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Industry Research Report On Indian Gems and Jewellery Industry

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Table of Contents

List of Tables

List of Charts

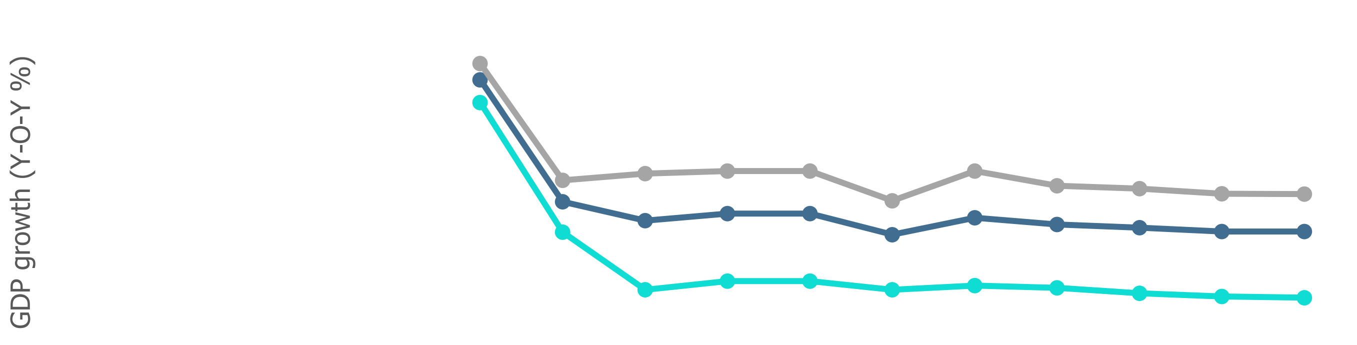
1 Economic Outlook

1.1 Global Economy

Global Economic Growth Expected to Sustain at ~3% in Near Term

Global economic growth is projected to moderate to around 3.00% in 2026, reflecting the impact of geopolitical tensions in energy and trade flows. The ongoing Middle East conflict poses downside risks, with prolonged disruptions potentially reducing growth further to 2.50%, or lower. However, supportive factors such as continued investment momentum and policy support are helping offset some of these pressures.

Chart 1: Global Growth Outlook Projections (Real Gross Domestic Product (GDP), Y-o-Y Change in %)



	CY21	CY22	CY23	CY24	CY25	CY26P	CY27P	CY28P	CY29P	CY30P	CY31P
World	6.65%	3.77%	3.33%	3.50%	3.50%	3.00%	3.40%	3.24%	3.16%	3.07%	3.07%
Advanced Economies	6.12%	3.06%	1.70%	1.90%	1.90%	1.70%	1.80%	1.75%	1.61%	1.54%	1.51%
Emerging Market and Developing Economies	7.04%	4.28%	4.44%	4.50%	4.50%	3.80%	4.50%	4.15%	4.08%	3.97%	3.96%

Source: IMF – World Economic Outlook, April 2026 and July 2026; Note: P-Projections.

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 %)										
	CY21	CY22	CY23	CY24	CY25	CY26P	CY27P	CY28P	CY29P	CY30P	CY31P
India	9.69	7.61	7.21	7.10	7.70	6.40	6.70	6.50	6.52	6.50	6.51
China	8.56	3.11	5.38	5.00	5.00	4.60	4.10	4.00	3.67	3.35	3.29
Indonesia	3.70	5.31	5.05	5.00	5.10	5.00	5.10	5.17	5.19	5.22	5.23
Saudi Arabia	6.52	12.00	0.54	2.60	4.60	1.70	5.50	3.65	3.54	3.52	3.55
Middle East and Central Asia	4.69	6.37	2.58	3.10	3.70	0.70	6.50	3.96	3.96	3.82	3.78
Latin America	7.50	4.30	2.33	2.40	2.40	2.40	2.70	2.87	2.86	2.75	2.63
Brazil	4.76	3.02	3.24	3.40	2.30	2.40	2.20	2.35	2.50	2.50	2.50
Euro Area	6.42	3.64	0.44	1.00	1.40	0.90	1.20	1.36	1.24	1.12	1.10
United States	6.15	2.52	2.94	2.80	2.10	2.30	2.20	2.10	1.88	1.75	1.76

Source: IMF- World Economic Outlook Database (April, July 2026)

Note: E-Estimate, P- Projections; India's fiscal year (FY) aligns with the IMF's calendar year (CY). For instance, FY24 corresponds to CY23.

1.1.1 El-Nino and Economic Growth

The rainfall during the June–September 2026 monsoon season is projected at approximately 90% of the Long Period Average (LPA), indicating a below-normal monsoon. The anticipated emergence of El Niño conditions is expected to contribute to uneven rainfall distribution and deficient precipitation across certain regions, with a high probability of a moderate-to-strong El Niño event during the season.

El Niño could exert upward pressure on food inflation through its impact on agricultural output and perishable commodities. Erratic weather patterns, elevated temperatures, and heatwaves may adversely affect the production of fruits and vegetables, particularly key inflation-sensitive crops such as tomatoes, onions, and potatoes. Pulse production also remains vulnerable to rainfall deficiencies, potentially leading to supply-side pressures and higher prices.

Historically, deficient monsoons have had a direct impact on agricultural output and economic growth. However, the sensitivity of overall economic activity to rainfall deviations has moderated significantly over time due to structural changes in the economy. Agriculture's contribution to India's Gross Value Added (GVA) has declined from approximately 53% in FY1951 to around 17% in FY2026, reducing the economy's overall dependence on the sector.

States with lower irrigation coverage, higher dependence on rain-fed agriculture, and limited crop diversification are highly vulnerable to rainfall shocks. While the macroeconomic impact of El Niño is expected to remain manageable, its potential implications for agricultural production and food inflation warrant close monitoring. The progress of the monsoon, inflationary trends, and region-specific agricultural stress indicators will remain key factors to watch during the year.

1.1.2 Iran Conflict Impacts Energy Intensive Sectors

The geopolitical tensions surrounding Iran conflict in West Asia, are having a direct quantifiable impact on the Indian consumer industry due to its high dependence on energy imports routed through the Strait of Hormuz (presently the zone of conflict). India imports around 60% its LPG demand and nearly 90% of the imports transit through the Strait of Hormuz route. Since LPG is a primary cooking fuel for over 300 million Indian households, any disruption in supply chains, or increase in freight and insurance costs has an immediate effect on household consumption expenditure and urban demand patterns in the country.

This impact is further amplified by India’s crude oil dependence, with over 85% of total crude demand being imported, a large share of which travels from West Asia and eventually moves through the Strait of Hormuz route. A significant share of India’s energy cargo, approximately 40–50% of crude oil imports and most LPG imports is routed through the Strait of Hormuz too, making it a critical chokepoint for India’s energy security.

This creates a structural vulnerability, where even moderate disruptions or price shocks translate into higher fuel costs. Since fuel constitutes a key component of logistics, particularly in a distribution-heavy economy like India, rising crude prices increase transportation and supply chain costs across sectors such as FMCG, retail, e-commerce, and consumer durables. This leads to cost transmission across the value chain, affecting both producers’ margins and end-consumer prices.

Additionally, a significant share of India’s natural gas imports is also linked to this route, impacting energy-intensive sectors such as fertilizers, packaging, and manufacturing inputs. These sectors are closely integrated with consumer industries, creating second-order effects through higher input costs and supply-side pressures. As a result, the consumer industry faces broad-based cost escalation, with companies either absorbing margin pressures or passing on selective price increases, potentially moderating demand in price-sensitive segments.

Recent signs of de-escalation in the region have contributed to greater stability in global financial markets and a moderation in crude oil prices. However, shipping activity and trade flows through key routes such as the Strait of Hormuz have not yet fully normalized, and risks related to energy prices, freight costs, and supply chain disruptions persist. Nevertheless, the Indian consumer sector is expected to remain resilient, supported by strong domestic consumption, healthy banking sector fundamentals, adequate foreign exchange reserves, and a stable regulatory environment. These factors are likely to mitigate the impact of external shocks and support sustained consumer demand.

1.2 Indian Economic Outlook

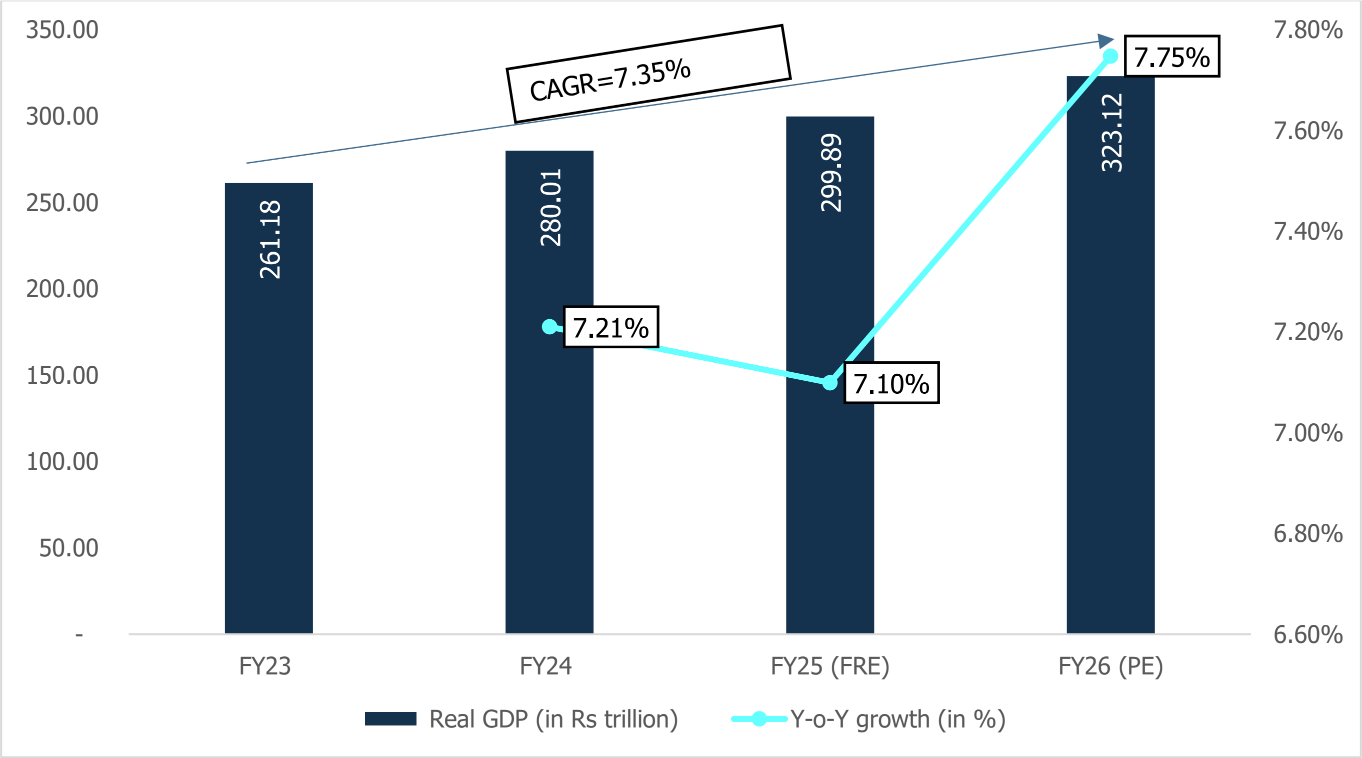
1.2.1 GDP Growth and Outlook

Resilience to External Shocks Remains Critical for Near-term Outlook

India's economy continues to show rapid growth. As per Provisional Estimates, GDP in FY26 is expected to have grown by 7.75%, supported by rising rural demand, better job opportunities and favourable business conditions.

For FY25, First Revised Estimates show a growth of 7.10% (Rs 299.89 trillion), led by robust performance in manufacturing, construction and financial services. Consumer spending rose by 7.75%, and government spending increased by 5.5%, both contributing to the overall growth. In FY23, the real GDP stood at Rs 261.18 trillion and registered Y-o-Y growth of 7.21% in FY24 (Rs 280.01 trillion).

Chart 2: Trend in Real Indian GDP Growth Rate



Source: MOSPI;
Note: FRE- First Revised Estimates, PE- Provisional Estimates;
The trend for FY23-FY26 is based on new series base year 2022-23.

GDP Growth Outlook (June 2026)

FY27 GDP Outlook: The Reserve Bank of India (RBI) projects real GDP growth at 6.60% for 2026–27, supported by sustained momentum in the services sector, strong reservoir levels aiding the agricultural sector, and private consumption expected to remain uplifted by discretionary spending.

However, elevated energy and other commodity prices, cost pressures, as well as the travel disruptions in the Strait of Hormuz are likely to affect the growth this year. However, the government is working towards minimising the impact of the supply chain disruptions towards critical sectors to ensure limited interruptions.

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

FY27P (Complete Year)	Q1FY27P	Q2FY27P	Q3FY27P	Q4FY27P
6.60%	6.60%	6.30%	6.50%	6.80%

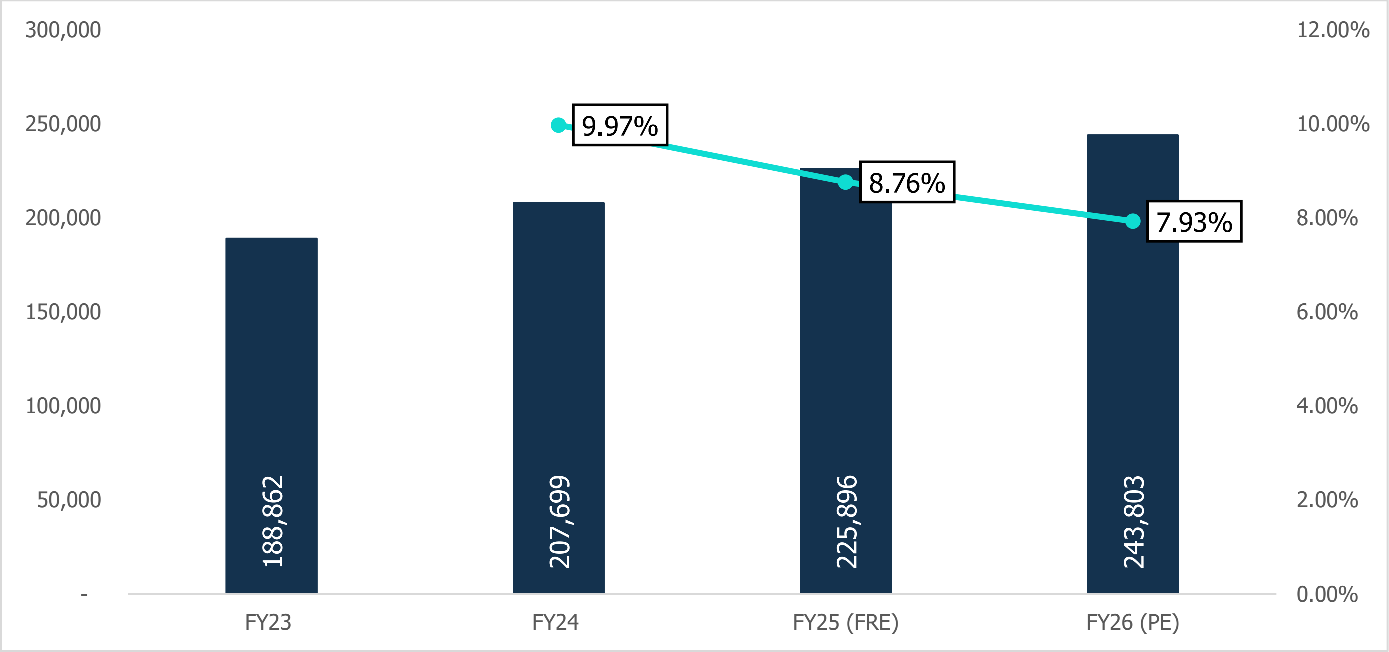
Source: RBI; Note: P-Projected
The trend for FY23-FY26 is based on new series base year 2022-23.

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. Rising per capita income, driven by robust economic development, enhances consumer confidence and discretionary spending, reflecting a higher standard of living and overall prosperity.

From FY23 to FY25 (according to the estimates), the per capita GDP increased from Rs 1,88,862 to Rs 2,25,896. In FY26, the growth is expected to have reached around 7.93% at Rs 2,43,803. Key drivers of this growth include structural reforms, digitalisation, rising domestic consumption and increased foreign investment.

Chart 3: Per capita GDP (at Current Prices)



Source: MOSPI.
Note: FRE- First Revised Estimates, PE- Provisional Estimates;
The trend for FY23-FY26 is based on new series base year 2022-23.

1.2.3 Gross Value Added (GVA)

GVA is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption. GVA in FY25 was powered by a broad-based rebound across sectors.

In FY26 (PE), real GVA growth of 7.90% is primarily led by manufacturing, Trade, Hotels, Transport, Communication & Services related to Broadcasting, Storage. Industry is estimated at 8.50%, supported by a pickup in manufacturing and construction (10.7% and 7.40% respectively). The gap between GDP and GVA growth stood at 0.2 percentage point in FY26, with GDP growing at 7.70% and GVA at 7.90%.

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

At constant Prices	FY24	FY25 (FRE)	FY26 (PE)
Agriculture, Forestry & Fishing	**2.60**	**4.20**	**3.00**
Industry	**10.90**	**8.30**	**8.50**
Mining & Quarrying	2.40	11.70	5.20
Manufacturing	12.70	9.30	10.70
Electricity, Gas, Water Supply & Other Utility Services	10.70	2.90	1.70
Construction	9.90	7.30	7.40
Services	**7.00**	**7.90**	**9.30**
Trade, Hotels, Transport, Communication & Broadcasting	10.10	6.60	11.00
Financial, Real Estate & Professional Services	5.50	10.00	10.40
Public Administration, Defence and Other Services	6.80	5.00	5.00
GVA at Basic Price	**7.20**	**7.30**	**7.90**

Source: MOSPI; Note: FRE- First Revised Estimates, PE – Provisional Estimates;
The trend for FY24-FY26 is based on new series base year 2022-23.

1.2.4 Trends in Per capita State Domestic Product (SDP)

SDP is the total value of goods and services produced, during any financial year, within the geographical boundaries of a state. The top performing states on per capita SDP include Delhi, Gujarat, Karnataka, and Tamil Nadu, due to their strong industrial and services base, higher urbanisation, better infrastructure and greater investment inflows, leading to higher income generation.

As of FY25, major states having a per capita SDP below national average include Andhra Pradesh, Rajasthan, Madhya Pradesh and Uttar Pradesh growing Y-o-Y by 8.0%, 6.9%, 4.7% and 7.9% respectively. Bihar is the poorest performing state with a per capita SDP of Rs 36,342 in FY25. It has consistently been performing the poorest since FY18, growing merely at a CAGR of 4.5% from FY18 to FY25. Bihar's poor performance is due to factors such as a high population base, lower levels of industrialisation, infrastructure gaps, lower human capital development and higher dependence on agriculture, which together limit productivity and income growth.

Table 4: Per Capita SDP for Key States (at Constant prices, in Rs)

State\UT	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Andhra Pradesh	1,03,177	1,08,853	1,10,587	1,10,971	1,18,349	1,23,853	1,31,083	1,41,609
Bihar	26,719	29,092	29,798	26,839	27,674	30,678	33,966	36,342
Gujarat	1,43,604	1,54,887	1,64,060	1,56,285	1,70,519	1,81,963	NA	NA
Karnataka	1,40,747	1,49,024	1,56,478	1,49,673	1,65,517	1,82,371	1,91,970	2,04,605

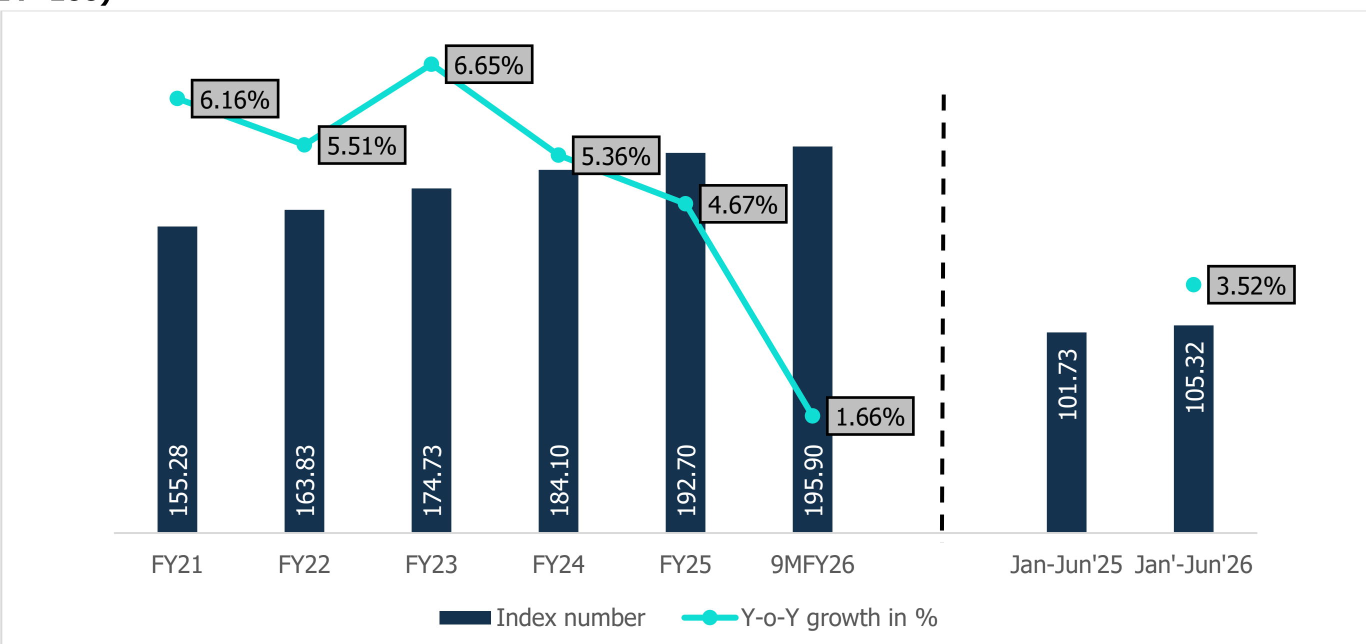
State\UT	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Madhya Pradesh	54,824	59,005	60,452	56,086	61,011	63,681	67,301	70,434
Maharashtra	1,37,808	1,40,782	1,45,626	1,27,550	1,41,651	1,54,979	1,66,013	1,76,678
Rajasthan	73,529	73,975	76,840	73,447	79,490	84,585	90,414	96,638
Tamil Nadu	1,33,029	1,41,844	1,44,845	1,43,482	1,54,269	163,205	1,78,496	1,97,747
Uttar Pradesh	41,771	42,333	43,061	39,866	45,294	48,014	51,898	55,990
Delhi	2,52,960	2,57,597	2,60,559	2,28,162	2,39,821	2,52,768	2,71,490	2,83,093

Source: MOSPI

1.2.5 Consumer Price Index (CPI) Records Combined Inflation Rate of 4.38% in June 2026

Between January and June 2026, the inflation averaged around 3.50% across the Consumer Price Index. By June 2026, inflation increased to 4.38% on a year-on-year basis, compared with 3.93% in June 2025. Within this, the rural inflation rate stood at 4.74%, while the urban inflation rate was comparatively lower at 3.92%. This indicates an overall modest inflationary trend, with rural areas experiencing relatively higher price pressures than urban regions.

Chart 4: Retail Price Inflation in Terms of Index and Y-o-Y Growth in % (Base: 2011-12=100, 2023-24=100)

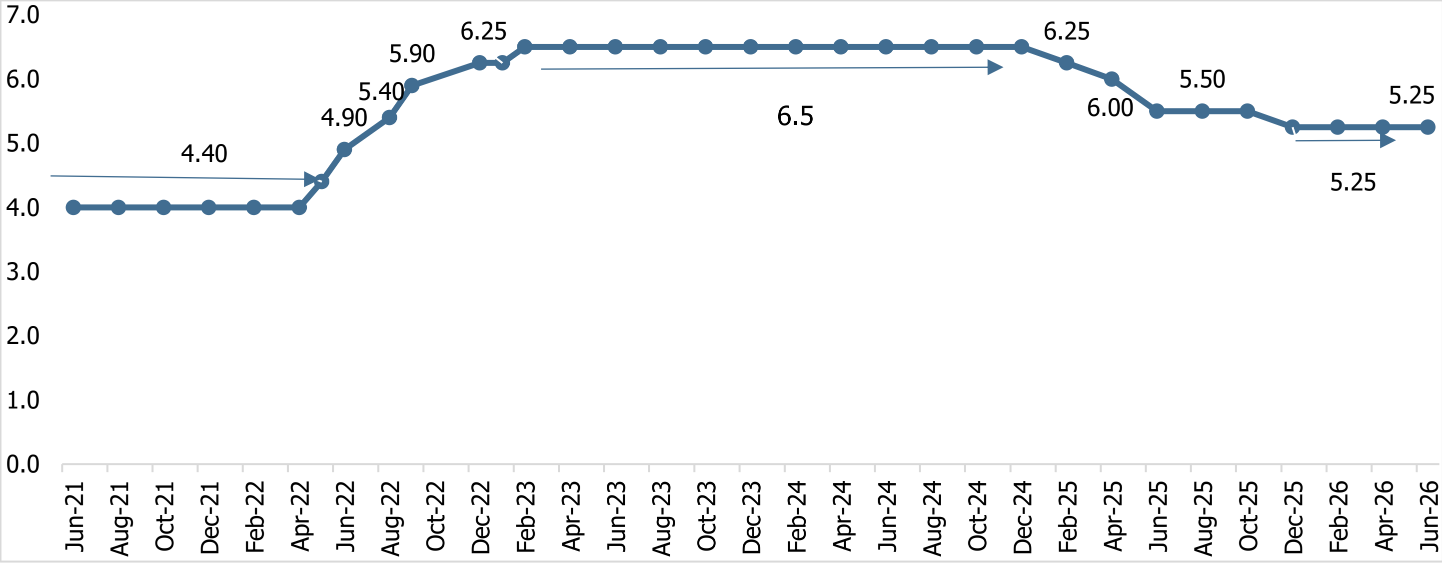


Source: MOSPI; Note: Base year for CPI has been revised in January 2026 to 2024 while till December 2025, the base year is 2012.

The CPI is primarily factored in by the RBI while preparing their bi-monthly monetary policy. At the bi-monthly meeting held in June 2026, RBI projected inflation at 5.10% for FY27 with inflation during Q1FY27 at 4.20%, Q2FY27 at 5.10%, Q3FY27 at 5.90% and Q4FY27 at 5.40%.

Considering the current inflation situation, RBI has maintained the repo rate at 5.25% in the June 2026 meeting of the Monetary Policy Committee (MPC).

Chart 5: RBI Historical Repo Rate



Source: RBI

RBI maintained a 'neutral' monetary policy stance, even as MPC noted an increase in geopolitical tensions. The growth is expected to be supported by robust private consumption and investment demand. RBI has adopted for a non-inflationary growth with the foundations of strong demand and supply with a good macroeconomic balance. With volatile trade conditions in view, the domestic growth and inflation curve requires the policies to be supportive.

The India Meteorological Department (IMD) expects a below normal monsoon, rains in most parts of the country, except in some areas of the northeast, southern peninsula, and northwest India which is likely to affect inflation levels.

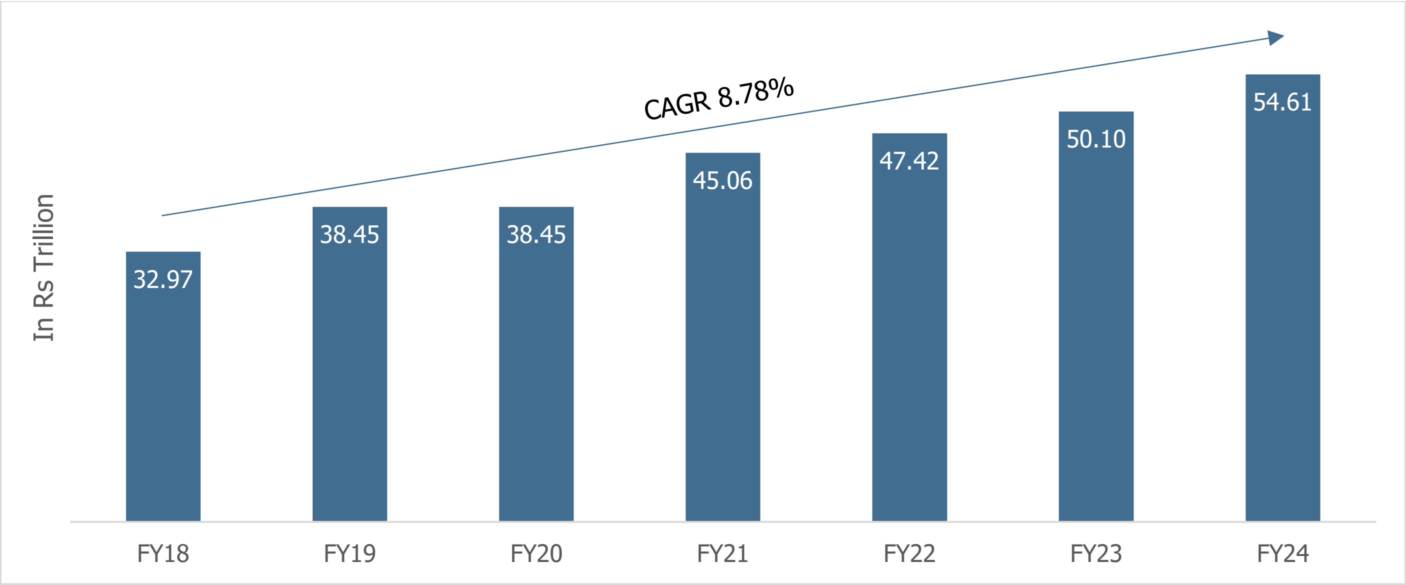
The prices of petrol and diesel have increased marginally as the refineries have been absorbing the shocks by reducing the excise duty, despite high global crude oil prices. However, a further hike in prices remains monitorable due to high company losses. The rise in energy prices and weather disturbances affecting food prices are upside risks to inflation.

1.2.6 Household Savings' Shifting Focus from Physical Assets to Financial Assets

Household savings are of the household sector, measured as its excess of income over consumption and invested in financial assets and physical assets. Household savings in India have grown at an 8.8% CAGR since FY18, reaching Rs 54.61 trillion in FY24, a 9.00% Y-o-Y increase. A shift toward physical assets, particularly housing and gold/silver ornaments, reflects a preference for tangible investments amid high inflation and slow growth in monetary assets. Savings in the form of gold and silver ornaments (% of Household sector savings) was reported at 1.20% in FY24.

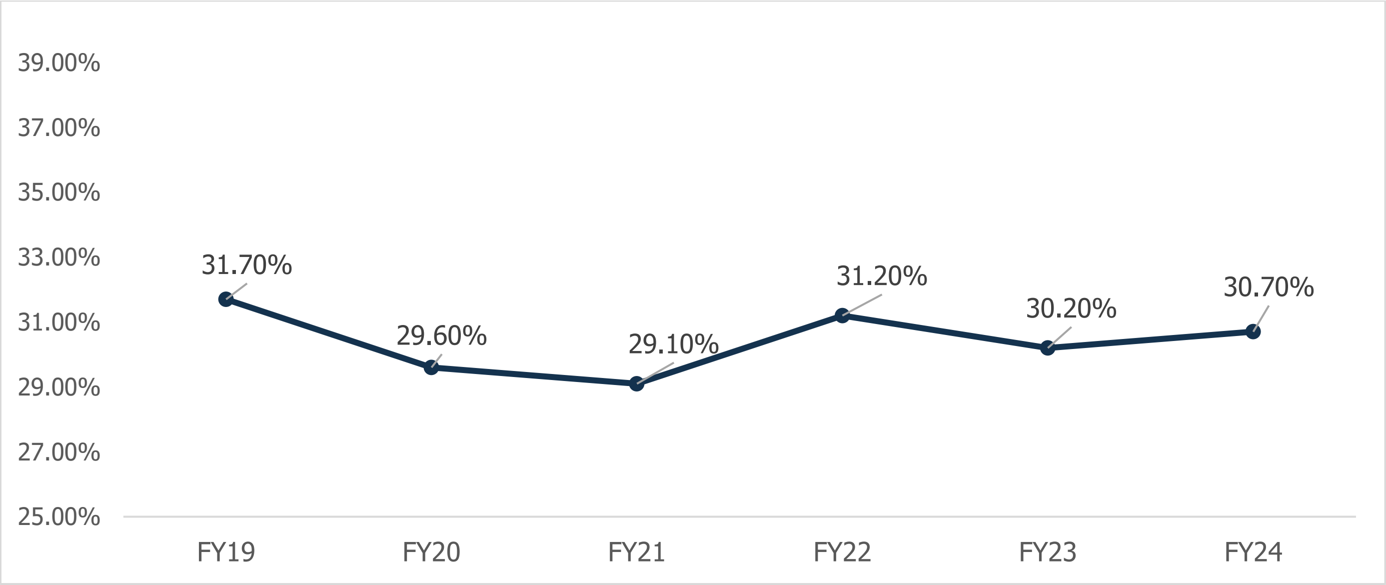
This increasing trend towards physical assets is occurring alongside a rise in household leverage, with borrowing, especially for housing, automobiles, and personal consumption, pushing household financial liabilities to a six-year high. Mutual funds and life insurance also grew, with an 11.50% and 13.60% Y-o-Y increase, respectively, while investment in equities and capital market instruments rose as they offer higher returns than bank deposits.

Chart 6: Household Savings



Source: MOSPI

Chart 7: Gross Savings (as % of GDP) (at Current Prices)



Source: MOSPI

Gross Domestic Savings (GDS) are the total savings within the economy, comprising the savings of the household, private corporate and public sectors. GDS 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 COVID-19 pandemic, increasing again to 31.2% in FY22 before declining to 30.2% in FY23. The trend picked up marginally in FY24 to 30.70%.

As of FY24, Savings were Rs 92.59 trillion indicating a Y-o-Y growth of 12.3% while GDP was at Rs 301.23 trillion showing a growth of 12.0%.

1.2.7 Growth of the Middle Class in India and the Rural Economy in India

The Indian 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 FY24-25. RBI highlights that rising incomes and improved infrastructure are fuelling 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 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 class, 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.

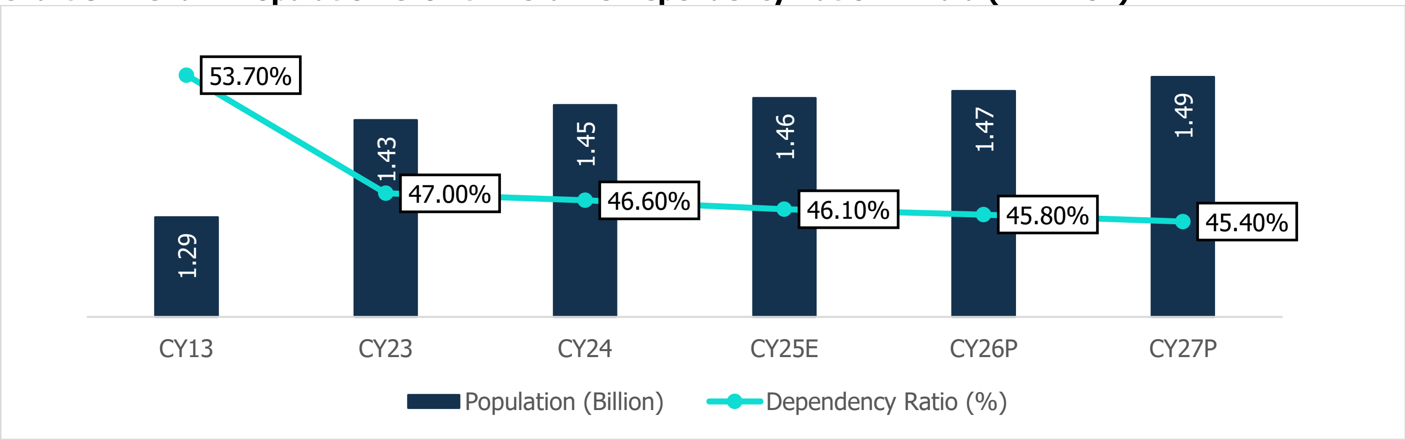
1.2.8 Overview on Key Demographic Parameters

- **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 CY22 surpassed 1.42 billion, slightly higher than China’s population (1.410 billion) and became the most populous country in the world.

Age Dependency Ratio, ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64 is on decline. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy. It was as high as 76% in 1983, which has reduced to 47.00% in CY23. However, this ratio is expected to rise again to 54.00% by CY36, driven by an increase in the elderly population as life expectancy improves.

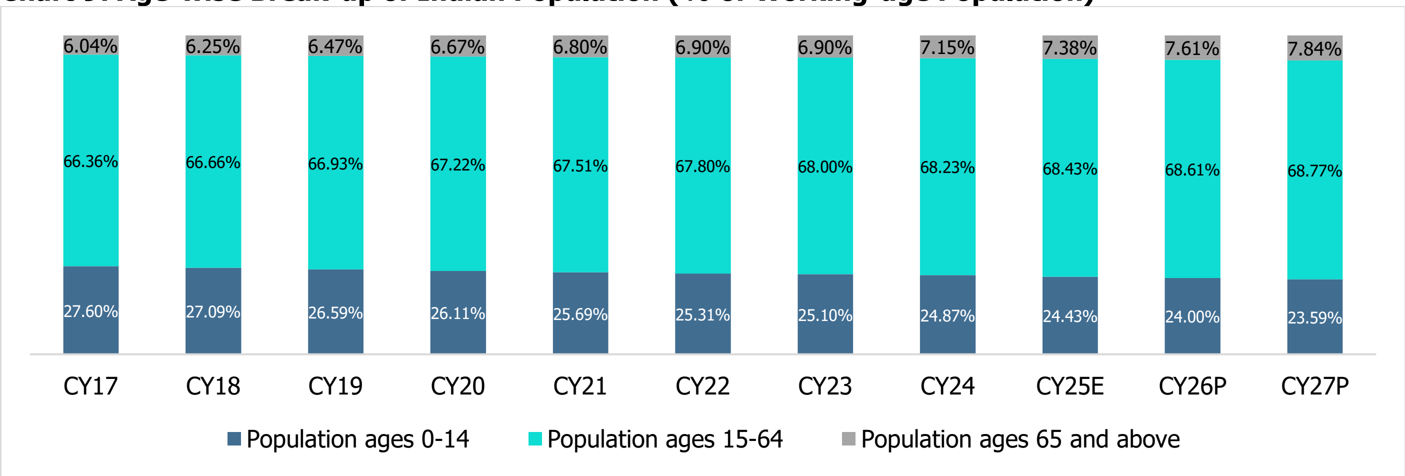
Chart 8: Trend in Population Growth vis-à-vis Dependency Ratio in India (in Billion)



Source: World Bank Database, MOSPI; Note; E- Estimated, F- Forecasted

Despite a projected rise in the dependency ratio to 54.00% by CY36, India's young and growing workforce, especially in newly urbanised towns, will continue to drive income growth and consumer demand. This presents strong opportunities for sectors like consumer electronics, transportation and railways. Rising employment, urbanisation and government investment in rural development and digital infrastructure will further boost demand, while increased tech adoption supports long-term consumption growth across both urban and rural markets.

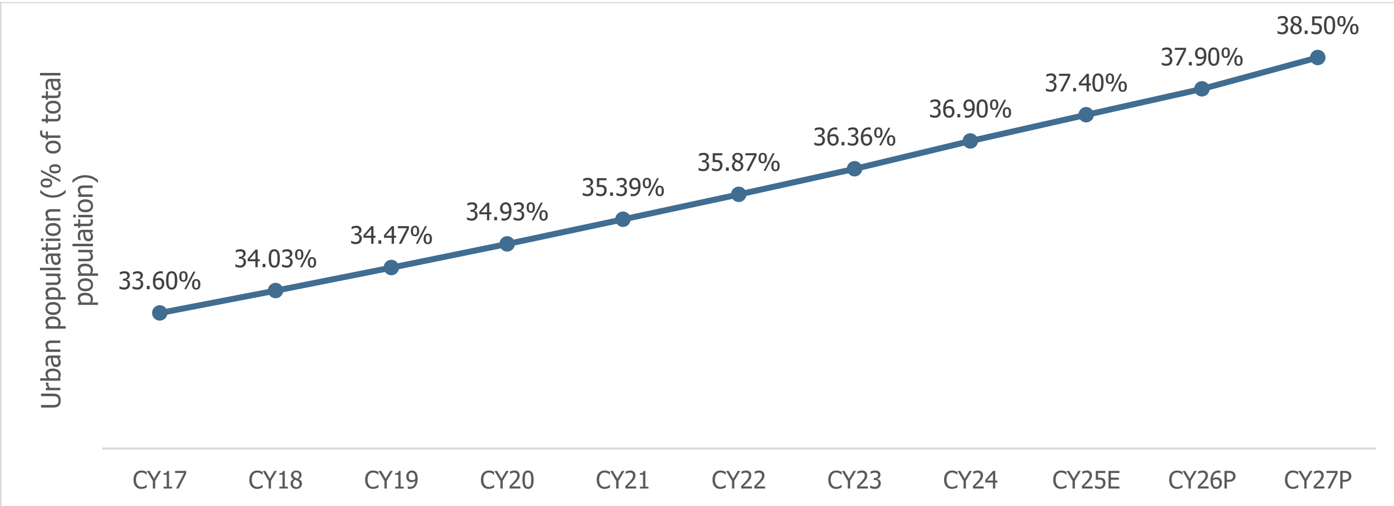
Chart 9: Age-wise Break-up of Indian Population (% of Working-age Population)



Source: World Bank Database; Note; E- Estimated, F- Forecasted

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 413.00 million (32% of total population) in CY13 to 519.50 million (36.40% of total population) in the year CY23. India is undergoing a significant urban transformation, with the urban population projected to rise to 40.00% by CY36. This shift is driven by factors such as improved living standards, increased employment opportunities in urban areas, and government initiatives aimed at urban development. This rapid urbanisation might necessitate substantial investments in infrastructure, housing, and transportation.

Chart 10: Urbanisation Trend in India



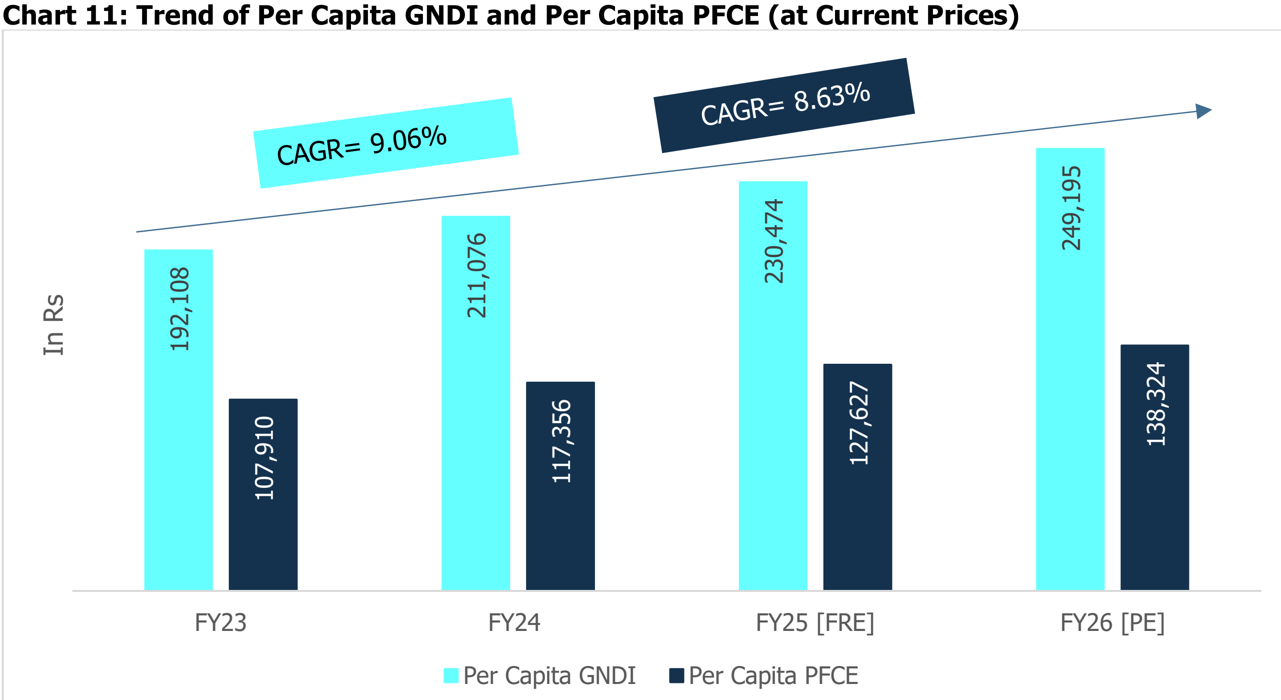
Source: World Bank Database; Note; E- Estimated, F- Forecasted

- **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 FY23 to FY26, per capita GNDI at current prices registered a CAGR of 9.06%. 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 shown significant growth from FY23 to FY26 at a CAGR of 8.63%.

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



Source: MOSPI; Note: FRE – First Revised Estimates, PE- Provisional Estimates;
The trend for FY23-FY26 is based on new series base year 2022-23.

1.3 Conclusion

From a macroeconomic standpoint, India remains one of the most resilient large economies in a challenging global environment. The IMF forecasts GDP growth for India at 6.70% in CY26, far outpacing the estimated CY26 global average of 3.06%. This performance reflects a combination of strong domestic fundamentals, policy stability and a sustained focus on capital formation. While the global economy continues to face uncertainty from geopolitical conflicts, commodity price volatility and rising public debt, India's diversified growth drivers, stable policy framework and expanding export ecosystem position it well to navigate these headwinds.

The key sectors with potential exposure to changes in US tariff policy include engineering goods, electronics, gems and jewellery, pharmaceuticals, textiles and automobiles/auto components, given their material export linkages to the US market.

As of June 2026, India–US trade negotiations are ongoing, and the final Bilateral Trade Agreement (BTA) has not yet been concluded. In February 2026, both countries announced a framework for an Interim Agreement aimed at promoting reciprocal and mutually beneficial trade. Under this framework, the United States proposed an 18% reciprocal tariff rate on Indian goods, while also indicating the possible removal of tariffs on sectors such as generic pharmaceuticals, gems and diamonds, aircraft parts and certain engineering products, subject to finalization of the agreement.

India continues to strengthen its position through diversification of trade partnerships and expansion of FTAs with the EU, UK, EFTA and other economies. This, along with India's growing manufacturing capacity and supply-chain integration, supports its competitiveness in sectors such as electronics, textiles, pharmaceuticals and auto components.

A ceasefire agreement between the US and Iran is expected to be finalized soon; however, a permanent truce between the two remains uncertain. The Iran conflict has led to an increase in prices of consumer products in India due to potential higher fuel, freight and input costs, which can make everyday goods like FMCG items, plastics and packaged foods more expensive. Disruptions in shipping and fertiliser supplies are also pushing up food prices, affecting imports of agricultural inputs and leading to costlier food products for consumers. Overall, delays in trade routes and rising logistics costs are reducing availability and increasing prices of imported consumer goods, especially from Gulf-linked supply chains. Overall, this is leading to supply shortages, rising costs, and production slowdowns in India's chemical and pharma sectors, with the impact likely to worsen if the conflict continues. Prolonged geopolitical tensions or conflict in the region could lead to sustained increases in crude oil and LPG prices, which may translate into higher input costs across industries and contribute to inflationary pressures in the Indian economy.

Domestically, a below-normal monsoon and potential El Niño conditions may contribute to higher food inflation, which could affect household spending and consumer sentiment, particularly in rural markets. Elevated prices of essential commodities may reduce discretionary spending; however, strong domestic demand, urban consumption, and rising income levels are expected to support overall growth in the consumer sector.

Policy momentum remains strong. The 56th meeting of the GST Council marked a major structural reform by proposing a simplified two-rate system of 5% and 18%, replacing the earlier four-slab framework, along with a 40% demerit rate for luxury and sin goods. This rationalisation aims to reduce compliance burdens, enhance efficiency, and stimulate private consumption. Together with recent revisions in personal income tax rates, these measures are projected to release savings exceeding Rs 2.5 lakh crore into the economy, supporting demand and easing inflationary pressures.

The Union Budget's allocation of Rs 12.20 lakh crore for capital expenditure in FY27 further reinforces the government's commitment to infrastructure-led growth. Public investment is expected to catalyse private sector activity, evidenced by rising project announcements and growing imports of capital goods. Improving rural demand, supported by healthy monsoon progress, favourable sowing conditions, and adequate reservoir levels, provides additional tailwinds for consumption and investment.

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.

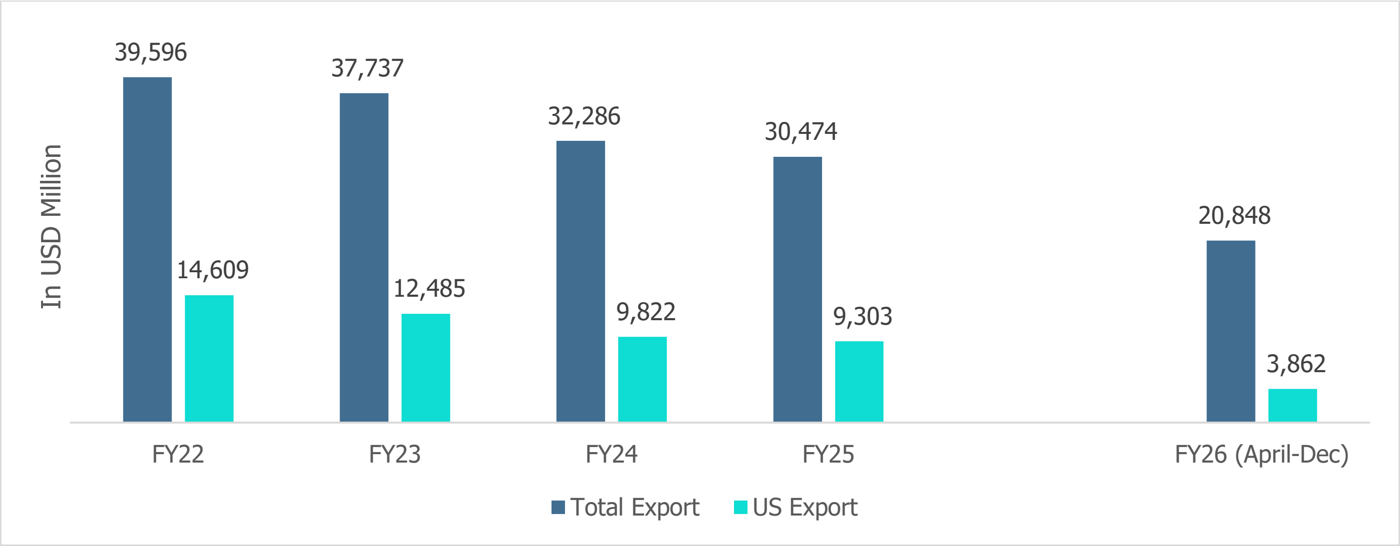
India is a largely domestic-driven economy and is relatively lesser dependent on goods that are exported to the US (at about 2% of GDP). Further, CARE's analysis suggests that the direct export loss from these higher tariffs could be limited to around 0.3-0.4% of India's GDP. Hence, the affected sectors represent a small fraction of India's total exports.

% share in India's Exports to the US (as of FY25)	
Machinery & instruments	8.80%
Textiles	5.90%
Gems and Jewellery	11.50%
Automobiles	2.60%

Source: CareEdge Research

The U.S tariff hike is expected to have a high impact on gems and jewellery exports from India. The United States' imposition of a 50% blanket tariff on Indian exports comprising a 25% reciprocal duty and an additional 25% penalty linked to India's continued oil trade with Russia is expected to disrupt India's Gems and Jewellery (G&J) export segment. With the US accounting for over 32% of India's G&J exports in FY25, the move is likely to cause a contraction in demand, especially for diamonds, gold, silver, and coloured stone jewellery.

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

In sum, while the recent U.S. tariff actions introduce short-term challenges, their overall economic impact on India is likely to be marginal. Supported by robust domestic demand, diversified trade linkages, and a deepening industrial base, India remains firmly on a high-growth trajectory. Over the medium term, these dynamics are expected to strengthen its position as a resilient, cost-competitive, and strategically significant player in the evolving global economic order

The current U.S.-India trade environment is considerably more stable than the tariff escalation witnessed in 2025. Following negotiations between the two countries, the additional punitive tariffs imposed on Indian exports were largely rolled back, easing pressure on exporters and supporting bilateral trade growth. India and the United States continue to advance discussions on a broader trade agreement aimed at improving market access and reducing trade barriers. While sectors such as gems and jewellery, engineering goods, electronics, and textiles remain sensitive to tariff changes, the overall impact on India is expected to remain limited due to its strong domestic demand and diversified export base. Additionally, India continues to benefit from global supply chain diversification, strengthening its position as a preferred manufacturing and investment destination.

2 Global Gems and Jewellery Industry

2.1 Overview of the Global Gems and Jewellery Industry

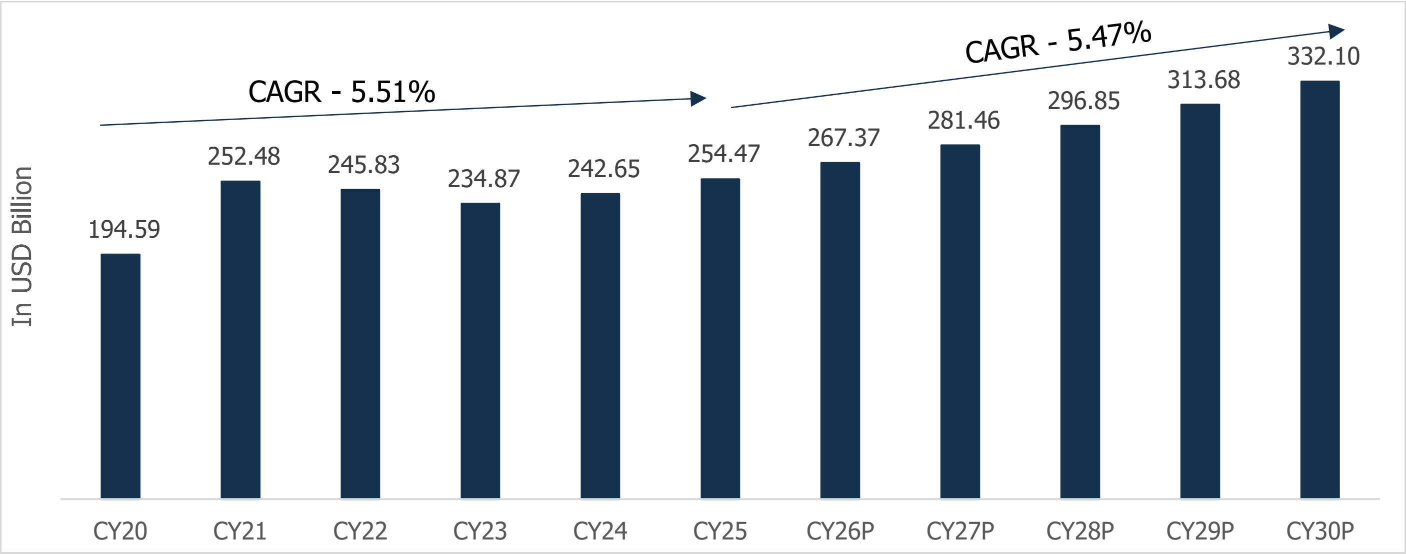
The global jewellery market is shaped by diverse economic trends, cultural practices, and shifting consumer preferences. The interest in gold chains and necklaces extends beyond weddings and unique events. People increasingly wear platinum and gold rings, delicate gold chains, bracelets, and anklets 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 capitalising 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.

Gold is considered a haven, and most investors turn to gold during market turmoil for safe investment. Between CY20 to CY25, the global gems and jewellery market rebounded, achieving a (CAGR) of 5.51%. 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.

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

Chart 12: Global Gems and Jewellery Market Size (CY20-CY30P)



Source: IMARC Group, CareEdge Research

In CY25, the global gems and jewellery industry have reached at around USD 254.47 billion, and it recorded CAGR of 5.51% during CY20 to CY25. 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 332.10 billion by CY30P, driven by economic recovery, rising disposable incomes in emerging economies, and increased demand for innovative and ethically sourced jewellery options.

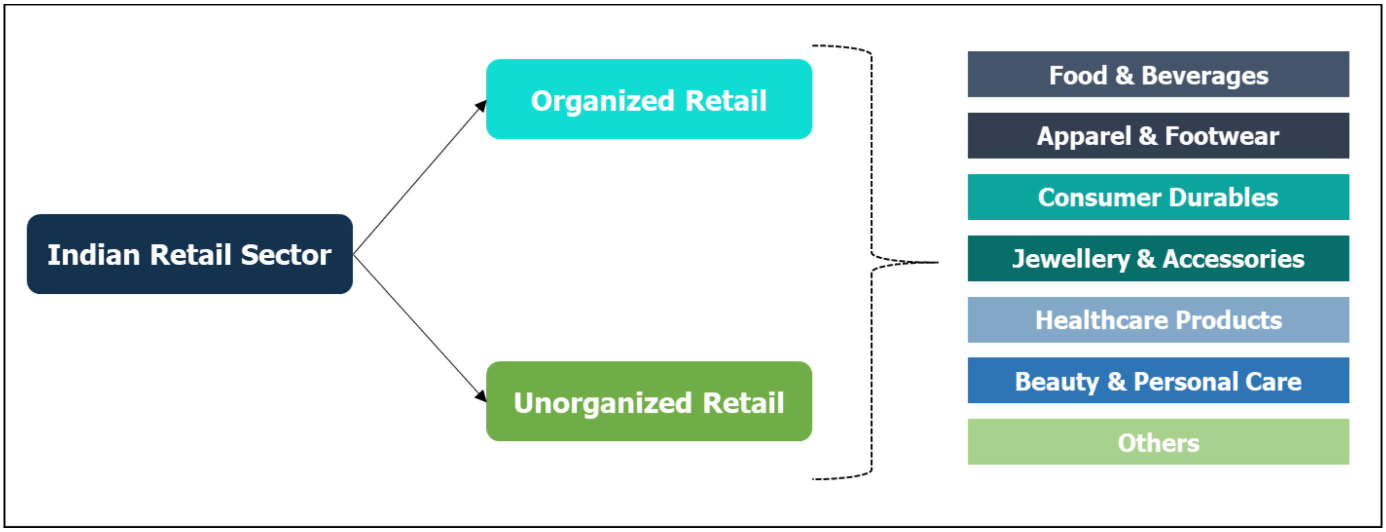
The global gems and jewellery market is expected to experience steady growth in the coming years, fuelled by emerging economies and rising disposable incomes. Although gold and diamond jewellery will continue to dominate the market, alternative materials are likely to see increased demand due to concerns 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.

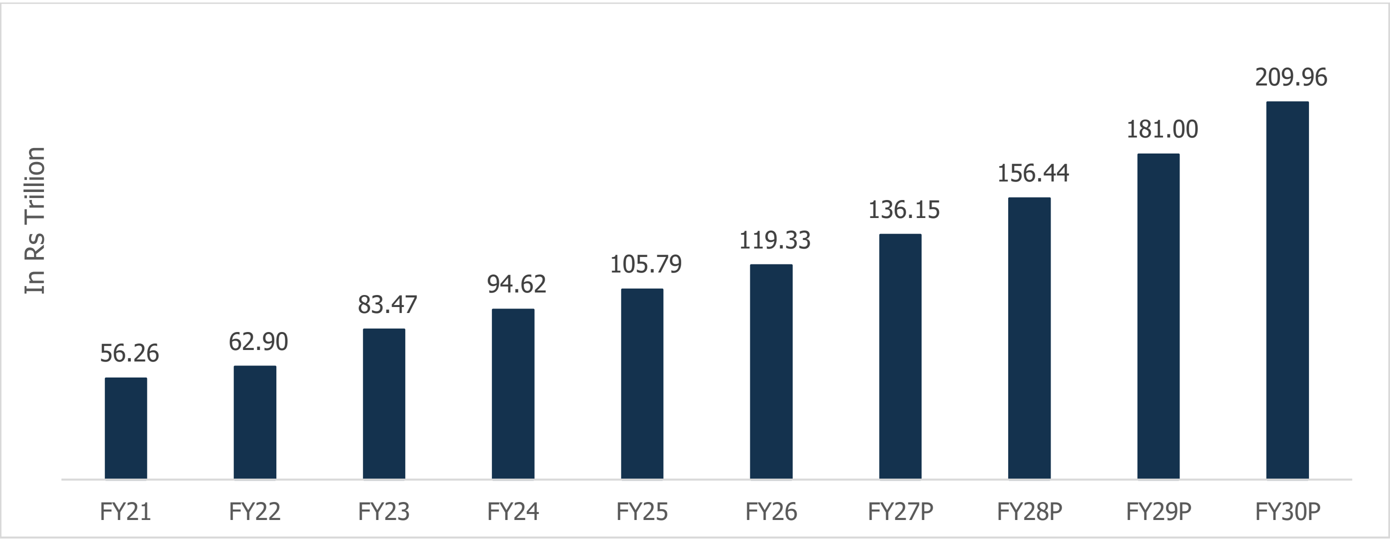
Furthermore, the introduction of hypermarkets, super-marts, large format stores and exclusive jewellery outlets in tier 1 cities further drove the evolution of retail. Consumers' primary concern shifted from quality shopping experiences to convenience. The jewellery sector adapted by providing in-store 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-FY30P)



Source: CareEdge Research

The Indian retail market has witnessed robust growth over the past few years, driven by rising consumer spending, increasing urbanisation, and the rapid expansion of organised retail formats. The market grew from Rs. 83.47 trillion in FY23 to Rs. 94.62 trillion in FY24, supported by strong demand across discretionary and essential categories, expansion of modern retail formats, and sustained growth in e-commerce. The market further increased to Rs. 105.79 trillion in FY25 and is estimated to reach Rs. 119.33 trillion in FY26, reflecting continued momentum in consumption-led economic growth.

Going forward, the Indian retail market is projected to expand significantly, reaching Rs. 209.96 trillion by FY30, driven by rising disposable incomes, favourable demographics, increasing penetration of organised retail, wider adoption of digital commerce, and continuous investments in omnichannel retail strategies. The sector is also expected to benefit from supportive government initiatives, including liberalised FDI policies, Production Linked Incentive (PLI) schemes, and improvements in logistics and digital infrastructure. Additionally, the retail industry is anticipated to remain a key contributor to India's economy by generating substantial employment opportunities, with the sector expected to create around 25 million new jobs by CY2030. The continued expansion of retail outlets, new category launches, and increasing consumer preference for branded products are expected to support higher footfalls and sustained sales growth over the forecast period.

3.3 Demand Drivers for the Indian Retail Market

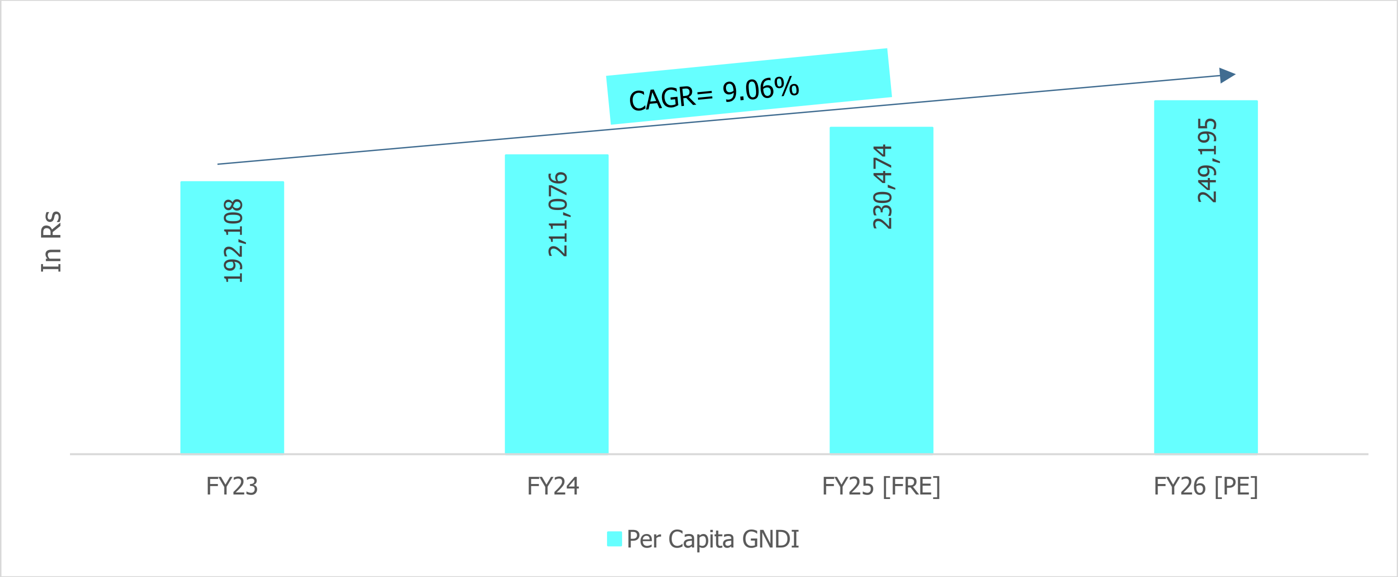
- **Increasing Purchasing Power**

The rising disposable income, growing at a CAGR of 8.5% between the period FY23 to FY26, 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, with the working-age population (15–64 years) increasing from 65.1% in CY13 to 68.2% in CY24, providing a favourable demographic dividend and supporting long-term consumption growth. 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: Trend of Per Capita Gross National Disposable Income (Current Price)



Source: CMIE, CareEdge Research

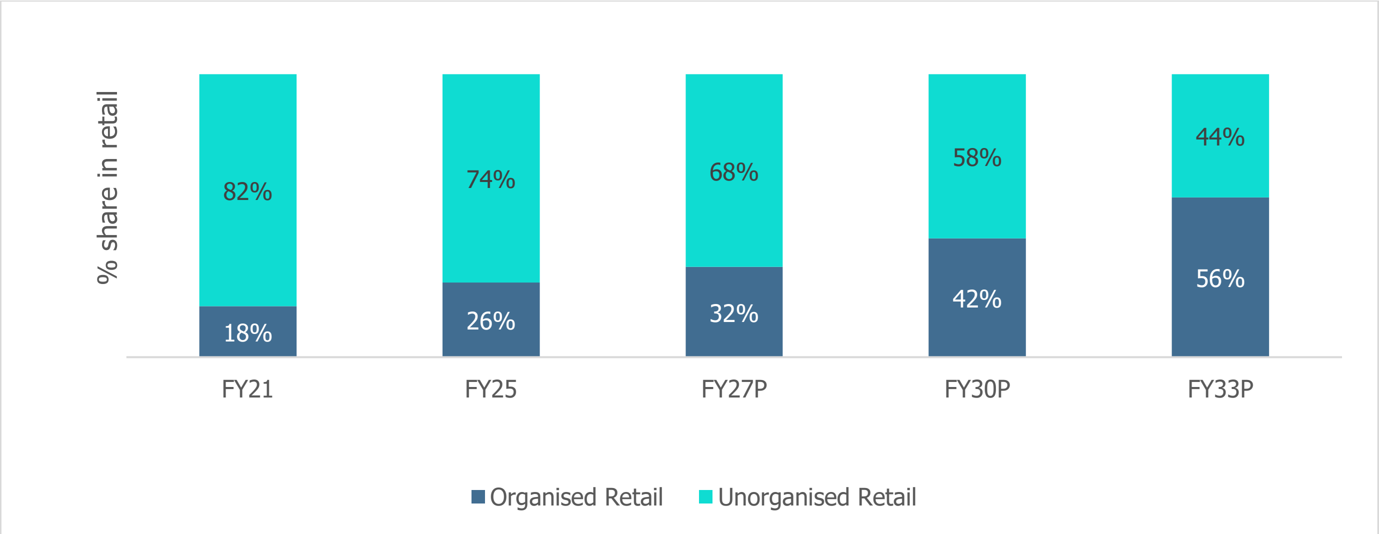
Key Area	Details
Innovative Financing Modes	New financing options, such as Merchant Cash Advances (MCA), allow retailers to secure cash advances based on anticipated card sales. Invoice financing enables immediate cash by selling outstanding invoices to financial institutions. The collaboration between 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:

Key Area	Details
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, reduced compliance costs and enhancing supply chain efficiency, benefiting organized retail and improving logistics and distribution.
Pradhan Mantri Mudra Yojana (PMMY)	Pradhan Mantri Mudra Yojana (PMMY), launched in April 2015, provides collateral-free loans to micro and small enterprises, including retailers, traders, service providers and manufacturing units. Since its launch, the scheme has sanctioned over 52 crore (520 million) loan accounts, with loans worth more than ₹33 lakh crore sanctioned, substantially expanding access to formal credit and promoting entrepreneurship and financial inclusion across India. Women account for about 68% of beneficiaries, while nearly 50% of accounts belong to SC, ST and OBC entrepreneurs.
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 26% contribution to the total retail market in FY25, 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.

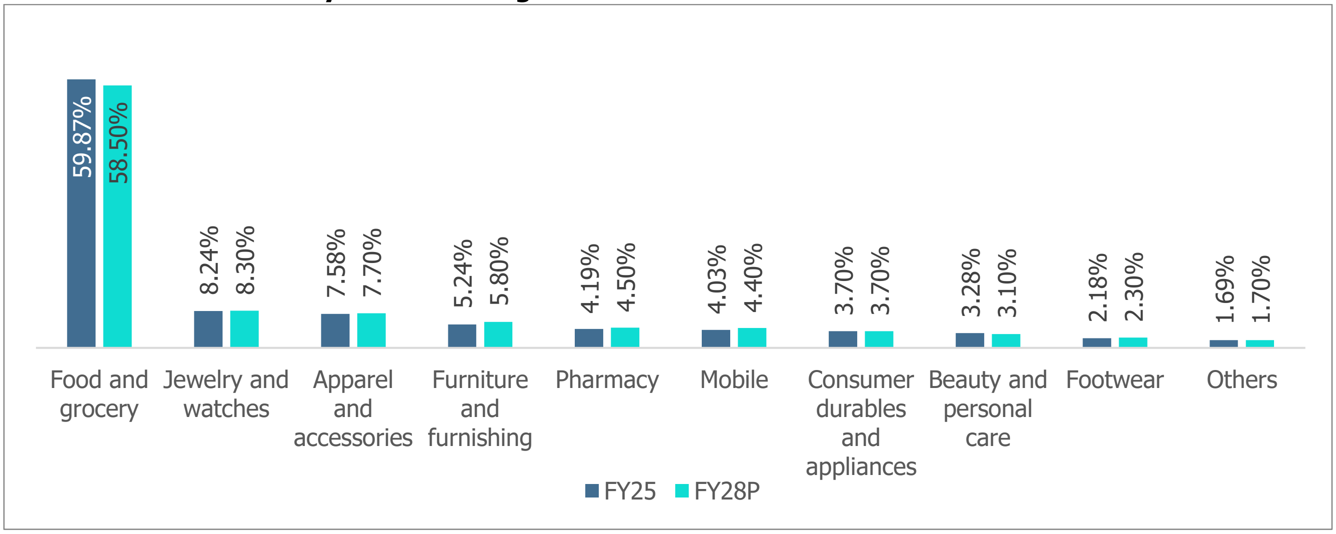
3.5 Trends in the Retail Industry by Segment

Segment	Description
FMCG	This segment includes groceries, staples, packaged food, beverages, health & hygiene products, and other daily-use essentials. Demand is supported by population growth, urbanisation, rising disposable incomes, and increasing penetration of modern trade, quick commerce, and e-commerce channels. Consumer preferences continue to shift towards convenience, health-focused products, premium offerings, and sustainable packaging. Volume-led growth is expected to remain a key driver, while stable commodity prices and operational efficiencies may support margin expansion.
Apparel	The apparel segment includes clothing, footwear, fashion accessories, and lifestyle products across value, premium, and luxury categories. Growth is driven by increasing fashion awareness, rising discretionary spending, strong brand adoption, and expanding organised retail. Retailers continue to strengthen omnichannel capabilities by integrating physical stores, online platforms, and social commerce channels. Key trends include premiumisation, athleisure, sustainability, affordable luxury, and digitally influenced purchasing decisions.
Consumer Durables	This category comprises household appliances, electronics, and white goods such as refrigerators, washing machines, air conditioners, televisions, and small appliances. Demand is supported by rising household incomes, urban housing growth, electrification, and product replacement cycles. Premiumisation, energy-efficient products, smart and connected devices, and improved financing options continue to drive consumer adoption. Government initiatives promoting domestic manufacturing and supply chain development further support long-term industry growth.
Consumer Food	The consumer food segment includes packaged foods, snacks, ready-to-eat products, ready-to-cook meals, beverages, dairy products, and staples. Changing lifestyles, increasing workforce participation, smaller family structures, and convenience-driven consumption continue to support demand. Health-conscious consumers are increasingly seeking products with functional, organic, natural, high-protein, and clean-label attributes. Growth is further supported by e-commerce, quick commerce, and direct-to-consumer channels, which improve accessibility and product reach.
Household & Personal Care Products	This category includes cleaning products, detergents, toiletries, skincare, cosmetics, personal hygiene products, and wellness-related offerings. Demand is supported by rising awareness of hygiene, health, grooming, and personal well-being. Consumers are increasingly adopting premium, natural, organic, and environmentally responsible products. Product innovation, brand differentiation, and digital-first distribution channels continue to shape market growth, while input cost management remains an important driver of profitability.
Jewellery & Accessories	This segment includes gold, diamond, gemstone, and fashion jewellery, as well as watches and personal accessories. The sector continues to benefit from strong cultural significance, wedding-related demand, gifting occasions, and increasing consumer preference for branded products. Organised retailers are gaining market share through trust, quality certification, transparency, and omnichannel strategies. Growth is supported by rising disposable incomes, premiumisation, digital engagement, and the expansion of organised retail networks across metro and non-metro markets.

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: 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 is the largest diamond-cutting and polishing hub globally, producing nearly 90% of the world's polished diamonds by volume.

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, symbolising prosperity and wealth, and is an essential part of weddings, festivals, and other ceremonies. The manufacturing base is geographically concentrated in key states like Maharashtra, Gujarat, and Tamil Nadu.

Organised players are gaining traction as the industry undergoes formalisation. 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 Monetisation Scheme, and easing gold import restrictions, are bolstering the formal sector.

In 2024, seven major trade fairs were organised 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, urbanisation, 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 continue to thrive, blending traditional strengths with evolving consumer preferences and gradual modernisation. Its ability to adapt to changes while leveraging its heritage ensures its sustained growth and competitiveness on the global stage.

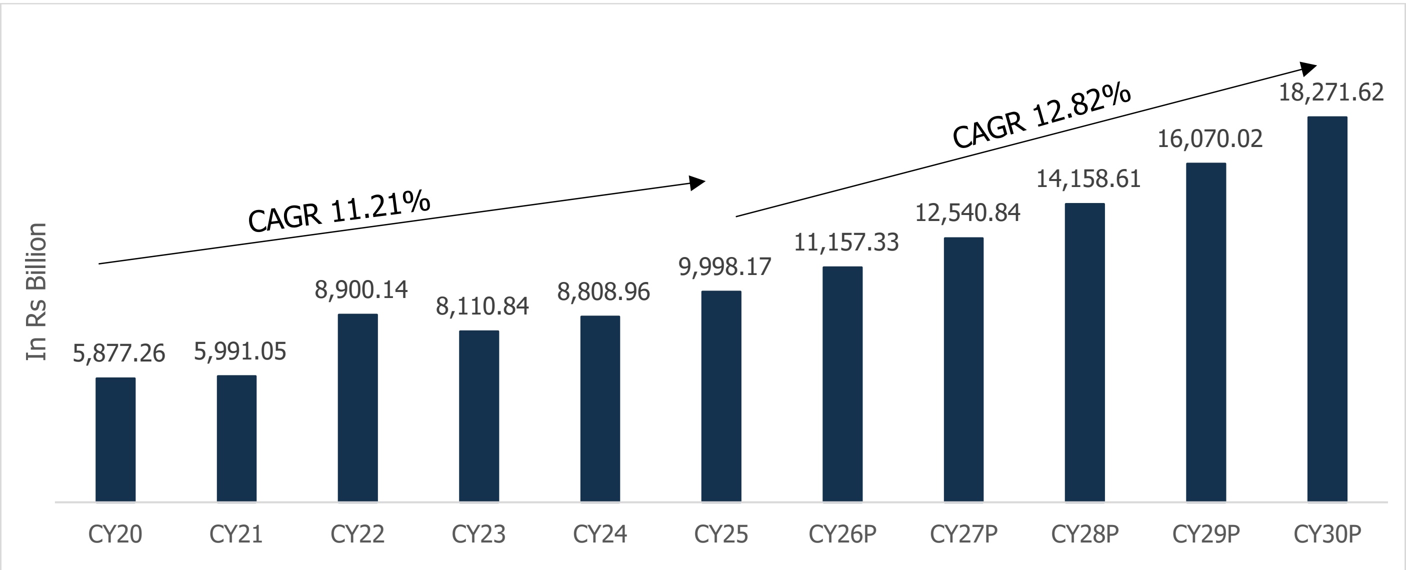
4.2 Indian Gems & Jewellery Industry Market Size

The Indian Gems and Jewellery industry has historically been highly fragmented, dominated by small, family-owned and unorganised jewellers, particularly in Tier-II, Tier-III cities and rural markets. A large portion of jewellery purchases have traditionally been relationship-driven, with consumers preferring trusted local jewellers for customised designs, credit flexibility, and assured purity. Industry estimates suggest that the unorganised segment accounted for nearly 70–75% of the market a decade ago, though its share has been gradually declining.

Over the past few years, the sector has witnessed increasing formalisation and consolidation, driven by factors such as the introduction of GST, mandatory hallmarking, rising consumer awareness regarding purity and pricing transparency, and the expansion of organised retail chains. As a result, the organised segment's share has increased to around 35–40%, led by pan-India players and regional brands. Despite this shift, the presence of many small jewellers continue to make it challenging to accurately quantify the total number of jewellery retailers operating in India.

However, the industry has seen structural transformation in the recent decade, with more Gems and Jewellery 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.

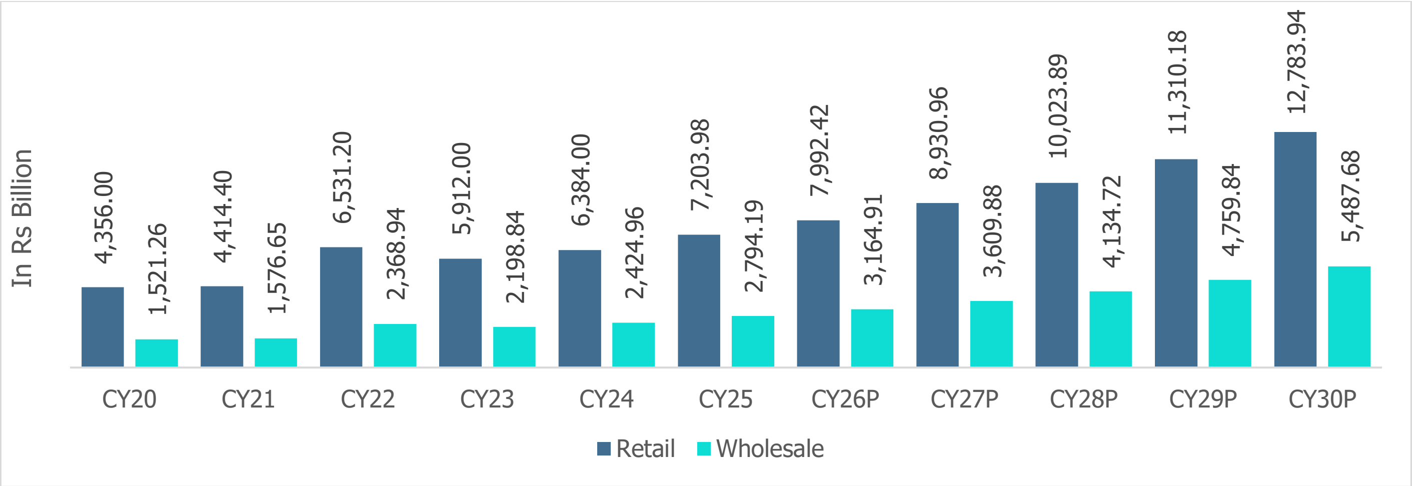
Chart 17: Indian Gems & Jewellery Industry Market Size (CY20-CY30P)



Source: IMARC Group, CareEdge Research

In CY25, the domestic gems and jewellery industry have reached at around Rs. 9,998.17 billion, with a CAGR of 11.21% during CY20–CY25. Further, the gems and jewellery market is expected to grow at a CAGR of 12.82% between CY25 and CY30P. 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.

4.2.1 Indian Gems & Jewellery Industry Market Size by Type (CY20-CY30P)

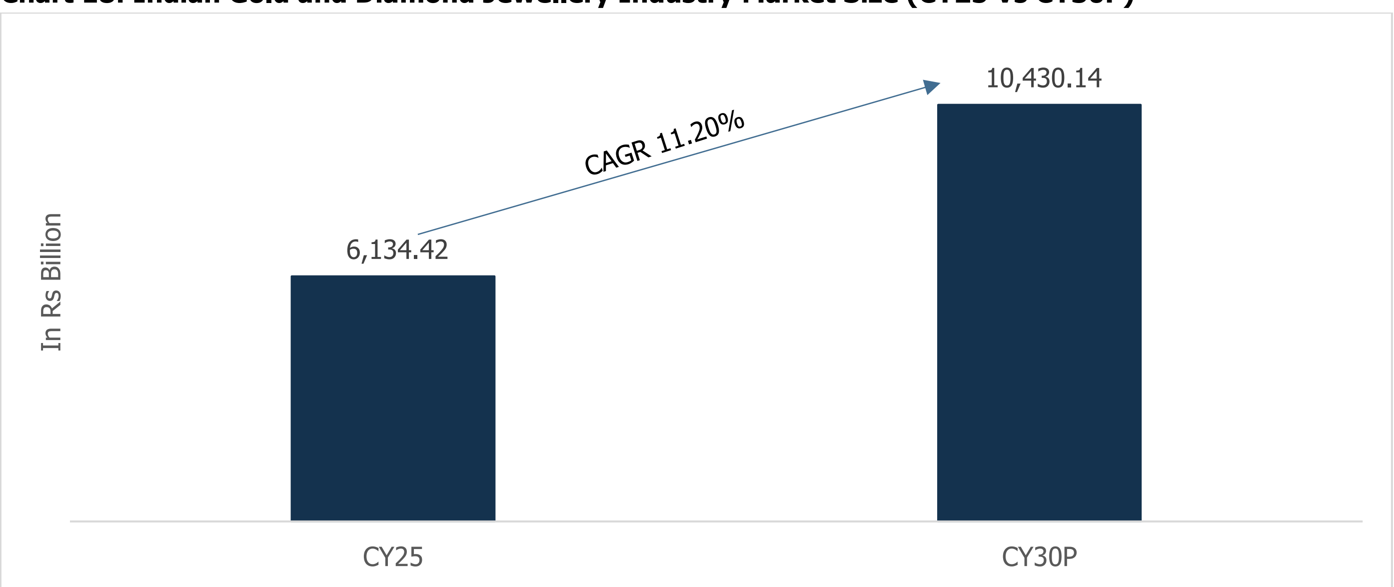


Source: IMARC Group, CareEdge Research

The Indian gems and jewellery market has demonstrated resilient long-term growth, supported by rising disposable incomes, increasing urbanisation, and a gradual shift towards organised retail. The retail market is estimated to increase from Rs. 4,356.0 billion in CY20 to Rs. 7,203.98 billion in CY25, registering a CAGR of 10.59%, and is further projected to reach Rs. 12,783.94 billion by CY30, growing at a CAGR of 12.15% during CY25–CY30. Similarly, the wholesale market is estimated to grow from Rs. 1,521.26 billion in CY20 to Rs. 2,794.19 billion in CY25, registering a CAGR of 12.93%, and is expected to reach Rs. 5,487.68 billion by CY30, expanding at a CAGR of 14.45% during the forecast period. The market growth is expected to be driven by rising demand for branded jewellery, increasing adoption of lightweight and studded jewellery, expanding omnichannel retail presence, favourable demographics, and sustained demand from weddings and festive occasions, supported by continued formalisation of the industry.

4.3 Indian gold and diamond jewellery industry market

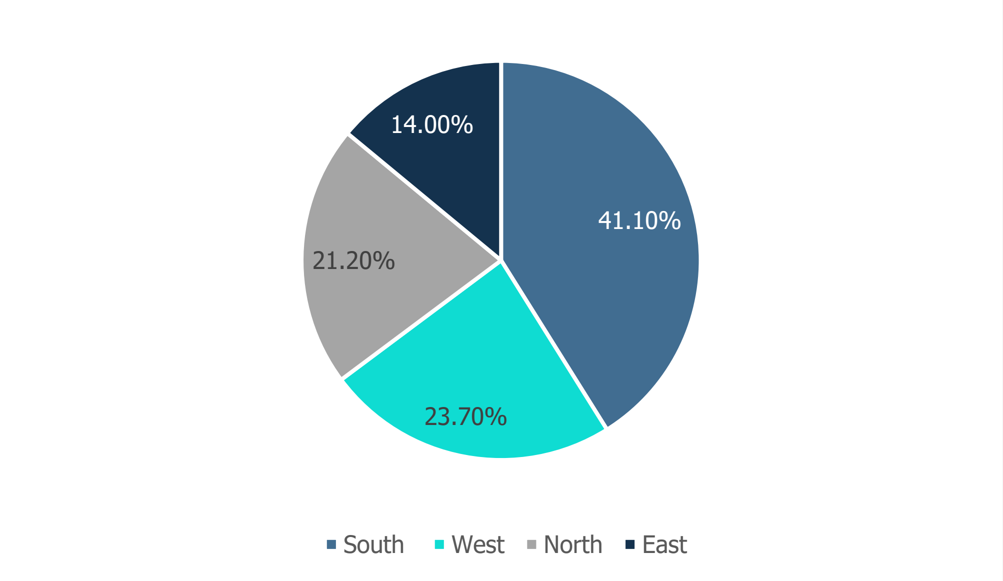
Chart 18: Indian Gold and Diamond Jewellery Industry Market Size (CY25 Vs CY30P)



Source: IMARC Group, CareEdge Research; Note: Indian gold and diamond jewellery consists of Retail gold jewellery and wholesale diamond studded gold jewellery

The Indian gold and diamond jewellery market is estimated at Rs. 6,134.42 billion in CY25 and is projected to reach Rs. 10,430.14 billion by CY30, registering a CAGR of 11.20% during the period. The growth of the market is expected to be driven by rising disposable incomes, increasing urbanisation, and a growing preference for branded jewellery across both metropolitan and Tier II/III cities. Additionally, sustained demand from weddings and festive occasions, increasing adoption of lightweight and studded jewellery designs, and the expansion of organised retail and omnichannel distribution channels are expected to support market growth. The sector is also likely to benefit from favourable demographics, higher consumer spending, and increasing consumer confidence in certified and hallmarked jewellery products.

Chart 19: Indian Jewellery Industry Breakup by Region (% Share) in CY25



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.

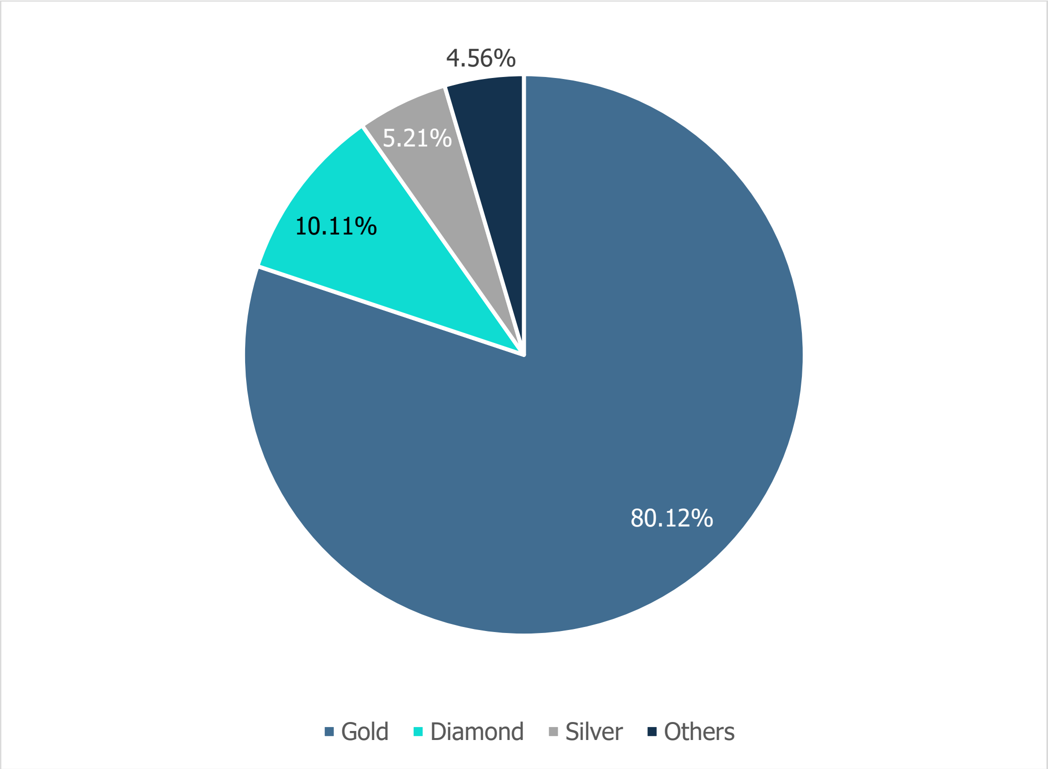
In contrast, Maharashtra sees continuous spending on jewellery, driven by strong replacement demand. Women in this region often buy new pieces or upgrade existing ones, reflecting both cultural practices and evolving fashion trends. The state's inclination towards nath (nose rings) and kamarband (waistbands) 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 (CY25)



Source: IMARC Group, CareEdge Research

In CY25, gold was the dominant material in India's gems and jewellery market, making up 80.12% of the total market share. It was followed by diamonds (10.11%), silver (5.21%), and other materials (4.56%).

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.

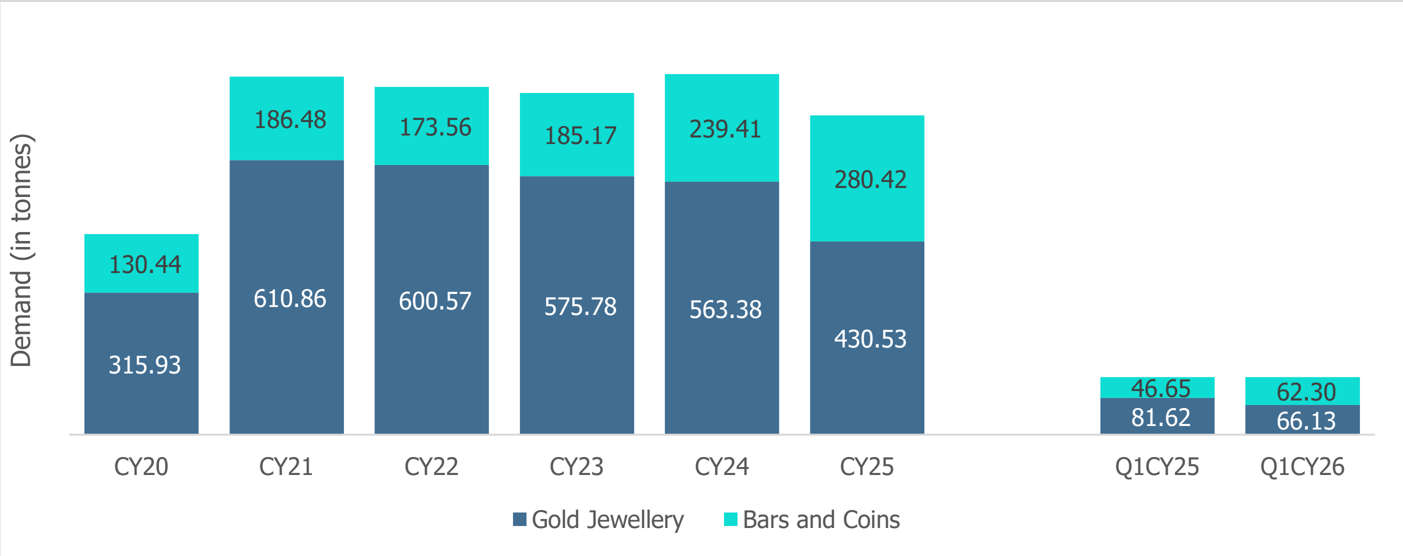
Diamond: The diamond jewellery sector in India has seen robust growth in recent years, particularly among consumers looking for luxury and exclusivity. Diamonds are a popular choice for special occasions, particularly weddings, and are often seen as a symbol of sophistication. This segment is supported 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 CY25, India's total domestic demand for gold, including jewellery, bars, and coins, stood at 710.95 tonnes.

The jewellery segment continued to be the largest contributor and accounted for ~51.49% of the gold demand in India in Q1CY26, while bars and coins accounted for the balance. The gold jewellery demand declined by 18.98% y-o-y in Q1CY26. The demand was impacted mainly due to increasing gold prices.

4.6 Gold Processing in India vs China

Gold Mining

China remained one of the world's leading gold-producing countries during the period under review. Gold mining production increased from 331.98 tonnes in CY21 to 384.34 tonnes in CY25, registering a CAGR of approximately 3.73%. Production rose significantly in CY22 to 375.05 tonnes and continued to grow steadily thereafter, reaching 378.16 tonnes in CY23, 380.24 tonnes in CY24, and 384.34 tonnes in CY25. The sustained increase in output was supported by continued investments in mining operations, technological advancements, and the expansion of existing gold mines.

In contrast, gold mining production in India remained relatively low compared to China, owing to factors such as limited domestic gold reserves, regulatory constraints, environmental clearances, and lower levels of investment in exploration and mining activities. Gold production increased from 1.36 tonnes in CY22 to 1.43 tonnes in CY23 and further to 1.70 tonnes in CY24, reflecting improved mine performance and gradual capacity expansion. However, production moderated to 1.53 tonnes in CY25, although remaining above earlier levels. Despite the recent growth, India continues to depend largely on imports to meet its domestic gold demand.

Table 5: Gold Mining in China and India (In Tonnes)

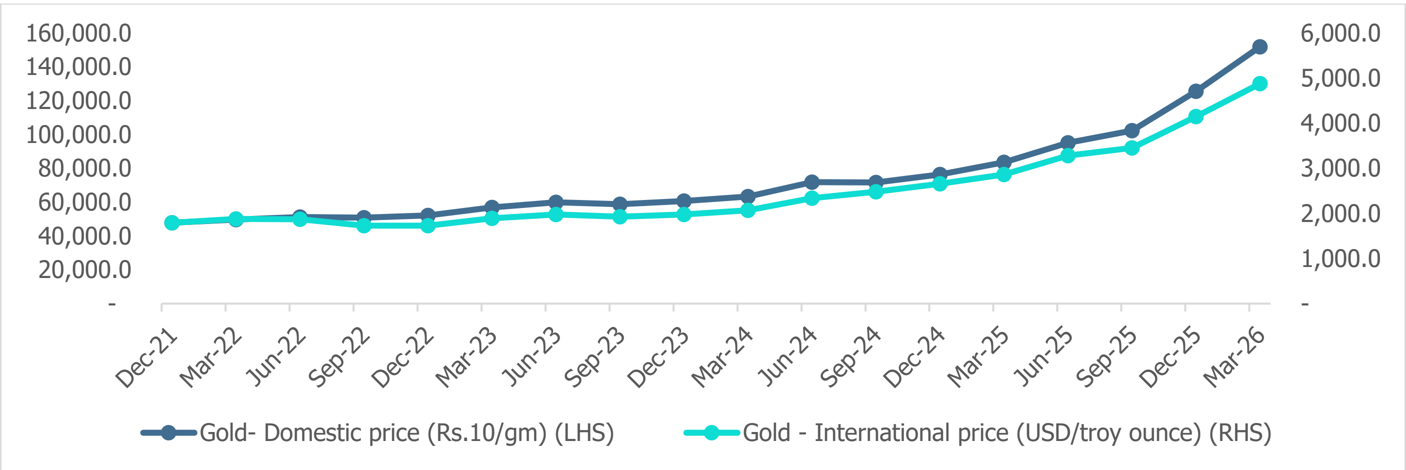
Country	CY21	CY22	CY23	CY24	CY25
China	331.98	375.05	378.16	380.24	384.34
India	N/A	1.36	1.43	1.70	1.53

Source: CMIE, WGC, 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 22: Trend in International Gold Prices



Source: WGC; CareEdge Research

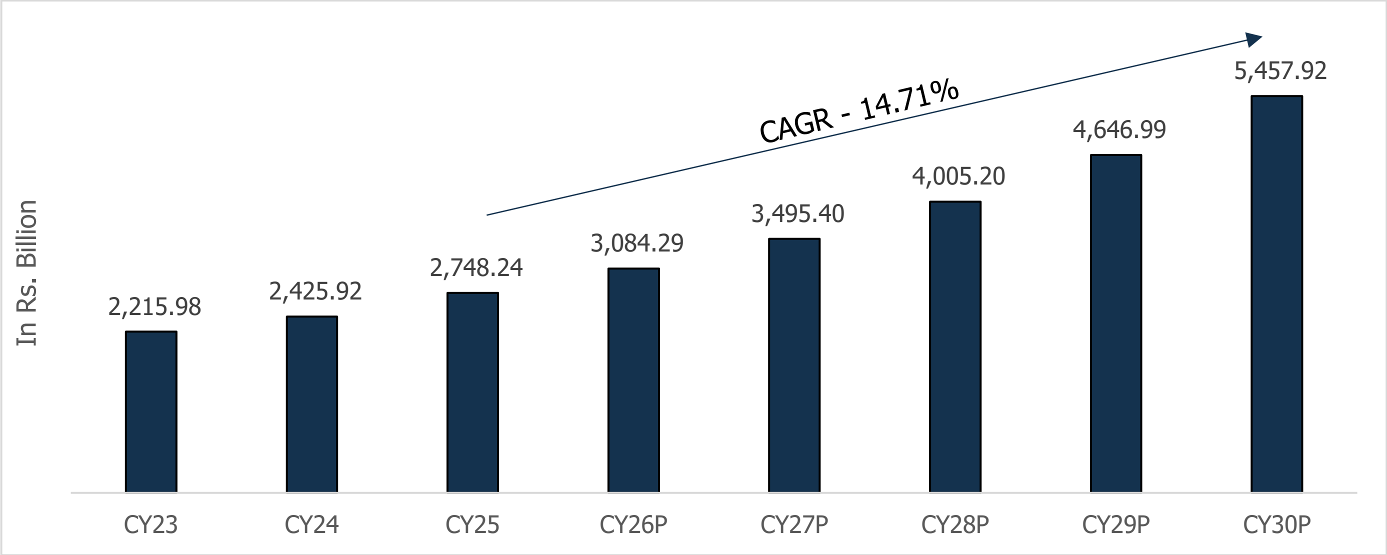
In CY25, gold prices regained upward momentum, reaching new record highs. International prices climbed to USD 3,456.54 per troy ounce in Q3CY25, while domestic gold prices surged to Rs 88,905.97 per 10 grams during the same period. This continued rally was supported by expectations of further rate cuts, persistent geopolitical risks, and sustained demand from central banks and investors amid global economic uncertainty.

During Q1CY26, gold prices witnessed a sharp increase in both international and domestic markets, reaching USD 4,872.89 per troy ounce. Prices were supported by heightened global economic uncertainty, ongoing geopolitical tensions, and increased investor preference for safe-haven assets. Consequently, gold remained in a higher trading range by the end of the quarter, reinforcing its appeal as a store of value, although elevated prices adversely affected jewellery demand volumes.

Movements in crude oil prices indirectly affect gold prices through their impact on inflation expectations. Rising oil prices can fuel input-cost inflation, strengthening demand for gold as an inflation hedge.

4.8 Indian Light-Weighted Jewellery Market

Chart 23: Indian Light-Weighted Jewellery Market Size and Forecast (CY23-CY30P)



Source: IMARC Group, CareEdge Research; Note: This Market include the only retail light weight jewellery

The Indian light-weighted jewellery market was valued at Rs. 2,748.24 billion in CY25 and is projected to reach Rs. 5,457.92 billion in CY30P, registering a CAGR of 14.71% from CY25 to CY30P.

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.

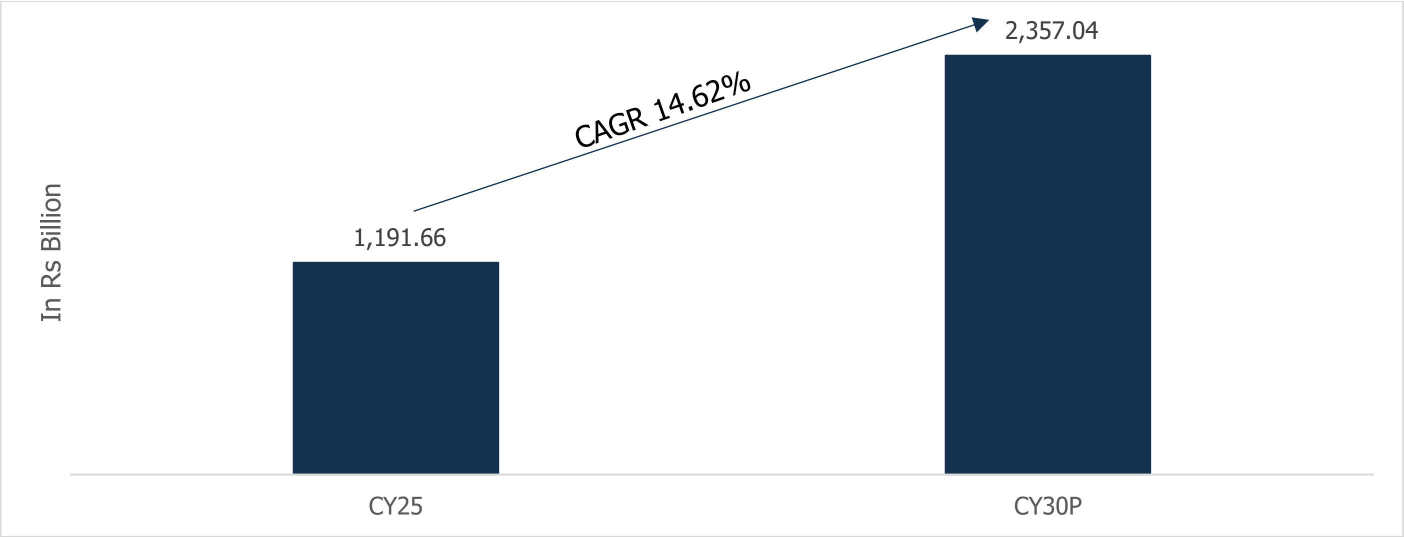
Lightweight jewellery is gaining popularity as it aligns with modern demands for comfort, versatility, and cost-effectiveness. Today's brides and consumers are drawn to pieces that combine traditional aesthetics with everyday wearability, enabling jewellers to cater to a market that values both cultural 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 24: Indian Gems and Jewellery Market Size by Daily Wear (Affordable jewellery), (CY25 Vs CY30P)

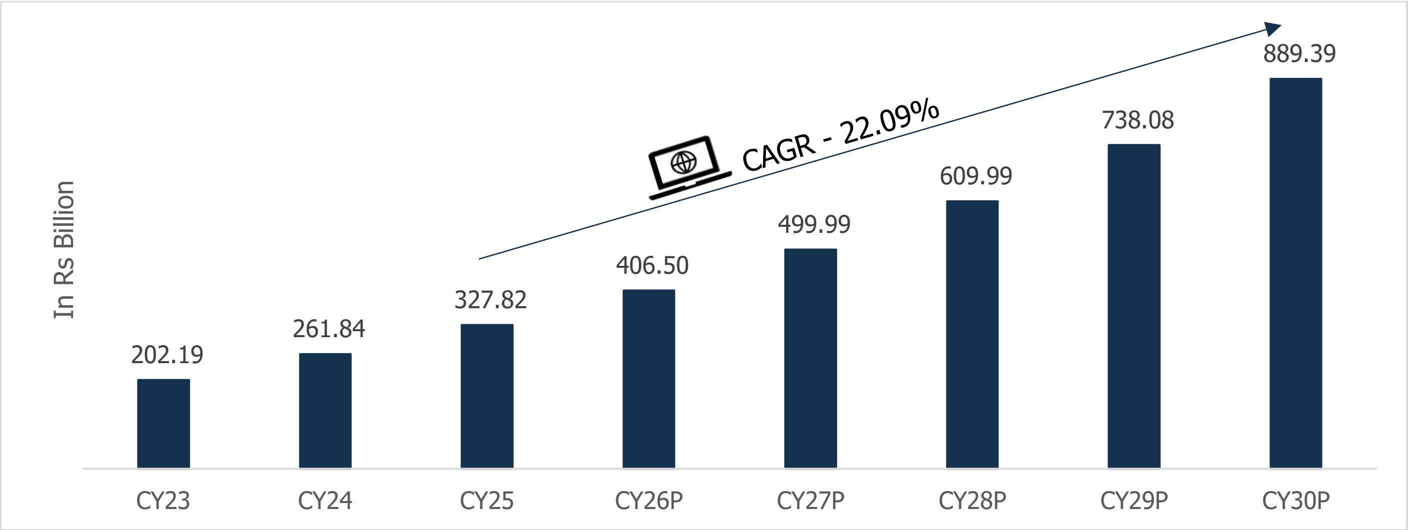


Source: CareEdge Research

The Indian daily wear gems and jewellery market is valued at Rs. 1,191.66 billion in CY25 and is projected to grow to Rs. 2,357.04 billion by CY30P, reflecting a robust CAGR of 14.62% from CY25 to CY30P.

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 25: Online Jewellery Market Size in India (CY23-CY30P)



Source: Industry Resources, CareEdge Research

In CY25, the online jewellery market in India was valued at around Rs. 327.82 billion and is projected to reach Rs. 889.39 billion by CY30P. Online jewellery retail in India has transitioned from an emerging channel to an important growth driver for organised players. While online penetration in the jewellery market remains in the high single digits, digital channels are witnessing sustained double-digit growth, supported by increasing internet penetration, rising consumer trust, and the growing adoption of omnichannel retail strategies. Organised jewellers are increasingly integrating online and offline experiences through services such as virtual try-ons, home trials, click-and-collect, and personalised recommendations, thereby enhancing customer convenience and engagement.

The demand for affordable and lightweight jewellery continues to strengthen, particularly among millennials and Gen Z consumers. E-commerce platforms and organised retailers have expanded their portfolios to include lightweight gold jewellery, lab-grown diamond jewellery, and contemporary diamond-studded collections such as studs, rings, and pendants. Competitive pricing, EMI facilities, transparent pricing mechanisms, and certification-backed purchases have further encouraged first-time buyers to transact online. Additionally, attractive buyback and exchange policies offered by branded players have strengthened consumer confidence in digital purchases.

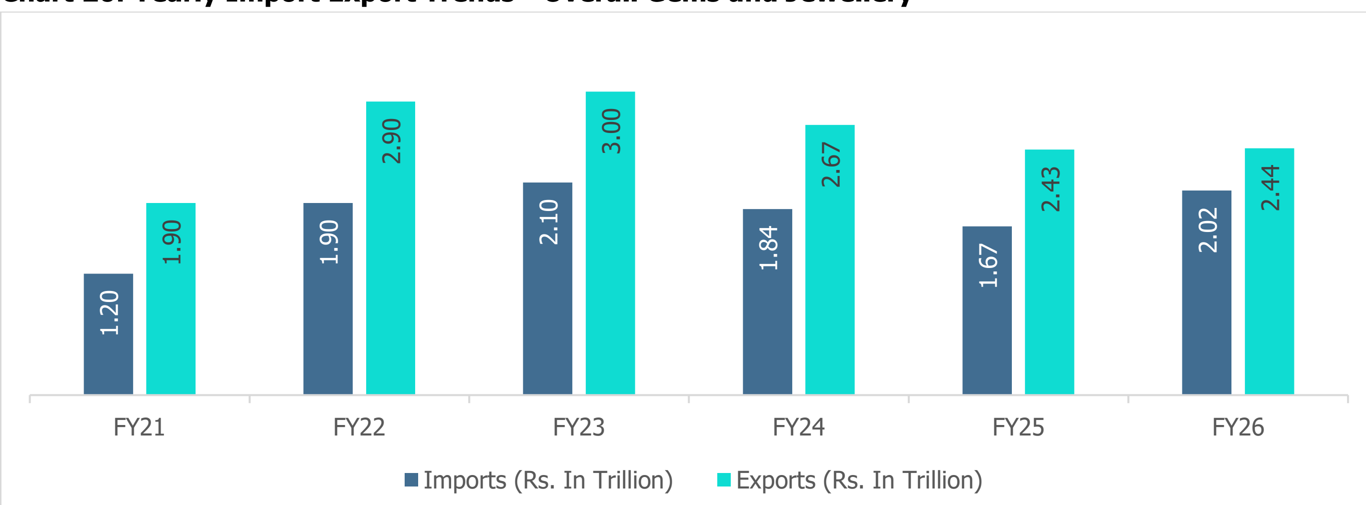
Organised retailers continue to gain market share from the unorganised segment, driven by superior quality assurance, stronger brand recall, and enhanced customer experiences. The organised jewellery segment is projected to account for more than 40% of the Indian jewellery market over the medium term, supported by store expansion in Tier II and Tier III cities and increasing digital adoption. As consumer preferences evolve towards convenience, transparency, and branded offerings, digital and omnichannel platforms are expected to play an increasingly significant role in reshaping spending patterns across the Indian jewellery industry.

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

4.10.1 Overview

In FY26, G&J exports reached Rs. 2.44 trillion, largely remained stable as compared to FY25. The overall gross imports of Gems & Jewellery reached Rs 2.02 trillion in FY26, showing a robust growth of 21.54% compared to Rs 1.67 trillion for the same period the previous year.

Chart 26: Yearly Import Export Trends - Overall Gems and Jewellery



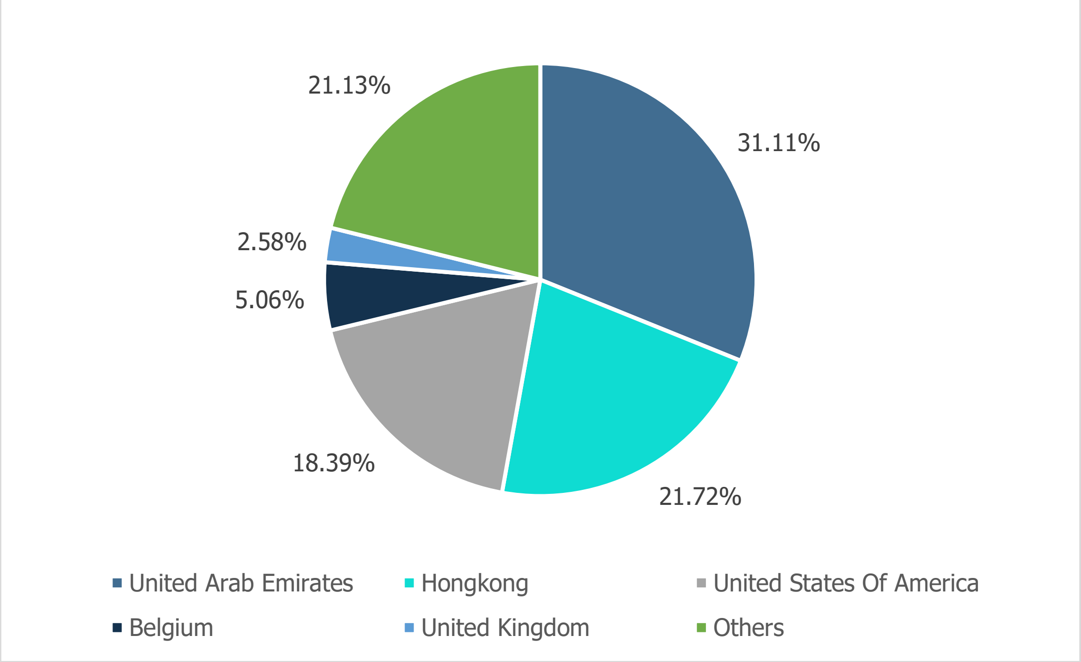
Source: Gems & Jewellery Export Promotion Council (GJEPC)

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 UAE market is the largest destination for Indian gems and jewellery exports, accounting for a 31% share of India's exports in FY26.

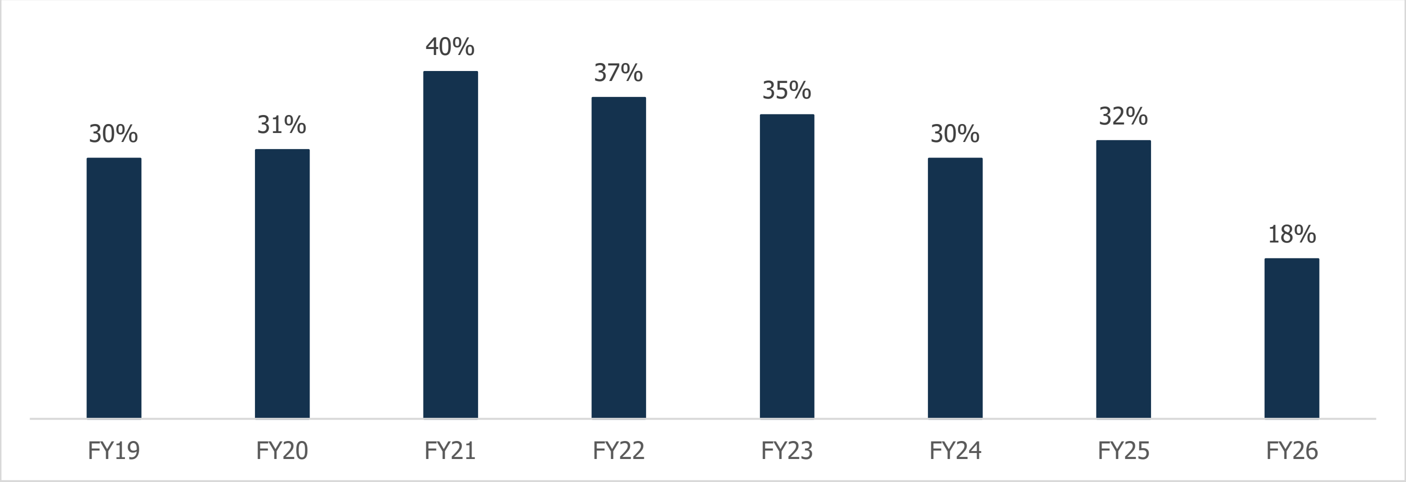
Chart 27: Country-wise Export Share in FY26 - Overall Indian Gems and Jewellery



Source: Gems & Jewellery Export Promotion Council (GJEPC)

Following the United States' announcement of higher tariffs on Indian exports in August 2025, India and the US have continued negotiations under the proposed Bilateral Trade Agreement (BTA) to establish a mutually acceptable trade framework. As of June 2026, both countries are discussing an Interim Agreement, under which the United States has proposed an 18% reciprocal tariff on Indian goods while indicating the possible removal of tariffs on select sectors, including gems and diamonds, subject to the finalisation of the agreement. However, no definitive agreement has been reached, and the final tariff structure remains uncertain. Given that the US accounted for over 32% of India's Gems and Jewellery exports in FY25, prolonged uncertainty over the tariff regime is expected to weigh on export sentiment and order inflows, particularly for diamonds, gold, silver and coloured stone jewellery.

Chart 28: Trend in the Share of the US Market in Indian G&J Exports



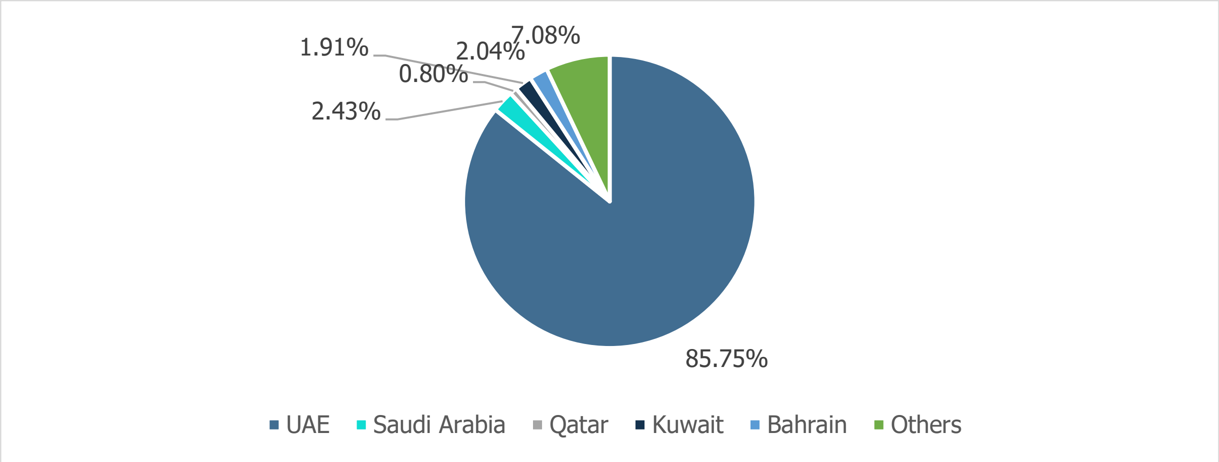
Source: Gems & Jewellery Export Promotion Council (GJEPC), CMIE

The sharp decline in the US share to 18% in FY26 is primarily attributable to the steep tariff measures imposed in August 2025, which significantly eroded the price competitiveness of Indian gems and jewellery in the US market, leading to a demand contraction. Additionally, exporters proactively diversified towards alternative markets such as the Middle East and Europe to mitigate concentration risk, accelerating the relative decline in the US share.

Weak discretionary spending in the US amid inflationary pressures further dampened demand, particularly for diamonds and high-value jewellery, compounding the overall impact.

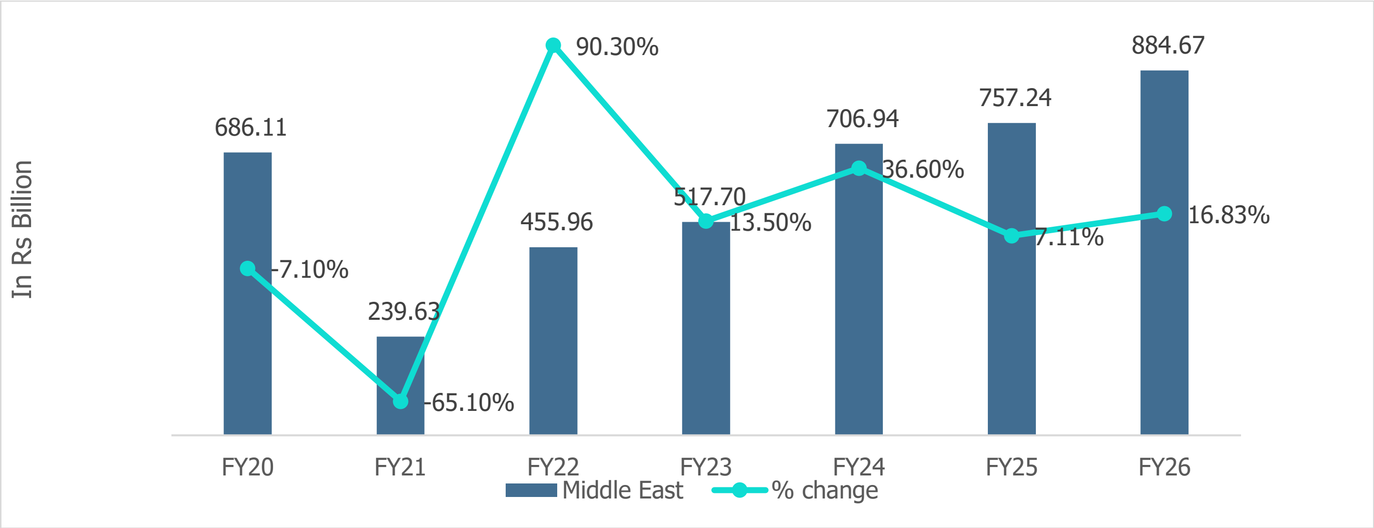
Focus on Middle East Countries

Chart 29: Country-wise Share in India's Gems & Jewellery Exports to the Middle East (FY26)



Source: Gems & Jewellery Export Promotion Council (GJEPC)

Chart 30: 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 Jordan

The CAGR for India's gems and jewellery exports to the Middle East stood at 4.33% during FY20–FY26. Exports to the region had surged by 90.30% in FY22, primarily due to recovery from the pandemic-induced slowdown in FY21. Although the India–UAE Comprehensive Economic Partnership Agreement (CEPA) came into effect in 2022 and provided benefits such as preferential tariffs and streamlined customs procedures, its impact appears limited so far, as the export value in FY26 (Rs 884.67 billion) registered a growth of 16.83% Y-o-Y.

4.10.2 Product-Segment Wise Import and Export Trend

Rough Diamonds:

India remains one of the world's largest importers of rough diamonds, supported by its strong diamond cutting and polishing industry. In FY26, imports of rough diamonds remained stable, grew by only 0.94% year-on-year to Rs 922.17 billion, compared with Rs 913.55 billion in FY25, accounting for about 45.53% of total gems and jewellery imports. The near-flat growth in rough diamond imports reflects cautious procurement by manufacturers amid weak global demand for polished diamonds, particularly in key markets like the US and China. While India's processing industry continues to anchor imports, inventory rationalisation and tight liquidity conditions limited fresh buying, keeping import growth largely stable despite underlying capacity.

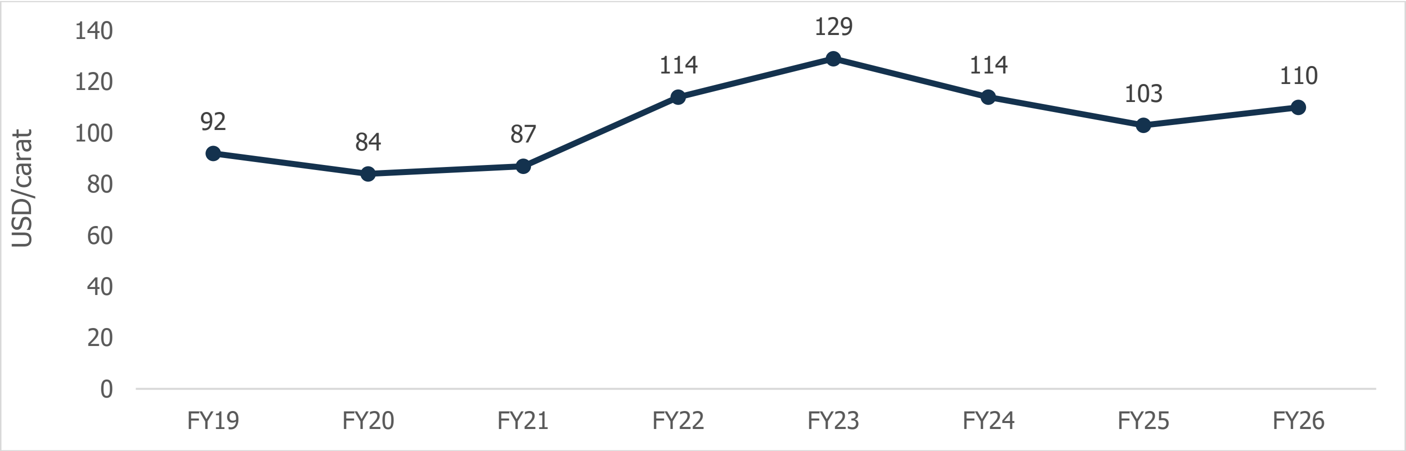
Table 6: Import and Export Trend of Rough Diamonds

Rough Diamonds	Imports	Exports
FY20	921.60	78.40
FY21	802.40	37.00
FY22	1,411.70	74.30
FY23	1,118.40	58.60
FY24	1,180.40	75.90
FY25	913.55	35.30
FY26	922.17	25.42

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

Meanwhile, exports of rough diamonds declined by 27.98% in FY26 compared to the previous year, reaching Rs 25.42 billion. The sharp decline in rough diamond exports during FY26 was primarily driven by subdued global demand for polished diamonds, especially in key markets such as the US and China, leading to lower procurement of rough stones by domestic manufacturers.

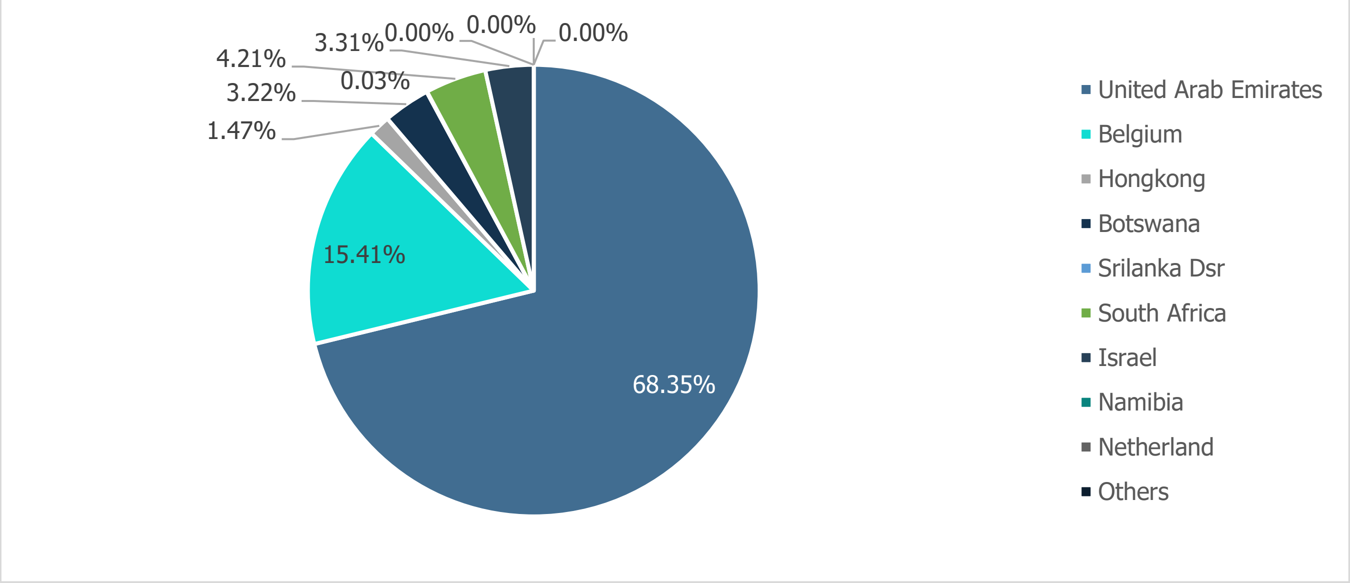
Chart 31: Trend in Rough Diamond Import Prices



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

Rough diamond prices have increased over the past two to three years as the ongoing Russia-Ukraine war has resulted in a decline 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 and continued correcting in FY25 as well, on account of weak global demand.

Chart 32: Country-Wise Share in Imports of Rough Diamond in FY26



Source: Gems & Jewellery Export Promotion Council (GJEPC)

The United Arab Emirates (68.35%) had the highest share in rough diamond imports to India in FY26, followed by Belgium (15.41%), South Africa (4.21%), Israel (3.3%), Botswana (3.22%), Hongkong (1.47%) and others.

Gold Jewellery:

The gold jewellery market holds the second-largest share in G&J exports after the cut and polished diamonds segment.

Table 7: Exports of Gold Jewellery (Rs. in billion)

Year	Import	Export
FY20	20.60	852.30
FY21	15.20	371.10
FY22	20.40	687.80
FY23	22.60	765.90
FY24	86.30	923.50
FY25	80.20	949.40
FY26	118.01	993.70

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

In FY26, gold jewellery exports registered a modest growth of 4.67% y-o-y. The increase was primarily driven by steady demand from key markets such as the United States, Hong Kong, and the Middle East, along with the rising global appeal of lightweight and plain gold jewellery. Additionally, growing participation of organised players in international trade fairs and greater product diversification have supported export performance during the year.

Dubai continues to be a major destination for Indian gold jewellery, with the 'Dubai Gold Souk'—a traditional hub where jewellery from Kolkata and Mumbai enjoys strong popularity—accounting for a significant portion of gold sales. Major export centres include Mumbai, Chennai, and Kolkata, while several exporters continue to outsource manufacturing to Gujarat-based units.

The India–UAE Comprehensive Economic Partnership Agreement (CEPA), effective from 1 May 2022, has enhanced market access for Indian gold jewellery exporters and strengthened the UAE's position as a key export destination. The agreement has supported organised trade, improved export competitiveness, and facilitated greater penetration of Indian jewellery in the Middle East, with its benefits reflected in the export growth witnessed since FY23.

Imports of Raw Gold:

After China, India is the world's second-largest gold consumer. A significant share of the country's gold demand is met through imports, mainly in the form of bullion and semi-processed gold used by the jewellery sector. Demand is expected to increase further during festive and wedding seasons, which traditionally drive jewellery purchases across the country.

Table 8: Imports of Raw Gold

Year	Gold Imports (Rs. In Billion)	Y-o-Y Growth (%)	Gold Imports (In Kgs)	Y-o-Y Growth (%)
FY21	2,542.80	27.62%	651,240.00	34.97%
FY22	3,440.90	35.32%	879,010.00	-22.83%
FY23	2,804.80	-18.49%	678,300.00	17.24%
FY24	3,772.50	34.50%	795,240.00	-4.80%
FY25	4,897.50	29.82%	757,037.00	-4.76%
FY26	6,395.22	27.62%	719,930.00	34.97%

Source: CMIE, CareEdge Research

The import duty on gold and silver findings and coins of precious metals had increased to 15% from 10% in January 2024. This included a 10% Basic Customs Duty (BCD) and a 5% Agriculture Infrastructure and Development Cess (AIDC). Findings are items such as hooks, clips, pins, screws, etc., which are used as components in jewellery manufacturing.

Further, from June 2024, the Directorate General of Foreign Trade (DGFT) moved imports of gold jewellery studded with pearls, diamonds, and precious & semi-precious stones from the "free" category to the "restricted" category, requiring importers to obtain government permits. These restrictions were imposed after imports from Indonesia under the India-ASEAN Free Trade Agreement surged, with some gold articles entering duty-free and later being melted in India for jewellery manufacturing. However, imports from the UAE remained exempt under the India-UAE CEPA agreement.

Subsequently, in July 2024, the Government of India reduced the customs duty on gold and silver from 15% to 6%, while the duty on platinum was reduced from 15.40% to 6.40%, providing relief to the gems and jewellery industry.

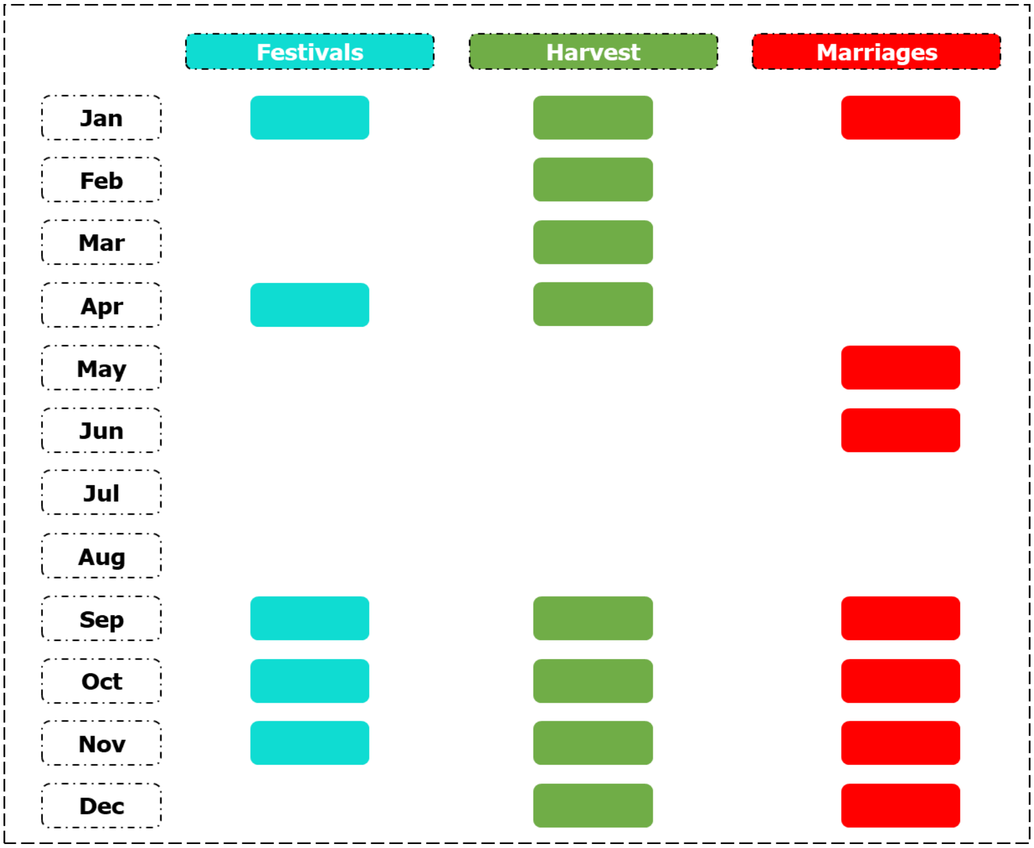
However, in May 2026, the Government once again increased the import duty on gold and silver to 15% from 6%, comprising a 10% Basic Customs Duty (BCD) and a 5% AIDC, with the objective of curbing imports, reducing pressure on foreign exchange reserves, and supporting the Indian rupee.

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 33: Seasonality in Jewellery Buying



Source: CareEdge Research based on Industry sources.

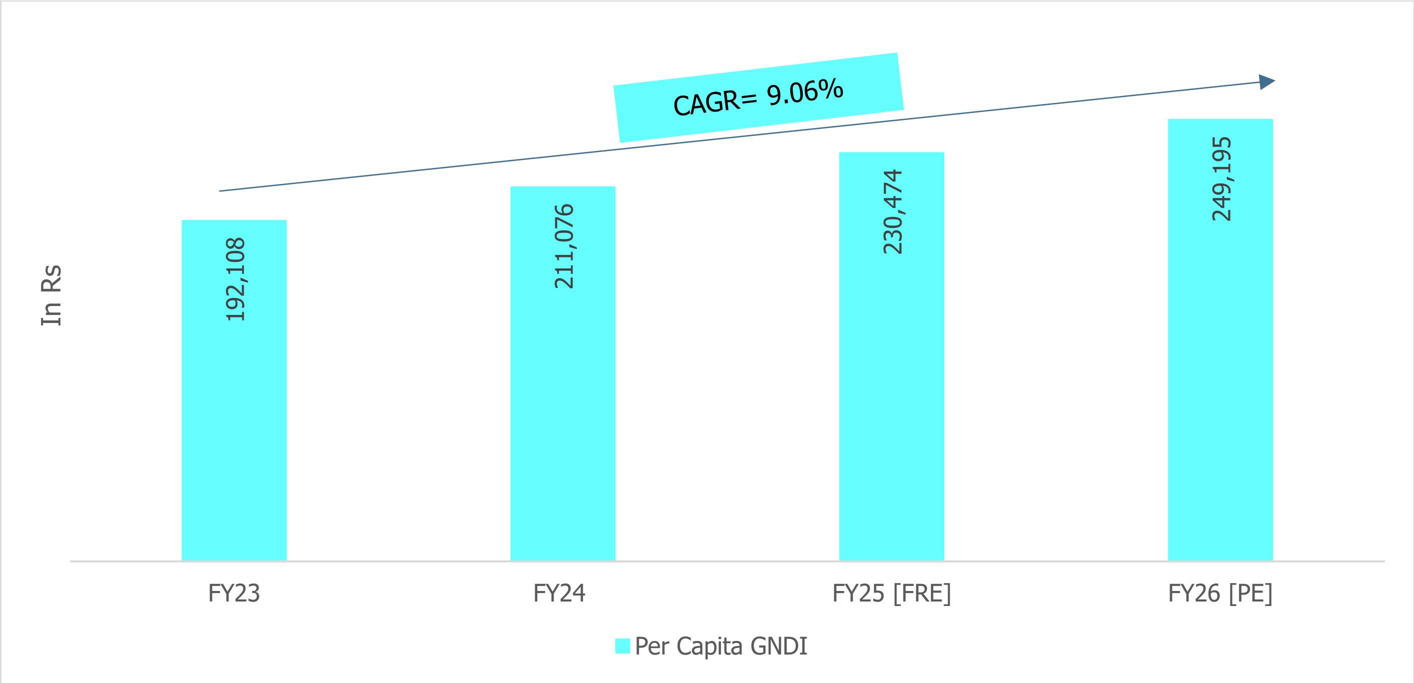
Demand for jewellery rises in the months of the wedding season such as May-June, September-December, and January. During the months of November and December, rural households invest their crop money in gold jewellery. Moreover, gold demand in Tier II and Tier III towns is influenced by agricultural output 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 34: 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, create new demand and broaden 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.

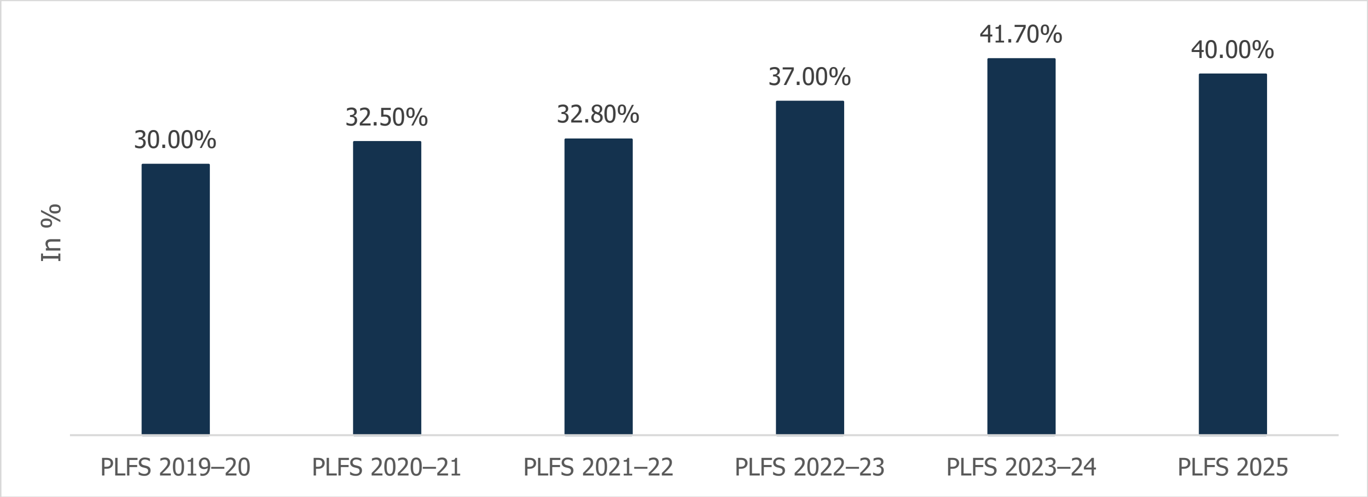
A trusted source of gold and innovative designs:

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.

Increasing Number of Working Women

The increasing participation of women in the workforce has materially influenced jewellery consumption trends in India. As per the Periodic Labour Force Survey (PLFS), the female labour force participation rate (persons aged 15 years and above) increased from 30.0% in FY20 to 41.7% in FY24, reflecting an increase of 11.7 percentage points over the period.

Chart 35: Female Labour Force Participation Rate (LFPR), Persons Aged 15 Years and Above, India (%)



Source: Ministry of Statistics & Programme Implementation (MoSPI), Periodic Labour Force Survey (PLFS) Annual Reports 2019–20 to 2023–24 and PLFS Annual Report 2025; Note: Beginning with PLFS 2025, the Ministry of Statistics & Programme Implementation (MoSPI) revised the annual PLFS reporting framework from the earlier July–June reference period (used up to PLFS 2023–24) to a January–December calendar year reference period.

The latest PLFS 2025 estimates indicate a female labour force participation rate of 40.0%, although the figure is based on a revised reporting framework and is therefore not directly comparable with the earlier annual series. Rising workforce participation has enhanced women's financial independence and purchasing power, resulting in increased self-purchase of jewellery and higher demand for lightweight, contemporary and everyday-wear designs. This structural shift has supported the growth of lightweight gold jewellery, diamond-studded jewellery and lower-carat jewellery, particularly among younger urban consumers.

Transparency in Pricing and Product Quality

Consumer preference for transparency, purity assurance and standardized pricing has increased significantly in recent years, contributing to the growing shift from unorganized to organized jewellery retail. Mandatory BIS hallmarking, HUID-based traceability and increasing awareness regarding certified jewellery have strengthened consumer confidence in branded jewellery retailers. Consumers are increasingly prioritizing trusted brands offering transparent making charges, purity guarantees, buyback assurance and certified products. This trend has accelerated industry formalization and improved penetration of organized jewellery retailers across both metropolitan and non-metropolitan markets.

Enhanced Retail Store Experience

The Indian jewellery retail market has increasingly evolved from a transaction-driven business to an experience-oriented retail segment. Organized jewellery retailers are focusing on enhancing customer engagement through large-format showrooms, premium store ambience, personalized consultation services, digital catalogues and technology-enabled shopping experiences such as virtual try-ons and omni-channel integration. Consumers are increasingly valuing convenience, product variety and trust-based purchasing experiences, particularly for high-value jewellery purchases. Improved retail experiences have also contributed to higher customer retention and increased footfalls across organized jewellery chains.

Exposure to Gold Savings Schemes

Gold savings schemes and monthly investment plans have emerged as important demand drivers within the organized jewellery retail market. Such schemes enable consumers to make periodic monthly contributions toward future jewellery purchases, thereby improving affordability and reducing the financial burden of high-ticket purchases such as bridal jewellery. These schemes have gained significant popularity among middle-income households and consumers in Tier II and Tier III cities, where planned jewellery purchases remain common. Organized jewellery retailers increasingly utilize these programs to improve customer retention, encourage repeat purchases and strengthen long-term customer relationships.

4.12 Outlook for the Gems & Jewellery Industry in India

The Indian gems and jewellery industry remain under pressure in FY26, primarily due to subdued exports and elevated gold prices. However, domestic demand is expected to improve during the festive and wedding season in the second half of the year. Over the medium to long term, easing inflation, stabilising global conditions, and continued expansion by organised jewellery retailers are likely to support a gradual recovery in consumption.

Gold jewellery demand is largely driven by weddings and festivals, with bridal jewellery accounting for over half of the market. While rural demand typically strengthens post-harvest (September–November), elevated gold prices—peaking at USD 4,135.24 per troy ounce in the end of CY25, have dampened discretionary purchases. Consumers have increasingly resorted to old-gold exchanges, leading to inventory and liquidity pressures for retailers. Despite these challenges, investment demand for gold bars and coins remains resilient, and recent reductions in basic customs duty (BCD) on gold and silver are expected to support long-term jewellery demand.

The diamond segment continues to face headwinds, with lower export volumes of cut and polished diamonds (CPD) amid weak global demand, rising rough diamond prices, and geopolitical disruptions. While CPD accounts for ~47% of India's gems and jewellery exports and India retain nearly 90% share in global diamond processing by volume, short-term prospects remain subdued. Nonetheless, government support for lab-grown diamonds (LGDs), including zero customs duty on seeds and favourable policy measures under India-UAE CEPA, is expected to drive long-term growth. LGDs are gaining acceptance due to affordability and sustainability, although their overall share remains modest.

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 FY26, India's gems and jewellery exports reached Rs. 2,439.12 billion, registering a marginal growth of 0.55% over the previous year and remaining largely stable compared to FY25. One of the major technological developments in this sector has been laboratory-grown diamonds (LGD).

Further, lab-grown diamond jewellery is seeing growing demand and global market expansion and is seen as sustainable and affordable alternatives to natural diamonds.

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.

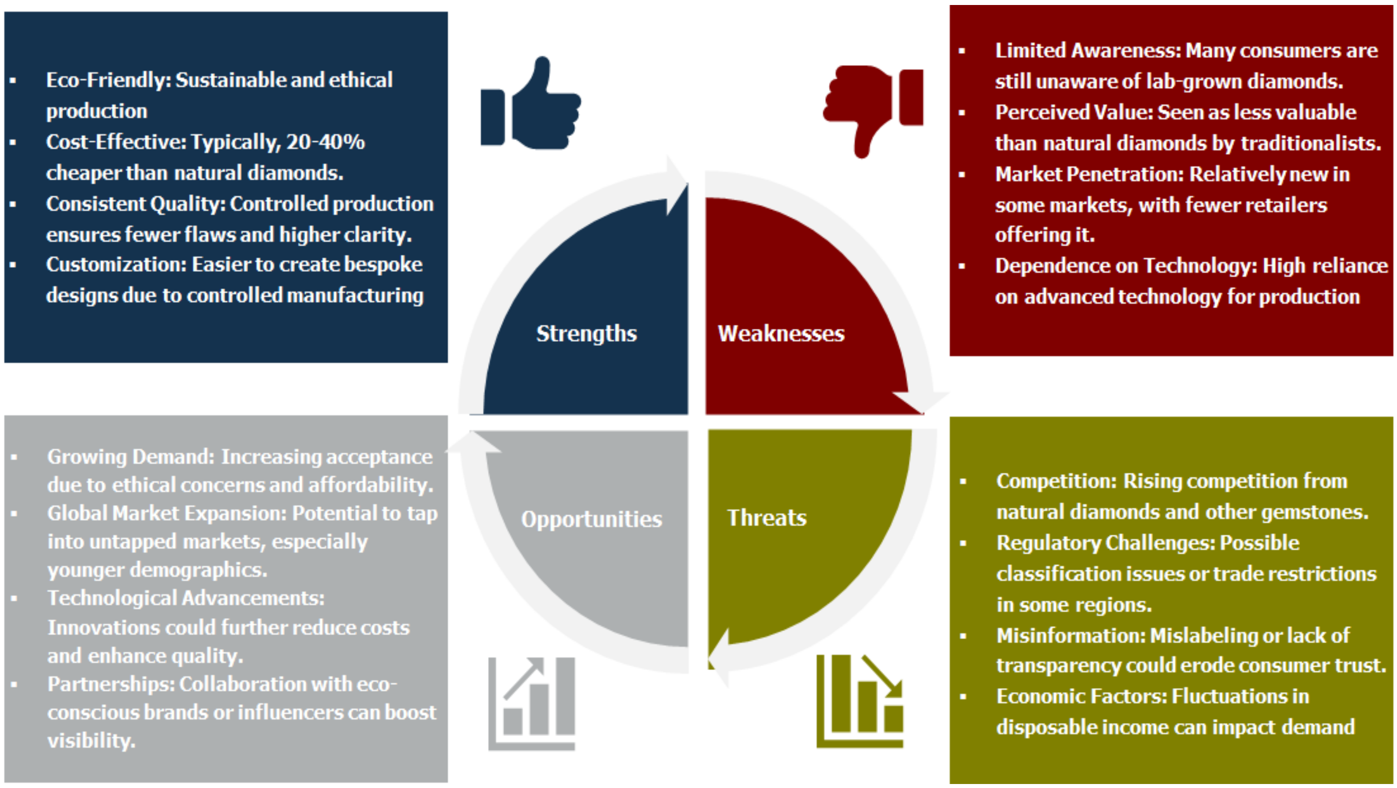
To enhance domestic production, the finance minister announced a five-year research and development grant. Additionally, a reduction in customs duty on seeds utilized in the production of lab-grown diamonds was proposed to decrease production costs alongside promoting domestic manufacturing.

Conclusion

In the near term, high gold prices, muted exports, and global uncertainties are likely to restrain growth across the gems and jewellery sector. However, festive and wedding-led demand, supportive policy measures, expansion of organised retail, and emerging opportunities in lab-grown diamonds underpin a stable to cautiously optimistic long-term outlook for the industry.

4.12.2 SWOT Analysis of Lab-grown Diamond Jewellery

Chart 36: SWOT Analysis



Source: CareEdge Research

5 Cut and Polished Diamonds

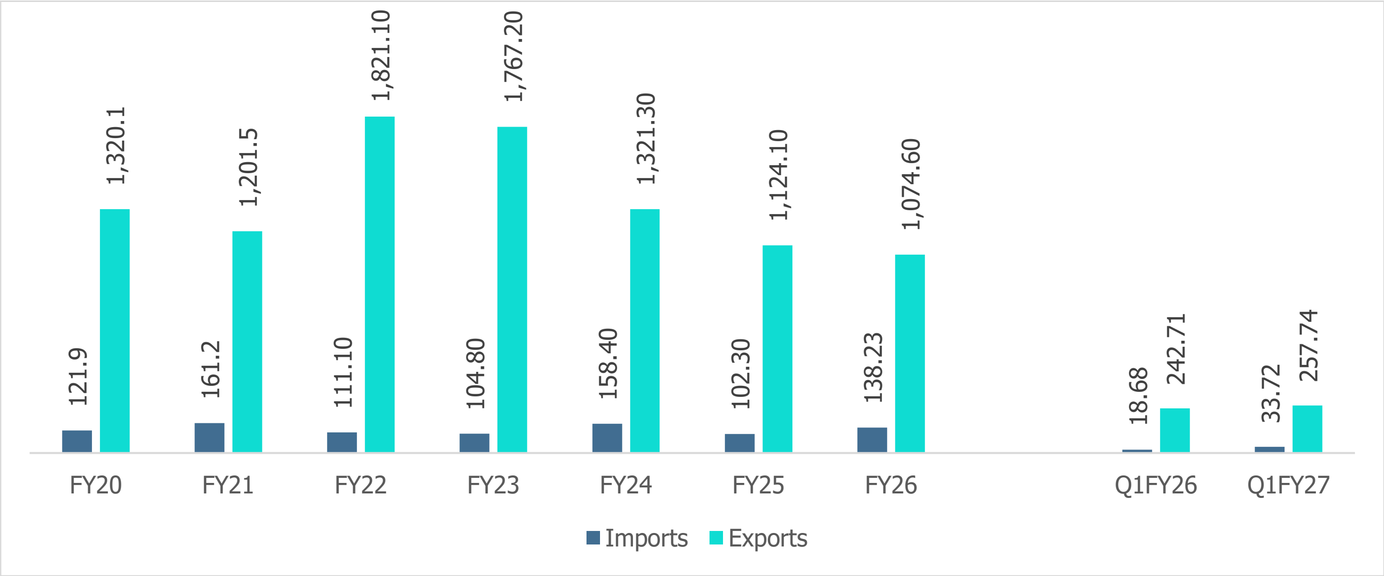
5.1 Overview

India remains the world's largest hub for cutting and polishing diamonds, accounting for nearly 90% of the global polished diamond supply by volume. The USA and HongKong 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

Chart 37: Imports and Exports of Cut & Polished Diamonds (Rs. in billion)



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

The cut & polished diamond segment is an export-oriented segment in India. During FY26, the overall exports of cut & polished diamonds stood at Rs. 1,074.60 billion, registering a 4.40% decline from Rs. 1,124.10 billion in FY25. The decline in exports was primarily attributable to weak demand in key markets such as the US and China, driven by subdued discretionary spending and the increasing consumer preference for lab-grown diamonds.

However, imports of cut & polished diamonds increased by 35.12% to Rs. 138.23 billion in FY26 from Rs. 102.30 billion in FY25. The increase was primarily driven by higher procurement of certified polished diamonds for domestic jewellery manufacturing and trading activities, improved availability of competitively priced polished diamonds in international markets amid weak global demand, and India's continued role as a key global trading and re-export hub for polished diamonds.

To enhance the competitiveness of the gems and jewellery sector, the Government of India, in the Union Budget 2022–23, reduced the Basic Customs Duty (BCD) on cut and polished diamonds and gemstones from 7.5% to 5%. Subsequently, in the Union Budget 2024–25, the Government introduced safe harbour rates for foreign mining companies selling rough diamonds in India to facilitate direct sourcing and provide greater tax certainty. Further, in the Union

Budget 2026–27, the Basic Customs Duty on cut and polished diamonds and coloured gemstones was further reduced from 5% to 2.5%, along with a complete exemption from duty on rough coloured gemstones. These measures are expected to improve cost competitiveness, strengthen India's export position and reinforce its status as a global hub for diamond processing and jewellery manufacturing.

5.3 Overview of the Diamond Industry

India is a global powerhouse in diamond processing, producing nearly 90% of the world's polished diamonds by volume, 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.

Country-Wise Exports of Cut & Polished

Table 9: Country-Wise Exports of Cut & Polished Diamonds (USD Million)

Countries	FY25	FY26	Y-o-Y Growth	FY27 (APR-MAY)	Share in cut and polished diamonds (FY26)
Hongkong	3,219	4,049	25.78%	620	33.30%
United Arab Emirates	1,870	2,552	36.47%	237	20.99%
United States of America	4,816	1,866	-61.25%	311	15.35%
Belgium	977	1,228	25.69%	245	10.10%
Israel	486	525	8.02%	82	4.32%
Others	1,925	1,940	0.78%	376	15.95%

Source: Gems & Jewellery Export Promotion Council (GJEPC)

In FY26, the exports stood at USD 12,159.8 million, a decline of 8.5% y-o-y as compared to USD 13,292.4 million during FY25. This is primarily due to subdued demand in key export markets such as the United States and China, global inventory correction by retailers and wholesalers, and the impact of higher US tariffs and trade-related uncertainties that affected discretionary spending on luxury products. Additionally, the decline in exports was exacerbated by continued price corrections in the diamond market, which reduced export realizations.

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.

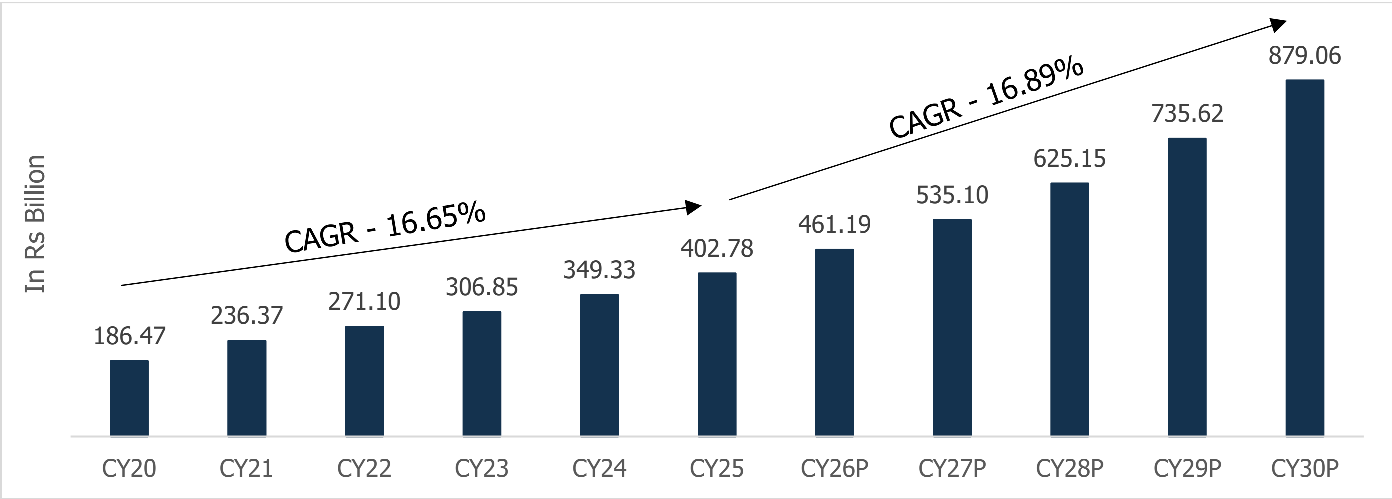
The Platinum Guild International (PGI) has been instrumental in popularizing platinum jewellery in India through campaigns like "Platinum Days of Love" and "Men of Platinum." These initiatives focus on positioning platinum as a symbol of modern relationships and timeless love, resonating with millennial 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. 402.8 billion in CY25, growing at a CAGR of 16.65% from CY20 to CY25. 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 38: Indian Diamond Studded Gold Wholesale Market Size and Growth (CY20-CY30P)



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 16.89% during CY25-CY30, reaching an estimated value of Rs. 879.06 billion by CY30.

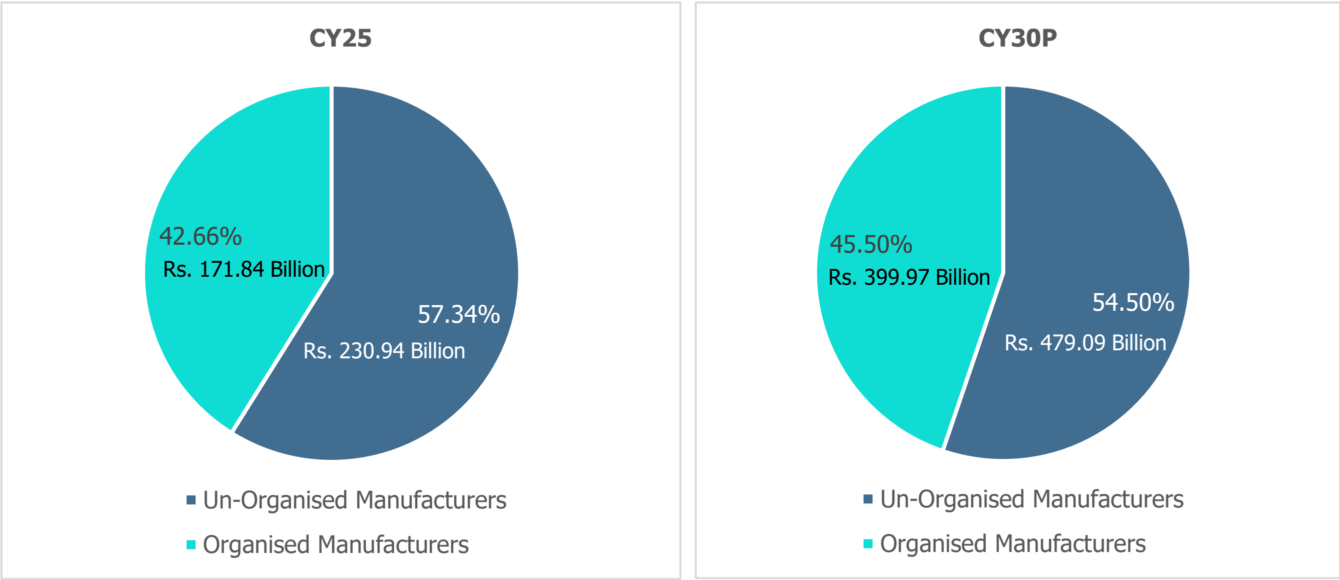
India's strong position as a major exporter of gems and jewellery presents opportunities for manufacturers to tap into global demand for diamond-studded gold jewellery. The integration of advanced technologies in production processes enhances efficiency and quality, allowing manufacturers to produce 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, attract discerning consumers and foster long-term loyalty.

Chart 39: Indian Diamond Studded Gold Wholesale Market Breakup by Manufacturer (CY25 Vs CY30P)

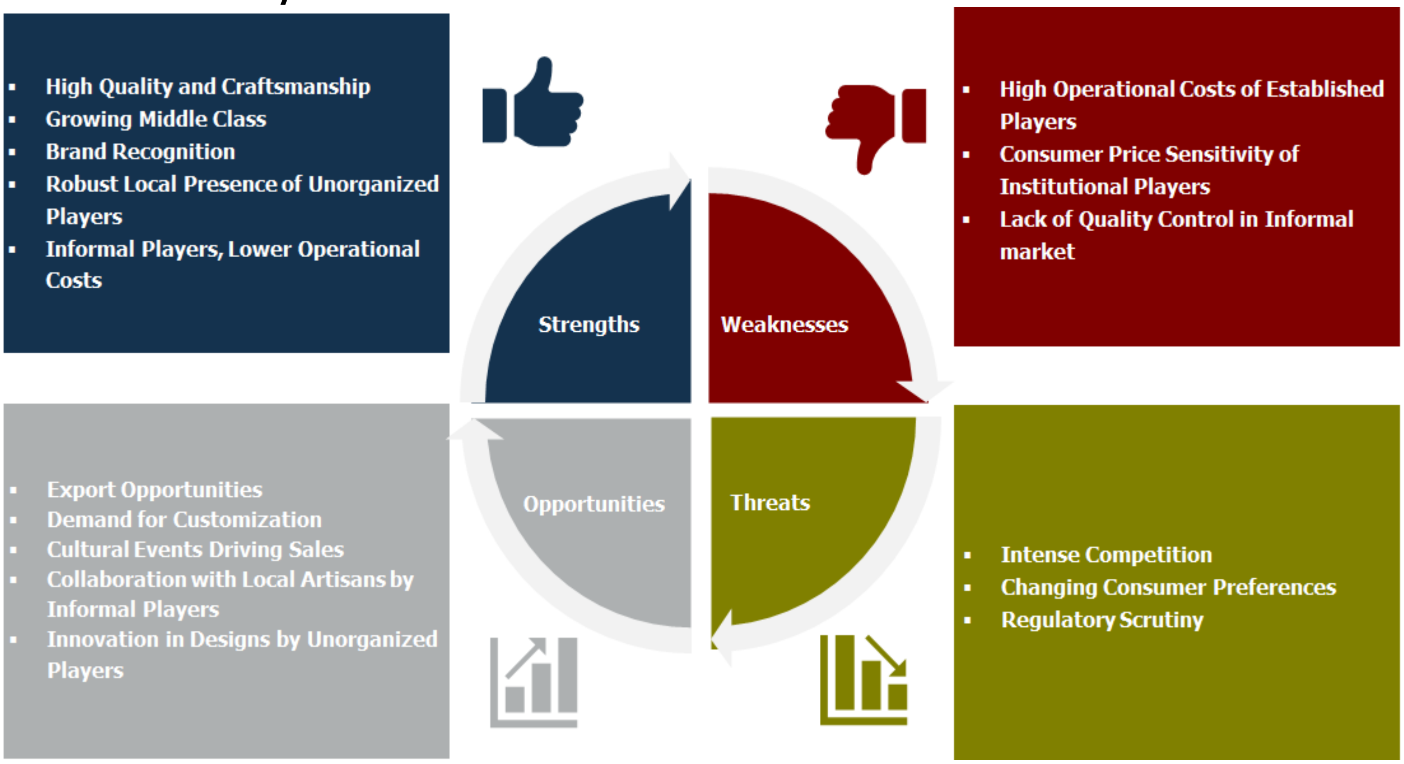


Source: IMARC Group, CareEdge Research

In CY25, the unorganized segment of the Indian diamond-studded gold wholesale market held a dominant share of 57.34%, valued at Rs. 230.94 billion. The organized segment, in contrast, accounted for 42.66% of the market, valued at Rs. 171.84 billion. Looking ahead, by CY30, the unorganized segment is projected to grow to Rs. 479.09 billion, maintaining a 54.50% market share, while the organized segment is expected to grow to Rs. 399.97 billion, reaching a 45.50% market share.

6.4 SWOT Analysis of the Indian Diamond studded Gold Wholesale Industry

Chart 40: SWOT Analysis

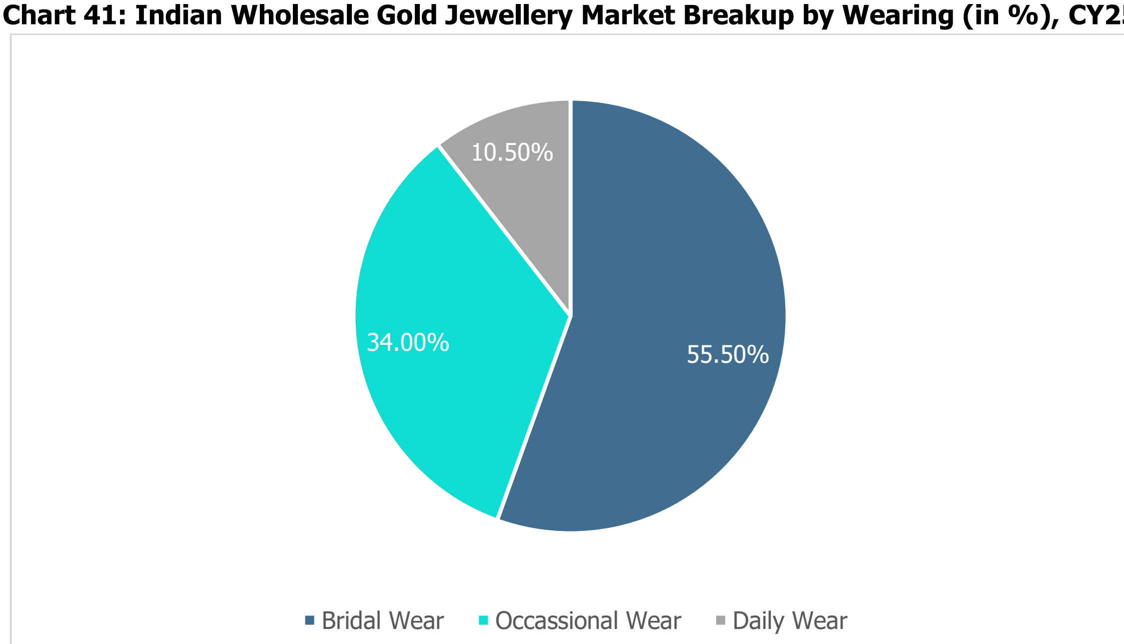


Source: CareEdge Research

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 41: Indian Wholesale Gold Jewellery Market Breakup by Wearing (in %), CY25



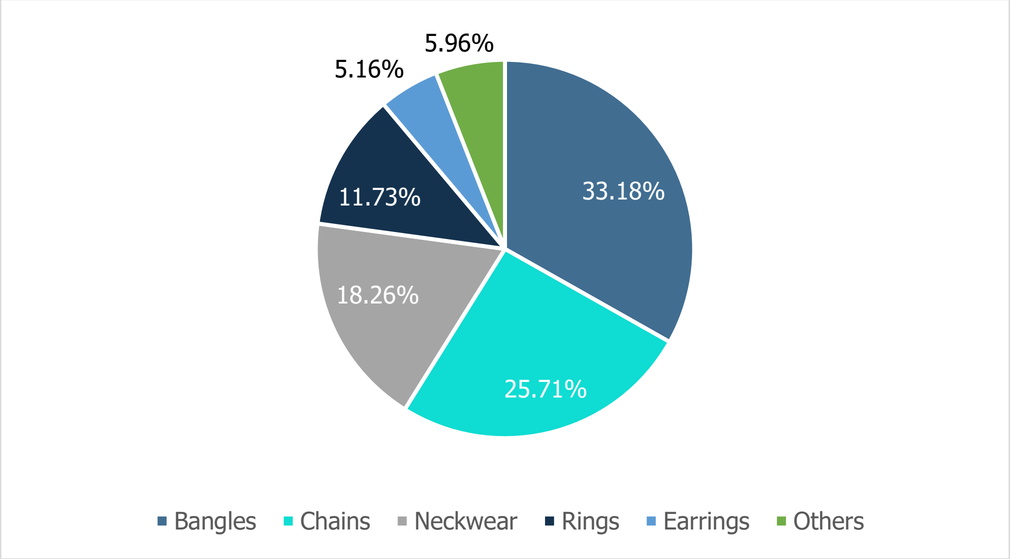
Source: IMARC Group, CareEdge Research Analysis; E= Estimated

Segment	Details
Bridal Wear	The Indian bridal jewellery segment is a leading category, supported by the country's cultural heritage and the significance of weddings. It comprises intricate designs crafted in gold, diamonds, Kundan and Polki, with demand peaking during the wedding season, particularly in North and South India. India hosts more than 10 million (approximately one crore) weddings annually, making it one of the world's largest wedding markets and providing a strong demand base for bridal jewellery. The increasing popularity of destination weddings, personalised bridal collections and heritage-inspired designs continues to support demand, ensuring the bridal jewellery segment remains a key contributor to India's wholesale jewellery 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 42: Indian Wholesale Gold Jewellery Market Breakup by Product Type (in %), CY25



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.

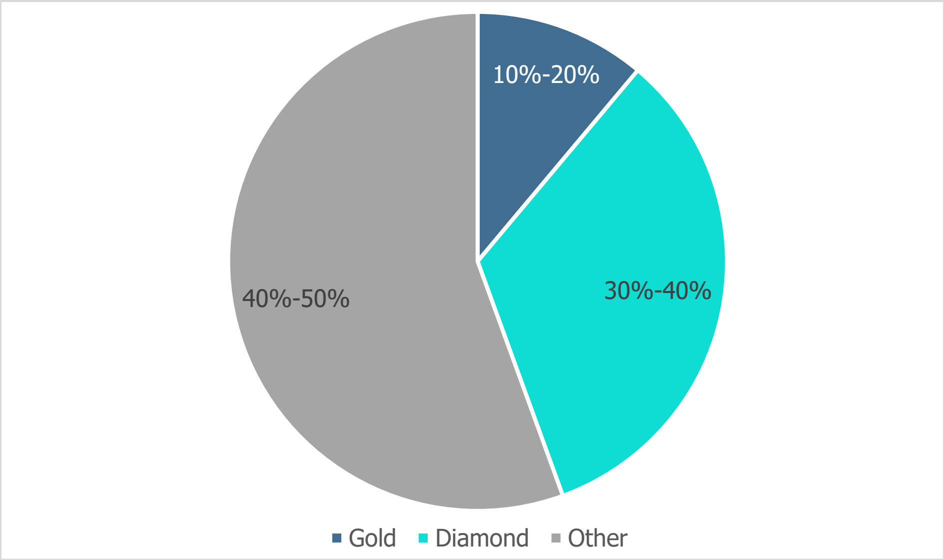
- **Bangles/Bracelets**

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 43: Gross margins by Metal/Stone Type (in %), CY25



Source: CareEdge Research Analysis; Note: Others include jewellery made from platinum, silver, coloured gemstones, pearls, Kundan, Polki and other precious/semi-precious materials.

The gross margin for the plain gold jewellery segment ranges from 10% to 20%. 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 40%. 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 Indian gold jewellery wholesale market is poised for steady growth, driven by robust demand across various segments. Bridal jewellery remains a significant contributor, bolstered by cultural traditions and the rising trend of lavish weddings. Additionally, increasing urbanisation and rising disposable incomes are fueling demand for occasional and daily wear gold jewellery. The market is also witnessing a shift towards lightweight and contemporary designs, catering to younger consumers seeking both style and affordability.

However, challenges, such as fluctuating gold prices and stringent government regulations on gold imports, may impact market dynamics. Despite these challenges, the long-term outlook remains positive, with innovations in design and growing consumer preference for certified and branded gold jewellery expected to drive growth. The adoption of digital platforms for wholesale transactions is further enhancing market accessibility, positioning the Indian gold jewellery wholesale market for continued expansion.

Recent Trends in the Jewellery Market in India

- **Rise of Minimalistic Designs:** Minimalistic jewellery designs are gaining popularity, especially among younger consumers. These designs emphasise simplicity and elegance, often featuring lightweight gold and diamond pieces. The trend is driven by changing fashion preferences and the desire for jewellery that complements everyday wear.
- **Digital and Omni-channel Strategies:** The jewellery market is increasingly integrating digital strategies, with retailers adopting omni-channel approaches to enhance customer experience. Online platforms are not just for sales but also for virtual try-ons, consultations, and customisations. The adoption of AI and AR tools in the online space has further enhanced consumer engagement.
- **Expansion of the Wholesale Gold Jewellery Market:** The wholesale gold jewellery market is experiencing a shift towards organised trade. Wholesalers are adopting technology to streamline operations, improve inventory management, and enhance transparency. There is also a growing trend of direct sourcing from mines and refineries, reducing dependency on intermediaries.
- **Increased Demand for Pre-Owned and Vintage Jewellery:** Owned and vintage jewellery is becoming increasingly popular, driven by a growing interest in sustainable fashion and unique, heritage pieces. Retailers and wholesalers alike are tapping into this trend by offering refurbished and certified pre-owned jewellery, often at more affordable prices.
- **Influence of Global Design Trends:** Global design trends are influencing Indian jewellery preferences. There is a noticeable increase in demand for jewellery styles inspired by international fashion, such as Italian or Middle Eastern designs. This trend is particularly strong in metro cities, where consumers are more exposed to global fashion trends.
- **Focus on Customization in Wholesale Gold Jewellery:** In the wholesale gold jewellery market, there is a rising demand for customization. Wholesalers are increasingly offering bespoke designs to cater to the specific needs of retailers, who in turn provide personalized pieces to end consumers. This trend is helping wholesalers differentiate themselves in a competitive market.
- **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 Recent Import Duty Revisions and Regulatory Developments

Recent policy and regulatory developments in the Indian gems and jewellery industry have largely centred around changes in import duties, trade regulations, and measures aimed at strengthening domestic manufacturing and improving industry formalisation.

In January 2024, the import duty on gold and silver findings and coins of precious metals was increased from 10% to 15%, comprising a 10% Basic Customs Duty (BCD) and a 5% Agriculture Infrastructure and Development Cess (AIDC). Findings include components used in jewellery manufacturing such as hooks, clips, pins, screws, and clasps. The higher duty increased raw material costs for jewellery manufacturers and importers.

Further, in June 2024, the Directorate General of Foreign Trade (DGFT) shifted imports of gold jewellery studded with pearls, diamonds, and precious & semi-precious stones from the "free" category to the "restricted" category. Under this regulation, imports require government approval. The move was primarily aimed at curbing rising imports from Indonesia under the India-ASEAN Free Trade Agreement, where some duty-free gold articles were reportedly being melted and reused for jewellery manufacturing in India. However, imports from the UAE continued to remain exempt under the India-UAE CEPA agreement.

Subsequently, in the Union Budget 2024-25 announced in July 2024, the Government of India reduced customs duty on gold and silver from 15% to 6%, while the duty on platinum was reduced from 15.4% to 6.4%. The reduction was intended to support the gems and jewellery industry by lowering input costs, improving affordability for consumers, reducing incentives for unofficial imports and smuggling, and enhancing the competitiveness of Indian jewellery exporters. The lower duty structure also supported demand growth and improved liquidity across the jewellery value chain.

However, in May 2026, the government again increased the import duty on gold and silver from 6% to 15%, reinstating a 10% Basic Customs Duty along with a 5% AIDC. The increase was introduced to curb rising imports of precious metals, reduce pressure on India's current account deficit, and support the stability of the Indian rupee. The higher duty is expected to increase jewellery prices and working capital requirements for manufacturers and retailers, though it may encourage recycling of gold within the organised sector.

Overall, these regulatory changes reflect the government's balancing approach between supporting industry growth, controlling imports, encouraging domestic manufacturing, and promoting formalisation and transparency in the gems and jewellery sector.

7.2 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 labor, 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 organised 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.

7.3 Goods & Services Tax (GST)

Prior to the introduction of the GST regime, gold attracted a 2% tax, consisting 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 organised sector.

7.4 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 with the objective of diversifying 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 879.6metric tonnes as of March 2025.

7.5 Authorized Banks for Purchase of Gold

Individuals can buy gold from banks either in physical or digital form. Generally, 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 10: Authorized Banks Permitted to Purchase Gold from Other Countries valid up to March 2029

Authorized Banks Permitted valid up to March 2029	
Axis Bank Limited	IndusInd Bank Limited
Bank of India	Indian Overseas Bank
Deutsche Bank	Kotak Mahindra Bank Limited
Federal Bank Limited	Karur Vysya Bank Limited
HDFC Bank Limited	Punjab National Bank
Industrial and Commercial Bank of China Limited	RBL Bank Limited
ICICI Bank Limited	State Bank of India
Yes Bank Limited	

Source: Reserve Bank of India

7.6 Latest Budget Provisions for the Gems and Jewellery Industry in India

The 2025–26 Union Budget introduced several reforms to streamline the gold market, promoting transparency and growth in the industry. Key measures include:

- **Customs duty on jewellery articles and parts reduced**

The basic customs duty on articles of jewellery and parts thereof (HS Code 7113) has been reduced from 25% to 20%, effective 2 February 2025.

- **Duty cut on platinum findings**

Customs duty on platinum findings has been sharply reduced from 25% to 5%.

- **New HS / tariff lines for high-purity precious metals**

New tariff items have been introduced under Chapter 71 to distinguish precious metals / alloys by purity:

- Silver ≥ 99.9%
- Gold ≥ 99.5%
- Platinum ≥ 99%

- **Long-term capital gains tax / mutual fund / gold ETF rules remain**

  - LTCG tax rate remains 12.5% without indexation under the new regime for assets transferred on or after 23 July 2024.
  - The holding periods / classifications for gold ETFs and mutual funds etc., follow the updated rules as per Budget 2024; no further major changes specifically for gems & jewellery in FY 25-26 were reported.

7.7 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 also 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.

7.8 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, the 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 organisations 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 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, the Ministry of Finance, DGFT, the Department of Commerce, and the Department of Finance on issues related to trade. It holds integrity and carries out 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 Monetisation Scheme, import duty reduction of gold, hallmarking, etc. Recently, the organisation arranged numerous trade events and webinars virtually 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 are carried out 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 ultimately 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.

7.9 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 have to 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 and 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 benefited. The Bureau of Indian Standards scheme has been successful in uplifting the quality and increasing reliance on the gems and jewellery industry.

7.10 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 characterised 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 have 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.

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 FY26 stood at Rs. 6,395.22 billion, which was 30.58% 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 46% of total gems and jewellery imports and totalled Rs. 922.17 billion in FY26, of which ~66-68% were imported mainly from the UAE.

- **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 11: Company Profile

Company Name	Year of Establishment	Description
Priority Jewels 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.
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.

9.2 Financial benchmarking

Table 12: Financial Information

Financial Parameters (In Millions)	Priority Jewels Limited				Khazanchi Jewellers Ltd			
	FY24	FY25	FY26	Q1 FY27	FY24	FY25	FY26	Q1FY27
Revenue (in millions)	4,105.05	4,354.95	5,389.49	1467.26	8,207.83	17,719.27	20,492.16	N/A
Domestic Sales (in millions)	2,367.37	2,769.12	2,741.46	740.05	N/A	N/A	N/A	N/A
% of domestic sales	57.67%	63.59%	50.87%	50.44%	N/A	N/A	N/A	N/A
Revenue from exports (in millions)	1,737.69	1,585.83	2648.02	727.21	N/A	N/A	N/A	N/A
% Export Sales	42.33%	36.41%	49.13%	49.56%	N/A	N/A	N/A	N/A
EBITDA (in millions)	193.48	242.80	336.22	102.92	410.30	643.19	1,251.23	N/A
EBITDA Margin	4.71%	5.58%	6.24%	7.01%	5.00%	3.63%	6.11%	N/A
PAT (in millions)	71.48	105.12	176.48	64.76	273.19	449.21	894.18	N/A
PAT margin (in %)	1.74%	2.41%	3.27%	4.39%	3.33%	2.54%	4.36%	N/A
ROE (in%)*	7.35%	10.53%	14.49%	4.55%	24.41%	21.43%	32.45%	N/A
ROCE (in %)*	17.47%	22.36%	25.36%	6.92%	28.07%	29.08%	45.33%	N/A
Debt to Equity	1.32	1.39	0.74	0.76	0.29	0.28	0.35	N/A
Net Debt to EBITDA*	5.68x	4.89x	2.86x	10.26x	1.31x	0.97x	0.85x	
Net Working Capital Days	167	172	148	145	99	56	72	N/A
Gross Block (in millions)	369.95	383.83	412.71	431.69	162.50	129.09	217.50	N/A

Source: CareEdge Research; ()- Negative Value * not annualised

Financial Parameters (In Millions)	Priority Jewels Limited				RBZ Jewellers Ltd.				Ashapuri Gold Ornament Ltd.			
	FY24	FY25	FY26	Q1 FY27	FY24	FY25	FY26	Q1FY27	FY24	FY25	FY26	Q1FY27
Revenue (in millions)	4,105.05	4,354.95	5,389.49	1467.26	3,274.30	5,301.49	6,364.80	N/A	1,650.70	3,163.00	3,172.09	N/A
Domestic Sales (in millions)	2,367.37	2,769.12	2,741.46	740.05	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% of domestic sales	57.67%	63.59%	50.87%	50.44%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Revenue from exports (in millions)	1,737.69	1,585.83	2648.02	727.21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% Export Sales	42.33%	36.41%	49.13%	49.56%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EBITDA (in millions)	193.48	242.80	336.22	102.92	384.90	642.90	918.60	N/A	96.10	161.17	250.85	N/A

Financial Parameters (In Millions)	Priority Jewels Limited				RBZ Jewellers Ltd.				Ashapuri Gold Ornament Ltd.			
	FY24	FY25	FY26	Q1 FY27	FY24	FY25	FY26	Q1FY27	FY24	FY25	FY26	Q1FY27
EBITDA Margin	4.71%	5.58%	6.24%	7.01%	11.76%	12.13%	14.43%	N/A	5.82%	5.10%	7.91%	N/A
PAT (in millions)	71.48	105.12	176.48	64.76	215.70	387.99	547.96	N/A	74.30	120.36	185.64	N/A
PAT margin (in %)	1.74%	2.41%	3.27%	4.39%	6.59%	7.32%	8.61%	N/A	4.50%	3.81%	5.85%	N/A
ROE (in%)*	7.35%	10.53%	14.49%	4.55%	14.38%	17.15%	20.11%	N/A	8.26%	8.21%	11.13%	N/A
ROCE (in %)*	17.47%	22.36%	25.36%	6.92%	21.67%	25.83%	29.10%	N/A	12.13%	13.92%	20.32%	N/A
Debt to Equity	1.32	1.39	0.74	0.76	0.33	0.36	0.47	N/A	0.02	0.00	0.00	N/A
Net Debt to EBITDA*	5.68x	4.89x	2.86x	10.26x	1.47x	1.35x	1.52x	N/A	0.18x	0.00x	(0.29)x	N/A
Net Working Capital Days	167	172	148	145	231	208	219	N/A	184	151	167	N/A
Gross Block (in millions)	369.95	383.83	412.71	431.69	292.59	313.91	N/A	N/A	88.04	92.51	N/A	N/A

Source: CareEdge Research; ()- Negative Value *not annualised

Revenue	FY24	FY25	FY26	CAGR (FY24-FY26)
Priority Jewels Limited	4,105.05	4,354.95	5,389.49	14.58%
Khazanchi Jewellers Ltd	8,207.83	17,719.27	20,492.16	58.01%
RBZ Jewellers Ltd.	3,274.30	5,301.49	6,364.80	39.42%
Ashapuri Gold Ornament Ltd.	1,650.70	3,163.00	3,172.09	38.62%

Source: CareEdge Research

9.3 Operational Benchmarking

Table 13: Operational Information

Operational Parameters	Priority Jewels Limited*				Khazanchi Jewellers Ltd			
	FY24	FY25	FY26	Q1FY27	FY24	FY25	FY26	Q1FY27
Quantity processed and sold (In Units)	1,72,810	1,90,082	2,03,860	42,672	1,08,608	N/A	N/A	N/A
Installed Capacity (In Kgs)	700	700	700	700	N/A	N/A	N/A	N/A
Utilisation Capacity (In Kgs)	580	567	458	102	N/A	N/A	N/A	N/A
% of Utilisation	83%	81%	65%	58%**	N/A	N/A	N/A	N/A

Source: CareEdge Research; Note: - * Installed capacity and utilisation/Actual production mean the installation and utilisation as certified by Shwetendu Sharad Dhanuka, Independent Chartered Engineer, pursuant to a certificate dated August 6.2026
**Annualised

Table 14: Operational Information

Operational Parameters	Priority Jewels Limited*				RBZ Jewellers Ltd.				Ashapuri Gold Ornament Ltd.			
	FY24	FY25	FY26	Q1FY27	FY24	FY25	FY26	Q1FY27	FY24	FY25	FY26	Q1FY27
Quantity processed and sold (In Units)	1,72,810	1,90,082	2,03,860	42,672	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Installed Capacity (In Kgs)	700	700	700	700	1,716	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utilisation Capacity (In Kgs)	580	567	458	102	808	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% of Utilisation	83%	81%	65%	58%**	47%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: CareEdge Research; Note: - * Installed capacity and utilisation/Actual production mean the installation and utilisation as certified by Shwetendu Sharad Dhanuka, Independent Chartered Engineer, pursuant to a certificate dated August 06, 2026.
**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. PJL's Promoters, Shailesh Sangani and Tushar Mehta, bring over three decades of experience in the gems and jewellery industry. Notably, analysis of last 5 years customer sales data indicates that Priority is preferred supplier for some jewellery retailers in India and also it has been preferred supplier for some its international clients.

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 15: Financial Information

Parameters	FY24	FY25	FY26	Q1FY27
Revenue (in millions)	4,105.05	4,354.95	5,389.49	1467.26
Domestic Sales (in millions)	2,367.37	2,769.12	2,741.46	740.05
% of domestic sales	57.67%	63.59%	50.87%	50.44%
Revenue from exports (in millions)	1,737.69	1,585.83	2648.02	727.21
% Export Sales	42.33%	36.41%	49.13%	49.56%
EBITDA (in millions)	193.48	242.80	336.22	102.92
EBITDA Margin	4.71%	5.58%	6.24%	7.01%
PAT (in millions)	71.48	105.12	176.48	64.76
PAT margin (in %)	1.74%	2.41%	3.27%	4.39%
ROE (in%)	7.35%	10.53%	14.49%	4.55%*
ROCE (in %)	17.47%	22.36%	25.36%	6.92%*
Debt to Equity	1.32	1.39	0.74	0.76
Net Debt to EBITDA	5.68x	4.89x	2.86x	10.26x*
Net Working Capital Days	167	172	148	145
Gross Block (in millions)	369.95	383.83	412.71	431.69

Source: Company Reports and CareEdge Research *not annualised

The company's revenue grew at a CAGR of 14.58% during FY24–FY26, supported by improved business execution and higher export sales, which increased their share of revenue from 42.33% in FY24 to 49.13% in FY26. EBITDA and PAT recorded CAGRs of 31.84% and 57.10%, respectively, reflecting improved operating efficiency and better cost absorption. Consequently, EBITDA and PAT margins strengthened over the period. Return ratios also improved, while the debt-to-equity ratio declined from 1.32x to 0.74x, indicating lower leverage. Gross block increased steadily, reflecting continued investment in expanding operational capacity.

11 Abbreviations, KPI Definitions and Bibliography

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

Table 16: Abbreviations Table

Category	Abbreviation	Meaning
Government & Regulatory Bodies	BIS	Bureau of Indian Standards
	DGFT	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 17: 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

Table 18: Bibliography

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India Brand Equity Foundation (IBEF)
Centre for Monitoring Indian Economy (CMIE)
EMIS Professional Database
World Gold Council (WGC)
Maia Research
Ministry of Finance
Company Annual Reports (FY22-FY26)

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