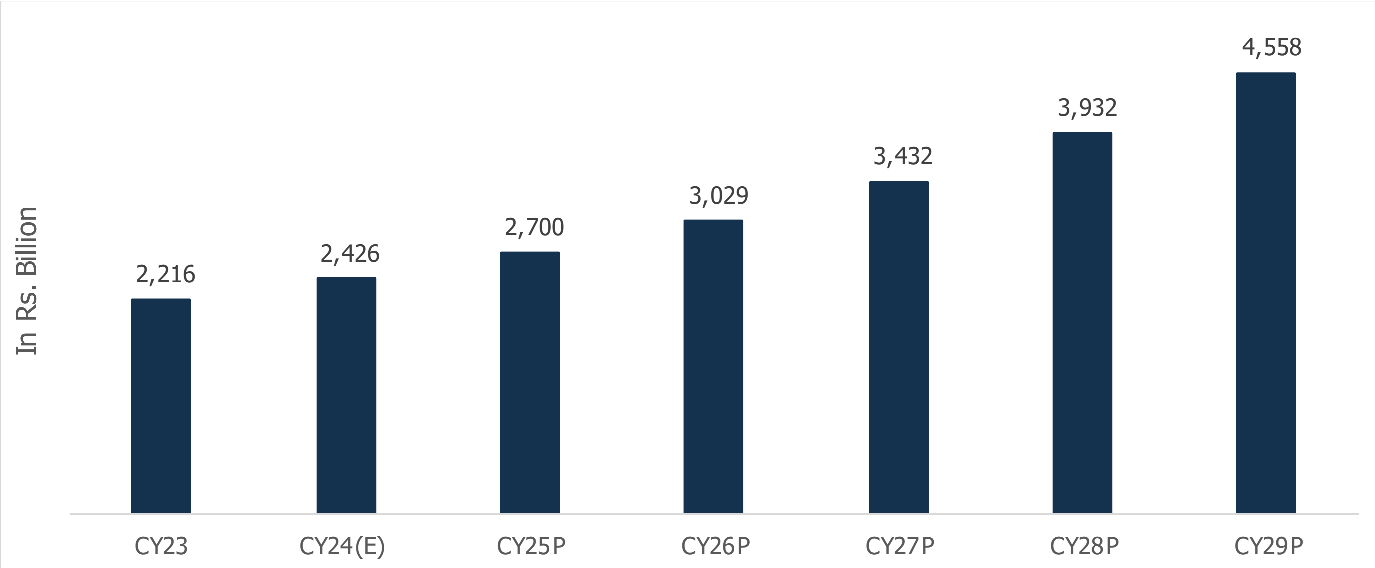
In CY24, international gold prices exhibited a strong upward trajectory, starting at USD 2,034 per troy ounce in January and peaking at USD 2,690 in October. The domestic gold prices mirrored this trend, climbing from Rs 62,387 per 10 grams in January to Rs 76,686 by October. This surge was primarily fueled by a weakening US dollar, heightened geopolitical tensions, and expectations of monetary policy easing by the US Federal Reserve, which had already implemented rate cuts totalling 50 basis points.

Additionally, investors sought safety in gold amid global uncertainties, including political developments related to upcoming elections and continued instability in the Middle East. However, gold prices saw a slight decline in November and December CY24, driven by strong US labour market data and the People's Bank of China's reported pause in gold purchases.

Entering CY25, gold prices resumed their upward momentum, reaching new record highs. By March CY25, international prices had risen to USD 2,983 per troy ounce, while domestic gold prices surged to Rs. 86,954 per 10 grams. This continued rally was supported by expectations of further rate cuts, persistent geopolitical risks, and sustained demand from central banks and investors amid global economic uncertainty.

4.8 Indian Light-Weighted Jewellery Market

Chart 24: Indian Light-Weighted Jewellery Market Size and Forecast (CY23-CY29P)



Source: IMARC Group, CareEdge Research

The Indian light-weighted jewellery market was valued at Rs. 2,426 billion in CY24 and is projected to reach Rs. 4,558 billion in CY29P, registering a CAGR of 13.4% from CY24 to CY29P.

The rise of online retail and the influence of social media platforms are driving demand for contemporary designs, further contributing to the market's expansion. This trend is expected to continue as more consumers prioritize convenience, functionality, and style over traditional, heavy jewellery. Besides, demand for lightweight, daily-wear fashion jewellery is estimated to rise as the younger generation enters the workforce.

In urban areas, particularly metro cities, minimalistic and lightweight jewellery designs have become synonymous with sophistication. Younger buyers, who favour multipurpose jewellery, are driving this trend, seeking pieces that serve both as bridal jewellery and as versatile accessories for other occasions.

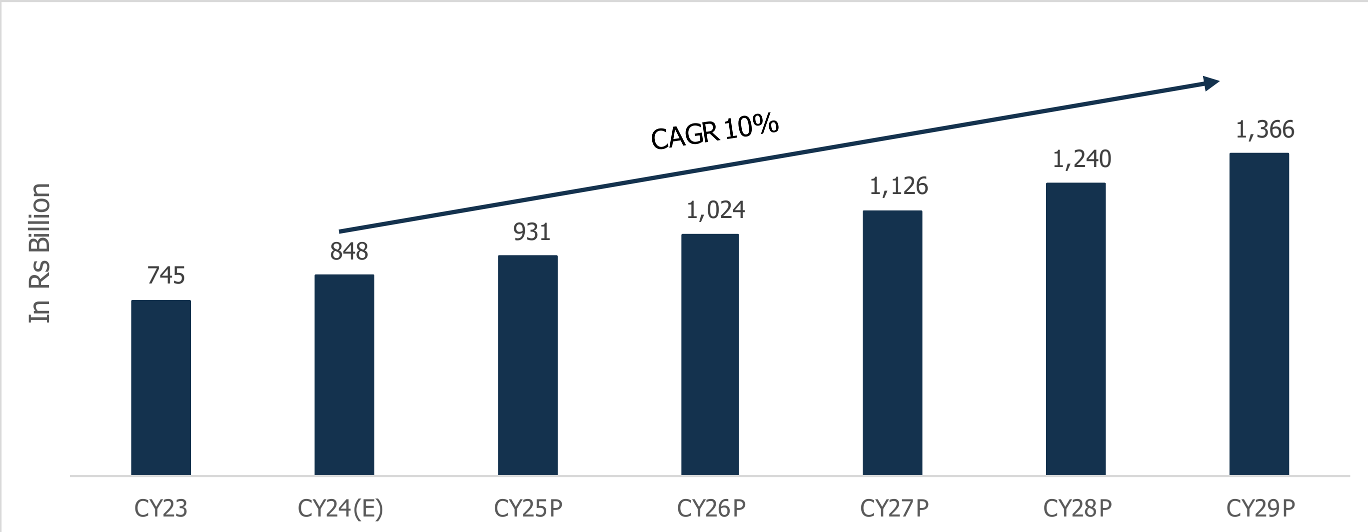
Lightweight jewellery is gaining popularity as it aligns with modern demands for comfort, versatility, and cost-effectiveness. Today's brides and consumers are drawn to pieces that combine traditional aesthetics with everyday wearability, enabling jewellers to cater to a market that values both cultural and functional aspects.

Jewellers are employing techniques like hollow designs and gold-plating to create visually appealing pieces that mimic the look of heavier, more expensive jewellery. By combining gold with semi-precious stones and alloys, these designs offer affordable luxury, making them suitable for both casual and formal events, while also serving as a durable investment in style beyond special occasions.

4.9 Indian Gems and Jewellery Market Breakup by Wearing

The Indian wholesale jewellery market is segmented based on the type of wear, which includes bridal wear, occasional wear, and daily wear (Affordable jewellery).

Chart 25: Indian Gems and Jewellery Market Size by Daily Wear (Affordable jewellery), (CY23-CY29P)

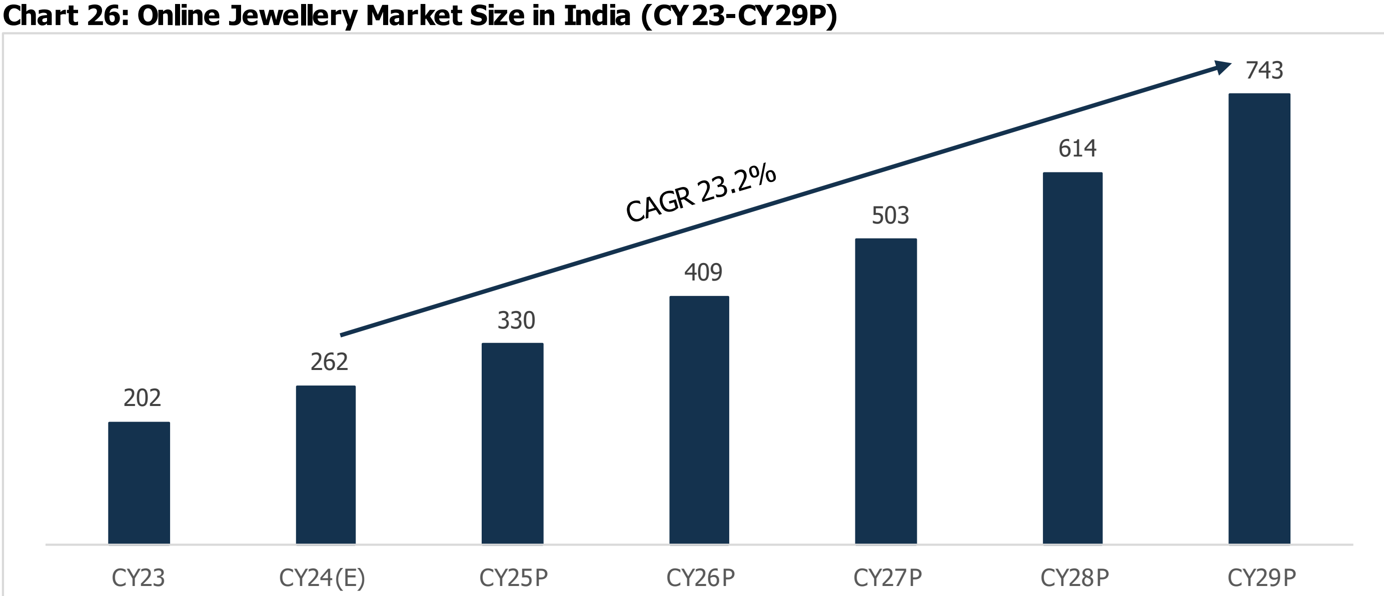


Source: CareEdge Research

The Indian daily wear gems and jewellery market is valued at Rs. 745 billion in CY23 and has reached Rs. 848 billion in CY24 and is projected to grow to Rs. 1,366 billion by CY29P, reflecting a robust CAGR of 10% from CY24 to CY29P.

The daily wear jewellery segment, including fashionable and fast-moving designs, is witnessing growing consumer interest. This shift is primarily driven by the demand for lightweight, stylish, and affordable jewellery suitable for everyday use. Younger demographics and urban consumers are increasingly prioritizing convenience, affordability, and trend-oriented designs.

Chart 26: Online Jewellery Market Size in India (CY23-CY29P)



Source: Industry Resources, CareEdge Research

In CY24, the online jewellery market in India was valued at around Rs. 262 billion and is expected to reach Rs. 330 billion in CY25. Further, the market is going to reach Rs. 743 billion in CY29P, registering a CAGR of 23.2% from CY24-CY29P. Notably, online penetration, which is around 4-5%, is expected to reach between 7%-8% by 2025. The growing focus on affordable options has led to a significant rise in the wallet share of organised and e-commerce players. These players have effectively captured the demand through curated collections, better designs, and enhanced shopping experiences. The adoption of digital platforms, supported by innovations like virtual try-on tools and targeted marketing, has further propelled online sales.

Affordable jewellery has gained traction in the online market as consumers seek budget-friendly yet elegant designs. E-commerce platforms have expanded their offerings to include lightweight diamond-studded gold jewellery, such as small studs, delicate rings, and pendants, making luxury more accessible. Competitive pricing, EMI options, and discount-driven marketing strategies have further boosted demand. Additionally, certifications and buyback policies offered by organised players enhance trust, encouraging first-time buyers. This shift highlights the growing preference for stylish yet affordable diamond jewellery, reinforcing online platforms' role in expanding market reach

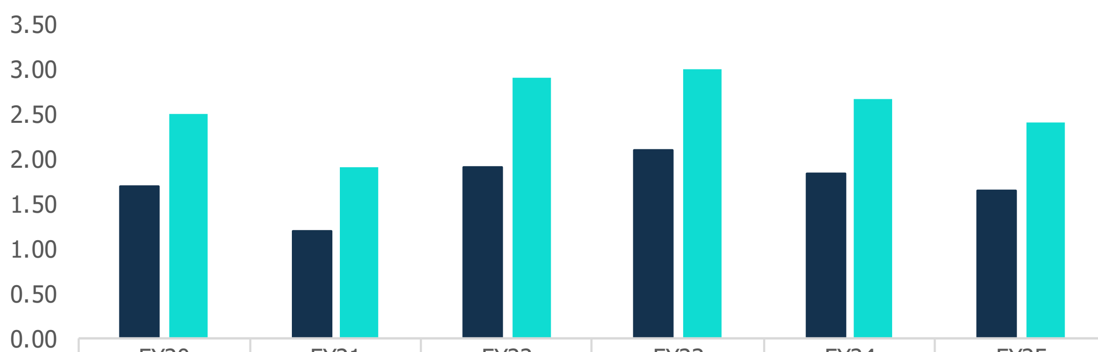
Organised players have benefited from the preference for quality assurance and branded experiences, while e-commerce platforms have enabled ease of access and variety. This trend has strengthened the position of these channels, reshaping consumer spending patterns in the jewellery market.

4.10 Trends in Imports and Exports of Gems and Jewellery in India

4.10.1 Overview

In FY25, G&J exports reached Rs. 2.41 trillion, representing an 11.72% decline compared to the same period in FY24. The overall gross imports of Gems & Jewellery reached Rs 1.65 trillion in FY25, showing a decline of -10.09% compared to Rs 1.84 trillion for the same period the previous year.

Chart 27: Yearly Import Export Trends - Overall Gems and Jewellery



	FY20	FY21	FY22	FY23	FY24	FY25
Imports (Rs. In Trillion)	1.70	1.20	1.90	2.10	1.84	1.65
Exports (Rs. In Trillion)	2.50	1.90	2.90	3.00	2.67	2.41

Imports (Rs. In Trillion) Exports (Rs. In Trillion)

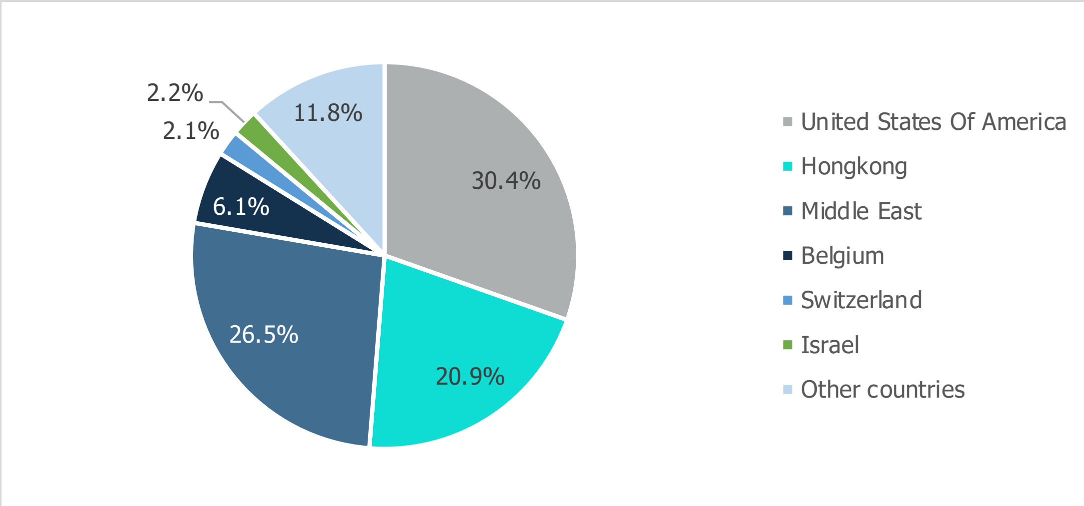
Source: Gems & Jewellery Export Promotion Council (GJEPC)

Growing Government Focus toward Export Promotion

The Government of India, along with all the stakeholders of the G&J sector, are well committed to aggressively promoting exports, identifying challenges, and addressing them with necessary interventions, assisting exporters, especially SME units and exploring new markets while consolidating existing ones. With rapid growth prospects, the government of India has also declared the G&J sector as one of the focus areas for export promotion.

With such continuous government support, the superior quality of Indian manufacturers has enabled the Indian gems & jewellery trade market to penetrate markets like the USA, UAE, Hong Kong, Israel, Switzerland, and Belgium. The USA market is the largest destination for Indian gems and jewellery exports, accounting for a 30% share of India's exports in FY24.

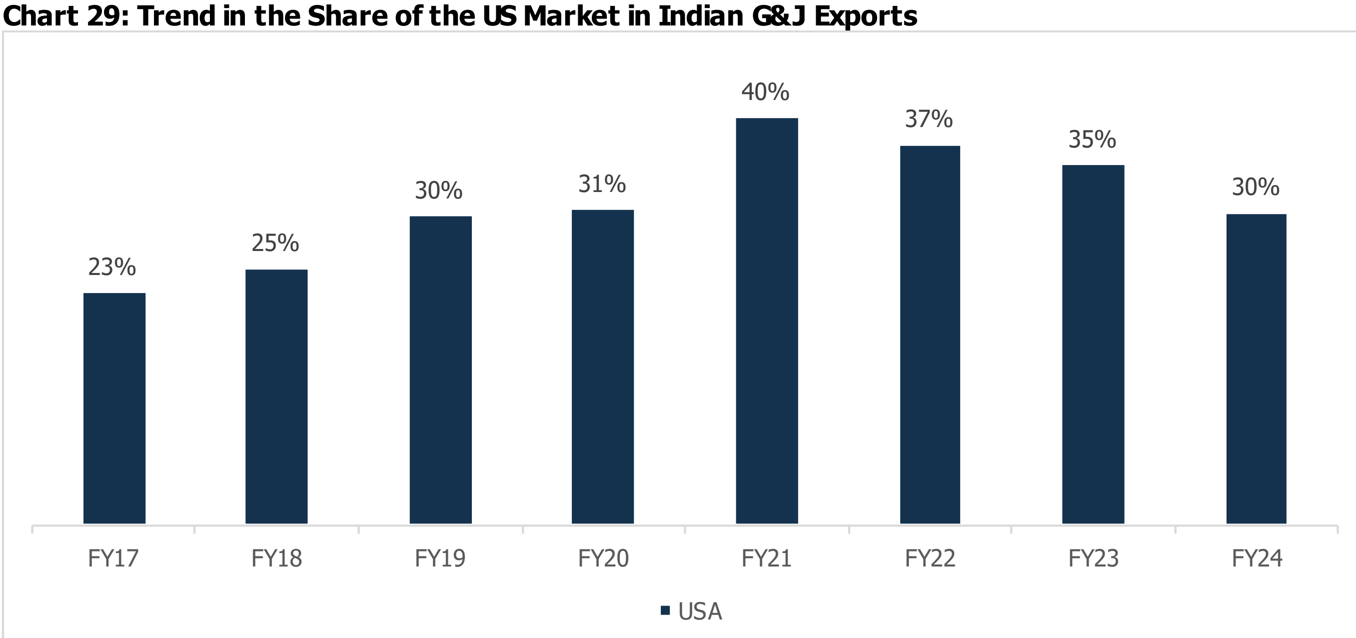
Chart 28: Country-wise Export Share in FY24 - Overall Indian Gems and Jewellery



Source: Gems & Jewellery Export Promotion Council (GJEPC)

In July 2020, Washington ended Hong Kong's preferential trade protection by raising the import duty on gems and jewellery to 7.5% from 3.3%. Further, the levy of additional tariffs on Chinese jewellery being exported to the USA has made Indian exporters more competitive. These factors benefitted India and helped it increase its penetration in the US export market. China and Hong Kong are respectively the fourth- and fifth-largest suppliers of gems and jewellery to the US after India, France, and Italy.

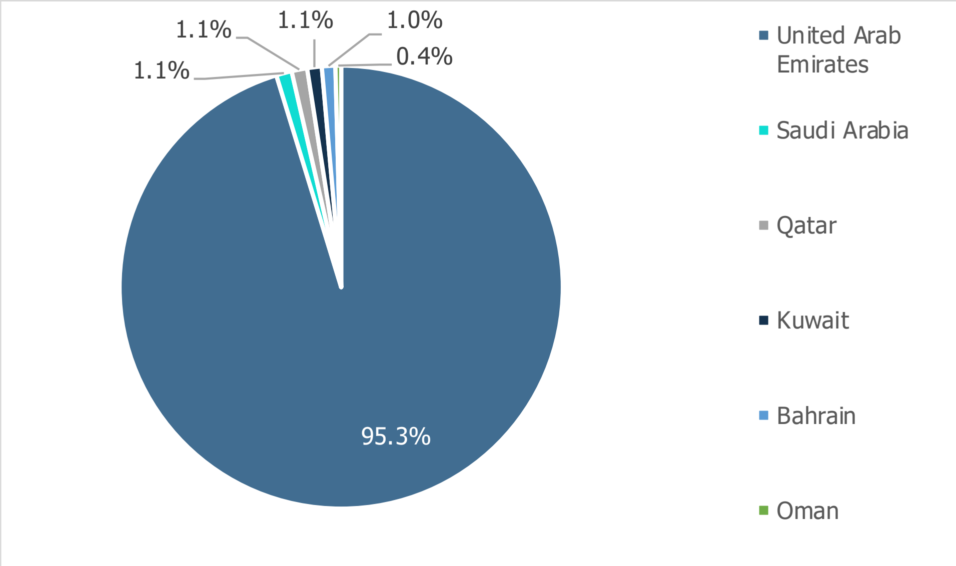
Chart 29: Trend in the Share of the US Market in Indian G&J Exports



Source: Gems & Jewellery Export Promotion Council (GJEPC), CMIE

Focus on Middle East Countries

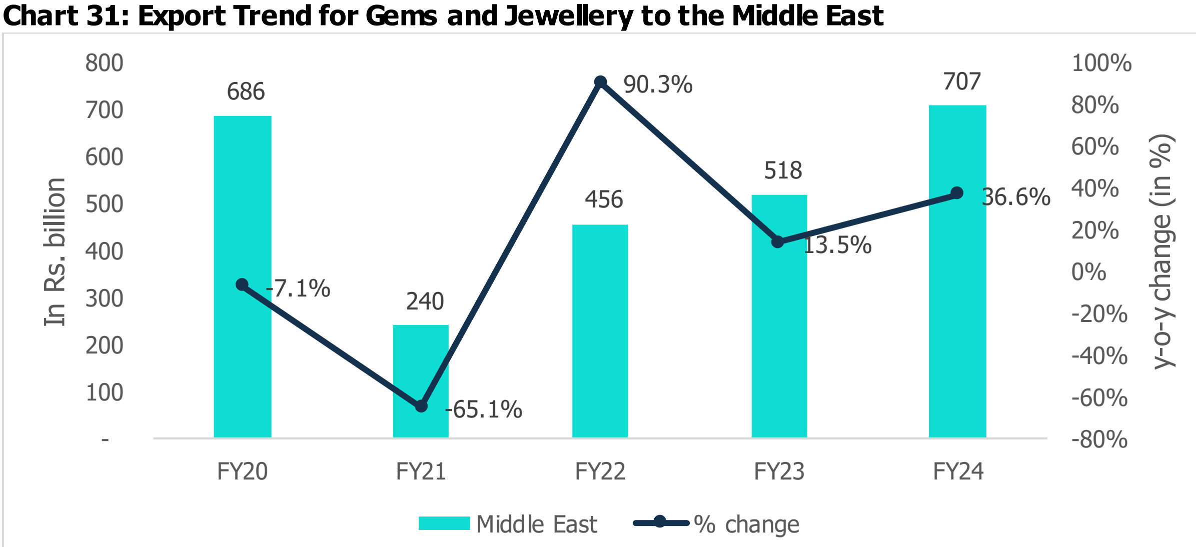
Chart 30: Share of Exports of Middle Eastern Countries-Overall Indian Gems and Jewellery in FY24



Source: Gems & Jewellery Export Promotion Council (GJEPC)

The Share of Middle Eastern countries is around 27% in the total export of the Indian gems and jewellery industry. It comes 2nd after the USA. Middle Eastern countries which India exports to consist of Unites Arab Emirates (UAE), Saudi Arabia, Qatar, Kuwait, Bahrain, and Oman. But the maximum share is of UAE with 95% share.

Chart 31: Export Trend for Gems and Jewellery to the Middle East



Source: Gems & Jewellery Export Promotion Council (GJEPC)
Note: The Middle East countries include United Arab Emirates (UAE), Saudi Arabia, Qatar, Kuwait, Bahrain, Oman, and Jordon

The compound annual Growth Rate (CAGR) for FY20-FY24 is 0.8% for overall exports of gems and jewellery to the Middle East. As the India-UAE came into force in 2022 and hence we can see a significant increase of 90.3% y-o-y in FY22 for the gems and jewellery exports. India-UAE CEPA has contributed to an increase in the share of G&J exports to the UAE, especially in Dubai.

4.10.2 Product-Segment Wise Import and Export Trend

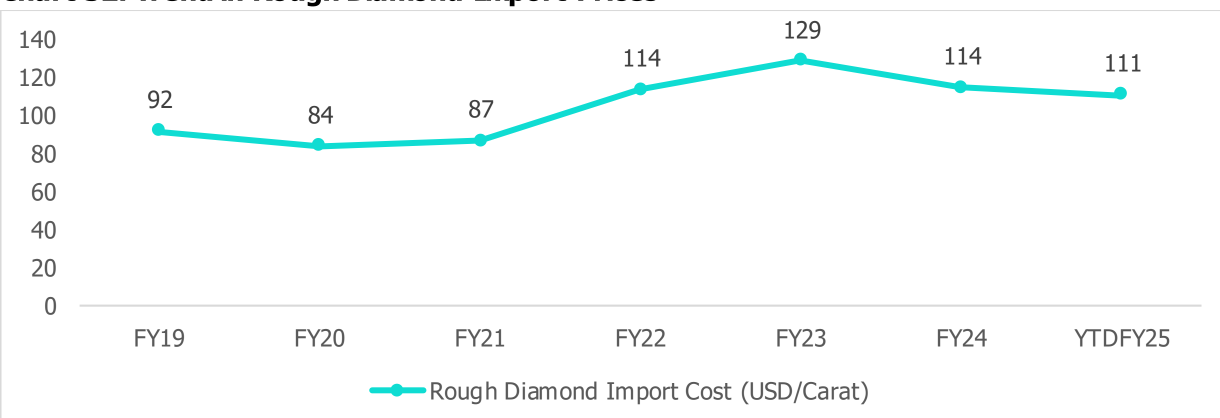
Rough Diamonds:
India is a leading importer of rough diamonds, supported by a robust diamond processing sector. In FY25, the country imported rough diamonds worth Rs. 913.5 billion, which represented 55% of the total gems and jewellery imports. This drop can be attributed in part to a two-month import ban from October to December 2023, implemented by the GJEPC to help balance supply and demand, considering decreased demand from the US and China. While polished diamond prices saw a decline, rough diamond prices remained stable, resulting in reduced demand and lower import levels. The ban was lifted in December 2023, and prices have since stabilised.

Table 7: Import Trend of Rough Diamonds

Year	Imports (Rs. In Billion)	Y-o-Y Growth (In %)	% Share in Total G&J Imports
FY20	921.6	-15.9%	53%
FY21	802.4	-12.9%	66%
FY22	1411.7	53.2%*	71%
FY23	1118.4	-20.8%	65%
FY24	1180.4	5.6%	64%
FY25	913.55	29.2%	55.4%

-* compared with pre-pandemic year FY20
Source: Gems & Jewellery Export Promotion Council (GJEPC), CareEdge Research

Chart 32: Trend in Rough Diamond Import Prices

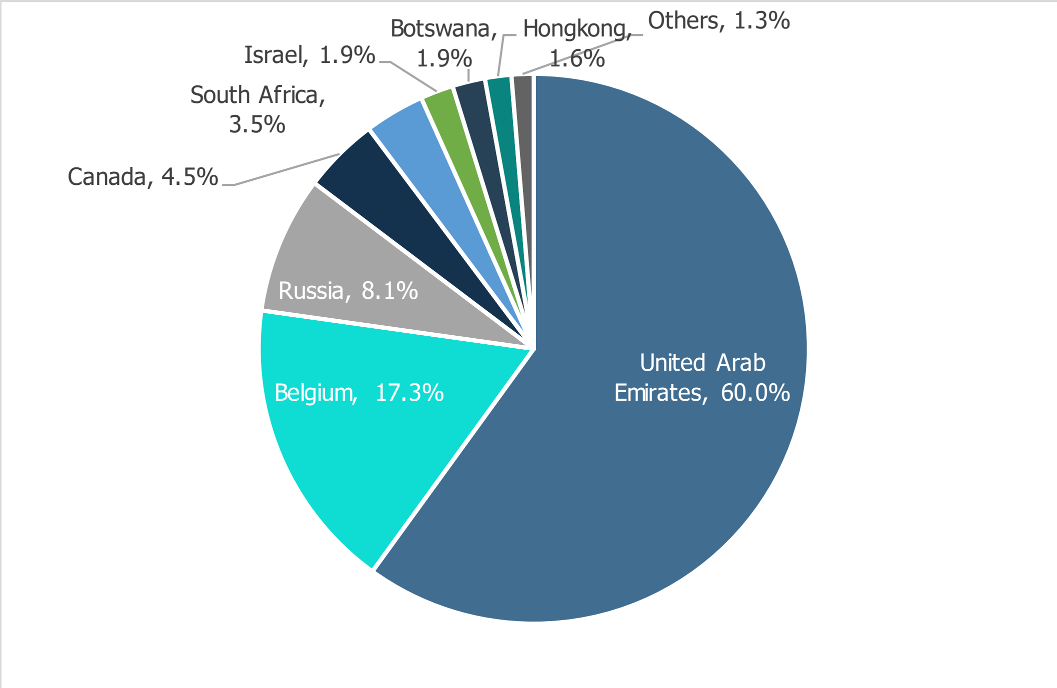


Source: Gems & Jewellery Export Promotion Council (GJEPC), CareEdge Research
Note: YTD denotes the period from April 2024 to September 2024

Rough diamond prices have increased over the past two to three years as the ongoing Russia-Ukraine war has resulted in a declined supply of rough diamonds. The supply from Russian miner Alrosa, one of the leading suppliers of small-sized diamonds, has been impacted significantly leading to the increasing rough diamond prices. However, the prices have corrected slightly in FY24 on account of weak global demand.

The United Arab Emirates (60%) had the highest share in rough diamond imports to India in FY24, followed by Belgium (17.3%), Russia (8.1%), Canada (4.5%), South Africa (3.5%), Israel (1.9%), Botswana (1.9%) and Hong Kong (1.6%).

Chart 33: Country-Wise Share in Imports of Rough Diamond in FY24



Source: Gems & Jewellery Export Promotion Council (GJEPC)

Gold Jewellery:

The gold jewellery market holds the second-largest share in G&J exports after the cut and polished diamonds segment. Gold jewellery accounted for 35% and 32% of total exports of G&J in FY24 and Q1FY25, respectively.

Table 8: Exports of Gold Jewellery (Rs. in billion)

Year	Exports	Y-o-Y growth
FY20	852.3	2.4%
FY21	371.1	-56.5%
FY22	687.8	-19.3%
FY23	765.9	11.4%
FY24	923.5	20.6%
FY25	949.4	2.8%

Note: *compared with pre-pandemic year FY20

Source: Gems & Jewellery Export Promotion Council (GJEPC), CareEdge Research

In FY25 gold jewellery exports increased by 2.8% y-o-y. The commissioning of the India-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA) resulted in significant growth in exports of plain gold jewellery balancing the gap in exports to key markets such as the United States of America and Hong Kong.

Further, Dubai is a key market for Indian gold jewellery exports. The 'Dubai Gold Souk,' (Traditional gold market of Dubai) where Indian jewellery from Kolkata and Mumbai is popular, makes for a substantial portion of gold sales in Dubai. Mumbai, Chennai, and Kolkata account for many gold jewellery exports. However, several exporters outsource manufacturing to Gujarat-based companies.

The India-UAE Free Trade Agreement (FTA) signed on 18th February 2022 and effective from 1st May 2022, is expected to raise India's gold jewellery exports, create jobs, and provide chances for skill development in the jewellery manufacturing and supply chain. The FTA between the two nations will encourage the establishment of a more organized wholesale of Indian-made gold jewellery. This breakthrough will make Indian-made jewellery even more appealing to UAE customers (residents and tourists).

Imports of Raw Gold:
After China, India is the world's second-largest gold consumer. India imports unwrought gold in the form of bars, gold plated with platinum or in semi-manufactured forms, and gold powder. Imports are mostly used to meet the demand of the domestic jewellery business. The demand for gold is expected to register a further increase on account of the festive and marriage seasons.

Table 9: Imports of Raw Gold

Year	Gold Imports (Rs. In Billion)	Y-o-Y Growth (%)	Gold Imports (In Kgs)	Y-o-Y Growth (%)
FY20	1,992.4	-13.2%	7,19,930	-26.7%
FY21	2,542.8	27.6%	6,51,240	-9.5%
FY22	3,440.9	35.3%	8,79,010	35.0%
FY23	2,804.8	-18.5%	6,78,300	-22.8%
FY24	3,772.5	34.5%	7,95,240	17.2%

Source: CMIE, CareEdge Research

The import duty on gold and silver findings and coins of precious metals had increased to 15% from 10% from January 2024. This includes Basic Custom Duty (BCD) of 10% and 5% of AIDC (Agriculture Infrastructure Development Cess). Findings are items like hooks, clips, pins, screws, etc., which are components of jewellery making.

From June 2024, the Directorate General of Foreign Trade (DGFT) has brought gold jewellery studded with pearls, diamonds, and precious & semi-precious stones in the 'restricted' category from 'free' with immediate effect which means their import will require a government permit. These restrictions have been imposed as the imports from Indonesia under the India-ASEAN free trade agreement had surged and some articles of gold were coming duty-free and being melted in India to make jewellery. UAE is however exempted from these restrictions as per the India-UAE CEPA. However, in July 2024, the Finance Minister of India announced that the Customs Duty on precious metals like gold and silver will be reduced from 15% to 6% and for platinum, it will be reduced from 15.4% to 6.4%.

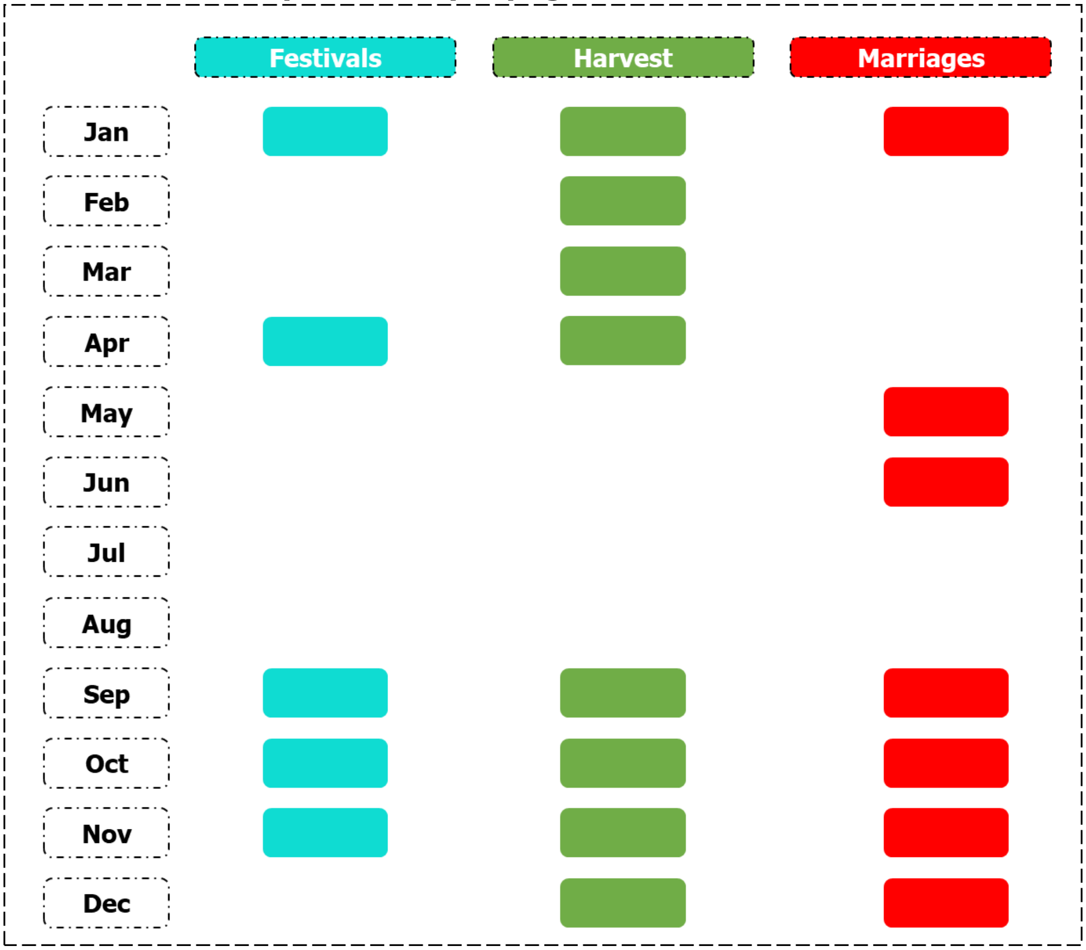
Domestic gold imports reached Rs. 3,772.5 billion in FY24 as compared to Rs. 2,804.8 billion in FY23. During FY24 the imports of gold imports in India saw a rise of 34.5% y-o-y in value terms, whereas a rise of 17.2% y-o-y was seen in volume terms.

4.11 Key Demand Drivers and Opportunities for Jewellery in India

Weddings and Festivals Drive Domestic Demand:

Seasonality in jewellery buying is a key factor that influences demand heterogeneity in India. Weddings, festivals, and harvests in rural regions are the main drivers of the category, and the seasonal nature of each of these drivers assures that demand for jewellery is tied to the different months and seasons.

Chart 34: Seasonality in Jewellery Buying



Source: CareEdge Research based on Industry sources.

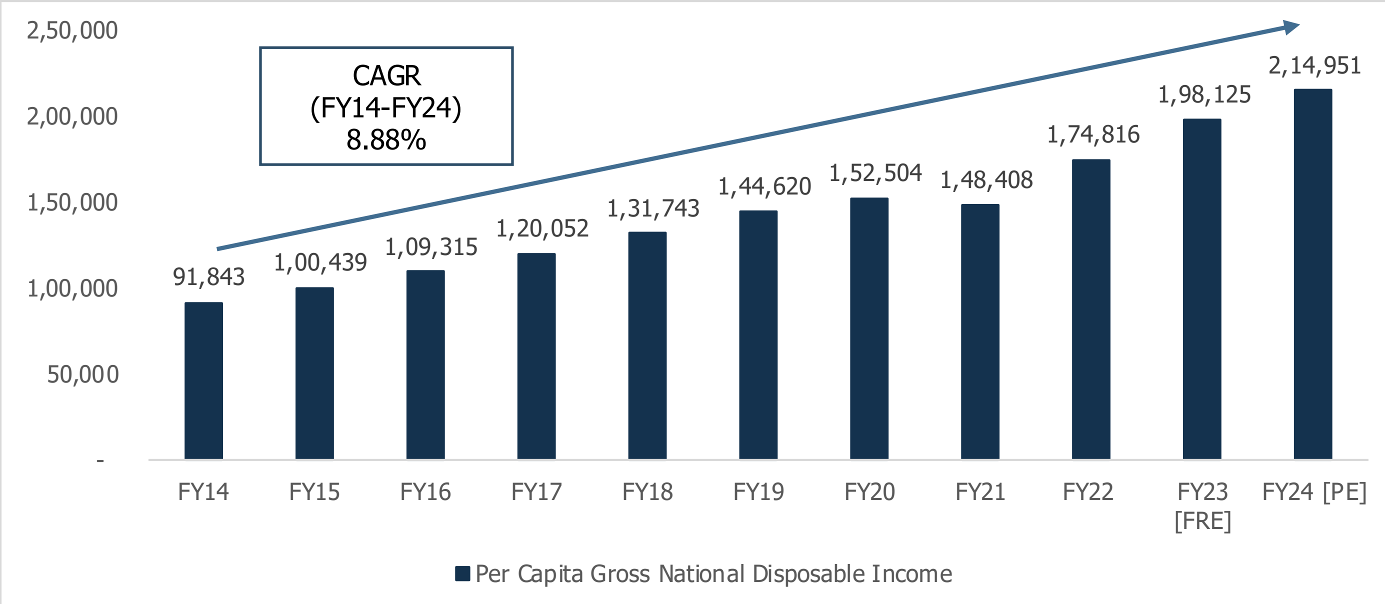
Demand for jewellery rises in the months of the wedding season such as May-June, September-December, and January. During the months of November and December, rural households invest their crop money in gold jewellery. Moreover, gold demand in Tier II and Tier III towns is influenced by agricultural output and monsoon. During auspicious religious events like Diwali/Dhanteras in October and November, and Akshaya Tritiya in April and May, demand for gold and silver jewellery increases.

Increase in Per Capita Disposable Income:

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY24, per capita GNDI at current prices registered a CAGR of 8.88%. More disposable income drives more consumption, thereby driving economic growth.

Rising income is the most powerful long-term driver of Indian gold demand because the economy is complimented by a high demographic dividend. The middle-income group in India has the highest level of gold consumption. The wealthy consume the most per capita, but the middle class consumes the most total volume.

Chart 35: Trend of Per Capita Gross National Disposable Income (Current Price)



Note: FRE – First Revised Estimates, PE – Provisional Estimate.
Source: MOSPI

Although there is a growing propensity to consume gold as income rises, the proportion of gold in one's portfolio does not rise at the same rate. A fall in household savings rates, availability of different investment avenues, and agricultural earnings can be hurdles to Indian demand.

Exposure to Global Trends:
Global trends frequently blend various cultural elements and styles. Jewellery brands that integrate these diverse influences can attract a wider international audience, creating new demand and broadening their market reach. Social media and influencers are crucial in shaping and amplifying these global trends. Jewellery brands that utilize these platforms to highlight trend-focused collections can generate excitement, boost online engagement, and drive consumer interest. Additionally, global trends often feature technological innovations, such as smart jewellery and advanced production methods. By adopting these innovations, jewellers can offer state-of-the-art products that appeal to tech-savvy customers and increase demand.

Preference for Branded Jewellery:
In the competitive Indian market, branded jewellery has found a significant place. Since branded jewellery has become the new trend in the industry, it has created its place in the hearts of customers over the last few years. With attentive and helpful attendants and well-displayed merchandise, shopping for jewellery has transformed. In the new market, everyone is a prospective customer. The most significant aspect of branded jewellery, however, is the perception of its excellence because a brand is synonymous with quality.

Furthermore, customers are more knowledgeable. As a result, shopping has moved to a new level, not only in terms of perspective but also in terms of method. Besides, with the rise of supermarket culture, sales and marketing of gems and jewellery have changed significantly. Today's youth have more discretionary income and are ready to spend on their preferred indulgences. Branded jewellery has a higher level of satisfaction among people than non-branded jewellery due to its prestige value, making branded jewellery more popular.

Easy availability of Gold Loan:
The emerging gold investment avenue in India at present is a monthly investment scheme run by organised jewellers. This works as a monthly gold-saving scheme where consumers deposit a specific amount of money with the jeweller

for 11 months, with the jeweller then paying the consumer one-month equivalent of their deposit as interest. At the end of the year, the consumer chooses to buy gold jewellery or minted products with accumulated savings and interest. Some schemes provide the benefit of lower making charges also. One of the major benefits of this scheme is that the consumer gets to make the payment in instalments over time instead of lumpsum payment during the purchase. Gold also serves as a mortgage during the need of emergencies for the household and hence gold loans are quite popular in India. These are offered by NBFCs as well as other financial institutions. Majorly, the lower- and middle-income groups are the ones who opt for these loans.

A trusted source of gold and innovative designs:

Indian jewellery buyers are increasingly brand conscious, and their tastes are becoming more refined. With access to a broad array of international and national premium brands, they now expect greater transparency and high-quality standards from their jewellers. They want clarity on pricing, including the costs of materials like gold and silver, as well as production fees, and seek assurance about the quality of the final product, which is best managed by organized retailers. These established players maintain transparency by adhering to rigorous quality standards and providing clear pricing. The rise in demand for affordable jewellery has led to innovative designs and the use of unconventional materials such as plated metals, stainless steel, and cubic zirconia. These alternatives allow for the creation of stylish pieces that mimic the appearance of precious metals and gems at a lower cost. The ability to swiftly adapt to changing fashion trends and introduce new collections has enabled both established and online retailers to effectively meet customer demands.

4.12 Outlook for the Gems & Jewellery Industry in India

The gems & jewellery industry's performance has been weak in the first half of CY24. However, the demand is expected to improve in the second half, led by purchasing during the festivals. The demand is expected to further revive in subsequent years driven by the moderation of inflation and alleviation of global geopolitical issues. Also, the domestic growth is likely to be driven by resilience in demand, particularly during the festive and wedding seasons and expansion by organized jewellery retailers across pan-India.

Diamonds Segment:

India is the world's largest centre for cutting and polishing diamonds, with most players concentrated in the three cities of Gujarat, Surat and Navsari. With a global share of more than 90% in the processing of rough diamonds, Cut & Polished Diamonds (CPD) accounted for 58% of the overall gems and jewellery exports from India. The CPD industry caters to demand from the US, Hong Kong, and the Middle East.

Majorly, India imports rough diamonds and exports cut and polished diamonds. The import prices per carat have been increasing, putting pressure on imports since FY21 but in FY24 the prices have declined as compared to FY23 and remained stable in H1FY25. On the other hand, in value terms, CPD exports declined by 14.9% y-o-y, falling from Rs. 1,321.3 billion in FY24 to Rs. 1124.2 billion in FY25. The exports declined due to weak demand from countries like China and the US. Further, there are also challenges faced by the Indian CPD players due to G7 sanctions on Russian-origin diamonds.

However, in markets such as the US, lab-grown diamonds (LGD) are considered fashionable jewellery affordable to youngsters, which augurs well for the Indian market. The increasing acceptance in markets such as the UK and Australia would further support the demand.

The government has identified LGD as an emerging sector. The India-UAE CEPA will further boost the growth of this industry. For instance, Finance Minister Nirmala Sitharaman, in the Budget 2023–24, announced a reduction in basic customs duty on seed used to manufacture LGD from 5% to NIL. This move was made to focus on the LGD exports from India among depleting natural diamond reserves. Further, in the Budget 2024–25, the finance minister announced safe harbour rates for foreign mining companies, selling raw diamonds in the country. A safe harbour rate will help promote the diamond industry. Safe harbour rates refer to predetermined and fixed tax rates that provide a level of certainty and stability to a business. Tax compliance will become simpler and more suitable for attractive investments. With this, the small producers will be able to access rough diamonds directly from miners in India without having to travel abroad to participate in diamond auctions, this decision is likely to benefit the overall industry.

Furthermore, LGD exports are expected to be driven by the growing use of such diamonds in various end-use industries, rising synthetic diamond trade, and environmentally friendly manufacturing of such diamonds. LGDs are now categorized as a separate, more affordable commodity and their demand is expected to grow due to increased supply and technological advancement. However, despite these favourable prospects, LGDs still constitute a small fraction of the overall diamond industry.

Recent data further underscores this trend. The provisional gross export of Polished Lab-Grown Diamonds (LGDs) for the period April 2024 – July 2024 stood at US$ 414.62 million (Rs. 3,460.41 crores), marking a decline of 6.81% (-5.39% in Rs. terms) compared to US$ 444.91 million (Rs. 3,657.41 crores) in the previous year. This decline suggests near-term challenges for LGD exports despite long-term growth expectations.

Meanwhile, the Cut and Polished Diamond (CPD) segment continues to face headwinds. Short-term concerns surrounding Russian sanctions, rising inflation, tighter monetary policies, and moderating global demand due to economic slowdown fears are expected to weigh on Indian exports. The combination of declining demand and price corrections remains a key reason why the near-term outlook for the overall diamond industry appears negative.

4.12.1 Overview of Lab-Grown Diamonds

The gems and jewellery industry of India contributes 7% to India's Gross Domestic Product (GDP). The sector contributes about 15.71% of India's total merchandise exports, accounting for the third largest commodity share. During FY25 (until February 2025), the gems and jewellery exports reached Rs. 2,171.48 billion (US$ 25.73 billion) with a decline of 11.77% for the same period of FY24. One of the major technological developments in this sector has been laboratory-grown diamonds (LGD).

LGDs are authentic diamonds produced in laboratories by replicating the natural diamond formation process that occurs beneath the earth's surface. Consequently, LGDs exhibit the same chemical, thermal, optical, and physical properties as mined diamonds. However, since they are not extracted through mining, LGDs mitigate the social and environmental impacts associated with mining activities. This makes LGDs environmentally sustainable and contributes to saving our natural resources. Furthermore, by eliminating the expenses related to mining, LGDs become notably more cost-effective, as compared to naturally mined diamonds.

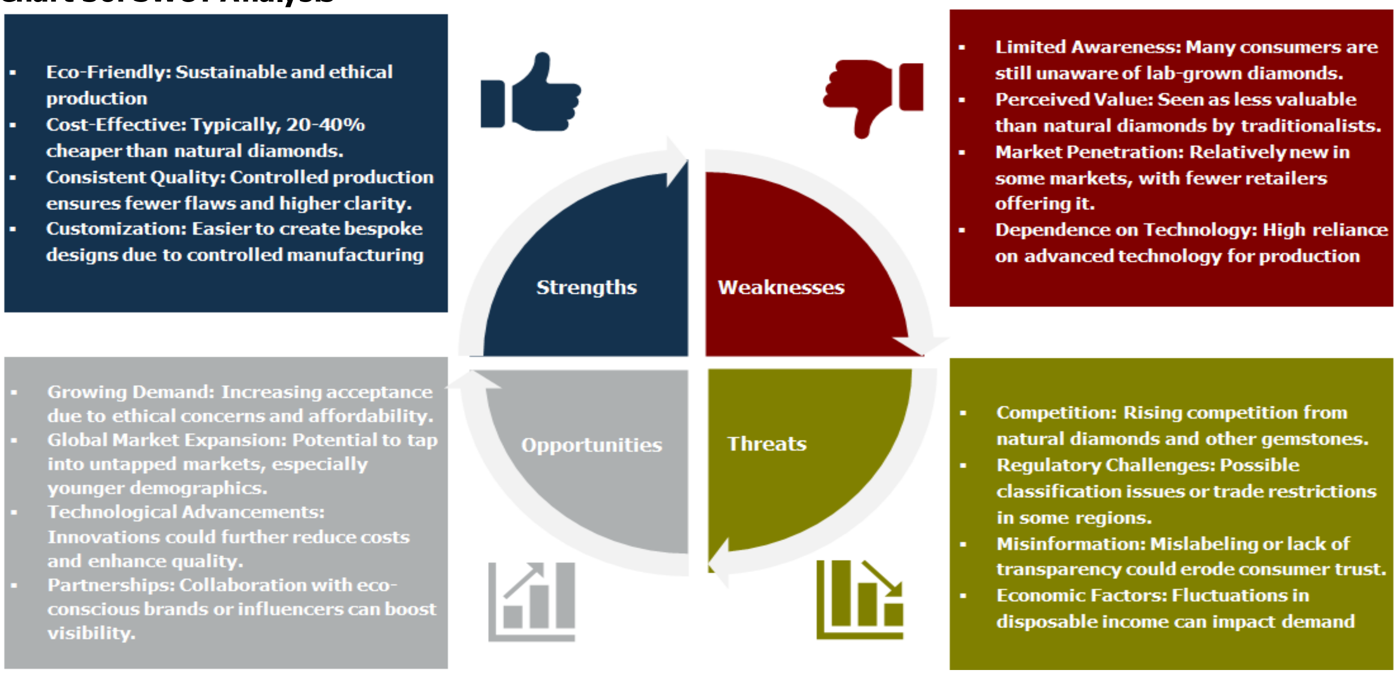
However, the technology for consistently producing gem-quality LGDs is highly capital-intensive and time-consuming. Both LGDs and natural diamonds undergo grading based on the 4Cs – carat weight, colour, clarity, and cut.

Moreover, lab-grown diamonds are also used in computer chips, satellites, and 5G networks as they can be used in extreme environments due to their potential to operate at higher speeds while using less power than silicon-based chips. LGD has vast applications in the defence, optics, jewellery, thermal, and medical industries.

To enhance domestic production, the Finance Minister announced a five-year research and development grant. Additionally, a reduction in customs duty on seeds utilized in the production of lab-grown diamonds was proposed to decrease production costs alongside promoting domestic manufacturing.

4.12.2 SWOT Analysis of Lab-grown Diamond Jewellery

Chart 36: SWOT Analysis



Source: CareEdge Research

Gold Jewellery Segment:

Most of the demand for gold jewellery comes from the domestic market, with weddings and festivals being the primary drivers. Bridal jewellery alone accounts for at least half of the market, and within this, diamond-studded gold jewellery has been gaining prominence as an aspirational choice for consumers, particularly in urban areas. Long-term trends in economic growth, wage growth, wealth distribution, and urbanisation will continue to shape the demand for gold jewellery in India.

Gold demand in rural communities usually picks up after the harvest season. Harvesting of Kharif crops runs from September until November, and about 70% of Indian agricultural production takes place during the Kharif season. During the festivals of Diwali and Akshaya Tritiya, it is considered extremely auspicious to buy gold. Dhanteras (the first day of Diwali) usually falls during October or November, and Akshaya Tritiya between late April and early May. On average, around 40-60 tonnes of gold in sold in India during these two auspicious festivals alone. The continued momentum in demand for gold jewellery, coupled with an increased footprint of organised jewellery retailers, is expected to result in healthy growth of the industry in the medium term.

Moreover, India remains one of the leading exporters of gold jewellery. In May 2022, it was announced that 90% of Indian products will be eligible for duty-free entry into the UAE under the Comprehensive Economic Partnership Agreement (CEPA). As products sold there are shipped to other nations, this will have a significant impact on international trade in the medium term. The impact can already be seen in the import-export of gold jewellery.
However, higher food and fuel inflation, rising gold prices are likely to have an impact on discretionary spending by consumers. Recently, gold prices reached an all-time high of around USD 2,352 troy per ounce. Further, with the weakening of the rupee, gold would become costlier in India, affecting the demand. While diamond-studded gold jewellery continues to attract affluent buyers, overall rural demand may soften if erratic rainfall affects crop yields, reducing post-harvest purchasing power.

5 Cut and Polished Diamonds

5.1 Overview

India remains the world's largest hub for cutting and polishing diamonds, accounting for over 90-95% of the global polished diamond supply. The U.S. and China are the primary markets, consuming approximately 65% of India's diamond exports. The demand for cut and polished diamonds in India is steadily growing, driven by increasing consumer interest in luxury jewellery, especially in urban areas. The rise in disposable incomes, changing fashion trends, and the popularity of diamonds for special occasions like weddings and engagements are contributing to this growth. Additionally, the expansion of online jewellery platforms is making diamonds more accessible to a broader audience.

However, challenges such as price volatility, fluctuations in the supply of rough diamonds, and global economic uncertainties may affect market stability. Despite these challenges, the Indian cut and polished diamond industry is poised for sustained growth, underpinned by technological advancements in cutting and polishing techniques, a strong export market, and increasing domestic consumption.

5.2 Trend in Imports and Exports of Cut & Polished Diamonds

Table 10: Imports and Exports of Cut & Polished Diamonds (Rs. in billion)

Year	Imports	Y-o-Y growth	Exports	Y-o-Y growth
FY20	121.9	31.5%	1320.1	-20.7%
FY21	161.2	32.2%	1201.5	-9.0%
FY22	111.1	-8.9%*	1821.1	38.0%*
FY23	104.8	-5.6%	1767.2	-3.0%
FY24	158.4	51.1%	1321.3	-25.2%
FY25	102.3	-35.4%	1124.2	-14.9%

Source: Gems & Jewellery Export Promotion Council (GJEPC), CareEdge Research
Note -* compared with pre-pandemic year FY20.

The cut & polished diamond segment is an export-oriented segment in India. During FY25, the cut & polished segment contributed 47% of the overall exports in the gems & jewellery segment and the overall exports of cut & polished diamonds stood at Rs. 1,124.2 billion in FY25, showing a 14.9% decline as compared to Rs. 1,321.3 billion in FY23. Also, imports during FY25 witnessed a decline of 35.4% to Rs. 102.3 billion as compared to Rs. 158.4 billion in the previous year.

In terms of volume, the exports of cut & polished diamonds stood at 18.92 million carats in FY24, showing a 23% decline compared to FY23. In terms of volumes, the exports of cut and polished diamonds stood at 8.5 million carats in H1FY25, a 14% decline compared to H1FY24. The decline in exports was on account of rising inflation in global economies, cannibalization due to lab-grown diamonds and weak demand from China and Western countries. The imports too declined by 18.2% y-o-y to Rs. 52.6 billion in H1FY25.

The USA is a key market for India in cut and polished diamond exports, whereas Hong Kong is the second-largest export market followed by the UAE. The Indian gems and jewellery sector is exploring Cambodia, Vietnam, and the European Eastern Bloc – three untouched markets with great export potential. The major import destination for India was Hong Kong until FY22, but in FY23, the UAE surpassed Hong Kong.

To boost the confidence of the cut and polished diamonds segment, the government announced a reduction in import duty on cut & polished diamonds in the previous budget 2022–2023 to 5% from 7.5%, which is expected to further help in strengthening the sector and retain its leadership position. Furthermore, in the Budget 2024–25, the finance minister announced safe harbour rates for foreign mining companies selling raw diamonds in the country. A safe harbour rate will help promote the diamond industry. Safe harbour rates refer to predetermined and fixed tax rates that provide a level of certainty and stability to a business. Tax compliance will become simpler and more suitable for attractive investments. With this, the small producers will be able to access rough diamonds directly from miners in India without having to travel abroad to participate in diamond auctions, this decision is likely to benefit the overall industry.

5.3 Overview of the Diamond Industry

India is a global powerhouse in diamond processing, producing over 70% of the world's polished diamonds, with Surat, Gujarat, at the core of this activity. This expertise has established India as a key supplier in the global diamond value chain, known for its high-quality and cost-effective manufacturing. India's deep cultural connection to jewellery, particularly gold and diamonds, further solidifies its position in the market.

5.4 Country-Wise Exports of Cut & Polished

Table 11: Country-Wise Exports of Cut & Polished Diamonds (FY22-FY24)

Countries	FY22 (Rs. Billion)	FY23 (Rs. Billion)	FY24 (Rs. Billion)	Y-o-Y Growth (%) 2024 vs 2023	Share in cut and polished diamond exports (%) for FY24
USA	735	638	463	-27.4%	35.1%
Hong Kong	476	447	361	-19.2%	27.3%
UAE	153	173	142	-17.7%	10.7%
Belgium	104	163	140	-14.2%	10.6%
Israel	101	960	533	-44.5%	4.0%

Source: Gems & Jewellery Export Promotion Council (GJEPC)

Export: CPDs constitute over 50% of the total Gems and Jewellery export. They are exported to destinations like the USA, Hong Kong, the UAE, Belgium, Israel, Thailand, Switzerland, Japan, and the UK. The USA is a key market for Indian CPD exports with 35.1% of export share in FY24. Hong Kong is the second largest export market with a 27.3% share followed by the UAE.

6 Diamond Studded Gold and Platinum Jewellery Wholesale Market

6.1 Overview of the Diamond Studded Gold and Platinum Jewellery

Diamond Studded Gold

Diamond-studded gold jewellery is a popular and growing segment in India. It combines the classic appeal of gold with the elegance of diamonds, making it a preferred choice for many consumers. This type of jewellery is especially popular for weddings and special occasions, where diamonds are seen as a symbol of luxury and status. With increasing disposable incomes and changing consumer preferences, demand for diamond-studded gold jewellery is on the rise, particularly in urban areas.

India is now the second-largest consumer of diamond jewellery in the world, accounting for 11% of global consumption. This growth is mainly driven by the increasing number of middle-class consumers and their higher spending power.

The demand for diamond-studded gold jewellery is driven by factors like higher disposable incomes, a growing preference for branded products, and the influence of global fashion trends. Young professionals and millennials are important consumers, often choosing trendy and lightweight designs. Traditional wedding jewellery also incorporates diamond-studded pieces, making it an essential part of Indian culture.

Several key trends are shaping the market. Customization has become a popular choice, especially among affluent customers looking for unique designs. E-commerce platforms have made it easier for consumers to buy diamond-studded jewellery, offering convenience and competitive pricing. Additionally, lab-grown diamonds are becoming increasingly popular due to their affordability and sustainability, changing consumer buying habits.

However, the segment faces challenges, including the fluctuating prices of diamonds, which may limit its accessibility to certain consumers. While few companies manage to mitigate the risk of fluctuating prices, some companies also find too difficult to surpass the prices to the end consumers. The unorganized market still holds a large share, and fluctuations in gold prices and import duties affect pricing and availability. These factors introduce some uncertainty, but they are balanced by consumer demand for quality and trust in branded jewellery.

Looking ahead, the diamond-studded gold jewellery market is expected to continue growing. The expansion of India's middle class, increasing brand awareness, and the rise of organized retailers will help drive this growth. Government initiatives to promote hallmarking and transparency are also boosting consumer confidence, ensuring a positive outlook for the segment.

Platinum Jewellery

Platinum jewellery has gained popularity in India due to its rarity, durability, and status as a symbol of luxury. Known as the "metal of love," platinum is widely used for engagement rings, wedding bands, and contemporary designs, appealing to younger consumers and urban markets.

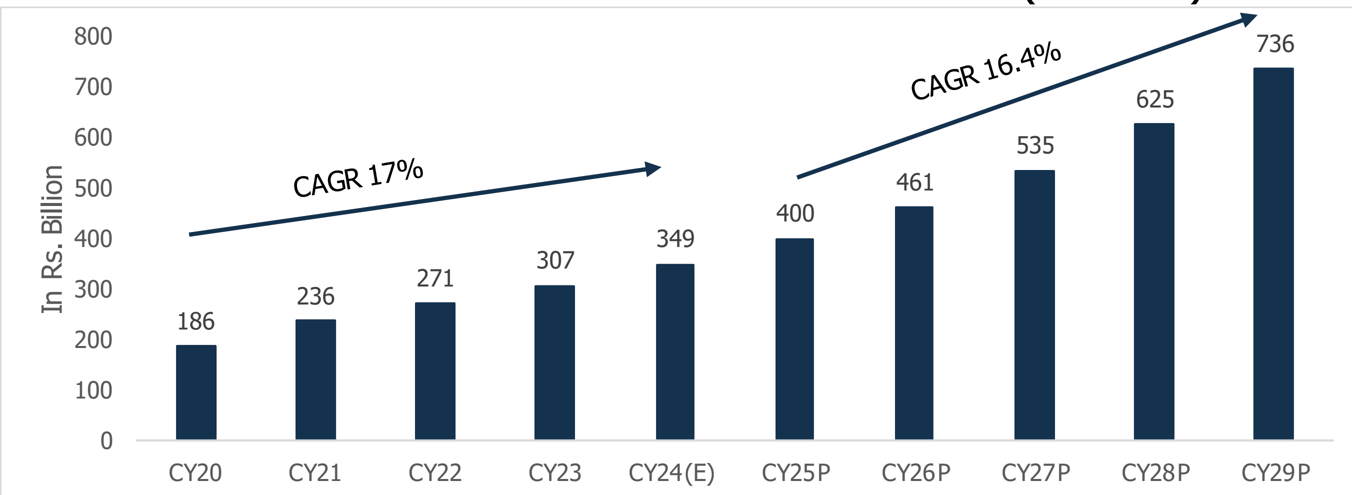
The Platinum Guild International (PGI) has been instrumental in popularizing platinum jewellery in India through campaigns like "Platinum Days of Love" and "Men of Platinum." These initiatives focus on positioning platinum as a symbol of modern relationships and timeless love, resonating with millennial and Gen Z audiences.

Although the platinum jewellery market in India remains a niche segment compared to gold, its appeal is growing, especially among millennial and Gen Z buyers. The focus on lightweight designs and gender-neutral collections has expanded its reach. Lightweight, gender-neutral, and minimalist designs are expanding the consumer base. Jewellers also build trust through Pt950 certification, guaranteeing 95% platinum purity. This ensures consumer confidence in the metal's authenticity.

6.2 Indian Diamond Studded Gold Wholesale Market Size

The Indian diamond-studded gold wholesale market reached a value of Rs. 349.33 billion in CY24, growing at a CAGR of 17% from CY20 to CY24. This growth is largely driven by the expanding middle class, which increasingly prefers branded products, contributing to the rise in demand for diamond jewellery. The growing influence of organized retail chains has significantly improved accessibility and consumer trust in branded diamond-studded jewellery, thereby boosting sales.

Chart 37: Indian Diamond Studded Gold Wholesale Market Size and Growth (CY20-CY29)



Source: IMARC Group, CareEdge Research

Continuous innovation in designs and customization options is attracting a broader customer base. Furthermore, the rise of online shopping platforms has expanded the market reach, enabling consumers to explore a wider variety of diamond-studded jewellery conveniently. As a result, the market is poised to grow at a CAGR of 16.4% during CY25-CY29, reaching an estimated value of Rs. 735.62 billion by CY29.

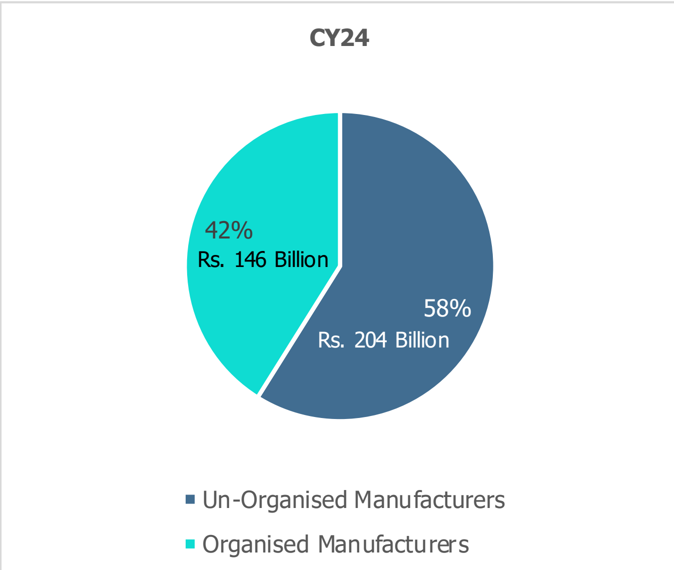
India's strong position as a major exporter of gems and jewellery presents opportunities for manufacturers to tap into global demand for diamond-studded gold jewellery. The integration of advanced technologies in production processes enhances efficiency and quality, allowing manufacturers to produce intricate designs that meet the ever-evolving market demands. Growing consumer awareness about the value of investing in quality jewellery is also encouraging the shift from traditional to diamond-studded pieces, further driving market demand.

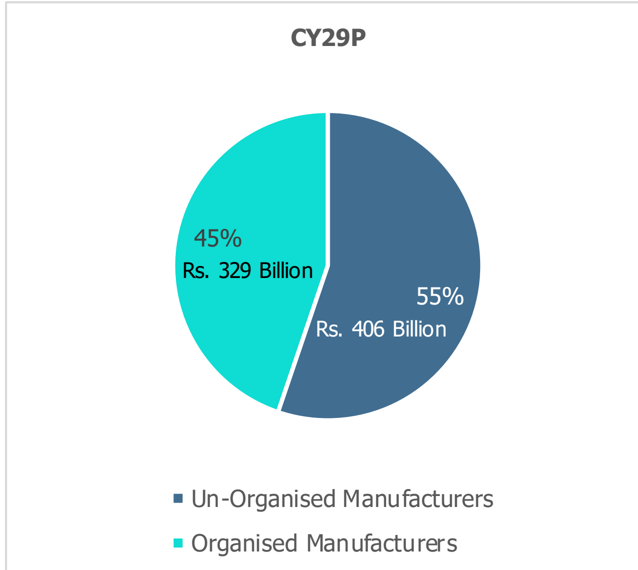
6.3 Share of Organised and Un-Organised Manufactures

The cultural significance of gold and diamond jewellery, especially during weddings and festivals, remains a major driver of demand in India. Unorganized players benefit from lower overhead costs, allowing them to offer competitive pricing and cater to budget-conscious consumers seeking affordable luxury. These manufacturers also possess deep insights into local consumer preferences, enabling them to quickly adapt to market trends and offer unique, personalized jewellery pieces. Many unorganized players leverage traditional craftsmanship to produce intricate designs that appeal to consumers looking for authenticity and heritage. By expanding their distribution networks through partnerships with local retailers or e-commerce platforms, unorganized manufacturers can improve product availability and enhance their market reach, further driving demand.

On the other hand, the growing middle class and increasing disposable income in India provide significant opportunities for organized manufacturers to cater to affluent consumers. As demand for unique and personalized jewellery continues to rise, organized players are investing in innovative designs and customization options to meet these preferences. Sustainability is becoming a key factor in purchasing decisions, with ethical sourcing and environmentally friendly practices influencing conscious consumers. Technological advancements such as 3D printing are transforming jewellery design, enabling organized players to produce intricate designs efficiently and cost-effectively. Expanding retail presence in Tier II and III cities, where disposable incomes are rising, and leveraging strong brand recognition and collaborations with renowned designers, will further enhance the competitiveness of organized players, attracting discerning consumers and fostering long-term loyalty.

Chart 38: Indian Diamond Studded Gold Wholesale Market Breakup by Manufacturer (CY24 Vs CY29P)



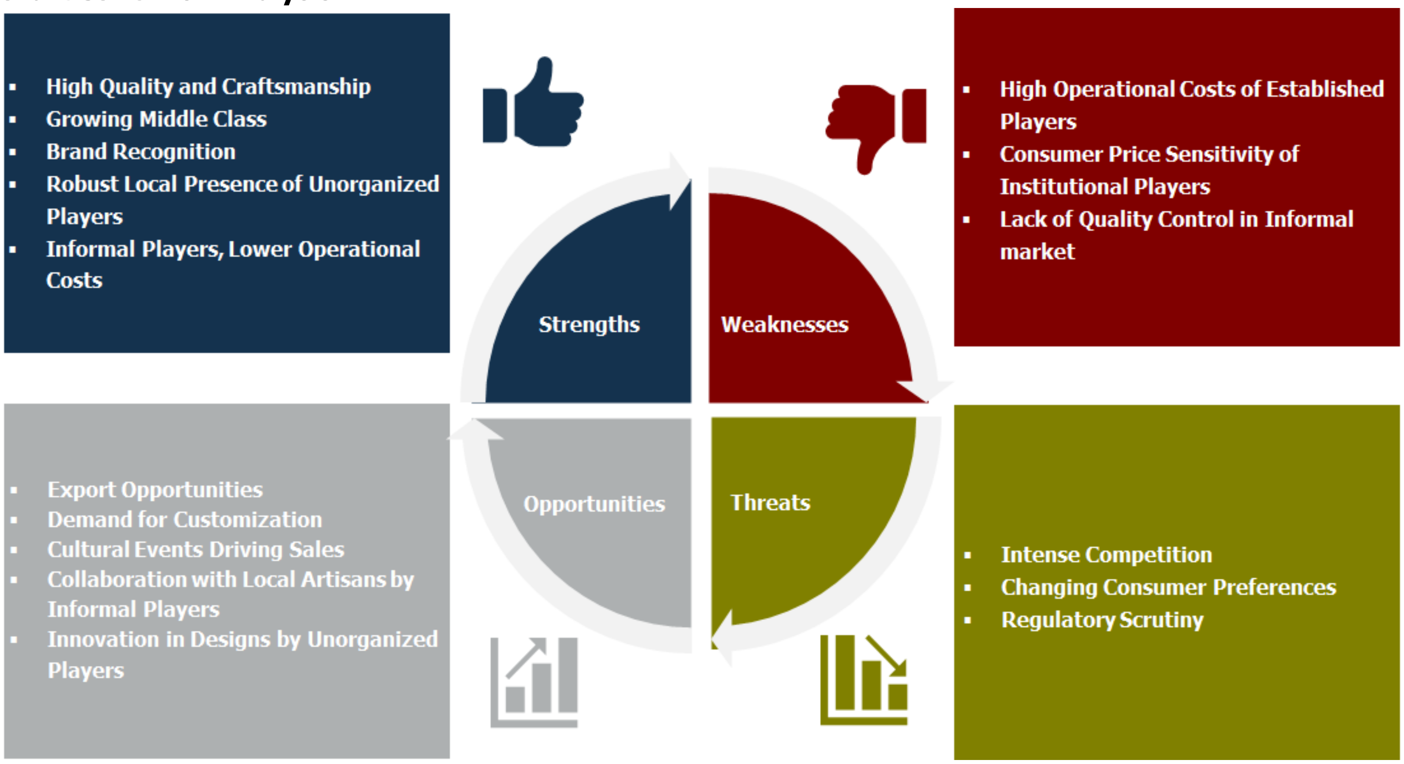


Source: IMARC Group, CareEdge Research

In CY24, the unorganized segment of the Indian diamond-studded gold wholesale market held a dominant share of 58.3%, valued at Rs. 203.74 billion. The organized segment, in contrast, accounted for 41.7% of the market, valued at Rs. 145.59 billion. Looking ahead, by CY29, the unorganized segment is projected to grow to Rs. 406.21 billion, maintaining a 55.2% market share, while the organized segment is expected to grow to Rs. 329.41 billion, reaching a 44.8% market share.

6.4 SWOT Analysis of the Indian Diamond studded Gold Wholesale Industry

Chart 39: SWOT Analysis

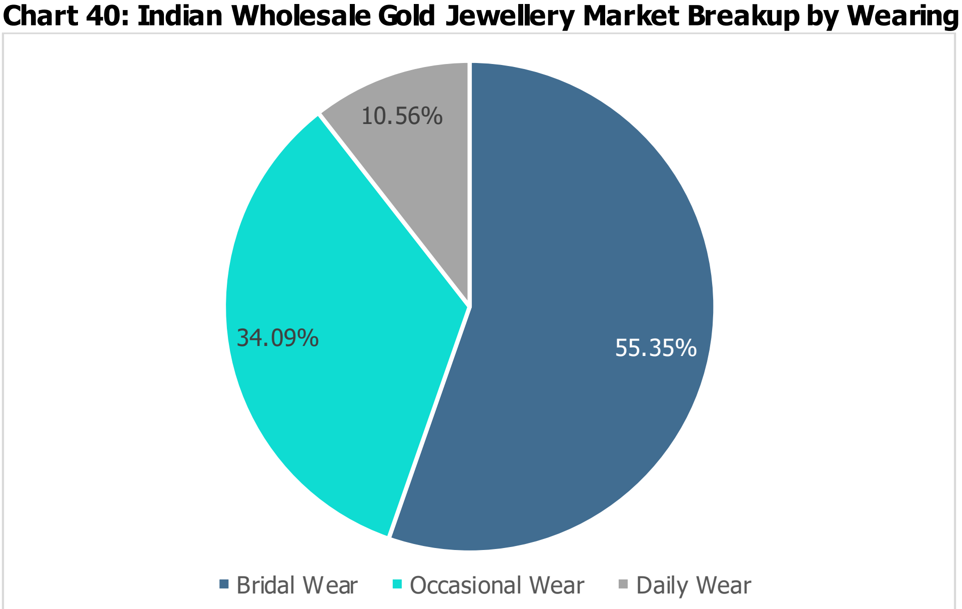


Source: CareEdge Research

6.5 Indian Wholesale Gold Jewellery Market Breakup by Wearing

The Indian wholesale jewellery market is segmented based on the type of wear, which includes bridal wear, occasional wear, and daily wear.

Chart 40: Indian Wholesale Gold Jewellery Market Breakup by Wearing (in %), CY24(E)



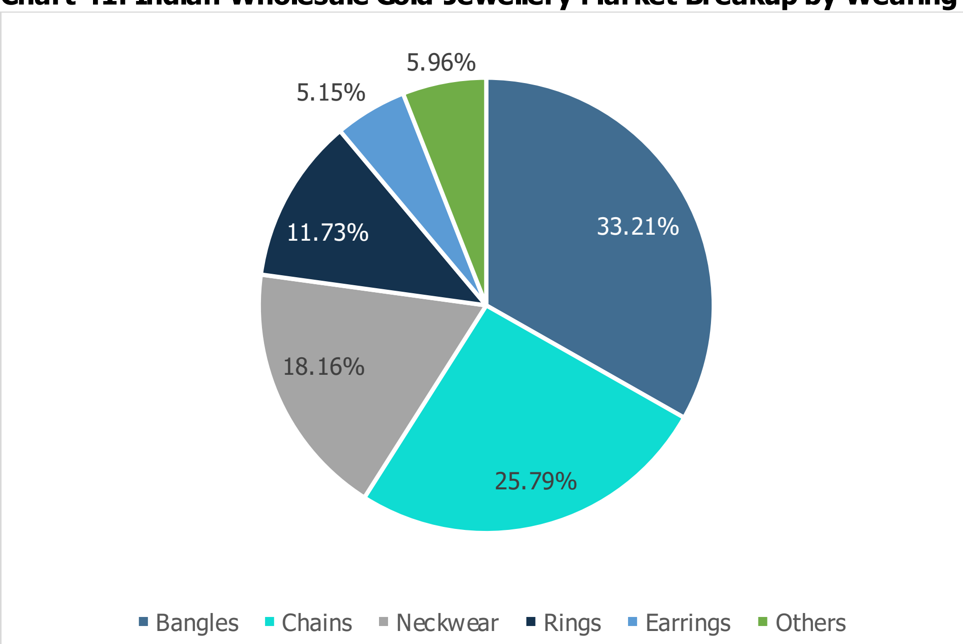
Source: IMARC Group, CareEdge Research Analysis; E= Estimated

Segment	Details
Bridal Wear	The Indian bridal jewellery segment is a leading category, supported by cultural heritage and the significance of weddings. It consists of intricate designs made of gold, diamonds, Kundan, and Polki. Demand is at its peak during the wedding season, especially in North and South India. In CY23, jewellery contributed 23–25% to overall wedding spending, reflecting its cultural importance. Key trends include the rise of destination weddings and a preference for heritage designs, ensuring bridal jewellery's continued prominence in India's wholesale market.
Occasional Wear	The occasional wear segment caters to demand for festivals, family occasions, and special occasions. Customers prefer semi-precious stones, modern designs, and multi-occasion pieces that incorporate tradition with modern looks. Key cities such as Mumbai, Delhi, and Bangalore contribute high sales, particularly during Diwali. The market is changing, with young consumers increasingly opting for light and low-cost designs, which has been driving the segment's consistent growth in the wholesale jewellery market.
Daily Wear	Daily wear jewellery is becoming increasingly popular in urban and semi-urban regions, with emphasis on minimalist, light, and long-lasting designs such as gold chains, rings, and earrings. Growing numbers of working professionals have increased demand for low-cost yet fashionable pieces. Maharashtra, Gujarat, and West Bengal register steady demand owing to high urban populations and high density of professionals. Mumbai, being the economic capital of Maharashtra, accounts for major sales. Gujarat's increasing business group and Kolkata's cultural heritage also help in the segment's consistent growth in the wholesale market.

6.6 Indian Wholesale Gold Jewellery Market Breakup by Product Type

The Indian wholesale jewellery market is segmented based on product type, which includes neckwear, rings, earrings, chains, and bangles/bracelets.

Chart 41: Indian Wholesale Gold Jewellery Market Breakup by Wearing (in %), CY24(E)



Source: IMARC Group, CareEdge Research Analysis; E= Estimated

- **Neck Wear**

The neck wear segment, including necklaces, chokers, and pendants, is a cornerstone of the Indian wholesale jewellery market. It is highly diverse, with demand ranging from heavy, ornate designs in gold and diamonds for weddings to lightweight, everyday wear pieces. Traditional styles like Kundan and Temple jewellery remain popular, especially in South India. The segment sees peak demand during the wedding and festive seasons, with a growing trend towards customizable designs that blend traditional motifs with modern aesthetics.

- **Rings**

Rings are a versatile and highly popular product in the Indian wholesale jewellery market. This segment includes everything from elaborate bridal rings, often adorned with diamonds and precious stones, to simple, everyday gold bands. Engagement rings are a significant driver, with a strong preference for solitaire diamonds. Rings also serve as popular gifting options during festivals and special occasions. The demand for innovative designs, including stackable and multi-finger rings, is on the rise, particularly among younger consumers.

- **Earrings**

Earrings are a key segment in the Indian jewellery market, catering to various occasions, from daily wear to weddings. The range includes studs, hoops, jhumkas, and chandbalis, with gold and diamonds being the most sought-after materials. Demand for lightweight and versatile designs is growing, especially among urban consumers. Earrings are also a popular gifting choice, driving consistent sales throughout the year. Regions like Maharashtra and Gujarat show strong demand for both traditional and contemporary styles, making this segment a staple in the wholesale market.

- **Chains**

Chains are a fundamental part of the Indian wholesale jewellery market, favoured for their simplicity and versatility. Gold chains dominate this segment, available in a variety of styles such as plain, beaded, and rope designs. Chains are popular as everyday wear, particularly among men and working professionals. They also serve as a common gifting item, especially during festivals and family occasions. The market for lightweight and durable chains is expanding, with increasing demand from urban and semi-urban areas.

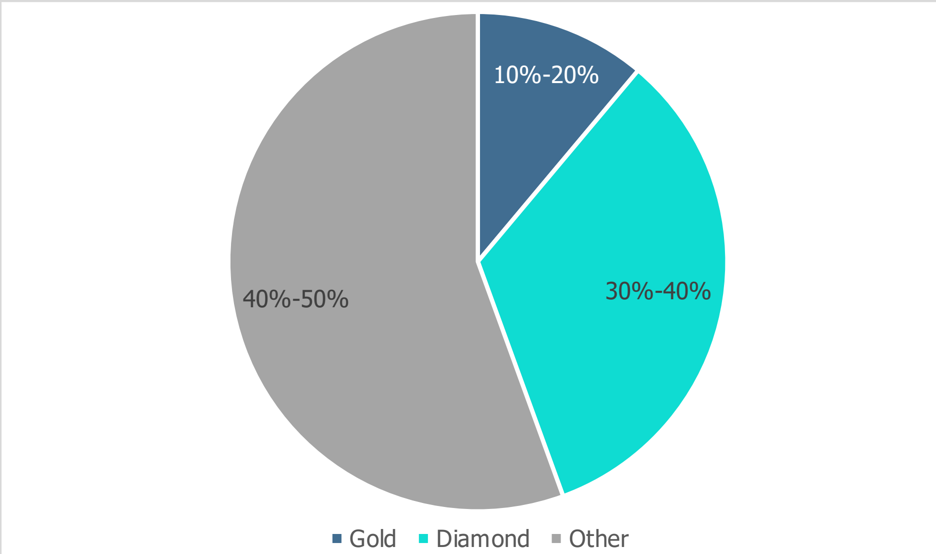
- **Bangles/Bracelets**

The bangles and bracelets are the largest market segment. Bangles and bracelets hold a special place in Indian jewellery, symbolising tradition and elegance. This segment includes a wide range of products, from heavy, ornate bridal bangles to sleek, contemporary bracelets. Gold bangles are particularly popular in South India, while diamond-studded bracelets are gaining traction among younger consumers. The demand peaks during wedding seasons and festivals like Diwali and Raksha Bandhan. The trend towards mixing traditional designs with modern styles is driving innovation in this segment within the wholesale market.

6.7 Gross margins by metal/stone type

Based on stone/metal type, the Indian jewellery market can be segmented into jewellery made of gold, diamond, and others (including platinum, gemstones, and non-traditional metals). The gross margins for these segments vary due to factors such as raw material costs, consumer demand, design complexity, and pricing strategies.

Chart 42: Gross margins by Metal/Stone Type (in %), CY24(E)



Source: IMARC Group, CareEdge Research Analysis; E - Estimated

The gross margin for the plain gold jewellery segment ranges from 10% to 14%. It has lower gross margins compared to non-gold jewellery. Although gold holds high value, it does not offer the same premium pricing opportunities as diamonds and other precious stones. Its pricing is more standardised, allowing less flexibility for high markups compared to diamond-studded or gemstone jewellery. Plain gold jewellery typically features simpler or standardised designs, with pricing primarily based on weight rather than design complexity or exclusivity. As a result, profits are more closely tied to the weight and purity of the gold rather than design innovation. Furthermore, gold prices are publicly available, making it difficult for retailers to charge a brand premium.

In contrast, diamond-studded jewellery has gross margins ranging from 30% to 35%. Non-gold jewellery, particularly diamond-studded pieces, often features more intricate designs in the luxury market. Compared to plain gold jewellery, diamond-studded jewellery requires greater craftsmanship, involving skilled labour, stone setting, and complex design work. The pricing of diamond-studded jewellery is more customised and allows for higher markups due to continuous innovation in designs and customisation options, catering to consumer preferences for aesthetic appeal and exclusivity. Diamond prices are more flexible as they depend on factors such as cut, clarity, colour, carat weight, rarity, and branding, enabling premium pricing opportunities. As the studded ratio (studded jewellery/total revenue) increases, profitability also rises. Additionally, lower karat gold can be used in diamond-studded jewellery, reducing the gold component cost and optimising overall expenses, which leads to higher margins.

6.8 Outlook of the Gold and Platinum Jewellery Wholesale Market in India

The gold and platinum jewellery wholesale market in India is expected to experience steady growth, driven by consistent demand from both traditional and modern consumers. Gold remains the dominant metal, particularly for bridal jewellery and as an investment vehicle. Platinum, however, is gaining traction, especially among high-income groups, with increasing demand for premium products such as engagement rings and exclusive collections. The growing trend for personalised and designer jewellery, coupled with platinum's appeal for its durability and hypoallergenic qualities, is contributing to its expanding market share.

Rising disposable incomes, urbanisation, and the shift towards online retail platforms are making jewellery more accessible, further enhancing market growth. There is also an increasing preference for purity, certification, and branded jewellery, which is supporting demand.

However, challenges such as fluctuations in gold and platinum prices, import regulations, and global market volatility may influence market dynamics. Despite these factors, the long-term outlook for the gold and platinum jewellery wholesale market remains strong, with innovations in designs, a growing affinity for certified and branded products, and the rise of digital sales channels contributing to continued market expansion.

Recent Trends in the Jewellery market in India

Trend	Description
Rise of Minimalist Designs	Minimalist jewellery designs are increasingly favoured, especially by younger consumers. These designs prioritise simplicity and elegance, often featuring lightweight gold and diamond pieces. This trend is propelled by shifting fashion preferences and the desire for jewellery that seamlessly fits into everyday attire.
Digital and Omni-Channel Strategies	The jewellery market is progressively embracing digital strategies, with retailers adopting omnichannel approaches to enhance customer experiences. Online platforms now function not only as sales channels but also for virtual try-ons, consultations, and customisations. The integration of AI and AR tools in the online environment has significantly boosted consumer engagement.
Expansion of the Wholesale Gold Jewellery Market	The wholesale gold jewellery sector is transitioning towards more organised trade practices. Wholesalers are leveraging technology to optimise operations, improve inventory management, and enhance transparency. A growing trend towards direct sourcing from mines and refineries is diminishing reliance on intermediaries.
Increased Demand for Pre-Owned and Vintage Jewellery	There is a rising interest in pre-owned and vintage jewellery, driven by a commitment to sustainable fashion and a preference for unique, heritage pieces. Retailers and wholesalers are responding to this trend by offering refurbished and certified pre-owned jewellery, often at more accessible price points.
Influence of Global Design Trends	Global design trends are significantly influencing jewellery preferences in India. There has been a marked increase in demand for jewellery styles inspired by international fashion, such as those from Italy or the Middle East. This trend is particularly evident in metropolitan areas, where consumers are more attuned to global fashion influences.
Focus on Customisation in Wholesale Gold Jewellery	The wholesale gold jewellery market is experiencing a growing demand for customised pieces.
Hallmarking and Certification	With the mandatory hallmarking of gold jewellery introduced in January 2021, there has been an increased focus on certified products in the wholesale market. Wholesalers are now more inclined to deal with hallmarked gold, ensuring quality and authenticity, which has boosted consumer confidence and led to greater demand for certified products.

Outlook on the Organized and Unorganized Segments

- **Organized Segment**

The organized jewellery segment in India is on a strong growth trajectory. Driven by increased consumer awareness about quality and certification, this segment is rapidly gaining market share. The implementation of government regulations, such as mandatory hallmarking of gold jewellery and the Goods and Services Tax (GST), has provided an additional boost to organized players, who are better equipped to meet these requirements. Major brands like Tanishq, Kalyan Jewellers, and Malabar Gold & Diamonds are expanding aggressively, particularly in tier II and III cities, to tap into the growing demand for branded, certified jewellery.

Furthermore, the adoption of digital platforms, omni-channel retail strategies, and personalized customer experiences are enhancing the appeal of organized players.

- **Unorganized Segment**

The unorganized segment will continue to dominate the market due to deep-rooted cultural ties, strong customer relationships, and the trust placed in local jewellers. However, increasing competition from organized players, rising consumer preference for branded products, and government regulations aimed at formalizing the sector are driving gradual shifts. The implementation of hallmarking standards and GST has begun to erode the cost advantage traditionally enjoyed by unorganized jewellers. Yet, their flexibility in pricing, extensive product variety, and strong presence in rural areas will allow them to retain a significant share. Local jewellers often offer flexible payment options, such as allowing delivery first with payment in instalments, which enhances their appeal.

The segment's future will hinge on its ability to adapt to evolving consumer expectations and regulatory changes while maintaining its traditional strengths.

7 Regulatory Process and Framework for the Gems & Jewellery Industry in India

7.1 FDI Norms

The gems & jewellery industry is the second-largest Foreign Exchange Earner (FEE) in the Indian economy. India is known as the hub of global jewellery due to its low costs, availability of skilled labour, and other benefits like policy support etc. Various government policies support the industry. Currently, 100% Foreign Direct Investment (FDI) is permitted in the sector under the automatic route.

This sector has become a focus area for promoting exports. The government has taken various initiatives for investment promotion and technology upgradation. The country is looking forward to building a 'Brand India' in the global market because of its growth prospects.

The Government of India's decision to bring FDI into the retail market expedited the growth in the organized jewellery sector. This facilitated substantial job opportunities in various departments like logistics, repackaging centres, distribution channels, housekeeping, security, etc. FDI has been one of the key drivers in uplifting the jewellery sector and contributing towards the overall development of the economy.

7.2 Goods & Services Tax (GST)

Before the introduction of the GST regime, gold attracted a 2% tax, consisting of service tax and a value-added tax (VAT) of 1% each. The tax rate levied on gold sales increased from 2% to 3% due to the introduction of GST and had a critical impact on the jewellery industry. An additional 5% GST is applicable on the making charges of gold jewellery in India. GST of 1.5% is levied on cut and polished diamonds. Implementation of GST benefited interstate business transactions as different states operated varying tax structures before the GST, which subsumed into a single tax rate post-GST rollout. It has also simplified the purchase of bullion. Further, the implementation of GST has improved transparency and accountability, especially in the organized sector.

7.3 Gold Imports by the RBI

Given that gold is thought to be a reliable inflation safeguard, and that global inflation is on the rise, central banks have become a major source of gold demand. The RBI purchases gold frequently for its reserves intending to diversify the assets under which the country's foreign exchange reserves are held. This is used as a safe investment tool against inflation and brings stability to the overall reserves of the central bank during that inflationary period. Gold is usually bought in the form of gold bars. RBI's gold reserves stood at 854.7 metric tonnes as of September 2024.

7.4 Authorized Banks for Purchase of Gold

Individuals can buy gold from banks either in physical or digital form. Banks provide multiple schemes with options, such as physical gold in the form of bars and coins, digital gold, sovereign gold bonds (SGBs), etc.

Table 12: Authorized Banks Permitted to Purchase Gold from Other Countries

Axis Bank	Federal Bank
Industrial and Commerce Bank of China	HDFC Bank
IndusInd Bank	ICICI Bank
Punjab National Bank	Indian Overseas Bank
Kotak Mahindra Bank	Karur Vysya Bank
State Bank of India	RBL Bank
Yes Bank	Union Bank of India

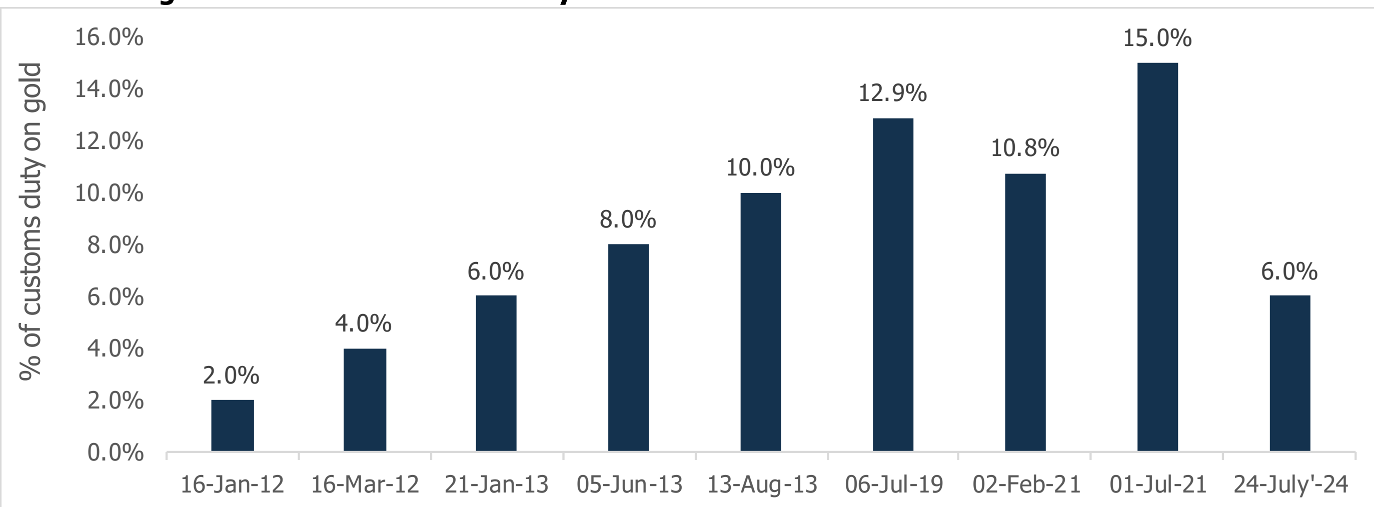
Latest Budget Provisions for the Gems and Jewellery Industry in India

The 2024–25 Union Budget introduced several reforms to streamline the gold market, promoting transparency and growth in the industry. Key measures include:

- **Reduction in import duty on gold and gold doré:**

A notable cut of 9% in the import duty on gold and gold doré has been introduced. Total customs duty on gold was reduced from 15% to 6%, while the duty on gold doré was slashed from 14.35% to 5.35%. This marks the sharpest duty reduction since 2013, and duties had remained above 10% for over a decade. These changes are effective from 24 July 2024.

Chart 43: Significant Cuts in Customs Duty on Gold



Source: Ministry of Finance, World Gold Council, CareEdge Research Analysis

- **Changes in taxation on long-term capital gains for gold:**

The holding period for long-term capital gains taxation on gold has been shortened from 36 months to 24 months. Additionally, the rate for long-term capital gains tax has been reduced from 20% with indexation to 12.5% without indexation. This change is applicable from 23 July 2024, providing significant tax relief for gold investors.

- **Recategorization of gold ETFs and mutual funds:**

Gold ETFs and gold mutual funds will no longer be classified under "Specified Mutual Funds." The holding period for long-term capital gains on these assets has been reduced to 12 months for listed securities and 24 months for unlisted securities. Gains from listed gold ETFs or mutual funds held beyond 12 months will be taxed at 12.5%, while unlisted ones held for over 24 months will also face a 12.5% tax rate. These changes are set to take effect from 1 April 2026, impacting the assessment year 2026–27.

The Union Budget 2023–24, announced by the Finance Minister Mrs. Nirmala Sitharaman had some new provisions and updates for the gems and jewellery industry. They are as follows:

Policy / Measure	Details
Reduction in Customs Duty on Seeds for Lab-Grown Diamonds	Import duty on seeds for lab-grown diamonds reduced from 5% to 0% to encourage domestic manufacturing.
Gold Conversion to Digital Gold	No capital gains tax on converting physical gold into digital gold. Basic customs duty on gold bars reduced to 10% from 12.5%, while Agriculture Infrastructure Cess increased to 5% from 2.5%.

Policy/Measure	Details
Increase in Customs Duty on Precious Metals Articles	Customs duty on articles made of rare metals like gold, silver, and platinum raised from 20% to 25%.
Increase in Import Duty on Gold and Silver Findings	Import duty on gold and silver findings, and coins made from precious metals increased to 15% from 10%, including Basic Customs Duty of 10% and AIDC of 5%. Finance Ministry also raised import duty on precious metals to 14.35%.
Facilitation of Jewellery Exports via E-Commerce	The government aids jewellery exports by promoting e-commerce and implementing a simplified regulatory framework (since June 2022), increasing access to international customers and boosting sales.
Regulation of Online Market	The government will regulate online gems and jewellery markets to monitor transactions, protect data, and prevent fraud, supporting rural economic development and ensuring fair trade practices.

7.5 Central Government's Gold Monetization Scheme

Gold Monetization Scheme (GMS) is a scheme, which was launched by the Central Government of India in November 2015 to make productive use of the gold kept idle at home or stored by households and institutions of the country in their bank lockers. Another motive behind this scheme was to reduce the country's dependency on gold imports. Individuals, institutions, corporations, and temple trusts can deposit their gold for a short-, medium-, and long-term period with RBI-designated banks under this scheme. This will help them earn interest at a rate of interest chosen by the Central Government.

The government modified the existing Gold Deposit Scheme and Gold Metal Loan Scheme with the intention to permit investors to earn term deposits with both interest earnings and security on their investments in gold. This scheme has benefited them in saving costs of gold storage and helped the government bear borrowing costs.

With the new Revamped Gold Monetization Scheme in 2021, a few more additional provisions were added to the GMS.

Revamped Gold Deposit Scheme (R-GDS):

- Increase of banks' participation in GMS
- Dematerialization of Medium-Term Government Deposit (MTGD) Long Term Government Deposit (LTGD) Certificates for tradable and mortgageable
- Encourage jewellers as Collection and Purity Testing Centres (CPTCs)
- Reduction of minimum deposit under R-GDS
- Payment of interest in respect of STBD
- Permission is given to banks to purchase standard locally refined/sourced from refineries and Gold Spot Exchanges
- Interbank lending of IGDS/LBMA standard Bullion
- Development of the GMS digital platform for transparency and traceability
- Public communications and awareness program
- Use of MLTGD gold under GMS for bullion leasing under GML

Revamped Gold Metal Loan (R-GML):

- Repayment of Gold Metal Loan (GML) in lots of 1kg
- Repayment of the gold loan under GML using locally sourced IGDS standard bullion

- Availability of GML to all jewellers with a valid working capital credit limit

All these amendments have been implemented to strengthen the Gold Monetization Scheme. To alleviate the financial distress caused by COVID-19 among households, small businesses, and entrepreneurs, the RBI has provided a relaxation by increasing the permissible loan-to-value ratio (LTV ratio indicates the percentage value of the property which can be granted to a borrower by banks) to 90% from 75% for those availing loans against gold and jewellery for non-agricultural purposes. At present, the government is reconsidering the scheme as not being effective and not attaining its goals. Moreover, the cost of the scheme is said to outweigh its benefits.

7.6 Training Initiatives by Government Agencies such as the Gems and Jewellery Skill Council of India

The Gems and Jewellery Skill Council of India (GJSCI) is a council body established in 2012 under the supervision of the National Skill Development Corporation (NSDC) and is presently operating under the Ministry of Skill Development & Entrepreneurship (MSDE). GJSCI is an institution that encourages skill development among the workforce in the Indian gems & jewellery industry. They provide training for the processing of diamonds, coloured gemstones, manufacturing of jewellery, and other areas such as wholesale, retail, and exports. They also undertake initiatives to provide manufacturing setups with the latest technology and other resources for upgrading.

Its founding organizations are as follows:

1. The Gem & Jewellery Export Promotion Council (GJEPC): GJEPC, set up by the Ministry of Commerce, Government of India in 1966, is the apex body that drives the growth of Indian exports in the gems & jewellery industry. It eases interaction between the industry and the Ministry of Commerce & Industry, Ministry of Finance, DGFT, Department of Commerce, and Department of Finance on issues related to trade. It holds integrity and conducts the Kimberly Process Certification Scheme for diamonds. It also runs various training institutes, which focus on manufacturing skills, design, and other technical skills required in the industry. GJEPC helped Micro, Small & Medium Enterprises (MSMEs) by providing modern machines that are affordable. GJEPC addresses the concerns and issues that are faced in the gems & jewellery industry. They identified the need for a new revamped Gold Monetization Scheme, import duty reduction of gold, hallmarking etc. Recently, the organization arranged numerous trade events and webinars for buyers and sellers across the globe which helped the industry in the recovery process. A few of them include virtual IIJS, India Global Connect, virtual International Gems & Jewellery Show (e-IGJS), etc.

2. All India Gem and Jewellery Domestic Council (GJC): It is a national trade federation established to promote and advance the growth in the gems & jewellery industry. It ensures fair-trade practices conducted in the industry and manages the efficiency of businesses. GJC constitutes various divisions such as wholesalers, retailers, allied, gold, silver, platinum, diamonds, gemstones, machinery, etc. It is responsible for developing uniformity and promoting transparency and compliance standards which contribute towards industrial growth and development.

3. The SEEPZ Gems & Jewellery Manufacturers' Association (SGJMA): SEEPZ was founded in 1989 and represents the gems and jewellery units in the SEEPZ SEZ region. It is established by jewellery units in SEEPZ and resolves problems arising in export production and growth.

4. The Jewellers Association, Jaipur: It was formed for the progress and growth of the gem & jewellery trade of Jaipur. The Association conducts shows/exhibitions as well to enable exhibitors and buyers to interact directly.

7.7 Hallmarking of Jewellery in India

Bureau of Indian Standards (BIS) introduced the hallmarking scheme under the BIS Act, Rules, and Regulations for jewellery in India in 2000 and the same was made mandatory with effect from June 2021. From July 1, 2021, all gold jewellery products must be hallmarked with Hallmark Unique Identification (HUID) only. The hallmark consisted of 3 marks viz, BIS logo, purity of the article, and six-digit alphanumeric HUID. Each hallmarked article has a unique HUID number which is traceable.

However, the old, hallmarked jewellery with four marks without HUID was also permitted to be sold by the jewellers simultaneously with the 6-digit HUID mark. The hallmark on the jewellery indicates the quality of jewellery and it protects the interest of consumers by having quality checks on jewellery.

BIS conducts random market surveillance on accredited jewellers at set intervals. This involves collecting hallmarked gold jewellery from a licensee's retail store or manufacturing facility and having it examined for compliance at a BIS-accredited hallmarking centre. BIS also has an advanced online digital solution in which the assaying and hallmarking centre is automated.

Furthermore, the hallmarking of the jewellery builds trust in the consumers as it gives them a sense of purity in carats. As a result, they tend to buy more jewellery from trusted brands which increases the sales of the jewellery. With the introduction of the scheme, not only customers but also the owners of jewellery outlets have benefitted. The Bureau of Indian Standards scheme has been successful in uplifting the quality and increasing reliance on the gems and jewellery industry.

7.8 Jewellery Parks

Jewellery parks are integrated industrial parks, which provide access to facilities under one roof, including manufacturing units, commercial areas, residences for industrial workers, commercial support services, and an exhibition centre. Multiple state governments promote the setting up of jewellery parks to encourage the gems and jewellery sector, which is currently characterized by a poor working environment, low economies of scale, limited space for modern machinery, etc.

Jewellery parks will help in streamlining manufacturing which will in turn improve the domestic and international trade. The existing special economic zones (SEZs) - Sitapura Special Economic Zone in Jaipur and Santacruz Electronics Exports Processing Zone (SEEPZ) in Mumbai have sizeable manufacturing units with modern technology that has helped improve export potential.

Currently, there are two jewellery parks operational in Ankurhati, West Bengal, and another in Surat, Gujarat. Ankurhati focuses on plain gold jewellery whereas Surat engages in diamond cutting and polishing, and jewellery manufacturing. Three more jewellery parks are coming up – two in Mumbai and one in Raipur.

7.9 KYC Compliance

KYC (Know Your Customer) compliance in the Indian jewellery industry, particularly regarding the purchase of precious metals and stones, is governed by both local regulations and international standards, such as those set by the Financial Action Task Force (FATF).

Regulatory Framework:

- The Reserve Bank of India (RBI), the Ministry of Finance, and the Financial Intelligence Unit (FIU) oversee KYC regulations in the jewellery sector.
- Under the Prevention of Money Laundering Act (PMLA), 2002, dealers in precious metals and stones (DPMS) are required to perform KYC and Customer Due Diligence (CDD) primarily for cash transactions above INR 1 million.

Recent Clarification (Dec 28, 2020):

- The Department of Revenue (DoR) clarified that purchases below INR 0.2 million of gold, silver, jewellery, or precious gems and stones do not require mandatory KYC documents such as PAN or Aadhaar.

- This clarification is aligned with FATF's international standards, which require KYC for transactions exceeding USD/EUR 15,000 (approximately INR 1 million).
- Misinformation suggesting that KYC is mandatory for all transactions, even below INR 0.2 million, is incorrect.

Transaction Limits:

- For cash transactions above INR 0.2 million, KYC requirements under the Income Tax Act, 1961 (Section 269ST) will apply, as cash transactions above this limit are not allowed. However, transactions below this threshold do not require KYC.
- Only cash transactions above INR 1 million necessitate KYC compliance, per FATF recommendations.

Customer Identification:

- For eligible high-value transactions, jewellers must verify the customer's identity using government-issued ID cards, such as PAN, Aadhar, passport, voter ID, or driver's license.

Record-Keeping and Monitoring:

- Jewellers must maintain records of all transactions, particularly those above INR 0.2 million, and ensure compliance with anti-money laundering (AML) guidelines by monitoring suspicious activities.

Training and Risk Management:

- Jewellery businesses must train staff to recognize red flags, ensure transaction transparency, and follow KYC and AML procedure.

8 Threats and Challenges for the Gems and Jewellery Industry

• **Shortage of Skilled Labour:**
The jewellery sector is confronted with a major problem of expanding operations because of a lack of skilled labour. To widen the talent pool, the sector must complement its generation of craftsmen and artisans with new professionals who undergo formal education. The widespread dependence on on-the-job training prolongs the learning duration and causes gaps in the supply and standardisation of skilled workers, especially in the fragmented industry. This is compounded by infrastructural inadequacies, restricted demand for institution-trained staff in fragmented markets, and the reduced attractiveness of the industry to young people.

• **Short-Lived Fashion and Design Preferences:**
Exporters do not have enough design development centres or the resources to constantly innovate contemporary designs to keep up with the changing trends among international purchasers. With high prices of diamonds, gold, and silver, global marketing requires perpetual updating of design. Jewellery can be produced as per market needs by the manufacturers; however, changing customer tastes tend to lead to the fall in demand for specific designs, resulting in inventory and loss.

• **Dependency on Imports for Raw Materials:**
Availability of raw material is still crucial to the gems and jewellery sector. A significant percentage of India's raw material is imported because there is not much available in the country. India imports more than 90% of its gold needs from outside the country, importing gold mostly from Switzerland, the United Arab Emirates, South Africa, Peru, and Australia. Gold imports during FY24 stood at Rs. 3,773 billion, which was a 35% increase compared to the previous year. Raw pearls, precious and semi-precious stones are also imported from the UAE, Hong Kong, the United States of America, Belgium, and Russia. Rough diamonds account for 57% of total gems and jewellery imports and totalled Rs. 1180.42 billion in FY24, of which 124.617 million carats were imported mainly from the UAE.

• **Impact of Global Slowdown**
The United States, the UAE, Hong Kong, Belgium, and Israel are key export destinations for the Indian G&J industry. The United States accounted for about 30% of total exports of gems and jewellery in FY24. Persistent high inflation rates and a slowdown in these economies will hurt the gems and jewellery exports from India.

• **Working Capital Strain Due to High Gold Prices**
High and volatile gold prices significantly impact the working capital requirements of India's gems and jewellery industry. Jewellers, particularly smaller players, need to maintain large gold inventories to meet customer demand. As gold prices rise, the cost of these inventories increases substantially.

Recent trends, including the 9% cut in import duty in the Union Budget, resulted in a 6% month-on-month drop in local gold prices. However, local prices have gone up by 10% so far this year because of robust overseas demand, purchases by central banks, and political tensions.

These elevated prices put intense pressure on jewellers' working capital, as borrowing becomes more expensive, and liquidity is constrained. Small and medium-sized jewellers are particularly affected by high borrowing costs. Increased interest expenses add further financial strain, reducing operational flexibility and complicating cash flow management. The Reserve Bank of India's gradual approach to gold purchasing has sustained demand for the metal, intensifying these working capital pressures.

Although government policies aimed at boosting consumer demand, such as reducing import duties, have encouraged sales and may alleviate some working capital needs by lowering inventory costs, jewellers still face challenges due to the requirement to maintain high-value gold inventories. This situation ties up substantial capital and creates financial and operational risks for jewellers.

- **Hedging Practices and Price Volatility**

In an environment of fluctuating gold prices, effective hedging is crucial for jewellers to manage financial risks. Many jewellers utilize hedging strategies on platforms like the Multi Commodity Exchange (MCX) to protect themselves against price volatility. However, the unpredictability of price swings complicates the matching of hedging positions with actual market conditions. The year-to-date increase of 10% in domestic prices, compared to an 18% rise in global prices, highlights the challenges jewellers encounter in accurately predicting price trends.

Hedging requires jewellers to effectively forecast costs, but if market prices deviate from these forecasts, it can lead to mismatched hedging positions and potential financial losses. Smaller jewellers, in particular, face difficulties due to the cost and technical demands of advanced hedging strategies. Adjustments in the treatment of long-term capital gains for gold ETFs have attracted interest, as evidenced in July, providing jewellers with an alternative avenue for investment and hedging. However, while these ETFs offer benefits, they often require significant resources and expertise, which may not be accessible to all industry players.

With pro-gold policies in the Union Budget, jewellers anticipate a rise in domestic demand that could increase gold consumption by up to 50 tonnes in the second half of 2024. This expected growth may lead to further volatility, making effective hedging even more important. Despite government measures and available hedging platforms, many jewellers remain exposed to the risks of price fluctuations, emphasizing the need for improved risk management practices and potentially greater access to financial tools designed specifically for the jewellery sector. In a volatile gold price environment, sound hedging strategies are critical to reducing financial risks. Jewellers tend to hedge against price volatility using platforms such as the Multi Commodity Exchange (MCX). The unpredictable nature of price movements makes it difficult to align hedging positions with market trends. Domestic gold prices in FY24 increased by 10%, whereas global prices rose by 18%, reflecting the difficulty in predicting market behaviour accurately.

Smaller jewellers also have an extra burden from the expense and technical sophistication of sophisticated hedging strategies. The recent change in long-term capital gains treatment of gold ETFs has generated renewed interest in the instruments. Nevertheless, ETFs are very resource- and knowledge-intensive, and this may not be available for smaller industry players. The pro-gold policies in the Union Budget have created expectations for a 50-tonne jump in domestic consumption of gold in the second half of 2024. Such growth expectations are likely to increase price volatility even more, stressing the need for strong hedging mechanisms.

- **Key Hurdles in the Indian Gems and Jewellery Industry's Evolution**

The Indian gems and jewellery industry face significant challenges in maintaining product relevance and competitiveness across various categories. Key restraints include the shift towards mass-produced, cost-effective alternatives that threaten traditional craftsmanship, seasonal fluctuations in demand, and changing consumer preferences for minimalistic or contemporary designs. Additionally, the industry struggles with a lack of innovation, competition from global brands, and a fragmented supply chain. Furthermore, the rising preference for customisable, lab-grown, or non-traditional pieces threatens more traditional jewellery types. These factors combined limit the industry's ability to sustain consistent demand and growth across various product lines.

9 Competitive Mapping

9.1 Overview

The peer's selection criteria were based on several factors, including:

(a) Industry Comparability: Companies engaged in diamond-studded gold jewellery have been chosen to provide a relevant basis for performance.

(b) Similar Business Segment: Companies with B2B revenue streams are included, indicating they operate under similar market conditions and serve comparable customer segments.

(c) Financial Disclosure: Only listed companies and one in the process of listing (with a publicly available DRHP) are considered, ensuring availability of financial data.

Table 13: Company Profile

Company Name	Year of Establishment	Description
Priority Jewels Public Limited	2008	Priority Jewels, founded in January 2008 by Shailesh Sangani, is a Mumbai-based jewellery manufacturer specialising in lightweight, diamond-studded gold and platinum jewellery.
Khazanchi Jewellers Ltd	1971	Khazanchi Jewellers Ltd., founded in 1971, is a Chennai-based company specializing in a wide range of jewellery, including gold, diamonds, and precious stones, and has a strong presence in both wholesale and retail markets.
Shringar House of Mangalsutra Ltd.	1984	Shringar House of Mangalsutra Private Limited, established in 1984 and based in Mumbai, is amongst the leading and specialised designers, and manufacturers of Mangalsutras in India. They are recognized for their craftsmanship and are a preferred partner for several prominent jewellery retailers across India. The Company has a presence in international markets like the USA, UK, UAE, etc.
RBZ Jewellers Ltd.	2008	RBZ Jewellers Ltd., established in 2008, is a Gujarat-based Company and one of the leading organized manufacturers of gold jewels in India, specializing in antique bridal gold jewellery and distributor to reputable nationwide retailers and significant regional players in India. The Company has an extensive client base spread across 20 states and 72 cities within India.
Ashapuri Gold Ornament Ltd.	1997	Ashapuri Gold Ornament Ltd., established in 1997, is a Gujrat-based company and one of the prominent manufacturers and wholesalers of gold jewellery. The Company has an extensive client base spread across 11 states within India. It supplies its products to key retail jewellery players such as Kalyan Jewellers, Senco Gold & Diamonds, Malabar Gold & Diamonds, and Tanishq, among others.

9.1 Financial benchmarking

Table 14: Financial Information

Financial Parameters	Priority Jewels Public Limited				Khazanchi Jewellers Ltd				Shringar House of Mangalsutra Ltd.				RBZ Jewellers Ltd.				Ashapuri Gold Ornament Ltd.			
	FY22	FY23	FY24	9MFY25	FY22	FY23	FY24	9MFY25	FY22	FY23	FY24	9MFY25	FY22	FY23	FY24	9MFY25	FY22	FY23	FY24	9MFY25
Revenue from Operation (in millions)	4,030.82	4,708.52	4,105.05	2,954.19	2,569.45	4,806.58	8,207.83	11,499.54	8,101.50	9,502.17	11,015.20	N/A	2,521.07	2,879.28	3,274.29	3,928.23	1,638.50	1,580.06	1,650.70	2,325.70
Year-on-year growth	N/A	16.81%	-12.82%	N/A	-33%	87.07%	70.76%	87.51%	N/A	17.22%	15.92%	N/A	135.64%	14.21%	13.72%	62.83%	39.39%	-3.57%	4.47%	103.36%
Revenue from exports (in millions)	2,240.85	2,369.79	1,737.69	1,062.47	N/A	N/A	N/A	0	296.06	402.53	211.61	N/A	105.28	38.12	35.44	N/A	N/A	N/A	N/A	N/A
EBITDA (in millions)	164.75	153.98	193.48	182.30	74.78	156.21	410.30	448.20	294.72	378.09	495.70	N/A	267.70	377.64	384.79	499.54	52.25	36.41	96.23	134.83
EBITDA Margin (In %)	4.09%	3.27%	4.71%	6.17%	2.91%	3.25%	5.00%	3.90%	3.75%	3.98%	4.50%	N/A	10.62%	13.12%	11.75%	12.72%	3.19%	2.30%	5.83%	5.80%
PAT (In millions)	53.72	44.95	71.48	81.47	32.66	75.65	273.19	324.27	204.80	233.50	311.04	N/A	144.06	223.33	215.69	302.29	30.70	17.90	74.30	103.26
PAT Margin (in %)	1.33%	0.95%	1.74%	2.76%	1.27%	1.57%	3.33%	2.82%	2.53%	2.46%	2.82%	N/A	5.71%	7.76%	6.59%	7.70%	1.87%	1.13%	4.50%	4.44%
Return on Equity (in%)	5.63%	4.50%	7.54%	7.94%	11.37%	20.98%	14.55%	15.61%	24.87%	22.09%	22.73%	N/A	20.58%	24.15%	10.40%	13.48%	3.80%	2.17%	8.26%	7.25%
ROCE (in %)	14.39%	13.32%	17.85%	16.14%	10.27%	18.86%	20.04%	16.02%	10.27%	18.86%	20.04%	N/A	24.77%	29.20%	33.12%	20.34%	30.75%	32.46%	16.39%	9.68%
Debtor Days (in days)	107	90	81	92	5	2	10	8	12	18	20	N/A	20	28	14	22	46	35	66	59
Total Debt (in millions)	1,037.41	1,170.76	1,249.56	1,195.64	841.24	846.25	547.98	491.40	930.44	891.88	1,069.79	N/A	597.10	958.00	693.86	1,191.10	43.30	68.95	18.20	83.35
Debt to Equity	1.09	1.17	1.32	1.17	2.93	2.35	0.29	0.24	1.13	0.84	0.78	N/A	0.84	1.02	0.34	0.53	0.05	0.08	0.02	0.06
Net Debt to EBITDA	5.40	5.42	5.68	5.88	11.03	5.40	1.31	1.08	3.05	2.34	2.12	N/A	2.23	2.38	1.47	2.35	0.73	1.89	0.18	0.61
Working Cycle (in days)	147	132	177	190	145	85	104	59	60	59	68	N/A	202	245	280	265	172	192	200	171
Inventory Turnover Ratio (in days)	70	86	143	154	157	101	95	53	53	42	51	N/A	209	241	269	262	126	157	135	116
Net Working Capital (in days)	82	72	72	107	99	57	83	83	31	29	30	N/A	97	116	223	199	156	168	180	200

Gross Block (in millions)	346.12	359.01	369.95	383.20	132.20	134.38	162.50	N/A	38.98	59.54	55.13	N/A	131.34	269.05	292.59	N/A	98.18	102.44	88.04	N/A

9.2 Operational Benchmarking

Table 15: Operational Information

Operational Parameters	Priority Jewels Public Limited*				Khazanchi Jewellers Ltd				Shringar House of Mangalsutra Pvt. Ltd.				RBZ Jewellers Ltd.				Ashapuri Gold Ornament Ltd.			
	FY22	FY23	FY24	9MFY25	FY22	FY23	FY24	9MFY25	FY22	FY23	FY24	9MFY25	FY22	FY23	FY24	9MFY25	FY22	FY23	FY24	9MFY25
Quantity processed and sold (In Units)	1,30,031	1,67,016	1,72,810	1,46,377	N/A	N/A	1,08,608	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Installed Capacity (In Kgs)	600	700	700	700	N/A	N/A	N/A	N/A	1,200	1,850	2,500	N/A	1,296	1,716	N/A	N/A	N/A	N/A	N/A	N/A
Utilisation Capacity (In Kgs)	462	613	580	413	N/A	N/A	N/A	N/A	117	1,235	1,750	N/A	808	808	N/A	N/A	N/A	N/A	N/A	N/A
% of Utilisation	77%	88%	83%	79%**	N/A	N/A	N/A	N/A	10%	67%	70%	N/A	62%	47%	N/A	N/A	N/A	N/A	N/A	N/A

Note: - * Installed capacity and utilisation/Actual production means the installation and utilisation as certified by Shwetendu Sharad Dhanuka, Independent Chartered Engineer, pursuant to a certificate dated March 20, 2025. ** Annualised

10 Business Profile

Overview

Priority Jewels, founded in January 2008 by Shailesh Sangani, is a Mumbai-based jewellery manufacturer specialising in lightweight, diamond-studded gold and platinum jewellery. The company operates a 25,000 sq. ft. manufacturing facility in MIDC, Andheri (E), utilising CAD/CAM and 3d printing technology to ensure precision and efficiency in production.

With over 15 years of industry experience, Priority Jewels has established itself in the organised wholesale manufacturing segment, catering to the growing demand for affordable diamond jewellery.

Its ability to blend craftsmanship with innovation has enabled it to establish a long-standing relationship with major Indian retail jewellery players, reinforcing its position as a trusted supplier to their customers.

The company has a workforce of over 400 employees and maintains support teams in key global markets, including the USA, Italy, and Dubai. Its ability to integrate traditional craftsmanship with modern manufacturing techniques has reinforced its position as a preferred supplier for major jewellery retailers in India.

Financial Benchmarking

Table 16: Financial Information (FY22-FY24)

Year	FY22	FY23	FY24	9MFY25
Revenue (In Millions)	4,031.00	4,708.52	4,105.05	2,954.19
EBITDA (In Millions)	164.75	153.98	193.48	182.30
EBITDA Margin (In %)	4.09%	3.27%	4.71%	6.17%
PAT (In Millions)	53.72	44.95	71.48	81.47
PAT Margin (In %)	1.33%	0.95%	1.74%	2.76%
ROE (In %)	5.63%	4.50%	7.54%	7.94%
ROCE (In %)	14.39%	13.32%	17.85%	16.14%
Debtor Days (In Days)	107	90	81	92

Source: Company Reports and CareEdge Research

The company's revenue declined from Rs. 4,709 million in FY23 to Rs. 4,105 million in FY24. However, operating performance improved, with EBITDA rising from Rs. 154 million to Rs. 193 million, as the company's EBITDA margin improved from 3.27% to 4.71%. Consequently, Net profit also strengthened from Rs. 45 million in FY23 to Rs. 71 million in FY24, this was on account of better cost efficiency. With improvement in profitability, ROE increased from 4.5% in FY23 to 7.54% in FY24 and ROCE from 13.32% in FY23 to 17.85% in FY24.

11 Abbreviations, KPI Definitions and Bibliography

Below is the list of abbreviations and their meanings used throughout the report for reference: -

Table 17: Abbreviations Table

Category	Abbreviation	Meaning
Government & Regulatory Bodies	BIS	Bureau of Indian Standards
	DGF	Directorate General of Foreign Trade
	RBI	Reserve Bank of India
	MOSPI	Ministry of Statistics and Programme Implementation
	MSDE	Ministry of Skill Development and Entrepreneurship
	GST	Goods and Services Tax
	PMLA	Prevention of Money Laundering Act
	KYC	Know Your Customer
	IBEF	India Brand Equity Foundation
Economic & Financial Terms	CAGR	Compound Annual Growth Rate
	FDI	Foreign Direct Investment
	GDP	Gross Domestic Product
	GDS	Gross Domestic Savings
	GNDI	Gross National Disposable Income
	INR	Indian Rupee
	USD	United States Dollar
	PPP	Purchasing Power Parity
	YTD	Year-to-Date
	PLI	Production Linked Incentive
Industry Specific Terms	CPD	Cut & Polished Diamonds
	CZ	Cubic Zirconia
	GIA	Gemological Institute of America
	GJEPC	Gem & Jewellery Export Promotion Council
	GMS	Gold Monetization Scheme
	IGJS	International Gem and Jewellery Show
	HUID	Hallmark Unique Identification
	RFID	Radio Frequency Identification
	Tier 1	Over 4 Million Population
	Tier 2	1 Million to 4 Million Population
	Tier 3	Less than 1 Million Population
	DPMS	Dealers in Precious Metals and Stones
Government Schemes & Programs	PMMY	Pradhan Mantri Mudra Yojana
International & Global Terms	UAE	United Arab Emirates
	UK	United Kingdom
	US	United States
	USA	United States of America
General Business & Economic Terms	NBFC	Non-Banking Financial Company
	FMCG	Fast-Moving Consumer Goods
	FY	Financial Year
	SWOT	Strengths, Weaknesses, Opportunities, and Threats
	SDP	State Domestic Product

Table 18: KPI Definitions

Financial Parameter	Formula
Revenue	Revenue from Operations
EBITDA	Sum of Depreciation, Finance Cost, and Profit (Loss) before exceptional item and tax excluding Other Income
EBITDA Margin	EBITDA divided by Revenue from operations
PAT	Profit for the period
PAT Margin	Profit after Tax divided by Revenue from operations
Debt	Sum of Long term Borrowings and Short term Borrowings
Debt to Equity	Debt divided by Total Equity
Net Debt to EBITDA	Net Debt divided by EBITDA
Return on Equity (ROE)	PAT divided by Total Equity
Return on Assets (ROA)	PAT divided by Total Assets
Return on Capital Employed (ROCE)	EBIT divided by Capital Employed (Total liabilities and equity excluding current liabilities)
Debtor Days	Debtors divided by Revenue from operations and then multiplied by 365
Creditor Days	Creditors divided by COGS and then multiplied by 365
Inventory Turnover Ratio (in days)	Inventory divided by COGS and then multiplied by 365
Working Cycle	Sum of Debtor days and Inventory Days minus Creditor Days
Net Working Capital Days	Working Capital divided by Revenue from operations and then multiplied by 365

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Centre for Monitoring Indian Economy (CMIE)
EMIS Professional Database
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Maia Research
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Company Annual Reports (FY22-FY24)

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About:

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