CareEdge ANALYTICS & ADVISORY
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Research Report On the Indian Gems and Jewellery Industry

25th September 2026

Table of Contents

1 Economic Outlook 6
1.1 Global Economy 6
1.1.1 El-Nino and Economic Growth 6
1.1.2 Iran Conflict Impacts Energy Intensive Sectors 7
1.2 Indian Economic Outlook 8
1.2.1 GDP Growth and Outlook 8
1.2.2 India's GDP Per Capita 9
1.2.3 Gross Value Added (GVA) 9
1.2.4 Trends in Per capita State Domestic Product (SDP) 10
1.2.5 Consumer Price Index (CPI) Records Combined Inflation Rate of 4.38% in June 2026 11
1.2.6 Household Savings' Shifting Focus from Physical Assets to Financial Assets 12
1.2.7 Growth of the Middle Class in India and the Rural Economy in India 14
1.2.8 Overview on Key Demographic Parameters 14
1.3 Conclusion 17

2 Overview of the Global Gems & Jewellery Industry 19
2.1 Overview 19
2.1.1 Market Size and Trends of the Global Gems and Jewellery Industry 19
2.1.2 Global Gold Demand 20

3 Market Size and Trends of the Indian Gems and Jewellery Industry 23
3.1 Market Size of the Indian Gems & Jewellery Industry 23
3.2 Share of Various Segments in the Indian Gems & Jewellery Industry 24
3.3 The Indian Gold Jewellery Segment 24
3.4 Value Chain of Gold Jewellery 27
3.5 Seasonality in Gold Buying 28
3.6 Impact of Interest Rates and Geopolitical Tensions on Gold Prices 28
3.7 Trends in Imports and Exports of Gems & Jewellery in India 29
3.8 Outlook for the Gems & Jewellery Industry in India 34

5 Gold Jewellery Wholesale Market in India 37
5.1 Indian Gold Jewellery Wholesale Market Size 37
5.2 SWOT Analysis of Organised Jewellers in India 38
5.3 Indian Wholesale Gold Jewellery Market Break-up (by Wearing) 39
5.4 Outlook of the Indian Gold Jewellery Wholesale Market 40

6 Overview of the Retail Gems and Jewellery Industry in India 43
6.1 Overview 43
6.2 Indian Retail Gems & Jewellery Industry Market Size 43
6.3 Market Size of the Indian Retail Gold Jewellery 44

7 Overview of the Diamond Studded Gold Jewellery Segment 45
7.1 Overview 45
7.2 Indian Diamond Studded Gold Wholesale Market 45
7.3 SWOT Analysis of the Indian Diamond-Studded Gold Wholesale Industry 47

8 Lab-Grown Diamond Industry 48
8.1 Overview of the LGD Jewellery Industry in India 48
8.2 Retail Lab-grown Diamond Market Size 48
8.3 Import and Export of Lab-Grown Diamonds 49
8.4 Cost Analysis 49

8.5 Outlook 50

9 Regulatory Process and Framework for the Gems & Jewellery Industry in India 51
9.1 Recent Import Duty Revisions and Regulatory Developments 51
9.2 FDI Norms 51
9.3 Goods & Services Tax (GST) 52
9.4 Gold Imports by the RBI 52
9.5 Authorised Banks for Purchase of Gold 52
9.6 Latest Provisions for the Gems & Jewellery Industry in India 52
9.7 Central Government's Gold Monetisation Scheme 53
9.8 Training Initiatives by Government Agencies such as the Gems and Jewellery Skill Council of India 54
9.9 Hallmarking of Jewellery in India 54
9.10 Jewellery Parks 55

10 Key Demand Drivers and Opportunities for Jewellery in India 56

11 Threats and Challenges for the Gems and Jewellery Industry 61

12 Competitive landscape 62
12.1 Key Gold Jewellery Peers 62
12.2 Benchmarking Based on Financial Parameters 63

13 Business Profile 65
13.1 Overview 65

14 Abbreviations, KPI Definitions and Bibliography 67

List of Tables

Table 1: GDP Growth Trend Comparison - India v/s Other Economies (Real GDP, Y-o-Y Change in %) 6
Table 2: RBI's GDP Growth Outlook (Y-o-Y %) 9
Table 3: Sectoral Growth (Y-o-Y % Growth at Constant Prices) 10
Table 4: Per Capita SDP for Key States (at Constant prices, in Rs) 10
Table 5: Imports of Raw Gold 34
Table 6: Authorised Banks Permitted to Purchase Gold from Other Countries valid up to March 2029 52
Table 8: Key Gold Jewellery Peers 62
Table 7: Abbreviations Table 67
Table 8: KPI Definitions 68
Table 9: Bibliography 68

List of Charts

Chart 1: Global Growth Outlook Projections (Real Gross Domestic Product (GDP), Y-o-Y Change in %) 6
Chart 2: Trend in Real Indian GDP Growth Rate 8
Chart 3: Per capita GDP (at Current Prices) 9
Chart 4: Retail Price Inflation in Terms of Index and Y-o-Y Growth in % (Base: 2011-12=100, 2023-24=100) 11
Chart 5: RBI Historical Repo Rate 12
Chart 6: Household Savings 13

Chart 7: Gross Savings (as % of GDP) (at Current Prices) 13
Chart 8: Trend in Population Growth vis-à-vis Dependency Ratio in India (in Billion) 15
Chart 9: Age-wise Break-up of Indian Population (% of Working-age Population) 15
Chart 10: Urbanisation Trend in India 16
Chart 11: Trend of Per Capita GNDI and Per Capita PFCE (at Current Prices) 16
Chart 12:Market Size of the Global Gems and Jewellery Industry (CY20-CY30P) 19
Chart 13: Trends Observed in Global Gold Demand (by Category) 20
Chart 14: Region-wise Trends in Jewellery Demand 21
Chart 15: Region-wise Trends in Bars and Coins Demand 22
Chart 16: Market Size of the Indian Gems & Jewellery Industry(CY20-CY30P) 23
Chart 17: Gems and Jewellery Market Break-up in CY25 (by Material Type) 24
Chart 18: Trends Observed in the Indian Gold Jewellery Segment(by Volume and Value) 25
Chart 19: Indian Gold Jewellery Industry Breakup in CY25 (by Region) 25
Chart 20: Distribution of Demand by Quarter (% of Annual Demand) 28
Chart 21: Trend in Domestic and International Gold Prices 29
Chart 22: Import-Export Trends of the Gems and Jewellery Market in India 30
Chart 23: Trend in the Share of the US Market in Indian Gems & Jewellery Exports 30
Chart 24: Import and Export Trend for Gems and Jewellery to the Middle East 31
Chart 25: Import Trends for Cut & Polished Diamonds 32
Chart 26: Import Trend of Rough Diamonds 33
Chart 27: Exports of Gold Jewellery 33
Chart 28: Indian Gold Jewellery Wholesale Market 37
Chart 29: Indian Wholesale Gold Jewellery Market share (by Wearing) (CY25 vs CY30P) 39
Chart 30: Indian Wholesale Gold Jewellery Market Break-up (by Product Type) (CY25 Vs CY30P) 40
Chart 31: Indian Retail Gems & Jewellery Industry Market Size (CY20-CY30P) 43
Chart 32: Market Size of the Indian Retail Gold Jewellery (CY20-CY30P) 44
Chart 33: Indian Diamond Studded Gold Wholesale Market 46
Chart 34: SWOT Analysis 47
Chart 35: India Lab Grown Diamond Jewellery Industry Market Size and Growth (CY20-CY30P) 48
Chart 36: Import and Export Trend of LGD (Worked) 49
Chart 37: Cost Analysis of LGD vs Natural Diamond 49
Chart 38: Seasonality in Jewellery Buying 57
Chart 39: Per Capita Gross National Disposable Income 58
Chart 40: Key Demand Drivers 58

Chart 41: Female Labour Force Participation Rate (LFPR), Persons Aged 15 Years and Above, India (in %) 59
Chart 42: Key Demand Drivers 60

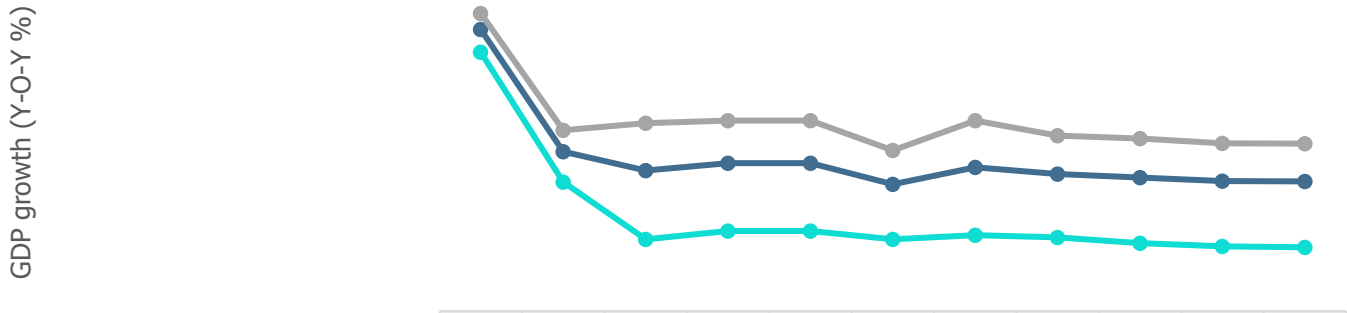
1 Economic Outlook

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

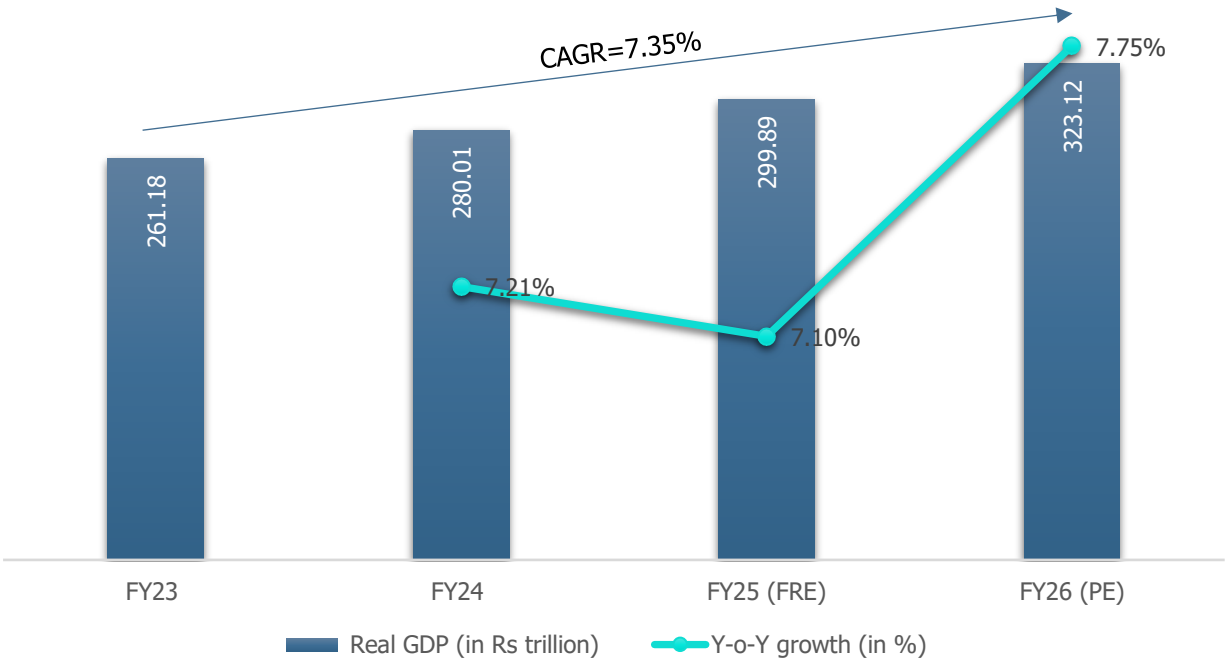
1.2.1 GDP Growth and Outlook

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%

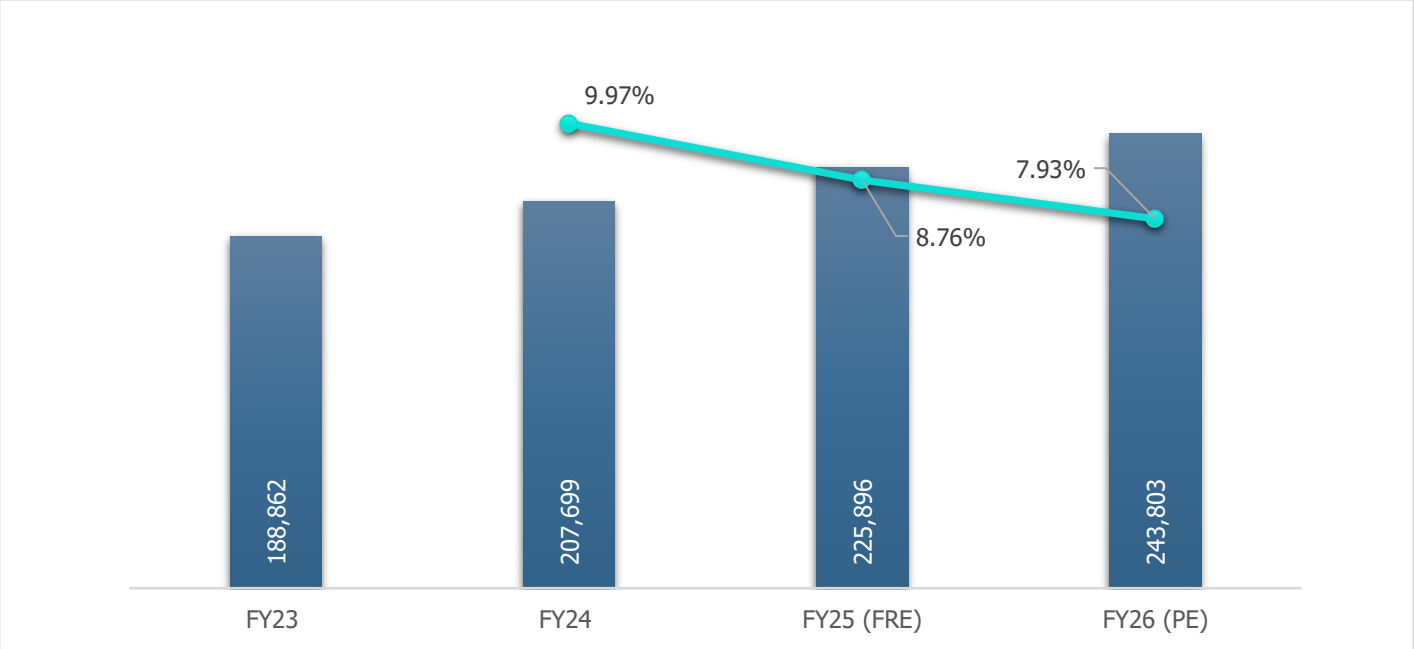
Source: RBI; Note: P-Projected
The trend for FY23-FY26 is based on new series base year 2022-23.

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
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

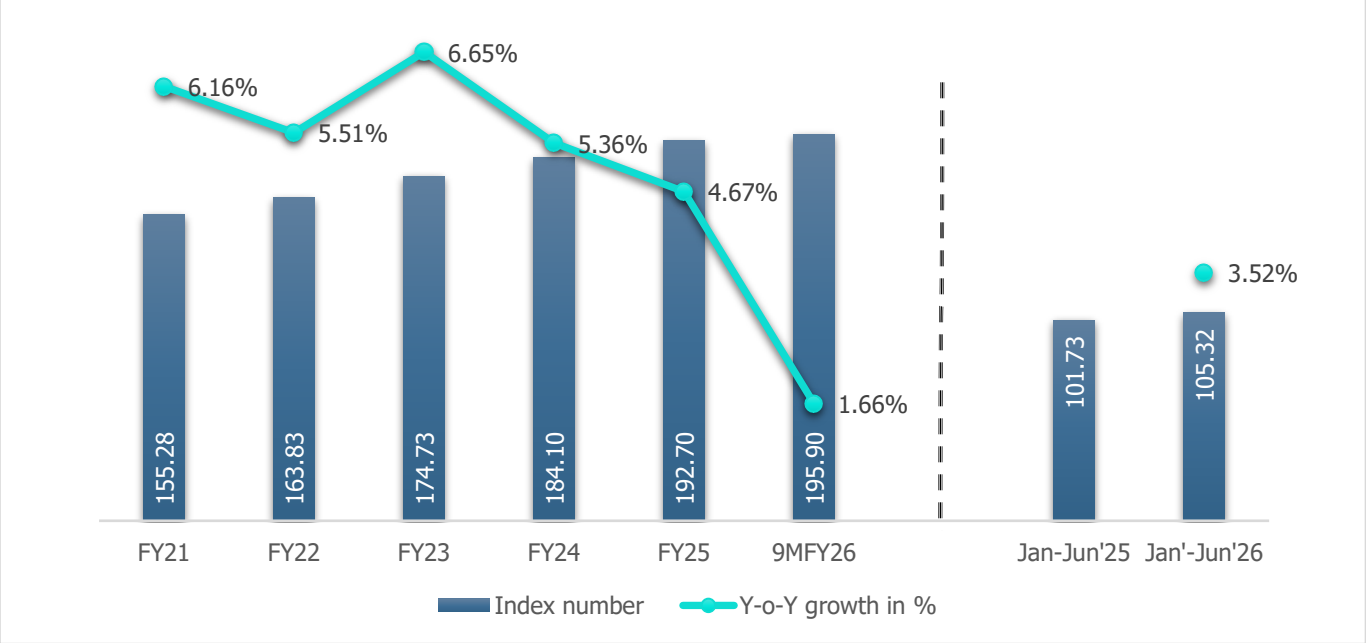
State\UT	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Rajasthan	73,529	73,975	76,840	73,447	79,490	84,585	90,414	96,638
Tamil Nadu	1,33,029	1,41,844	1,44,845	1,43,482	1,54,269	163,205	1,78,496	1,97,747
Uttar Pradesh	41,771	42,333	43,061	39,866	45,294	48,014	51,898	55,990
Delhi	2,52,960	2,57,597	2,60,559	2,28,162	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)

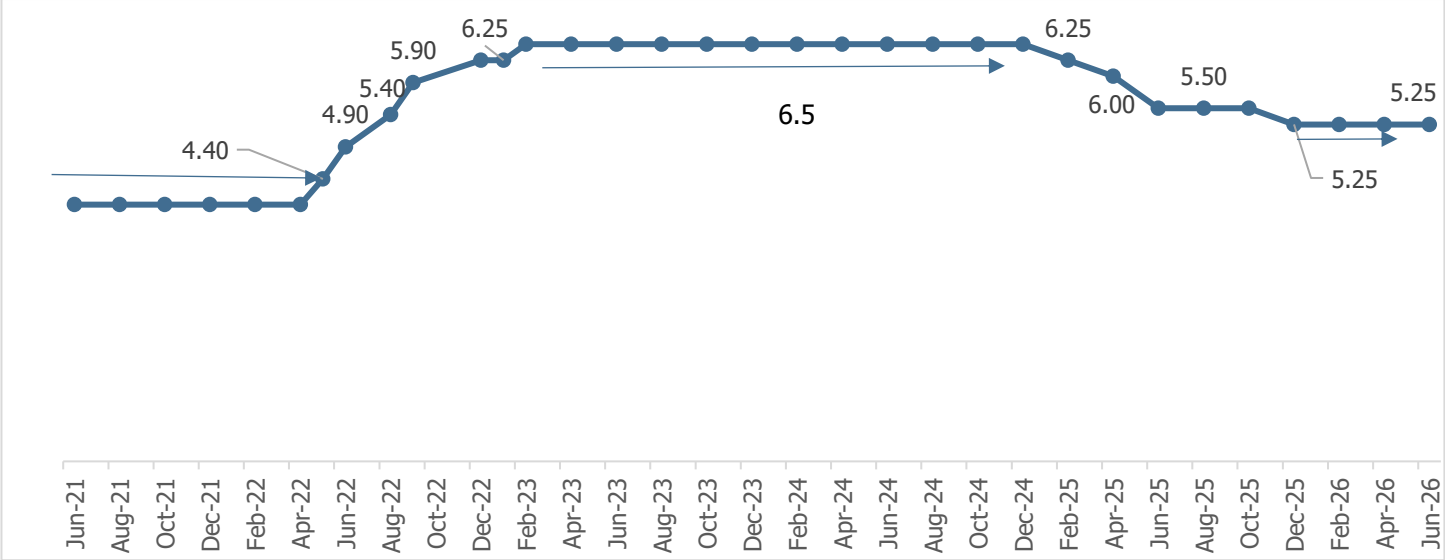


Source: MOSPI; Note: Base year for CPI has been revised in January 2026 to 2024 while till December 2025, the base year is 2012.

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.

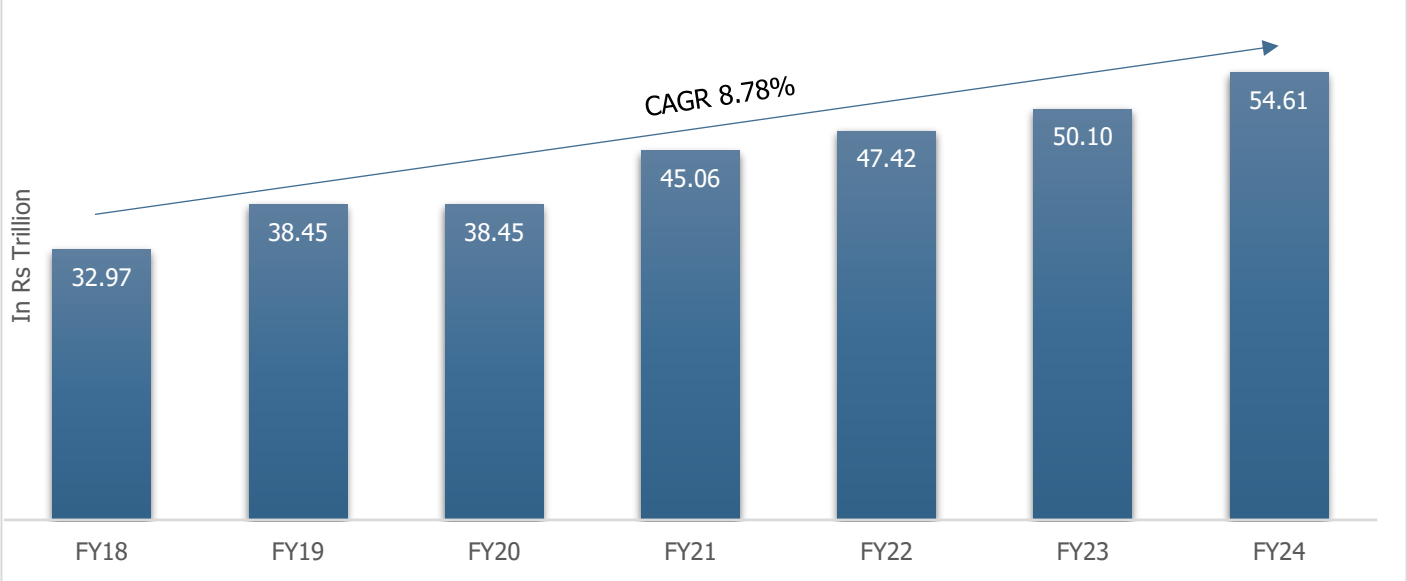
The prices of petrol and diesel have increased marginally as the refineries have been absorbing the shocks by reducing the excise duty, despite high global crude oil prices. However, a further hike in prices remains monitorable due to high company losses. The rise in energy prices and weather disturbances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

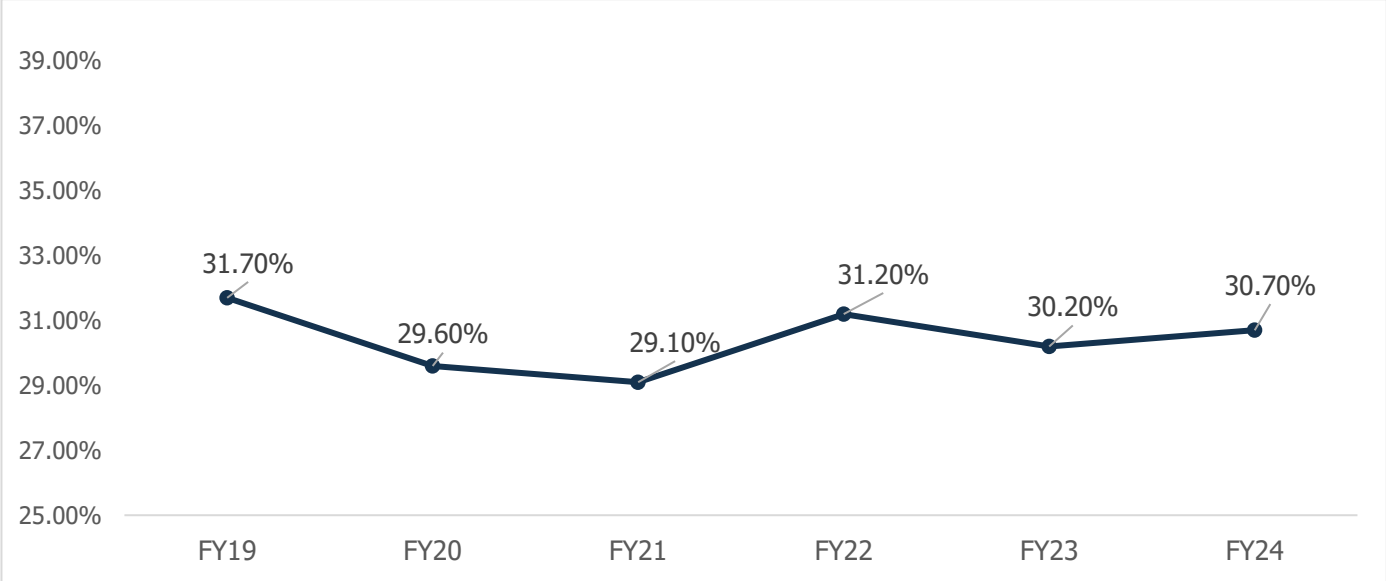
This increasing trend towards physical assets is occurring alongside a rise in household leverage, with borrowing, especially for housing, automobiles, and personal consumption, pushing household financial liabilities to a six-year high. Mutual funds and life insurance also grew, with an 11.50% and 13.60% 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.

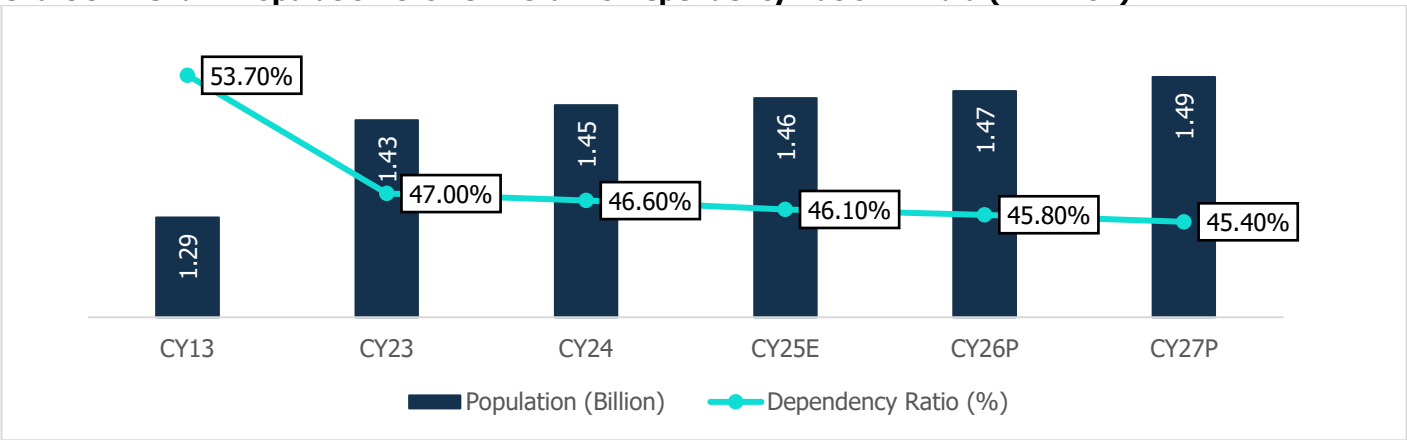
1.2.8 Overview on Key Demographic Parameters

- **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.

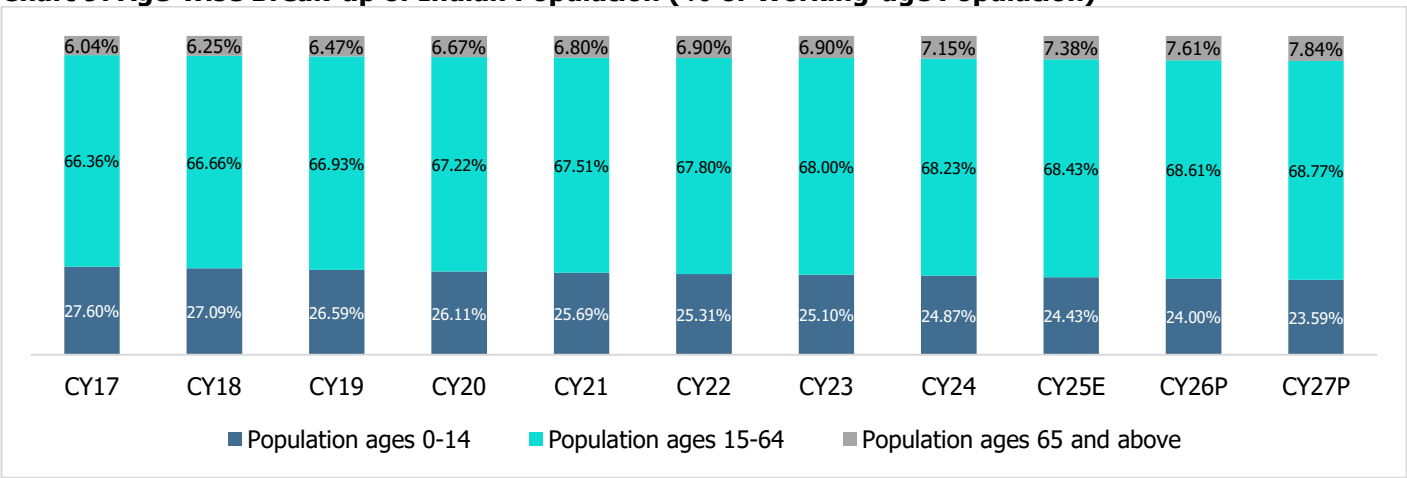
Chart 8: Trend in Population Growth vis-à-vis Dependency Ratio in India (in Billion)



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.

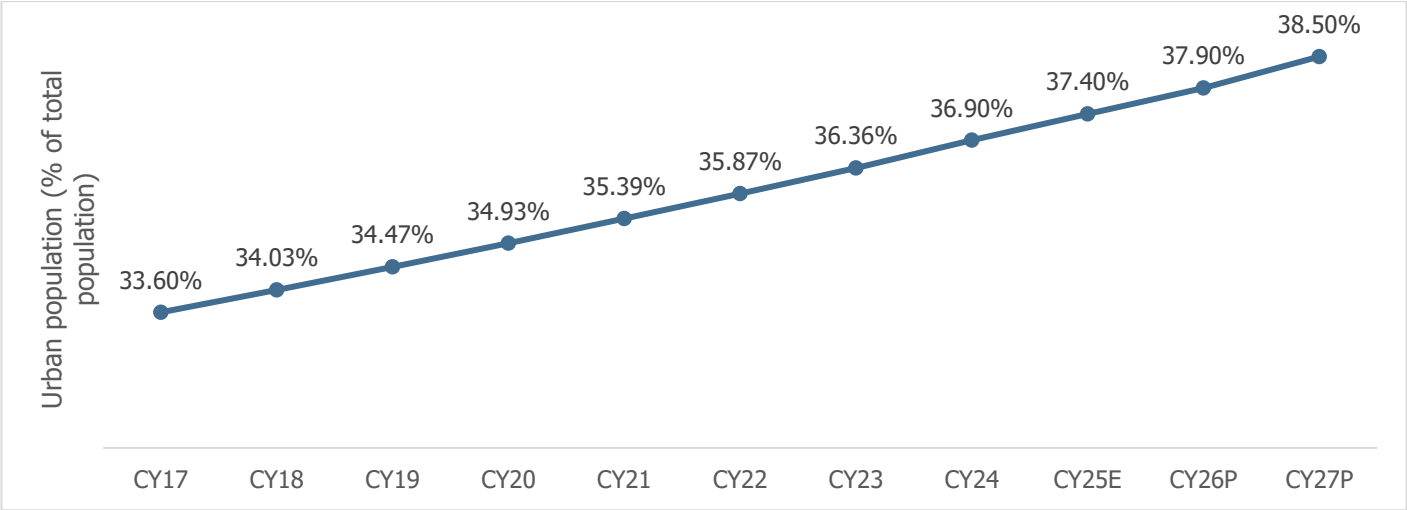
Chart 9: Age-wise Break-up of Indian Population (% of Working-age Population)



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



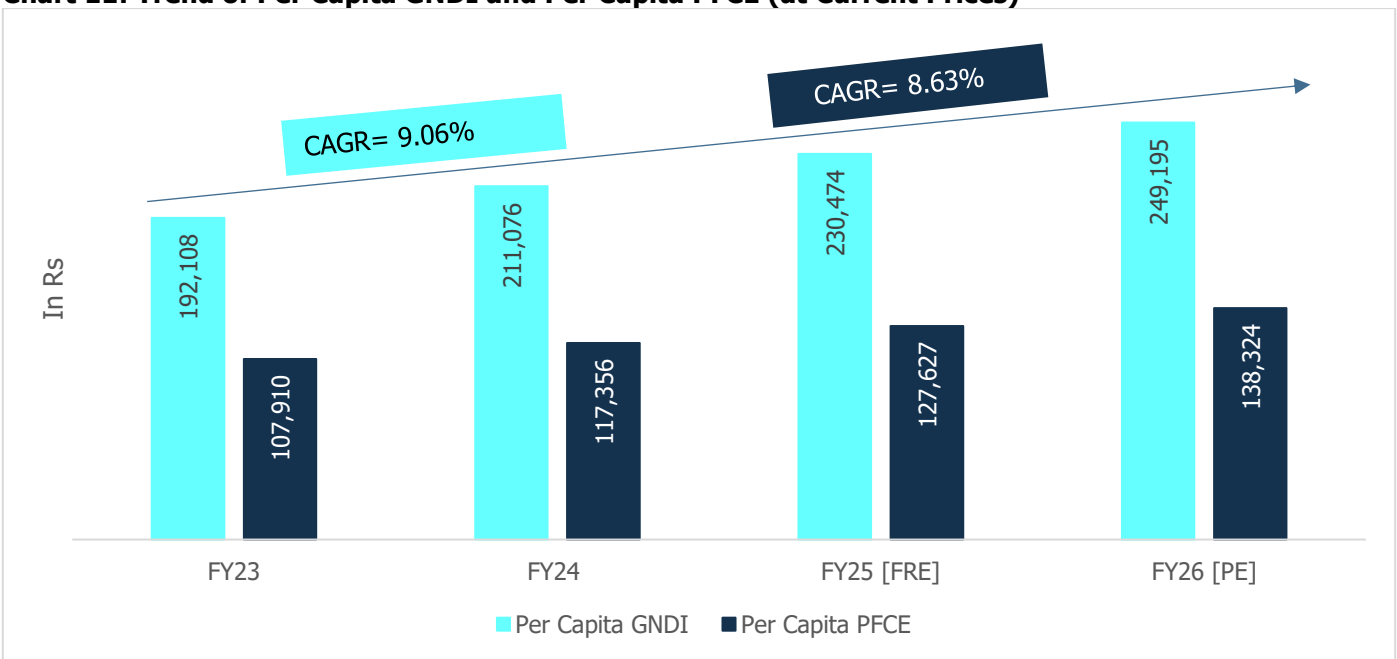
Source: World Bank Database; Note; E- Estimated, F- Forecasted

- **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.

2 Overview of the Global Gems & Jewellery Industry

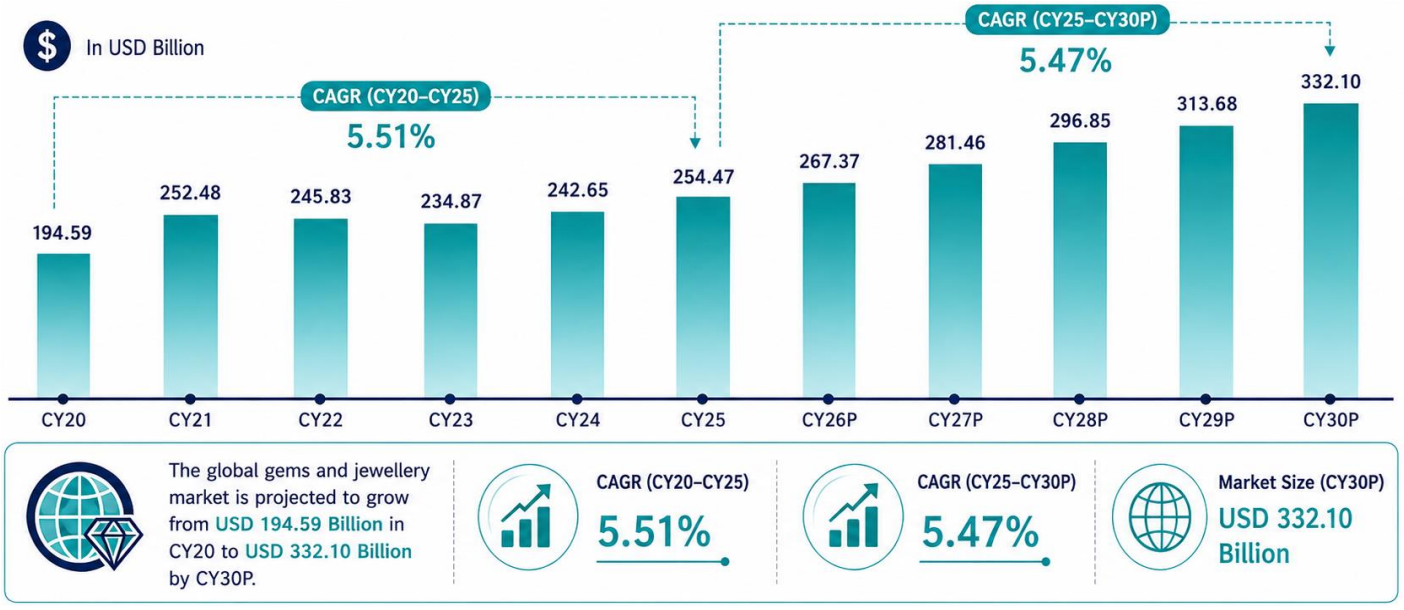
2.1 Overview

The global gems and jewellery industry is being transformed by digital retail, lab-grown diamonds, and rising income levels for various social sections of society, pushing the sector out of the traditional fold of bridal and occasional ritual wear. The evolving notion of value and wealth preservation has led jewellery to move from being primarily occasion-led to becoming an everyday expression of personal style, supported by growing demand for customisation and gender-neutral designs. Particularly, lab-grown diamonds are disrupting traditional diamond economics by improving affordability and accessibility, while sustainability, responsible sourcing, and supply-chain traceability is becoming increasingly important. At the same time, digitalisation of retail value chain is transforming how consumers discover, evaluate, and purchase jewellery, with e-commerce, AI, AR/VR try-ons, and omnichannel retail reducing barriers to online buying. The market is also broadening across price points, with affordable and fashion jewellery gaining traction alongside fine jewellery. Meanwhile, gold and precious jewellery continue to serve both emotional and investment purposes, particularly in markets such as India and the Middle East. Overall, the industry is becoming more personalised, technology-enabled, accessible, transparent, and globally diverse.

The global appetite for jewellery is anticipated to grow as more individuals with rising income levels and changing mindsets accept more luxury items as part of ordinary life. Further, gold is considered a safe haven for investing savings, while most investors also turn to gold during market turmoil for safe investment. Between CY20 and 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 Trends of the Global Gems and Jewellery Industry

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



Source: IMARC Group, CareEdge Research

In CY25, the global gems and jewellery industry has reached around USD 254.47 billion, and it recorded a 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

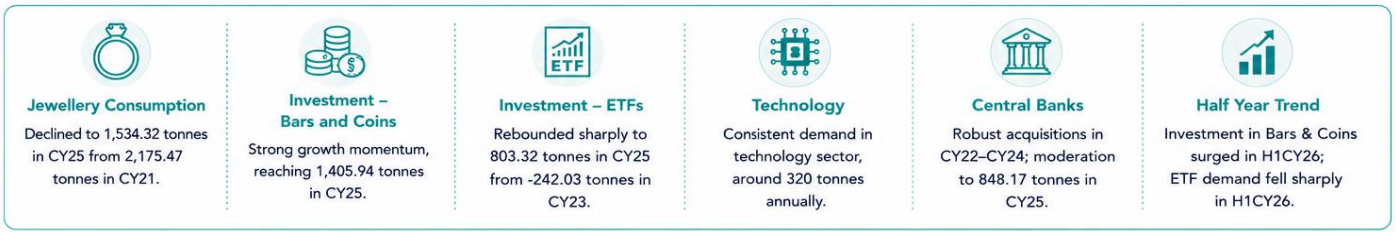
to reach USD 332.10 billion by CY30P, driven by economic recovery, rising disposable incomes in emerging economies, and increased demand for innovative and ethically sourced jewellery options.

The global gems and jewellery market is expected to experience steady growth in the coming years, fuelled by expanding markets in 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.

2.1.2 Global Gold Demand

Chart 13: Trends Observed in Global Gold Demand (by Category)

DEMAND BY CATEGORY (TONNES)	CY20	CY21	CY22	CY23	CY24	CY25	H1CY25	H1CY26
Jewellery Consumption	1,405.27	2,175.47	2,093.83	2,109.40	1,887.42	1,534.32	723.85	642.40
Jewellery Inventory	-73.38	77.02	114.60	99.03	137.79	113.36	64.90	572.48
Investment – Bars and Coins	915.12	1,200.44	1,243.76	1,203.69	1,208.54	1,405.94	649.36	783.86
Investment – ETFs	892.55	-188.62	-108.26	-242.03	-3.12	803.32	401.90	17.59
Technology – Electronics, Dentistry, Industrial, etc.	308.95	337.12	314.74	305.11	326.19	322.87	159.08	161.95
Central Banks	254.94	450.11	1,080.01	1,050.81	1,086.29	848.17	413.73	345.38



Source: World Gold Council, CareEdge Research; Note: Gold jewellery includes only jewellery consumption and excludes jewellery inventory

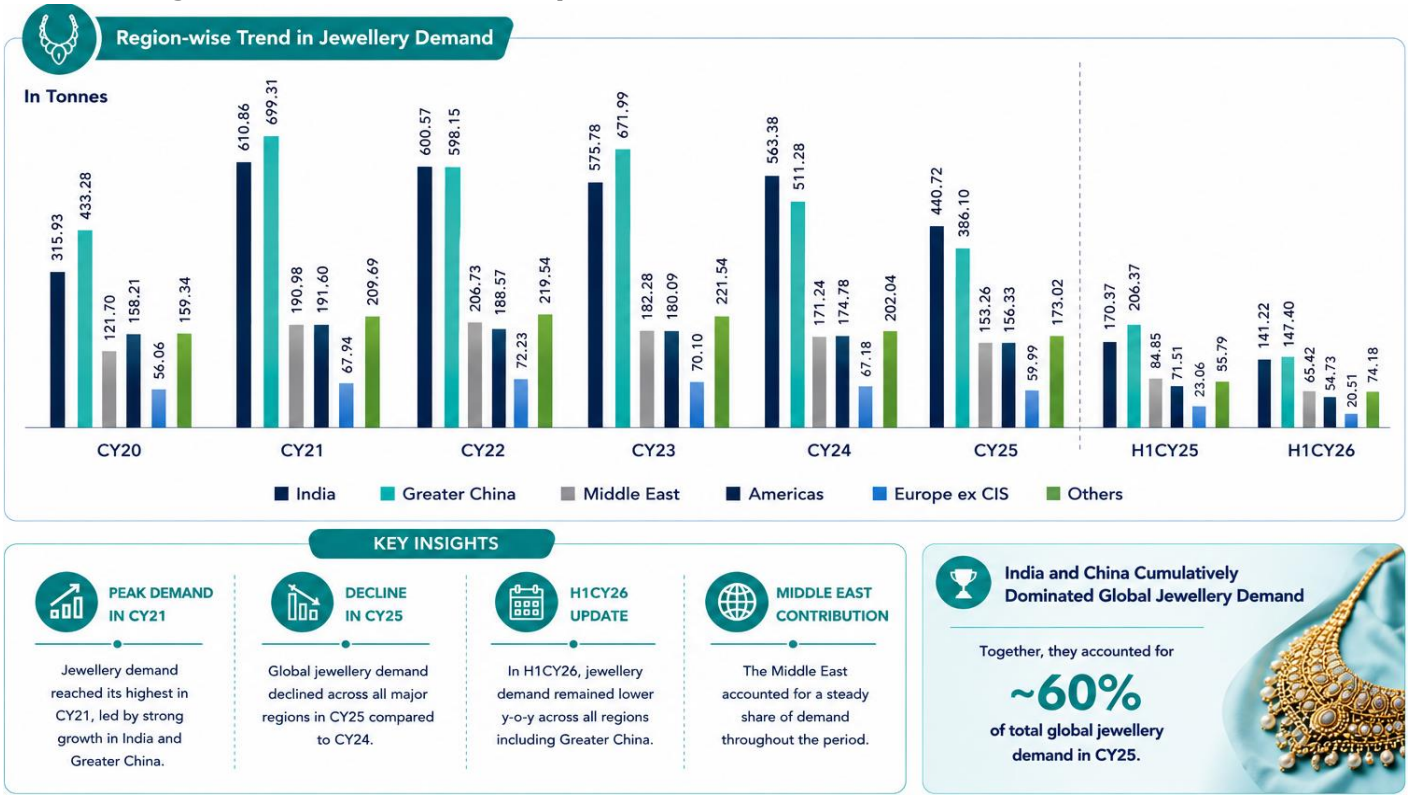
The demand trend for gold globally has shown a concise shift towards 'investment-led' demand during CY25, as record-high gold prices, heightened geopolitical uncertainty, and safe-haven buying encouraged investors to increase exposure to physical gold and ETFs. Bar and coin demand strengthened significantly, while ETF demand recovered sharply from the outflows seen during CY21–CY24. In contrast, jewellery consumption moderated as successive record gold prices constrained affordability, although consumer interest remained resilient in value terms. Central bank buying also remained elevated, supported by reserve diversification and continued strategic interest in gold, despite moderating from the exceptionally strong levels of the previous few years. Technology demand remained broadly stable, supported by growth in AI-related electronics, which offset weakness in traditional consumer electronics.

In H1CY26, the trend strengthened further, with bars and coins gaining momentum as investors continued seeking protection against economic and geopolitical uncertainty, while jewellery demand remained subdued amid high prices. ETF demand, however, moderated after the exceptionally strong investment flows witnessed in CY25.

China has the highest share in gold consumption, followed by India. However, in terms of gold jewellery, India's consumption is higher than china. The gold jewellery consumption of India in CY25 was 440.72 tonnes, whereas China consumed around 386.10 tonnes of gold jewellery.

China in total consumed around 830.40 tonnes of gold in CY25, followed by India with 721.14 tonnes. Other key regions after China and India are the Middle East (271.56 tonnes), the Americas (232.07 tonnes), and Europe (187.94 tonnes).

Chart 14: Region-wise Trends in Jewellery Demand



Source: World Gold Council, CareEdge Research; Note: Middle East includes Saudi Arabia, the UAE, Kuwait, Egypt, Iran and others. Europe included France, Germany, Italy, Spain, the UK, Switzerland, Austria and others. Greater China includes, China PR Mainland, Hong Kong, Taiwan Province of China. Americas include US, Canada, Mexico and Brazil. Others includes Pakistan, Sri Lanka, Japan, Indonesia, Malaysia, Singapore. Korea Republic of, Thailand, Vietnam, Australia, Turkey, Russian Federation.

In terms of jewellery demand, all regions recorded a Year-on-Year decline, with China witnessing the steepest decline of 29.06%. In contrast, demand for gold bars and coins in H1CY26 increased by 30.88% Year-on-Year in China, followed by India, which recorded a growth of 21.31% during the same period.

Chart 15: Region-wise Trends in Bars and Coins Demand



Source: World Gold Council, CareEdge Research; Note: Middle East includes Saudi Arabia, the UAE, Kuwait, Egypt, Iran and others. Europe included France, Germany, Italy, Spain, the UK, Switzerland, Austria and others. Greater China includes, China PR Mainland, Hong Kong, Taiwan Province of China. Americas include US, Canada, Mexico and Brazil. Others includes Pakistan, Sri Lanka, Japan, Indonesia, Malaysia, Singapore. Korea Republic of, Thailand, Vietnam, Australia, Turkey, Russian Federation.

3 Market Size and Trends of the Indian Gems and Jewellery Industry

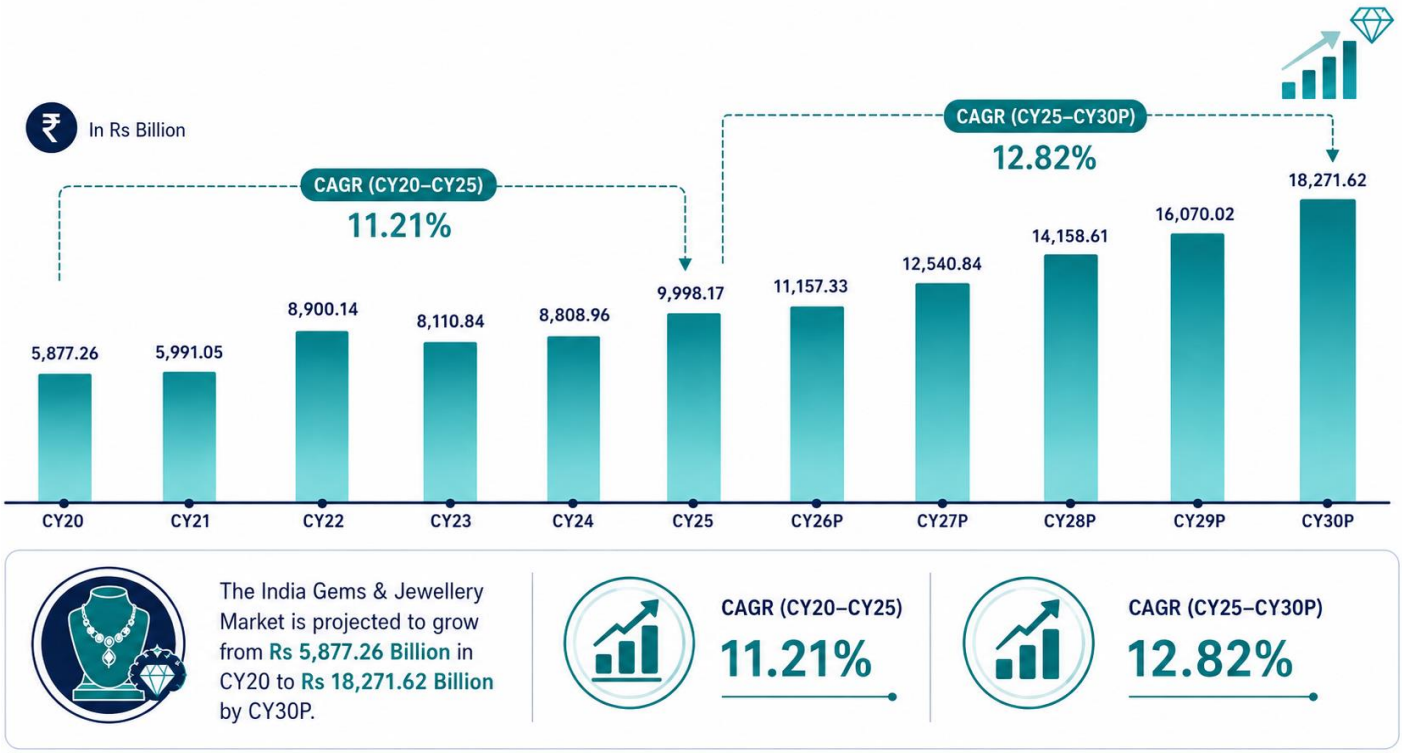
3.1 Market Size of the Indian Gems & Jewellery Industry

Historically, the Indian Gems and Jewellery industry has 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 continues 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 16: Market Size of the Indian Gems & Jewellery Industry(CY20-CY30P)



Source: IMARC Group, CareEdge Research

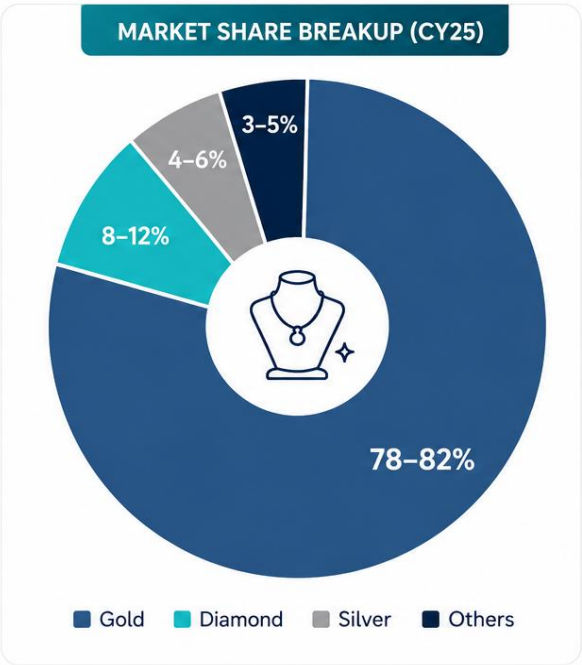
In CY25, the Indian gems and jewellery industry has reached around Rs 9,998.17 billion, with a CAGR of 11.21% during CY20–CY25. Further, the Indian gems and jewellery market is expected to grow at a CAGR of 12.82% between CY25 and CY30P. The long-term demand prospects for the sector are supported by 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.

3.2 Share of Various Segments in the Indian Gems & Jewellery Industry

Key Segments of the Indian Gems and Jewellery Industry:

The Indian Gems & Jewellery industry broadly consists of gold jewellery, studded jewellery and other jewellery types like platinum jewellery, fashion jewellery, and silver jewellery.

Chart 17: Gems and Jewellery Market Break-up in CY25 (by Material Type)



MATERIAL TYPE	MARKET SHARE RANGE (CY25)	KEY INSIGHTS
Gold	78–82%	Preferred for value retention, cultural significance and investment appeal.
Diamond	8–12%	Strong demand in fashion and luxury segments, supported by aspirational buying.
Silver	4–6%	Popular for affordable jewellery and gifting, with industrial demand support.
Others	3–5%	Includes platinum, gemstones and other materials used in designer and niche jewellery.

Source: IMARC Group, CareEdge Research

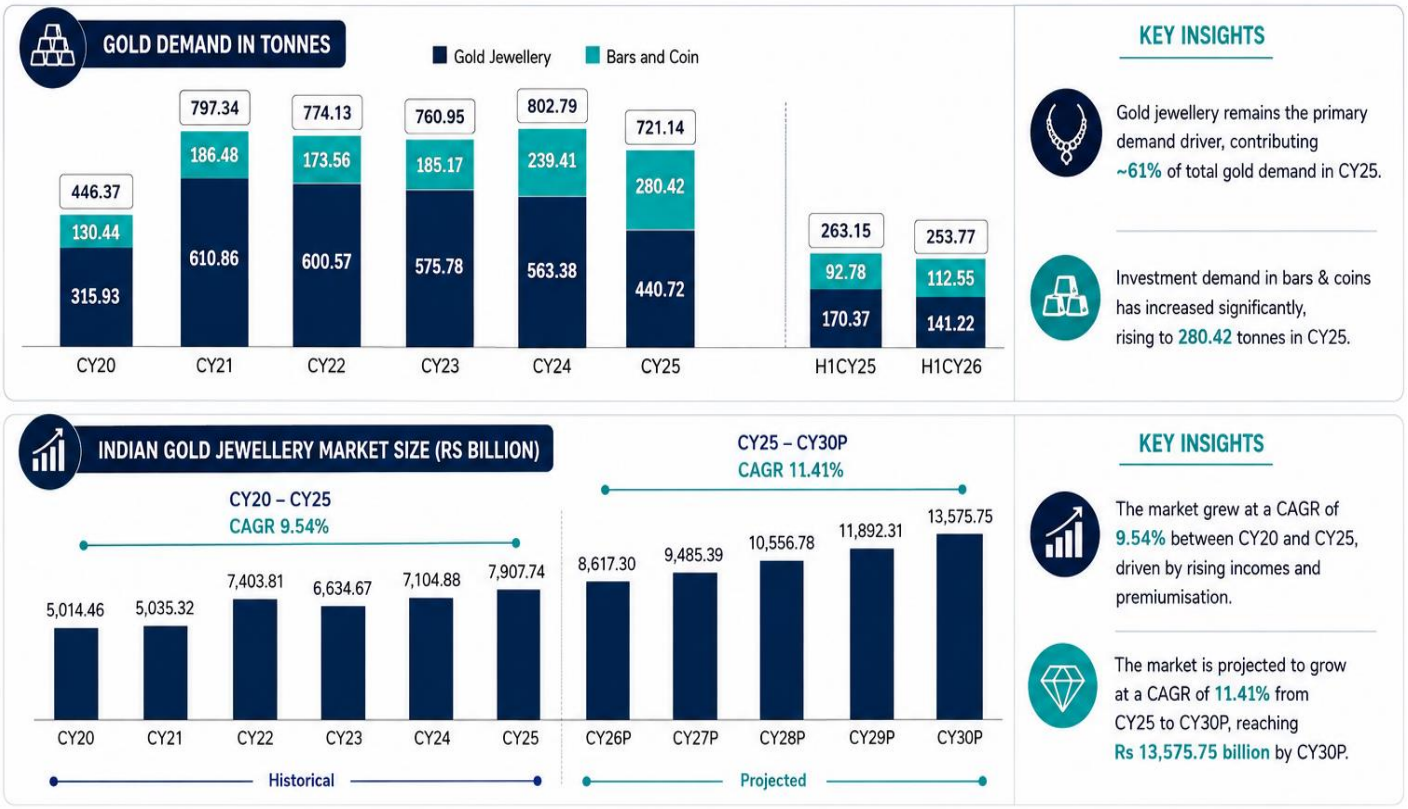
3.3 The Indian Gold Jewellery Segment

The Indian gold jewellery segment is typically governed by notions of wealth preservation, ritualistic usage, and evolving consumer behaviour. Historically, due to its consistent acceleration of price, the segment has served as a major preserver of wealth in times of financial crisis for various sections of society where acceptance and trust in other financial instruments remain negligible. Moreover, rooted in traditional ritualistic usage in marriage ceremonies makes it a structural driver for the segment, as it remains part of essential cultural expenditure.

Currently, however, with technological advancements in the design and weight of gold jewellery, supported by a major segment of women joining the workforce, the segment has evolved from its traditional usage, encompassing lightweight daily-wear designs bought for ordinary days and gifting on occasions barring marriage. Thus, shared across cultures as a major asset class, the gold jewellery segment commands recurring demand, steady price rise, and sustained profits for long-term investments.

In CY25, India's total domestic gold demand, including jewellery, bars and coins, stood at 721.14 tonnes, declining 10.17% Y-o-Y from 802.79 tonnes in CY24, primarily reflecting the impact of elevated gold prices on consumer demand. Gold jewellery remained the largest component, accounting for 61.11% of total gold demand in CY25, although jewellery demand in volume terms declined by 21.77% Y-o-Y to 440.72 tonnes. The decline in volume was largely driven by the sharp increase in gold prices, which made jewellery purchases more expensive and weighed on consumption.

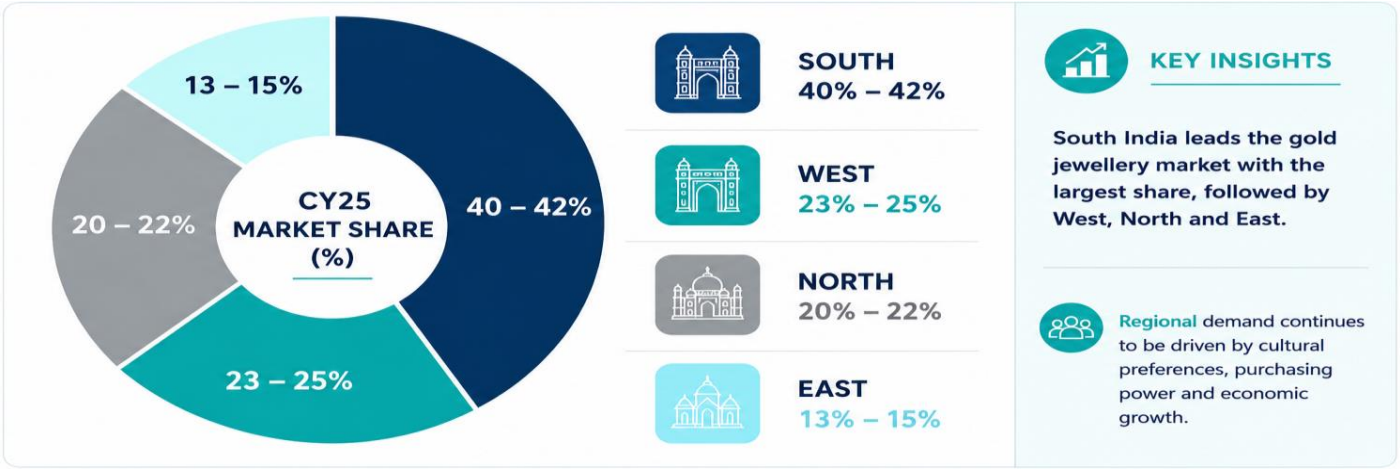
Chart 18: Trends Observed in the Indian Gold Jewellery Segment(by Volume and Value)



Source: WGC, IMARC Group, CareEdge Research

Despite the decline in volume, the Indian gold jewellery market increased in value, rising from Rs 7,104.88 billion in CY24 to Rs 7,907.74 billion in CY25, supported by higher gold prices. This highlights the divergence between volume and value growth, with higher prices more than offsetting the decline in jewellery volumes. Going forward, the Indian gold jewellery market is projected to grow at a CAGR of 11.41% between CY25 and CY30P, reaching Rs 13,575.75 billion by CY30P. Long-term demand is expected to be supported by the expanding middle-class population, rising disposable incomes, increasing purchasing power and the continued perception of gold jewellery as a status symbol, lifestyle purchase and investment asset, particularly across urban India.

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

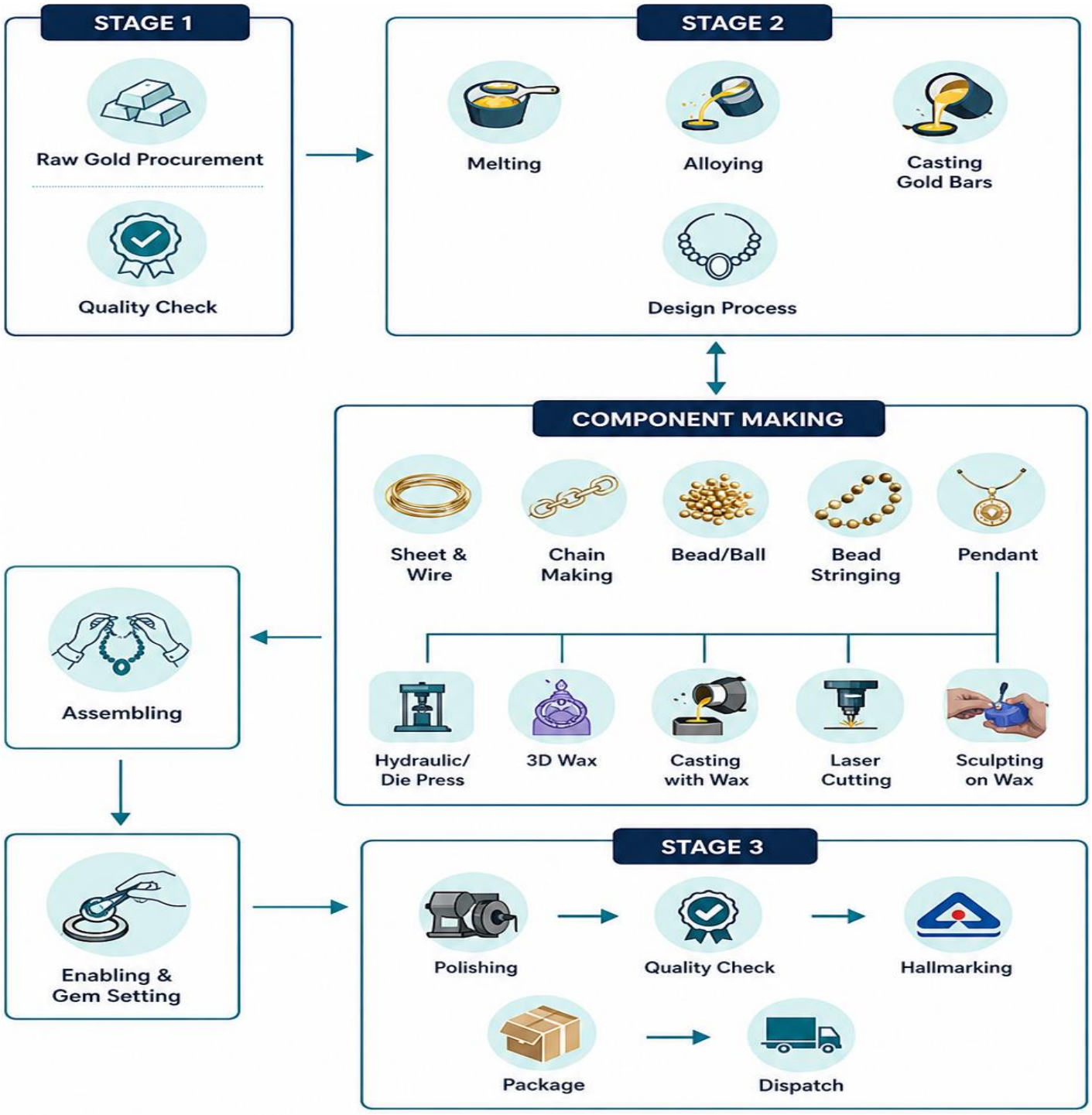


Source: IMARC Group, CareEdge Research

Regional and cultural demographics play a crucial role in influencing purchase decisions.

- **Age & consumer trends:** Jewellery preferences differ by age, with senior women favouring traditional motifs and younger brides opting for contemporary designs. The World Gold Council, citing Metals Focus' retailer interactions, reports rising demand for lightweight daily-wear jewellery. Chains and mangalsutras weighing 5–8 grams are increasingly common, driven by rising incomes, jewellery spending, weddings, and social media.
- **South India:** Strong gold-as-investment culture drives higher spending on heavy, intricate designs associated with wealth and heritage.
- **Maharashtra:** Strong replacement demand supports regular purchases and upgrades, with naths and kamarbandhs remaining popular.
- **North India:** Heavy gold jewellery remains preferred, alongside growing demand for lightweight, versatile designs suited to modern lifestyles.
- **Eastern India:** Particularly in Bengal, traditional, nature-inspired motifs continue to dominate, reflecting regional cultural heritage.

3.4 Value Chain of Gold Jewellery



Source: CareEdge Research

3.5 Seasonality in Gold Buying

Chart 20: Distribution of Demand by Quarter (% of Annual Demand)



Source: CareEdge Research

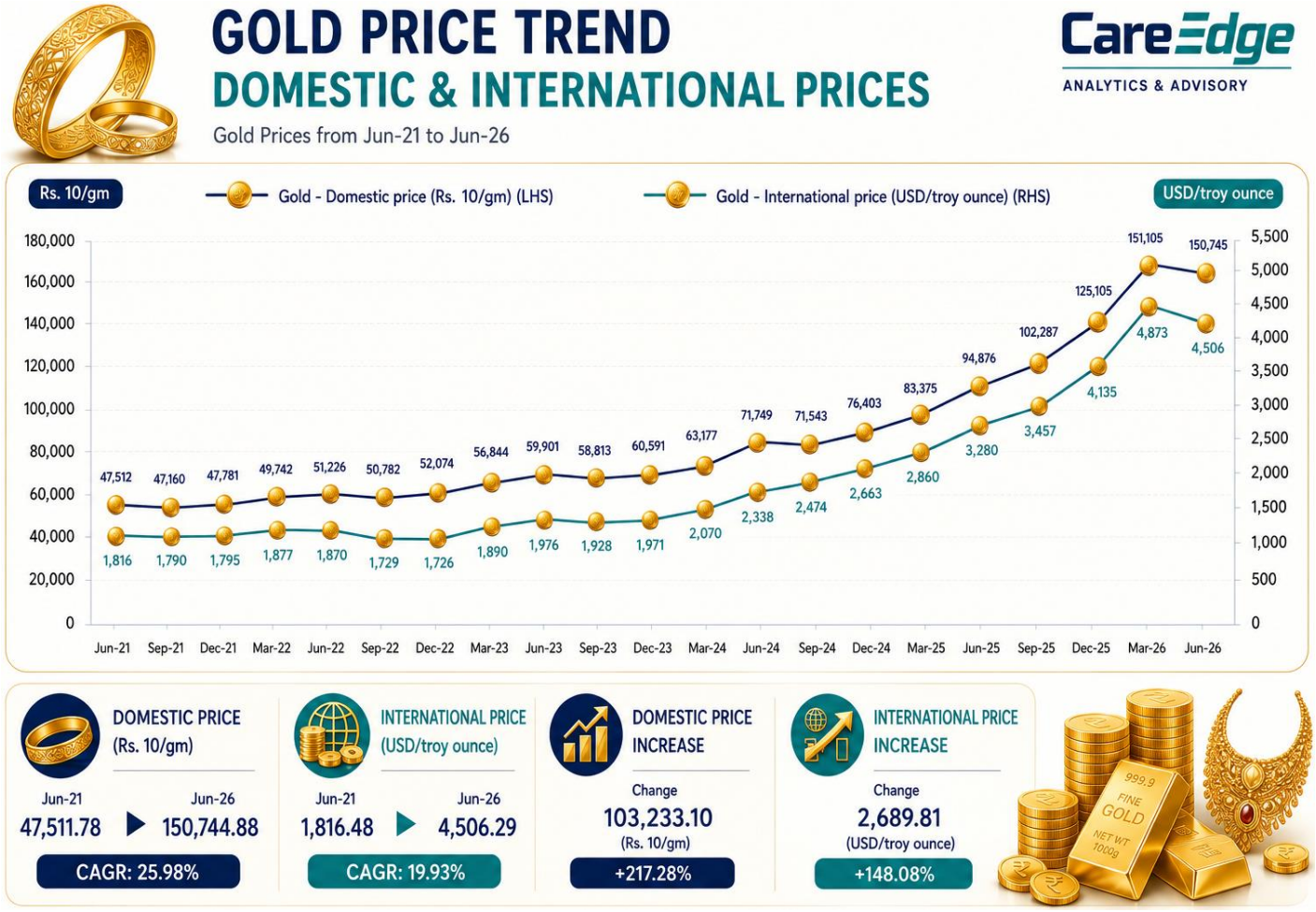
Gold jewellery demand in India exhibits a pronounced seasonal pattern. Q1 (Jan-Mar) typically accounts for the lowest share of annual demand, even though purchases are supported by the continuation of the wedding season and regional festivals. Q2 (Apr-Jun) benefits from auspicious buying occasions such as Akshaya Tritiya, helping drive a recovery in demand. Q3 (Jul-Sep) is supported by harvest-related rural income and regional festivals, particularly Onam, resulting in a meaningful pickup in jewellery purchases. Q4 (Oct-Dec) consistently emerges as the strongest quarter, driven by major festivals such as Diwali and Dhanteras, along with the onset of the peak wedding season. As a result, Q3 and Q4 together typically contribute around 60-70% of annual demand, underscoring the importance of festive, agricultural and marriage-related purchases in shaping India's gold jewellery market. Over time, the quarterly demand profile has become somewhat more balanced, supported by rising disposable incomes and the increasing preference for gold as both an adornment and a store of value.

3.6 Impact of Interest Rates and 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.

In CY25, gold prices regained strong upward momentum and reached successive record highs, supported by expectations of monetary easing, persistent geopolitical risks, strong central-bank purchases and robust investment demand amid global economic uncertainty. International gold prices increased to USD 3,456.54 per troy ounce in Sep25, while domestic gold prices rose to Rs 1,02,287.09 per 10 grams during the same period. The rally continued into early CY26, supported by safe-haven demand, elevated geopolitical uncertainty and sustained investor interest in gold.

Chart 21: Trend in Domestic and International Gold Prices



Source: WGC, CareEdge Research

During Q2CY26, gold prices underwent a correction in both international and domestic markets following the sharp rally earlier in the year. By Jun-26, international gold prices stood at USD 4,506.29 per troy ounce, while domestic gold prices stood at Rs 1,50,744.88 per 10 grams. The correction was primarily driven by profit-taking after the strong rally, a stronger USD and changing expectations around the pace of monetary easing, which reduced the appeal of gold as a non-yielding asset. Nevertheless, prices remained significantly higher than their levels in Jun21, with domestic and international gold prices recording CAGRs of 26.50% and 20.10%, respectively, over the period.

3.7 Trends in Imports and Exports of Gems & Jewellery in India

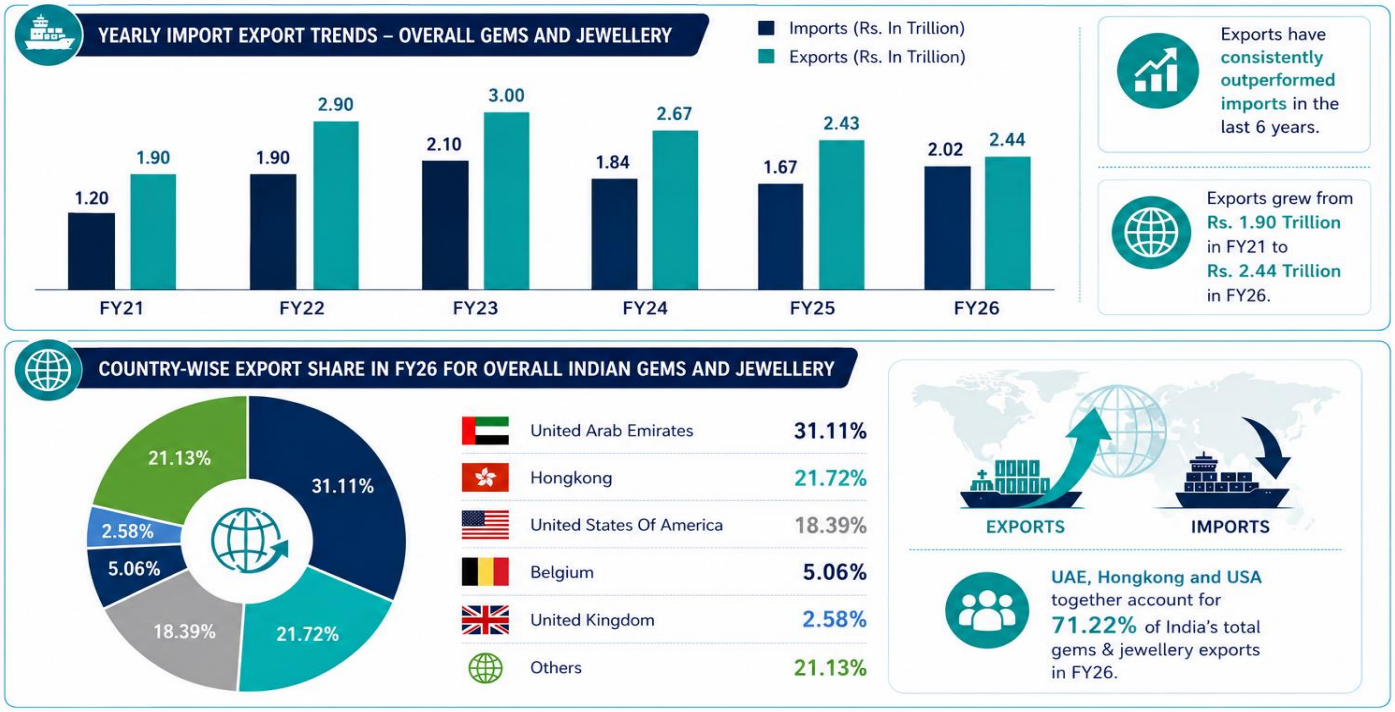
In FY26, Gems & Jewellery exports reached Rs 2.44 trillion and largely remained stable as compared to FY25. The overall gross imports of Gems & Jewellery reached Rs 2.02 trillion in FY26, showing a robust growth of 21.54% compared to Rs 1.67 trillion for the same period the previous year.

Growing Government Focus on Export Promotion

The Government of India, along with all the stakeholders of the Gems & Jewellery sector, is 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 Gems & Jewellery 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.

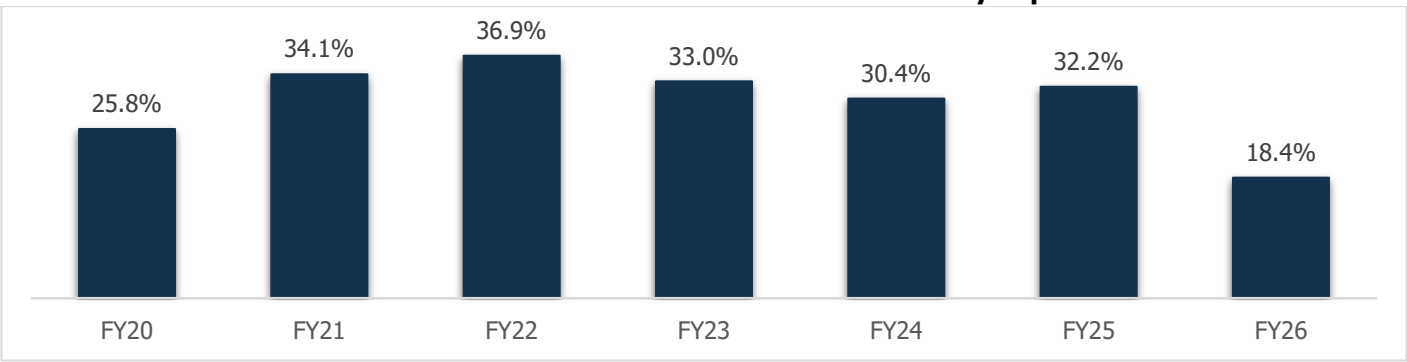
Chart 22: Import-Export Trends of the Gems and Jewellery Market in India



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

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 23: Trend in the Share of the US Market in Indian Gems & Jewellery Exports

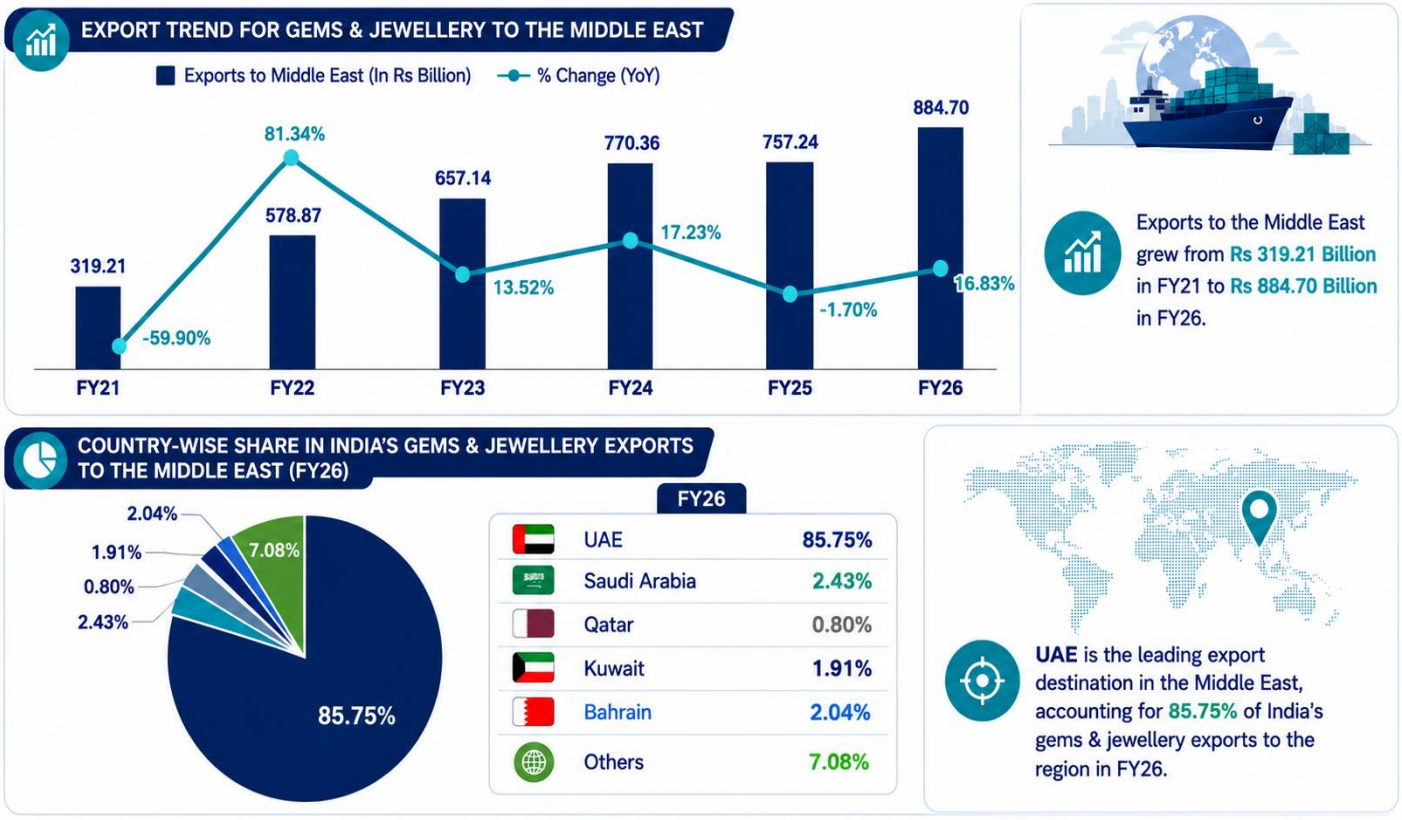


Source: Gems & Jewellery Export Promotion Council (GJEPC), CMIE

The sharp decline in the US share to 18.4% 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 24: Import and Export Trend for Gems and Jewellery to the Middle East



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

The CAGR for India's gems and jewellery exports to the Middle East stood at 22.61% during FY21–FY26. Exports to the region had surged by 81.34% 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.

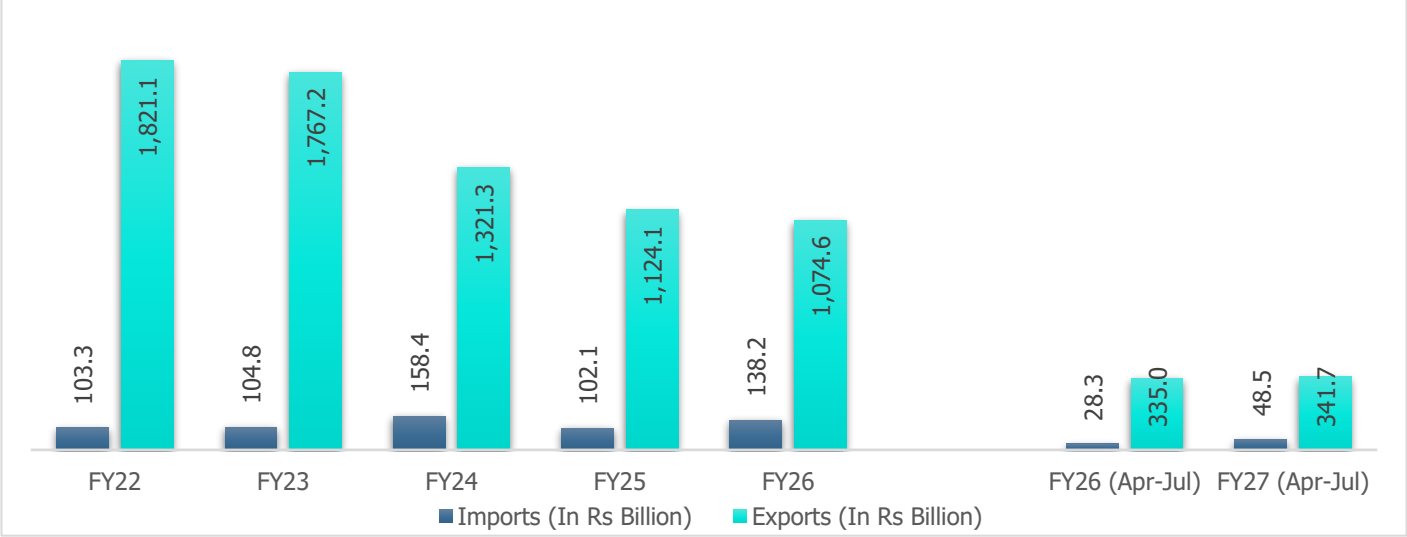
4.6.2 Product-segment Wise Import and Export Trend

India's gems & jewellery exports comprise a diverse range of products, including cut and polished diamonds, gold jewellery and medallions, rough diamonds, gemstones, pearls, synthetic stones, and fashion jewellery.

Cut and Polished Diamonds:

India is the world's largest diamond-cutting and polishing centre. The country is regarded as the world jewellery market's hub due to its low costs and steady availability of high-skilled labour.

Chart 25: Import Trends for Cut & Polished Diamonds



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.

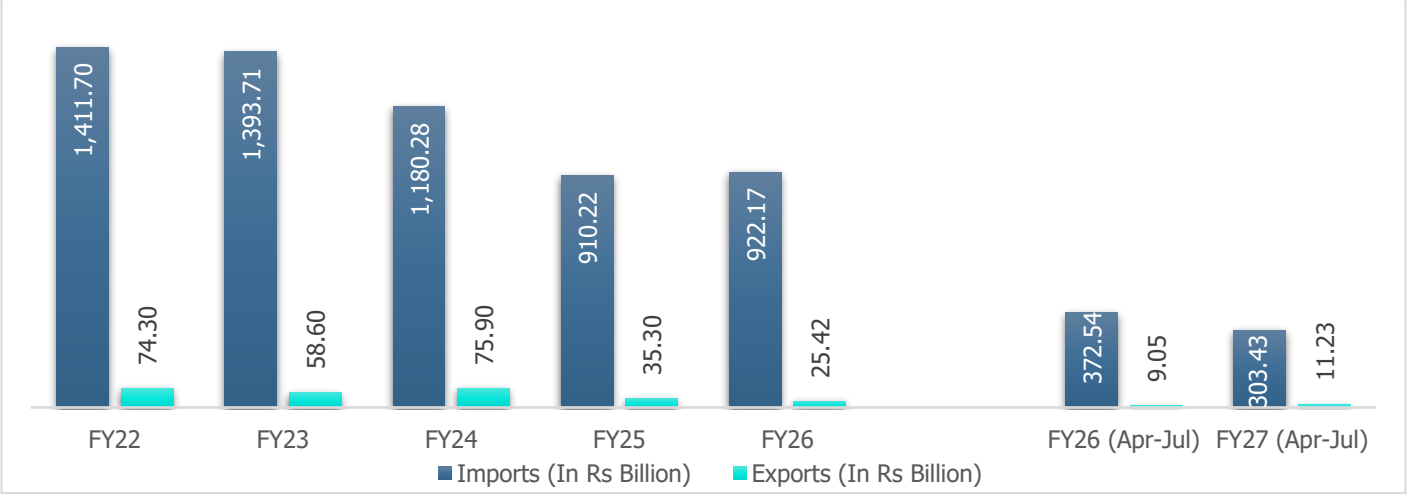
However, imports of cut & polished diamonds increased by 35.12% to Rs 1,38.23 billion in FY26 from Rs 1,02.30 billion in FY25. The increase was primarily driven by higher procurement of certified polished diamonds for domestic jewellery manufacturing and trading activities, improved availability of competitively 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.

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.

Chart 26: Import Trend of Rough Diamonds



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

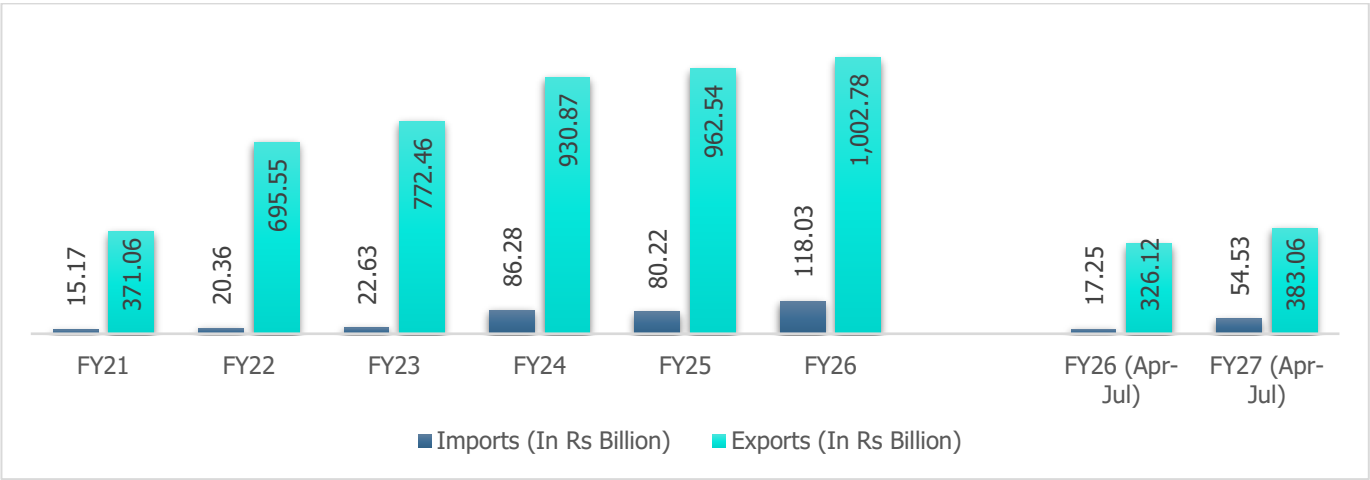
Meanwhile, exports of rough diamonds declined by 27.98% in FY26 compared to the previous year, reaching Rs 25.42 billion. The sharp decline in rough diamond exports during FY26 was primarily driven by subdued global demand for polished diamonds, especially in key markets such as the US and China, leading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

Gold Jewellery:

The gold jewellery market holds the second-largest share in Gems & Jewellery exports after the cut and polished diamonds segment. Gold jewellery accounted for 41.11% of the total exports of Gems & Jewellery in FY26.

Gold jewellery exports increased by 4.18% Y-o-Y in FY26 and 8.14% Y-o-Y in Q1FY27 in Rs terms; however, exports declined by 0.03% and 2.35%, respectively, in USD terms. This divergence indicates that export growth was largely value-led, supported by higher gold prices, while underlying shipment volumes remained under pressure. Elevated gold prices have reduced affordability in price-sensitive international markets, while constraints in gold availability for export manufacturing have further weighed on export volumes. The shift towards higher-value, studded jewellery has partly supported export realisations despite subdued volume growth.

Chart 27: Exports of Gold Jewellery



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

On the other hand, gold jewellery imports recorded strong growth, increasing by 47.13% Y-o-Y in Rs terms and 38.16% in USD terms in FY26. The trend strengthened significantly in Q1FY27, with imports surging by 253.01% in Rs terms and 219.69% in USD terms. The strong growth in USD terms indicates a substantial increase in imported jewellery value/quantity, rather than being solely driven by higher gold prices. The increase was supported by greater sourcing of finished and value-added jewellery from international markets, particularly through established jewellery trading hubs such as the UAE, aided by the India-UAE CEPA. The exceptionally high growth in Q1FY27 also reflects a favourable low-base effect.

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 5: Imports of Raw Gold

Year	Gold Imports (in Rs Billion)	Y-o-Y Growth (in %)	Gold Imports (in Kgs)	Y-o-Y Growth (in %)
FY21	2,542.80	27.62%	651,240.00	-9.54%
FY22	3,440.90	35.32%	879,010.00	34.97%
FY23	2,804.80	-18.49%	678,300.00	-22.83%
FY24	3,772.50	34.50%	795,240.00	17.24%
FY25	4,897.50	29.82%	757,037.00	-4.80%
FY26	6,395.22	30.58%	721,033.00	-4.76%

Source: CMIE, CareEdge Research

Gold jewellery imports recorded strong growth, increasing by 47.13% Y-o-Y in Rs terms and 38.16% in USD terms in FY26, followed by a sharp increase of 253.01% in Rs terms and 219.69% in USD terms in Q1FY27. The growth in gold imports has, however, been largely value-led, as reflected in the broader gold import trend. Overall gold imports increased by 30.58% in value terms to Rs 6,395.22 billion in FY26, while physical imports declined by 4.76% to 7,21,033 kg, indicating the significant impact of elevated gold prices on import values.

Against this backdrop, the sharp increase in gold jewellery imports in FY26 and Q1FY27 suggests a stronger increase in imported jewellery value beyond the impact of gold prices alone. The trend was also supported by changes in import duties, including the reduction in gold customs duty to 6% in July 2024, while imports from the UAE continued to benefit from the India-UAE CEPA.

3.8 Outlook for the Gems & Jewellery Industry in India

The industry's performance remains under pressure at the start of FY26 (April–September), with exports of the broader gems & jewellery sector falling. Nonetheless, demand is expected to pick up in the coming months driven by festival-and-wedding season purchases. Looking further ahead, factors such as easing inflation, stabilising global geopolitics and a strong domestic retail expansion strategy, especially by organised jewellers, should underpin a recovery in domestic consumption.

Diamonds Segment:

India is the world's largest centre for cutting and polishing diamonds, with most players concentrated in the three cities of Gujarat, Surat and Navsari. With a global share of more than 90% in the processing of rough diamonds, Cut & Polished Diamonds (CPD) accounted for 47% of the overall gems and jewellery exports from India. The CPD industry caters to demand from the US, Hong Kong, and the Middle East.

Primarily, India imports rough diamonds and exports cut and polished diamonds. The import prices per carat have been increasing, putting pressure on imports since FY21. On the other hand, the volume of exports has significantly reduced. This situation has resulted in an imbalance of demand and supply, making the demand outlook of the diamond industry negative.

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

The government has identified lab-grown diamonds (LGD) as an emerging sector. The India-UAE CEPA will further boost the growth of this industry. For instance,Nirmala Sitharaman, Finance Minister, Government of India, in the Budget 2023-24, announced a reduction in basic customs duty on seed used to manufacture LGD from 5% to Nil. This move was made to focus on LGD exports from India due to depleting natural diamond reserves. Further, in the Budget 2024-25, the finance minister has announced that safe harbour rates for foreign mining companies selling raw diamonds in the country will be provided. Safe harbour rates will help promote the diamond industry and increase demand both domestically and internationally. The prices for rough diamonds may go down, which in turn will increase the demand for 'Cut & Polished Diamonds'

Furthermore, LGD exports are expected to be driven by the growing use of such diamonds in various end-use industries, rising synthetic diamond trade, and environmentally friendly manufacturing of such diamonds. LGDs are now categorised as a separate, more affordable commodity, and their demand is expected to grow due to increased supply and technological advancement.

The US has imposed steep tariffs (50%) on Indian gems and jewellery, significantly increasing the cost of Indian exports in the US market. It is a major challenge for India's gems and jewellery sector, as it could reduce export earnings, lead to job losses, and weaken India's position in the global market. While the immediate impact will be challenging, businesses and policymakers must focus on trade diversification, supply chain realignment, and cost optimisation to sustain India's leadership in the global gems and jewellery market.

The cut and polished diamond export volumes have moderated in FY24 and continued the same trend during FY25. In the short term, sanctions on Russia, rising inflation, and weakening global demand due to economic slowdown concerns will likely continue to affect Indian exports. However, in the long term, the segment is expected to witness healthy demand. The overall share of LGDs remains low within the diamond industry, and declining exports alongside price corrections pose significant challenges, putting the sector in a difficult position.

Gold Jewellery Segment:

The demand for gold jewellery in India is predominantly driven by the domestic market, with weddings and festivals being the key contributors. Bridal jewellery accounts for more than half of the market share. Economic growth, wage increases, and wealth distribution will significantly impact long-term demand for gold jewellery.

In rural areas, gold demand typically increases post-harvest, especially after the Kharif crop season from September to November. Festivals like Diwali and Akshaya Tritiya are also major drivers, with 40-60 tonnes of gold sold during these periods alone. The growth of organised jewellery retailers and sustained demand are expected to drive moderate growth in the medium term. Additionally, India remains a key exporter of gold jewellery, with the Comprehensive Economic Partnership Agreement (CEPA) allowing 90% of Indian jewellery to enter the UAE duty-free, boosting international trade.

However, rising gold prices, inflation in food and fuel, and a weakening rupee are likely to impact consumer spending, particularly on discretionary purchases. Gold prices reached an all-time high of USD 2,690 per troy ounce in CY24 and remain close to it, reaching around USD 3,456.5 per troy ounce in Q3CY25, which, combined with a weaker rupee, could make gold more expensive and reduce demand, especially in rural areas where demand is sensitive to crop performance.

The gold jewellery sector faces challenges from high gold prices. Wedding purchases have been subdued, with many consumers opting to exchange old gold instead of making new purchases. As gold prices surged, some consumers sold their old gold for profit, contributing to a slowdown in demand. This has resulted in a liquidity crunch among retailers, making them reluctant to restock.

The Union Budget kept the import duty on gold at 6% but reduced the customs tariff on gold jewellery from 25% to 20%, a move that is unlikely to significantly impact domestic production, as jewellery imports are limited to high-end, low-carat products. New tariff lines for precious metals were introduced to address disruptions in gold imports in forms like platinum alloy and gold paste.

Despite challenges in the jewellery segment, investment demand for gold remains strong, with continued interest in gold bars and coins as prices rise. Looking ahead, jewellery demand is expected to stay muted in the short term due to high prices and economic pressures, but price stabilisation could improve demand in the upcoming fiscal year.

In the long term, the gold jewellery industry remains stable, driven by robust export growth, sustained retail demand during festival periods, and a strong investment appetite for gold. However, short-term challenges like high gold prices and inflation may continue to impact consumer demand**.**

E-commerce will play a vital role in shaping the future jewellery market

The growth of the budget-friendly jewellery market has been significantly boosted by e-commerce platforms. These online retailers enable customers to easily browse, compare, and purchase trendy jewellery from home, thanks to a broad range of options at competitive prices. The convenience, extensive selection, and attractive pricing offered by online platforms have attracted many customers, contributing to the expansion of e-commerce businesses in the jewellery sector. Additionally, the ability to connect with a wider audience, including people in smaller towns and cities, has further driven the growth of the affordable jewellery market.

5 Gold Jewellery Wholesale Market in India

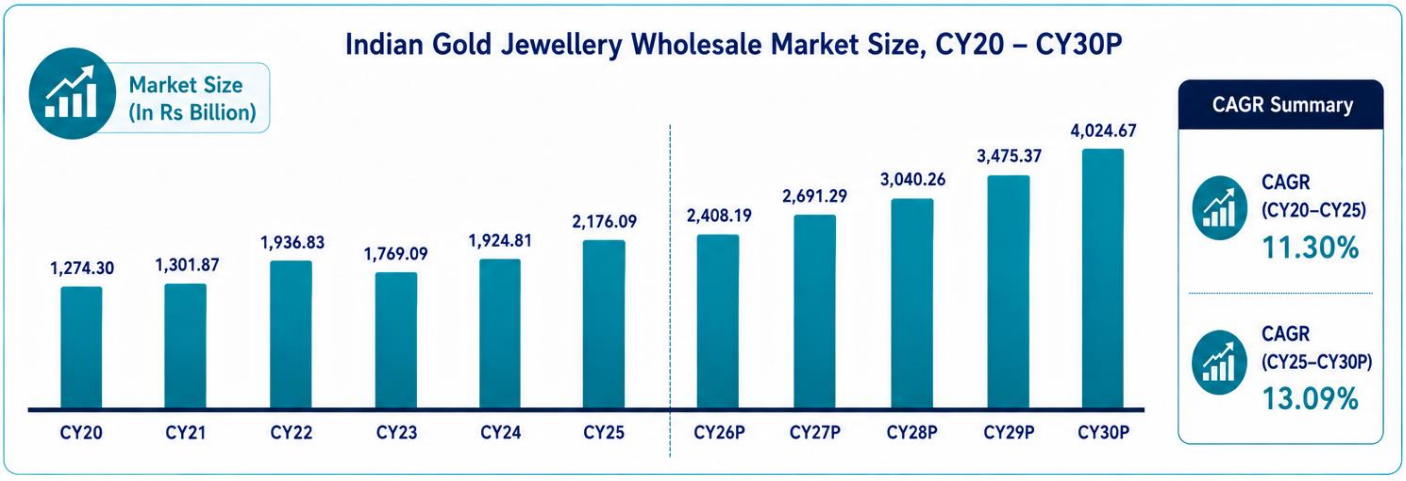
5.1 Indian Gold Jewellery Wholesale Market Size

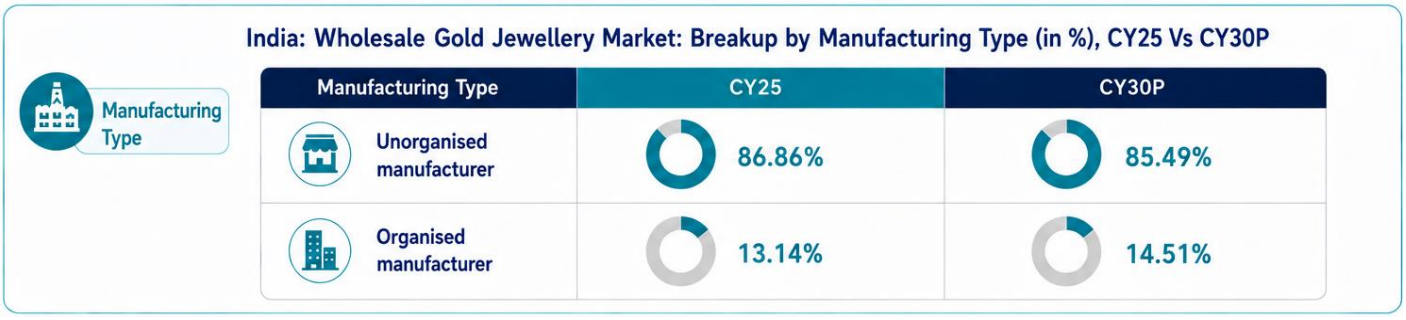
India has one of the world's largest wholesale markets for gold jewellery. This market growth is driven by deep cultural significance and high consumer demand. It is made up of many small- and medium-sized enterprises (SMEs) as well as large players, and key hubs include Mumbai, Surat, and Chennai. These hubs are where goldsmiths and wholesalers operate extensive networks of artisans and retailers.

The growth of the wholesale gold jewellery market is closely tied to the expansion of retail jewellers across India. As organised retail continues to spread into Tier-II and Tier-III cities, particularly with the rise of branded jewellery stores, there is a growing demand for wholesalers to supply these outlets. Rapid urbanisation and increasing disposable incomes further contribute to the wholesale market's growth, as the demand for gold jewellery increases in both traditional and contemporary designs. Additionally, wholesalers benefit from supplying customised and bulk orders to retailers, leveraging economies of scale to offer competitive pricing. However, there are challenges, such as fluctuating gold prices, regulatory changes, and a shift in consumer preference towards lighter and more contemporary designs.

Digitalisation and e-commerce are changing the wholesale market, making prices more transparent and increasing its reach. Moreover, demand for traditional, handcrafted gold jewellery increases during festivals and weddings, further driving the market.

Chart 28: Indian Gold Jewellery Wholesale Market





Source: IMARC Group, CareEdge Research Analysis

In CY25, the wholesale gold jewellery market reached a value of Rs 2,176.09 billion, representing a CAGR of 11.30% from CY20 to CY25. Looking forward, the market is expected to reach a value of Rs 4,024.67 billion by CY30P, exhibiting a higher CAGR of 13.09% from CY25 to CY30P.

Gold jewellery holds deep cultural and traditional significance in Indian society, ensuring consistent year-round demand across the country. Wholesalers play a critical role in meeting the surge in demand for gold jewellery during festivals, weddings, and other significant occasions by supplying inventory to retailers and local jewellers. The constant need for retailers to restock inventory to cater to consumer demand continues to drive the wholesale sector's growth.

India is also a prominent global exporter of gold jewellery. The wholesale segment benefits significantly from strong international demand, especially from countries such as the United States, the United Arab Emirates, and the United Kingdom, which have large Indian diaspora populations. The appeal of both traditional handcrafted and modern Indian gold jewellery in these markets boosts export-driven sales for wholesalers. According to the Gem and Jewellery Export Promotion Council (GJEPC), India exported over Rs 1,002.78 billion worth of gold jewellery in FY26, underlining the scale and importance of exports to the sector's growth.

The wholesale gold jewellery market is predominantly driven by unorganised manufacturers, which accounted for 86.86% of the market in CY25. However, the share of organised manufacturers is expected to increase moderately to 14.51% by CY30P, compared with 13.14% in CY25. This reflects a steady, structural shift in the industry rather than a rapid transition

5.2 SWOT Analysis of Organised Jewellers in India

STRENGTHS

- **Brand Recognition:** Established brands like Tanishq, Kalyan Jewellers, and Malabar Gold & Diamonds enjoy strong brand loyalty and trust among consumers.
- **Quality Assurance:** Organised jewellers offer certified products, ensuring purity and quality, which builds customer confidence.
- **Wide Distribution Network:** Extensive retail presence across urban and semi-urban areas, with a growing online presence, ensures accessibility to a broad customer base.
- **Innovation and Design:** Focus on contemporary designs and innovation helps in catering to diverse customer preferences, including younger demographics.

WEAKNESSES

- **High Operational Costs:** Organised players often face higher operational and compliance costs, leading to higher prices compared to unorganised players.
- **Limited Reach in Rural Areas:** Despite a strong urban presence, the reach in rural areas remains limited, where unorganised players dominate.
- **Dependency on Gold Prices:** Fluctuations in gold prices can directly impact sales, as higher prices may deter cost-sensitive customers.
- **Regulatory Compliance:** The need to adhere to stringent government regulations and taxation can limit flexibility and increase operational complexity.

OPPORTUNITIES

- **Growing Middle-Class Affluence:** Increasing disposable incomes and changing consumer preferences provide opportunities for growth in both traditional and contemporary gold jewellery.
- **Digital Transformation:** Expanding online sales channels can tap into the growing e-commerce market and reach tech-savvy customers.
- **Rising Demand for Branded Jewellery:** As consumers become more quality-conscious, there is a growing demand for branded and certified jewellery. Also, the shift from the unorganised to the organised sector is creating opportunities.
- **Expansion in Tier 2 and 3 Cities:** Organised players can capitalise on the growing affluence and demand in smaller cities and towns by expanding their presence.

THREATS

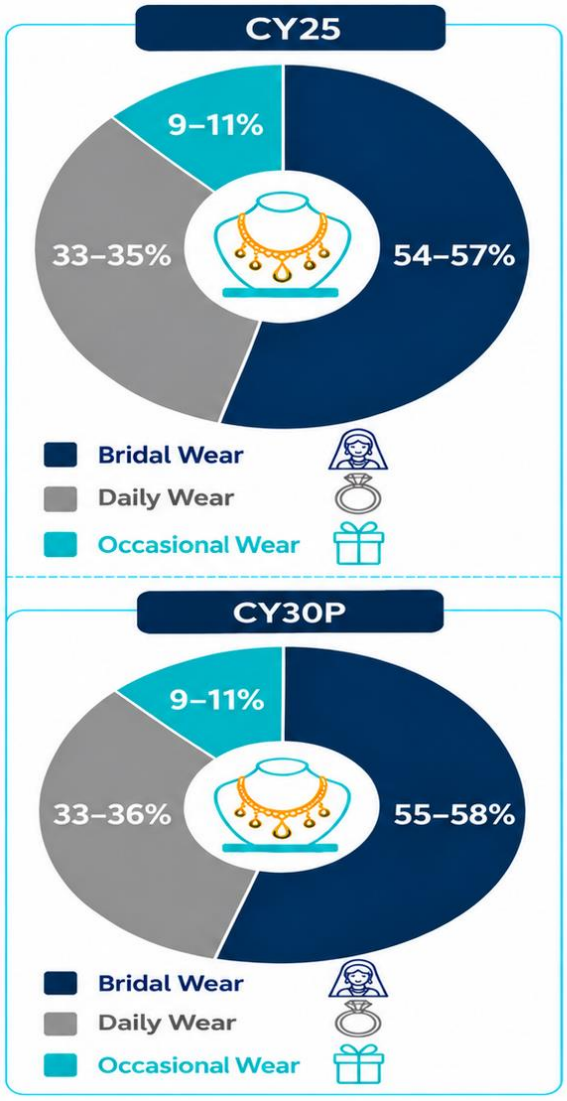
- **Competition from Unorganised Sector:** The unorganised sector's ability to offer lower prices due to minimal overheads remains a significant threat.
- **Economic Downturns:** Economic slowdowns or recessions can reduce discretionary spending on luxury items like gold jewellery.
- **Regulatory Changes:** Any adverse changes in taxation, import duties, or government policies related to the jewellery sector can impact profitability.
- **Price Volatility:** Gold price volatility, driven by global economic factors, can influence consumer buying behaviour and market stability.

Source: CareEdge Research

5.3 Indian Wholesale Gold Jewellery Market Break-up (by Wearing)

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

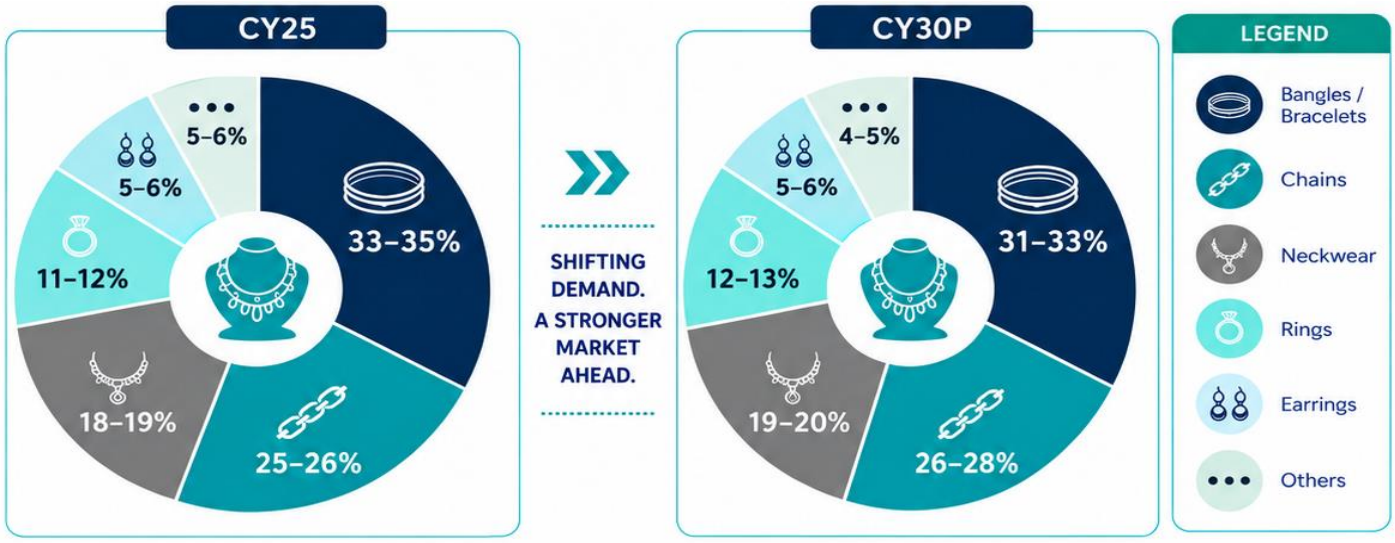
Chart 29: Indian Wholesale Gold Jewellery Market share (by Wearing) (CY25 vs CY30P)



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.
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 an 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 due to high urban population 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.

Source: IMARC Group, CareEdge Research Analysis

Chart 30: Indian Wholesale Gold Jewellery Market Break-up (by Product Type) (CY25 Vs CY30P)



PRODUCT TYPE	MARKET SHARE (IN %)		KEY TAKEAWAYS
	CY25	CY30P	
BANGLES / BRACELETS Largest segment in the market	33–35%	31–33%	Highly significant in Indian jewellery, symbolising tradition and elegance. Demand peaks during weddings and festivals, with a trend towards blending traditional designs with modern styles.
CHAINS Versatile and consistently popular	25–26%	26–28%	Favoured for simplicity and versatility. Popular in gold, in various styles. Strong demand from men and working professionals; commonly purchased during festivals and family occasions.
NECKWEAR Traditional yet evergreen	18–19%	19–20%	Includes necklaces, chokers, and pendants. Diverse demand from heavy bridal designs to lightweight everyday wear. Customizable designs with traditional and modern motifs are trending.
RINGS A symbol of love, style and gifting	11–12%	12–13%	Versatile and popular across occasions. Driven by engagement rings and innovative designs like stackable and multi-finger rings, especially among younger consumers.
EARRINGS A style for every occasion	5–6%	5–6%	Includes studs, hoops, jhumkas, and chandbalis. Demand for lightweight and versatile designs is growing. Popular gifting choice with strong demand across regions.
OTHERS Emerging and niche categories	5–6%	4–5%	Includes nose pins, brooches, anklets, waist chains and other emerging jewellery items, catering to niche and evolving consumer preferences.

Source: IMARC Group, CareEdge Research

5.4 Outlook of the Indian Gold Jewellery Wholesale Market

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 fuelling 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:** Pre-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 Customisation in Wholesale Gold Jewellery:** In the wholesale gold jewellery market, there is a rising demand for customisation. Wholesalers are increasingly offering bespoke designs to cater to the specific needs of retailers, who in turn provide personalised 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 Organised and Unorganised Segments

- **Organised Segment**

The organised 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 organised 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, omnichannel retail strategies, and personalised customer experiences is enhancing the appeal of organised players.

- **Unorganised Segment**

The unorganised 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 organised players, rising consumer preference for branded products, and government regulations aimed at formalising the sector are driving gradual shifts. The implementation of hallmarking standards and GST has begun to erode the cost advantage traditionally enjoyed by unorganised 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.

6 Overview of the Retail Gems and Jewellery Industry in India

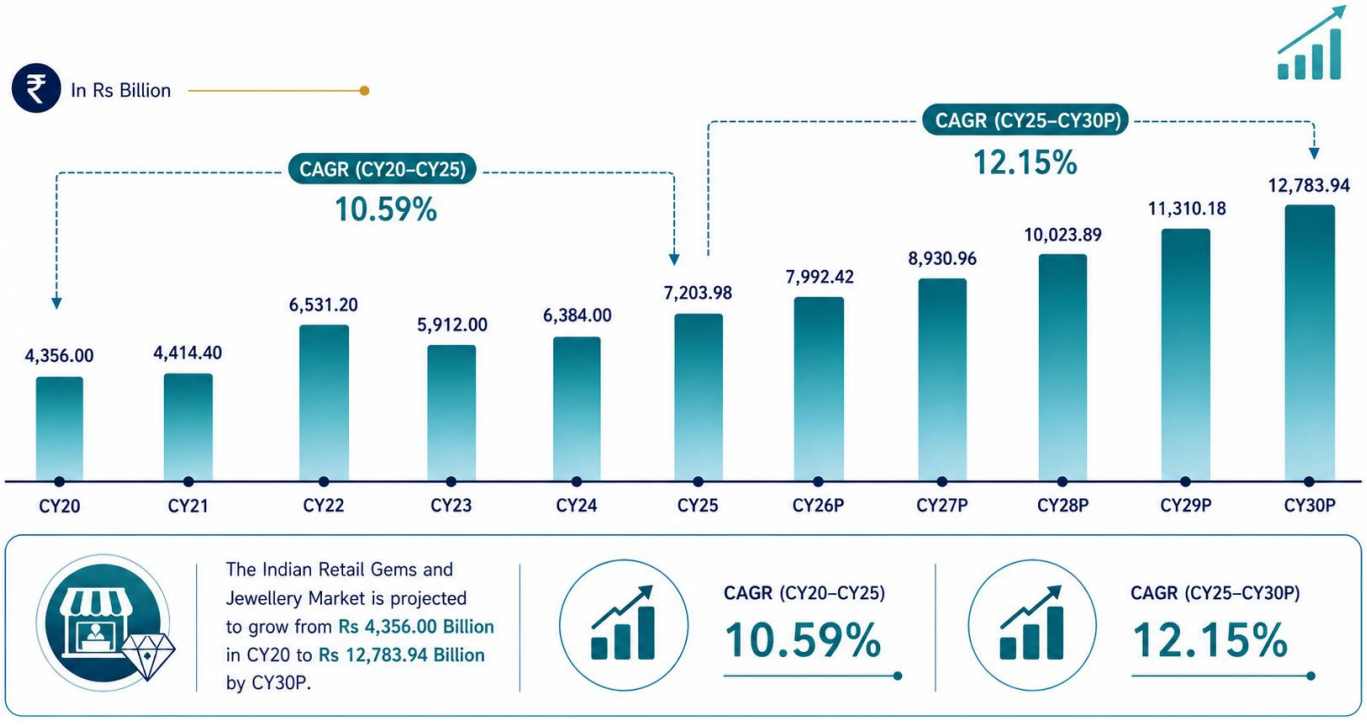
6.1 Overview

The Indian gems and jewellery industry is a significant pillar of the national economy, contributing approximately 7% to GDP and around 15% of total merchandise exports. The sector is expected to grow steadily, supported by strong domestic consumption and resilient international demand. India is the world's largest diamond-cutting and polishing hub, accounting for over 90% of global polished diamond production. The industry comprises multiple segments, including gold jewellery, diamond jewellery, coloured gemstones, and diamond-studded gold jewellery, with gold jewellery dominating due to its deep cultural and religious significance. Jewellery continues to play an integral role in weddings, festivals, and ceremonial occasions, reinforcing sustained demand. The manufacturing ecosystem is geographically concentrated in Maharashtra, Gujarat, and Tamil Nadu. Within this broader landscape, the retail gems and jewellery segment has emerged as a key growth driver. The retail market, traditionally led by unorganised family-run jewellers, is undergoing a structural shift towards organised and branded players. This transition is driven by rising consumer preference for certified products, transparency in pricing, greater design variety, and mandatory hallmarking. Organised national and regional chains are rapidly expanding their presence across metros as well as Tier II and Tier III cities. The adoption of digital retail, omni-channel models, and virtual try-on technologies is reshaping the consumer buying journey, particularly among younger, urban consumers who increasingly prefer lightweight, contemporary, and daily-wear jewellery. This shift is supporting formalisation and enhancing trust, quality standards, and market efficiency.

The sector, however, faces challenges including gold price volatility, dependency on imports, competition from synthetic diamonds and regulatory compliance requirements. These risks are being mitigated through government interventions, product diversification, and technological improvements. Although the adoption of advanced technologies such as blockchain and digital retail platforms is still at an early stage, they are expected to enhance transparency and operational efficiency over time. Overall, the Indian gems and jewellery industry continues to demonstrate resilience, leveraging its traditional strengths, skilled workforce, and evolving consumer preferences. The interplay of modern retail practices, supportive policies, and deep-rooted cultural demand positions the sector for sustained long-term growth.

6.2 Indian Retail Gems & Jewellery Industry Market Size

Chart 31: Indian Retail Gems & Jewellery Industry Market Size (CY20-CY30P)

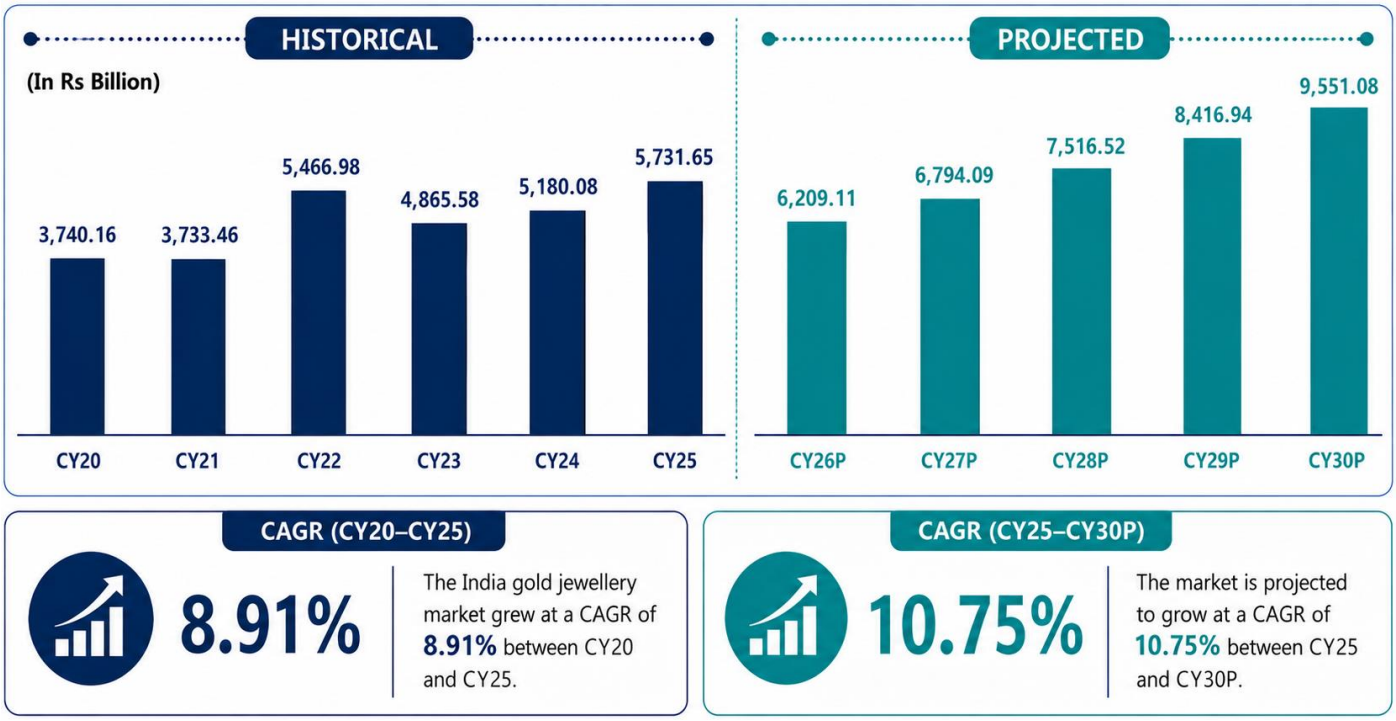


Source: IMARC Group, CareEdge Research

In CY25, the domestic retail gems and jewellery industry was valued at around Rs 7,203.98 billion, with a CAGR of 10.59% during CY20–CY25. Further, the retail gems and jewellery market is expected to grow at a CAGR of 12.15% between CY25 and CY30. The growth is supported by rising gold prices (driving value growth), increasing disposable incomes, rapid urbanisation, and evolving consumer preferences toward branded and design-oriented jewellery, along with a gradual shift toward organised retail channels. The shift from unorganised to organised retail, driven by mandatory hallmarking, transparent pricing, and growing trust in branded products, is accelerating industry formalisation. Strong demand for lightweight, contemporary designs, particularly among younger consumers, along with omnichannel retail expansion, virtual try-ons, and digital engagement tools, is further enhancing market growth. In addition, sustained wedding- and festival-led demand, expansion of organised players into Tier-II and Tier-III cities, and growing interest in categories such as diamond jewellery and lab-grown diamonds are contributing to the sector's growth.

6.3 Market Size of the Indian Retail Gold Jewellery

Chart 32: Market Size of the Indian Retail Gold Jewellery (CY20-CY30P)



Source: IMARC Group, CareEdge Research

India's gold jewellery retail market has shown steady value growth over the past few years, rising from Rs 3,740.16 billion in CY20 to Rs 5,731.65 billion in CY25, reflecting a CAGR of 8.91% despite pandemic-related disruptions and price volatility. The market is expected to grow further to Rs 9,551.08 billion by CY30, driven by rising disposable incomes, formalisation of the sector, and the continued preference for branded and hallmarked jewellery. The projected CAGR of 10.75% between CY25 and CY30 highlights the structural demand for gold in India, supported by its cultural significance, investment appeal, and the widespread availability of buyback and exchange programs that allow consumers to monetise or upgrade their jewellery, thereby enhancing liquidity and encouraging repeat purchases. Alongside mandatory hallmarking, these customer-friendly practices are further accelerating the shift toward organised and branded jewellery retailers.

7 Overview of the Diamond Studded Gold Jewellery Segment

7.1 Overview

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. Customisation 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 it too difficult to pass the prices on to the end consumers. The unorganised 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.

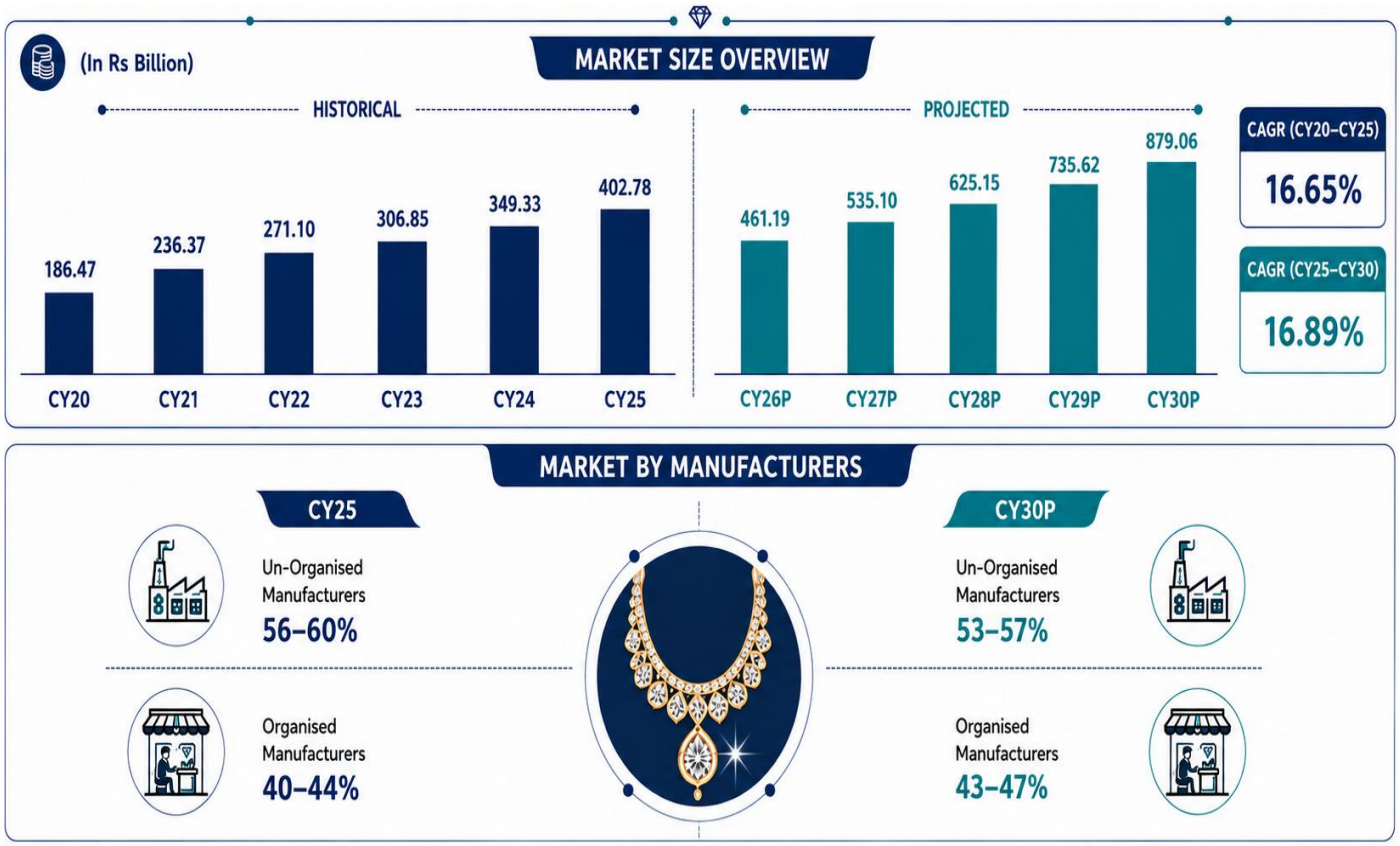
Looking ahead, the diamond-studded gold jewellery market is expected to continue growing. The expansion of India's middle class, increasing brand awareness, and the rise of organised retailers will help drive this growth. Government initiatives to promote hallmarking and transparency are also boosting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

7.2 Indian Diamond Studded Gold Wholesale Market

The Indian diamond-studded gold wholesale market reached Rs 402.78 billion in CY25, growing at a CAGR of 16.65% during CY20-CY25. The market has benefited from rising disposable incomes, an expanding middle class and increasing consumer preference for branded and premium jewellery. The growing presence of organised retail chains has improved accessibility and consumer trust, while design innovation, customisation and the growing adoption of online shopping platforms have further expanded market reach.

India's strong position in the global gems and jewellery industry provides manufacturers with opportunities to cater to international demand for diamond-studded gold jewellery. Technological advancements, including 3D design and advanced manufacturing, are enabling players to improve production efficiency and offer intricate, customised designs. Rising consumer awareness of jewellery quality, along with the cultural significance of gold and diamond jewellery during weddings and festivals, is expected to continue supporting demand.

Chart 33: Indian Diamond Studded Gold Wholesale Market



Source: IMARC Group, CareEdge Research

Unorganised manufacturers continue to benefit from lower operating costs, competitive pricing, traditional craftsmanship and strong knowledge of local consumer preferences. Their ability to offer personalised designs and cater to budget-conscious consumers supports their market presence. Meanwhile, organised manufacturers are increasingly focusing on premiumisation, customisation, sustainability, technology-led production and expansion into Tier-II and Tier-III cities. Stronger brand recognition, wider retail networks and designer collaborations are expected to further strengthen the organised segment.

The market is projected to grow at a CAGR of 16.89% during CY25-CY30, reaching Rs 879.06 billion by CY30P. In CY25, unorganised manufacturers accounted for 56–60% of the market, compared with 40–44% for organised manufacturers. By CY30, the unorganised share is expected to moderate to 53–57%, while the organised segment is projected to increase to 43–47%, indicating a gradual shift towards organised and branded players.

7.3 SWOT Analysis of the Indian Diamond-Studded Gold Wholesale Industry

Chart 34: SWOT Analysis



Source: CareEdge Research

8 Lab-Grown Diamond Industry

8.1 Overview of the LGD Jewellery Industry in India

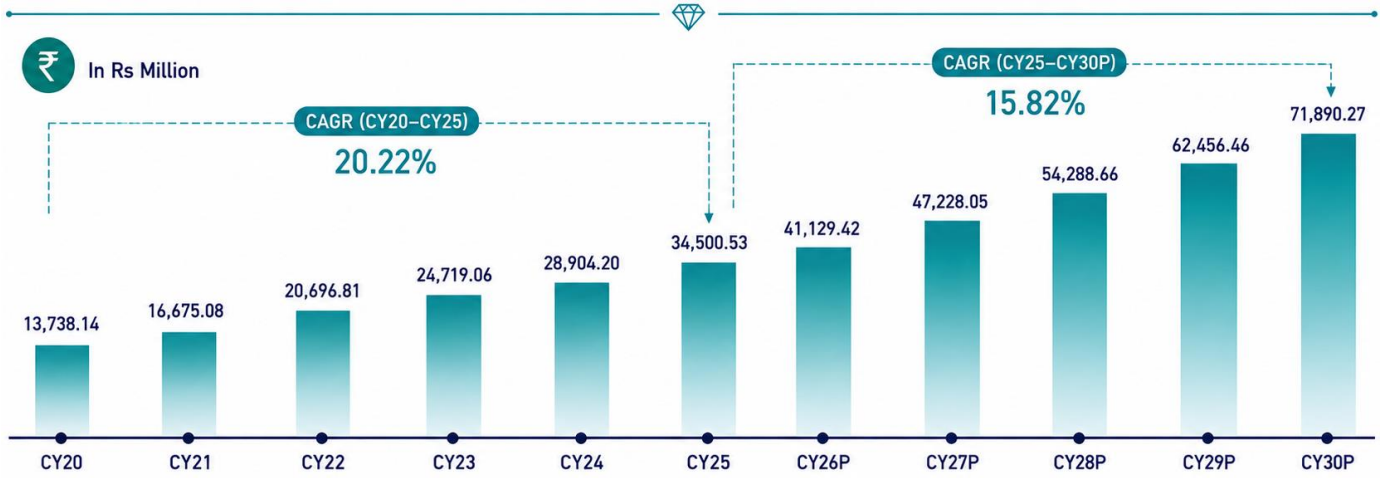
Lab-Grown Diamonds (LGDs) are real diamonds created in laboratories using advanced technologies that replicate the natural diamond formation process. Unlike imitation or synthetic stones such as cubic zirconia and moissanite, LGDs have the same chemical, physical and optical properties as mined diamonds. They are composed of pure carbon, possess the same crystal structure, and exhibit comparable brilliance, hardness and durability. The two primary production methods are Chemical Vapour Deposition (CVD), where carbon atoms are deposited layer by layer onto a diamond seed, and High Pressure High Temperature (HPHT), which recreates the high-pressure and high-temperature conditions under which natural diamonds form.

LGD Jewellery includes rings, earrings, necklaces, bracelets and other ornaments made using lab-grown diamonds instead of mined diamonds. From a visual and structural perspective, LGD jewellery is virtually indistinguishable from natural diamond jewellery without specialised equipment. The key distinction is their origin: LGDs are produced in controlled laboratory environments, whereas natural diamonds are formed underground over millions of years and extracted through mining. This difference has contributed to the growing appeal of LGD jewellery, particularly among consumers seeking more affordable and responsibly sourced luxury products.

The popularity of LGD jewellery has increased significantly due to its cost advantage, technological advancements and changing consumer preferences. LGDs are typically priced ~40–60% lower than comparable mined diamonds, making diamond jewellery more accessible to a broader consumer base. Younger consumers are increasingly attracted to products that offer sustainability, transparency, innovation and value. Improvements in production technology have also enhanced the quality and availability of LGDs, supporting their use in engagement jewellery, gifting and everyday wear. Overall, LGDs and LGD jewellery represent an important technological and cultural shift in the diamond industry, combining the characteristics of real diamonds with affordability and an alternative sourcing model.

8.2 Retail Lab-grown Diamond Market Size

Chart 35: India Lab Grown Diamond Jewellery Industry Market Size and Growth (CY20-CY30P)



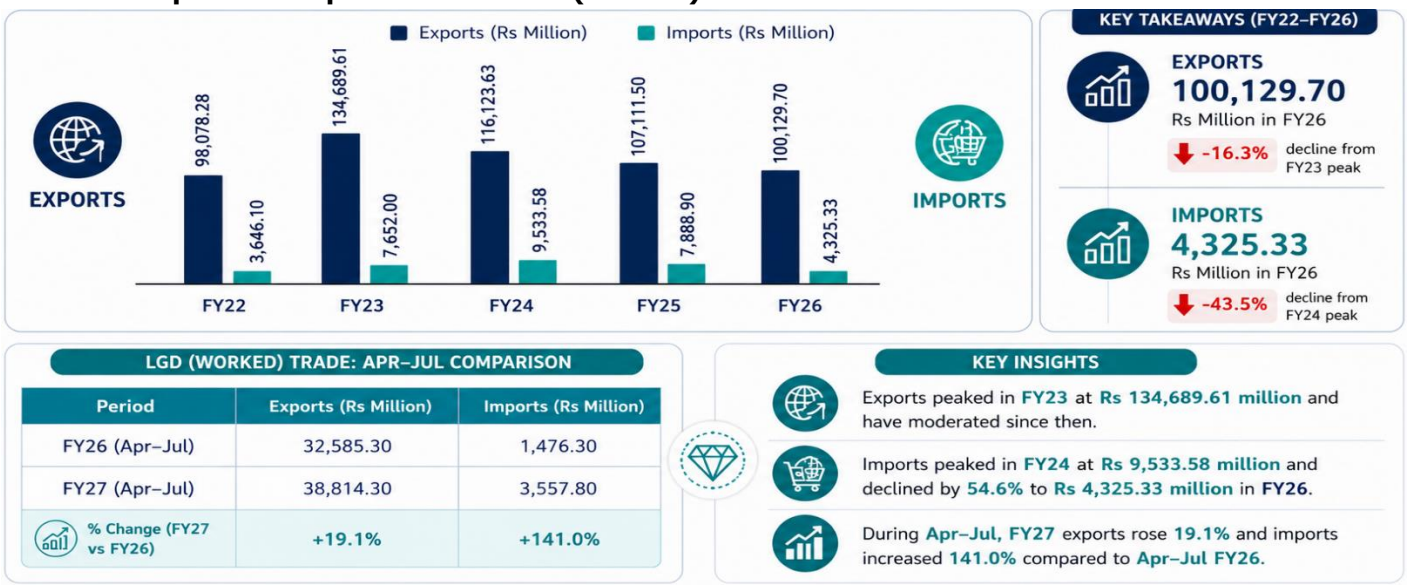
Source: Custom Market Insights, CareEdge Research

The Lab-Grown Diamond (LGD) jewellery market in India has witnessed growth, reflecting rising consumer preference for sustainable and affordable alternatives to natural diamonds. The market expanded from Rs 13,738.14 million in CY20 to Rs 34,500.53 million in CY25, supported by increasing awareness, improved accessibility, competitive pricing and acceptance among younger consumers. LGDs offer similar optical and physical properties to natural diamonds at a lower price, driving adoption across jewellery, including premium and studded segments. Looking ahead, the market is

projected to reach Rs 71,890.27 million by CY30, registering a CAGR of 15.8% during CY25-CY30P. Growth is expected to be supported by technological advancements, penetration in Tier-II and Tier-III cities, customised designs and collections, creating opportunities for retailers, manufacturers and investors.

8.3 Import and Export of Lab-Grown Diamonds

Chart 36: Import and Export Trend of LGD (Worked)



8.4 Cost Analysis

Chart 37: Cost Analysis of LGD vs Natural Diamond



Source: The Diamond Price (90-day rolling median prices across tracked global diamond retailers); CareEdge Research

Note: Prices are based on the 90-day rolling median price for 1-carat round diamonds with G colour, VS2 clarity and Excellent cut across all retailers tracked by The Diamond Price as of July 2026. Actual prices may vary depending on certification, retailer, and geographic location.

Lab-grown diamonds (LGDs) are now available across almost all popular shapes and quality grades, closely mirroring natural diamonds in appearance, brilliance, and optical performance. However, their price per carat remains significantly lower than that of natural diamonds. Based on the latest market data, a 1-carat round lab-grown diamond (G colour, VS2 clarity, Excellent cut) is priced at approximately USD 2,150, compared with around USD 5,350 for a natural diamond of equivalent specifications, representing a cost advantage of nearly 60%. While the price gap varies depending on shape, quality, demand, and certification, LGDs continue to offer consumers an attractive balance of affordability and aesthetics. As carat size increases, the price differential generally widens, reflecting the greater efficiency and scalability of lab-grown diamond production relative to natural diamond mining.

This cost differential makes LGDs an appealing choice for consumers seeking affordable luxury, ethical sourcing, and sustainability. In contrast, natural diamonds continue to command a premium owing to their geological rarity, emotional significance, and comparatively stronger resale and investment appeal. As technological advancements improve production efficiencies and consumer preferences continue to evolve, LGDs are increasingly reshaping the global jewellery market, particularly among millennial and Gen Z consumers, who place greater emphasis on transparency, design flexibility, and value for money alongside traditional notions of rarity

8.5 Outlook

The overall outlook for India's lab-grown diamond (LGD) jewellery industry is stable. However, the near-term outlook remains negative, as the continued decline in LGD prices is putting pressure on producers, potentially leading to margin compression and even losses for some manufacturers. On the other hand, lower prices are beneficial for jewellery manufacturers and retailers, as they improve affordability and support demand.

When lab-grown diamonds first entered the jewellery market about a decade ago, their prices were only marginally lower, roughly 10% cheaper than natural diamonds of the same size. However, with a rapid expansion in production capacities, particularly in China and India, the price gap between natural and lab-grown diamonds has widened dramatically. Since 2018, LGD prices have declined by nearly ~70%, driven by rising competition and market oversupply. This steep correction has pressured manufacturers' margins and profitability, making the upstream segment more challenging in the near term despite rising global demand.

On the export front, after a strong surge until FY23, LGD exports have witnessed moderation due to weak demand in key markets such as the US, inventory corrections, and price erosion. At the same time, there has been a gradual shift in export destinations, with increasing contribution from trading hubs such as Hong Kong and the UAE, indicating diversification in market exposure.

On the domestic front, the LGD jewellery segment continues to expand steadily, driven by growing consumer acceptance, increasing brand participation, and the value proposition of affordability and sustainability. The category's rising share within branded and studded jewellery collections indicates that LGDs are gaining mainstream appeal among urban and younger consumers. Going forward, stable domestic demand, technological improvements, and gradual export recovery are expected to keep the overall industry trajectory balanced, supporting a stable outlook for the sector.

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

9.1 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.

9.2 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 labour, and other benefits like policy support, etc. Various government policies support the industry. Currently, 100% Foreign Direct Investment (FDI) is permitted in the sector under the automatic route.

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

The Government of India's decision to bring FDI into the retail market expedited the growth in the 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.

9.3 Goods & Services Tax (GST)

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

9.4 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.

9.5 Authorised 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 6: Authorised Banks Permitted to Purchase Gold from Other Countries valid up to March 2029

Authorised 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

9.6 Latest Provisions for the Gems & 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 since 2nd 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.

9.7 Central Government's Gold Monetisation Scheme

Gold Monetisation 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 by saving costs of gold storage and also helped the government bear borrowing costs.

With the new Revamped Gold Monetisation 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
- Dematerialisation of Medium-Term Government Deposit (MTGD) and 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 Monetisation 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.

9.8 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 upholds 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 on 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.

9.9 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 the 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.

9.10 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 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

10 Key Demand Drivers and Opportunities for Jewellery in India



Source: CareEdge Research

1. Weddings and Festivals Drive Domestic Demand:

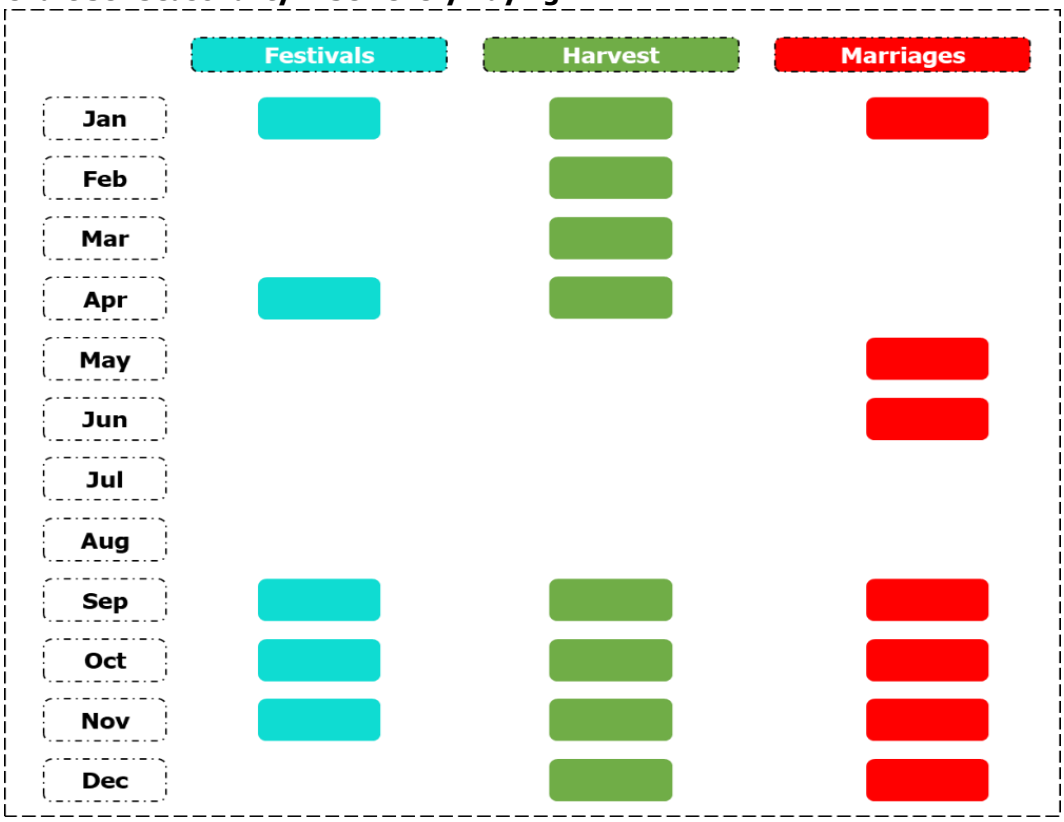
Seasonality is a central driver of Jewellery demand in India and plays a major role in shaping demand variability. Indian Jewellery consumption is tied to the calendar of life events and religious festivals: weddings, engagements, wedding seasons, Dhanteras, Akshaya Tritiya, Navratri and other regional festivals. Weddings, festivals, and rural harvest cycles underpin the category, ensuring that jewellery purchases are closely tied to specific months and seasons. As a result, gold Jewellery demand follows a well-defined annual pattern, with buying concentrated around wedding seasons and culturally auspicious periods. This predictable seasonality creates both opportunity and risk for retailers. Inventory is typically built up ahead of peak demand, improving availability and conversion, but it also increases carrying costs and exposure to gold price volatility during the stocking period.

The resilience of the Indian jewellery market is largely supported by gold's dual function as both adornment and a widely accepted store of value. When prices rise, households rarely withdraw from the category altogether; instead, they adapt by opting for lighter designs or alternative product mixes. This behaviour helps sustain value growth even when physical volumes fluctuate and aligns with broader macro narratives that position gold as a safe-haven asset during periods of uncertainty.

Jewellery demand strengthens during key wedding months such as May–June, September–December, and January. In November and December, rural households often channel post-harvest income into gold jewellery. Demand in Tier-II and Tier-III towns is similarly influenced by agricultural output and monsoon conditions. Religious and auspicious

occasions, such as Diwali and Dhanteras in October and November, and Akshaya Tritiya in April and May, also drive sharp spikes in gold and silver jewellery purchases.

Chart 38: Seasonality in Jewellery Buying



Source: CareEdge Research based on Industry sources

Weddings are the most significant value contributor, as purchases are typically bundled across bridal sets, family buying, and ceremonial requirements, combining social significance with financial intent. For organised chains, this supports scalable and process-driven selling models, including appointments, customisation, exchange programmes, and structured post-sale services.

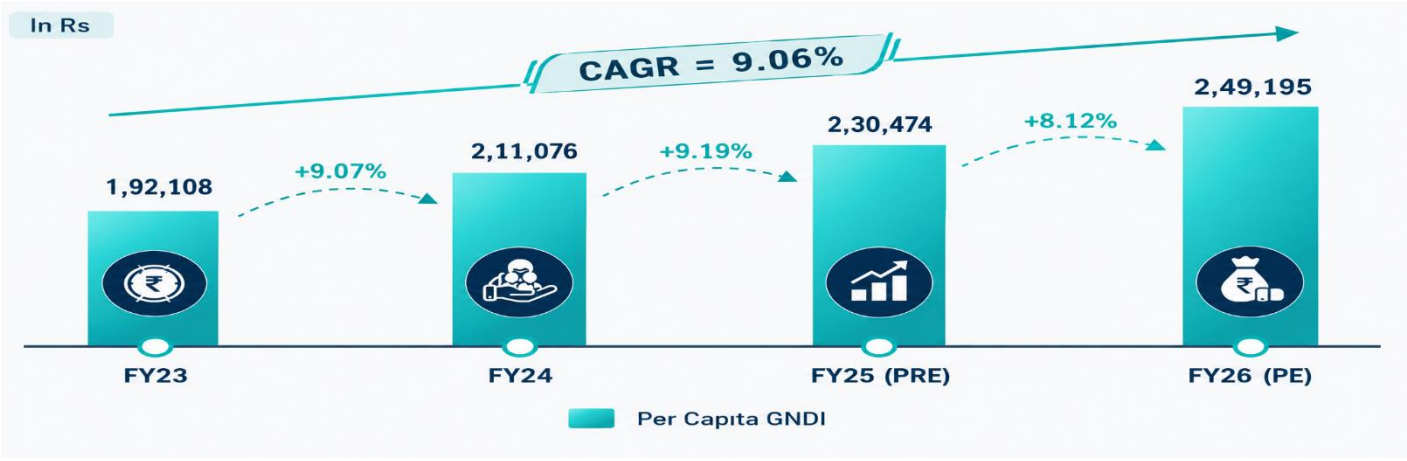
Alongside weddings, gifting and everyday purchases generate steady volumes throughout the year. Increasingly, digital touchpoints support this layer by enabling product discovery, appointment booking, and payment convenience. Jewellery chains benefit from the ability to integrate digital engagement, such as catalogues, campaigns, and CRM reminders, with in-store conversion and after-sales service in a controlled and measurable way.

Overall, gold buying in India closely mirrors the festive and wedding calendar. Demand typically peaks between October and March due to major festivals and the primary marriage season, while April to August tends to be relatively subdued, aside from a brief uptick during Akshaya Tritiya. Over the past decade, this cyclical pattern has resulted in roughly 60–70% of annual gold demand being concentrated in the third and fourth quarters, reflecting the clustering of festivals like Dussehra and Diwali alongside the peak wedding season. Consequently, jewellery retailers align procurement, marketing, and promotional strategies around these periods to optimise inventory utilisation and revenue generation.

2. 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 and FY24, per capita GNDI at current prices registered a CAGR of 8.88%. More disposable income drives more consumption, thereby driving economic growth.

Chart 39: Per Capita Gross National Disposable Income

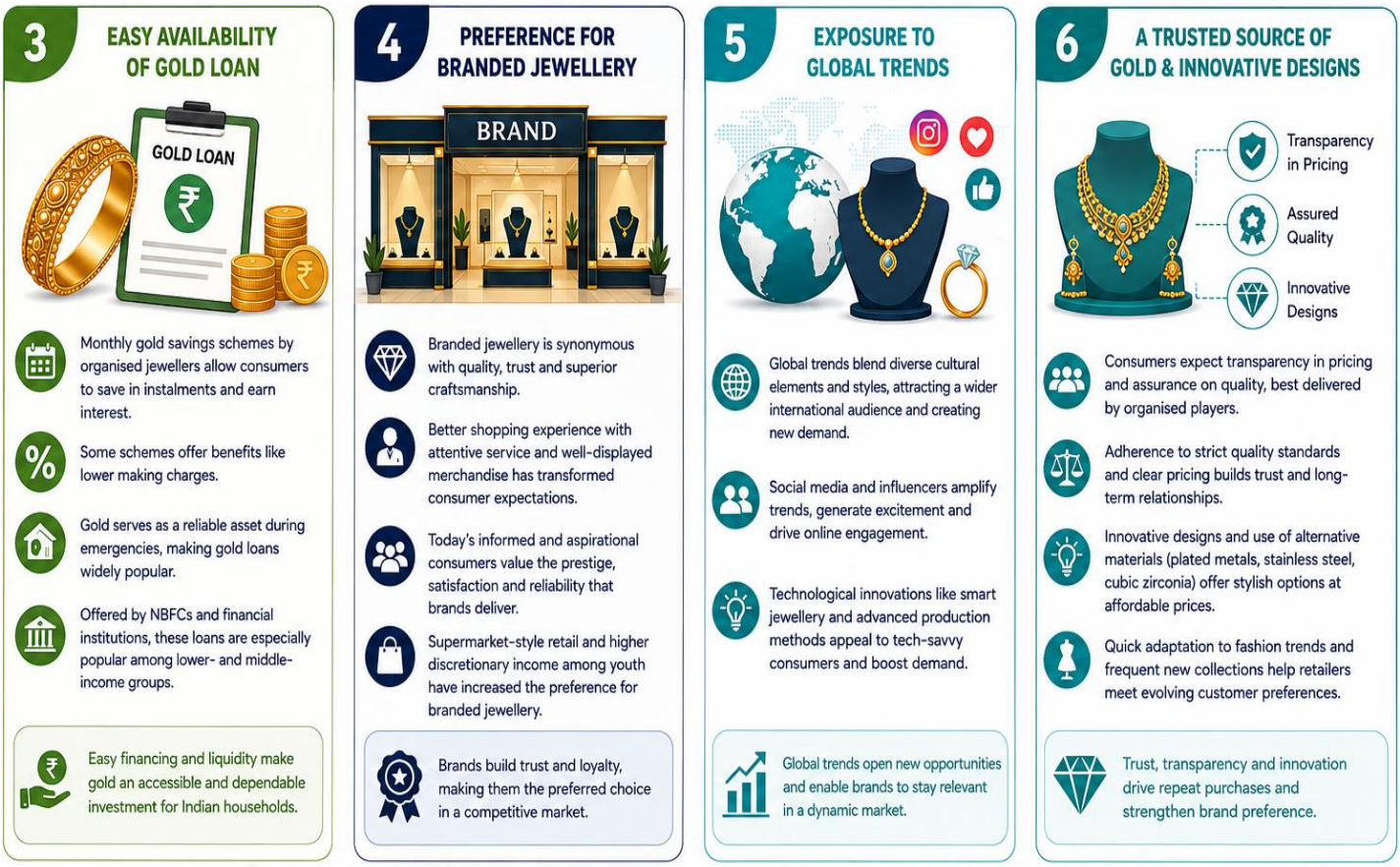


Source: MOSPI; Note: FRE – First Revised Estimates, PE – Provisional Estimate.

Rising income is the most powerful long-term driver of Indian gold demand because the economy is complemented 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.

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.

Chart 40: Key Demand Drivers

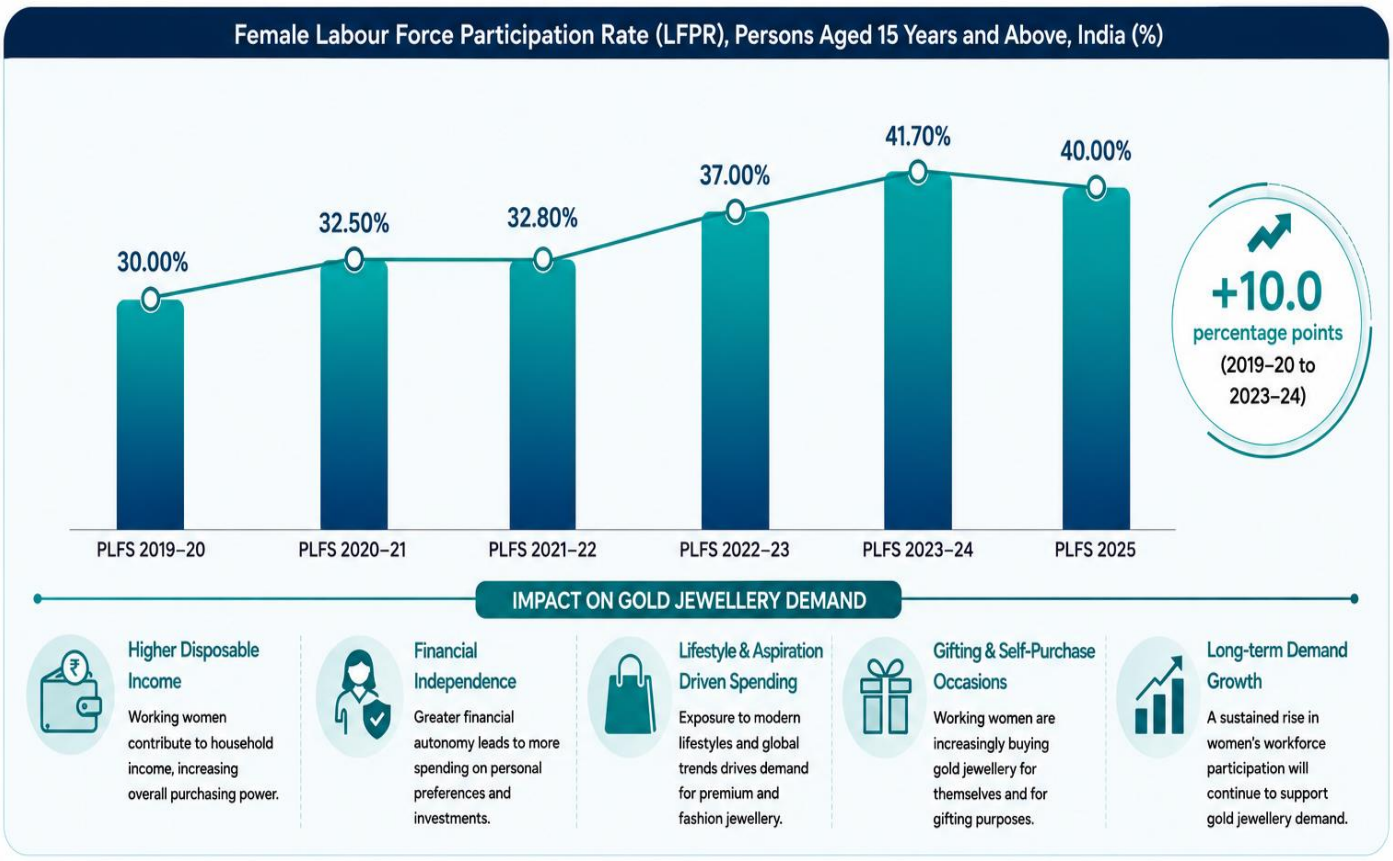


Increasing Number of Working Women

India has witnessed a steady increase in female labour force participation, indicating greater economic empowerment and financial independence among women. The female Labour Force Participation Rate (LFPR) for persons aged 15 years and above increased from 30.00% in PLFS 2019–20 to 41.70% in PLFS 2023–24, before moderating to 40.00% in PLFS 2025. The sustained improvement in workforce participation is supporting higher household incomes and greater discretionary spending capacity among women.

Increasing financial independence is also enabling women to make more self-directed purchases, including gold jewellery for personal use, fashion, gifting and important life occasions. As women's participation in the workforce continues to strengthen, the resulting increase in purchasing power and evolving consumption preferences is expected to support long-term demand for gold jewellery in India.

Chart 41: Female Labour Force Participation Rate (LFPR), Persons Aged 15 Years and Above, India (in %)



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.

Chart 42: Key Demand Drivers



11 Threats and Challenges for the Gems and Jewellery Industry

1. SHORTAGE OF SKILLED LABOUR

- Scarcity of skilled craftsmen/artisans; reliance on traditional, generational talent is not enough.
- Limited supply of new, professionally trained talent entering the industry.
- On-the-job training leads to longer training duration and gaps in availability and standardisation.
- Infrastructural deficiencies and lower demand for institution-trained personnel in the fragmented sector.
- Industry's limited appeal to the younger generation results in low attraction of new talent.

2. SHORT-LIVED FASHION AND DESIGN PREFERENCES

- Insufficient design development centres and resources to consistently innovate new designs.
- High prices of diamonds, gold and silver demand constant adaptation to global fashion trends.
- Manufacturers produce products as per market demand, but trends change rapidly.
- Demand for certain designs declines and eventually stops due to changing trends.
- Capital gets blocked in unsold old designs, leading to inventory pile-up and higher costs.

3. DEPENDENCY ON IMPORTS FOR RAW MATERIALS

- India imports a large portion of its raw materials as domestic availability is limited.
- India is a net importer of raw gold and meets over **90%** of its gold requirement through imports.
- Total gold imported (in value terms) by India was **Rs. 6,395.22 billion** in FY26.
- Major gold importing countries: Switzerland, UAE, South Africa, Peru and Australia, among other countries.
- Raw pearls, precious and semi-precious stones, and other items are imported from UAE, Hong Kong, USA, Belgium and Russia.

4. IMPACT OF GLOBAL SLOWDOWN

- The United States, the UAE, Hong Kong, Belgium and Israel are key export destinations for the Indian G&J industry.
- The UAE accounted for about **31.11%** of the total exports of gems and jewellery in FY26.
- Persistent high inflation rates and a slowdown in these economies will have an adverse impact on the gems and jewellery exports from India.

5. WORKING CAPITAL STRAIN DUE TO HIGH GOLD PRICES

- Elevated gold prices increase jewellers' working capital requirements.
- As gold accounts for the majority of input costs, firms—especially small and medium-sized players—must commit larger capital to maintain inventories.
- This leads to higher financing costs, strains liquidity and limits expansion, ultimately reducing competitiveness.

12 Competitive landscape

12.1 Key Gold Jewellery Peers

The following key gold jewellery peers have been considered for peer benchmarking of Tanvi Exports India Ltd.:

Table 7: Key Gold Jewellery Peers

Name of the Company	Business Overview
Tanvi Exports India Ltd.	Tanvi Exports India Ltd. is a Rajkot, Gujarat-based jewellery manufacturing company engaged in the manufacture and export of gold jewellery. The company manufactures various types of gold jewellery, including cast, machine-made and handmade ornaments. It is part of the broader Tanvi Group, which has operations across gold jewellery, findings, casting and hallmarking.
Shanti Gold Ltd.	Founded in 2003, Shanti Gold Ltd. is engaged in the design and manufacturing of gold jewellery, with a focus on designer products across 18k and 22k segments. The company operates a centralized manufacturing facility in Mumbai, supported by geographic expansion into markets such as Indore, Hyderabad, and Gujarat. It follows a semi-integrated manufacturing model, combining in-house production with outsourced labour for labour-intensive processes such as stone setting. This approach enables scalability while maintaining control over product quality and design.
Sky Gold Ltd.	Established in 2008, Sky Gold Ltd. operates in the gold jewellery manufacturing segment, primarily under a business-to-business (B2B) model. The company focuses on the design, production, and distribution of gold jewellery, supplying products to mid-range jewellers and boutique retailers, who further distribute through both offline and online channels. The company maintains an in-house design team supplemented by freelance designers, enabling continuous product development. Its operations are relatively asset-heavy, with significant investments in manufacturing and production infrastructure.
RBZ Jewellers Ltd.	RBZ Jewellers is an Ahmedabad-based jewellery company engaged in the manufacturing and retailing of gold jewellery. The company specialises in antique gold jewellery and also manufactures Jadau, Meena and Kundan jewellery. Its operations include manufacturing, wholesale and retail activities. The company operates under the Harit Zaveri brand for its retail business.
Utssav CZ Gold Jewels Ltd.	Utssav CZ Gold Jewels is a jewellery company engaged in the manufacturing, wholesaling and exporting of gold jewellery. The company primarily manufactures lightweight CZ-studded gold jewellery across categories such as rings, earrings, pendants, bracelets and necklaces. It follows a B2B business model and supplies jewellery to retailers in India and overseas markets.

12.2 Benchmarking Based on Financial Parameters

1. Financials Information (FY24)

Particulars	Tanvi Exports India Ltd.	Shanti Gold Ltd.	Sky Gold Ltd.	RBZ Jewellers Ltd.	Utssav CZ Gold Jewels Ltd.
Revenue from Operations (In Rs Million)	1,374.60	7,114.34	17,454.84	3,274.39	3,401.96
Gross Profit (In Rs Million)	154.69	617.23	1,046.56	660.91	259.49
Gross Profit Margin	11.3%	8.68%	6.00%	20.18%	7.63%
EBITDA (In Rs Million)	64.11	498.50	772.49	382.24	212.49
EBITDA margin	4.66%	7.01%	4.43%	11.67%	6.25%
PAT (In Rs Million)	25.86	268.68	404.81	215.69	128.48
PAT Margin	1.88%	3.78%	2.32%	6.59%	3.78%
Return on Equity	54.00%	32.08%	16.58%	10.40%	36.48%
ROCE	12.45%	16.69%	12.89%	13.96%	24.73%
Net Working Cycle Days	47	97	76	261	84
Net Debt to Equity Ratio	6.41x	2.33x	1.25x	0.27x	1.37x
Net Debt to EBITDA Ratio	4.79x	3.91x	3.96x	1.48x	2.27x
Net Fixed Asset Turnover ratio	5.91x	38.42x	70.60x	12.43x	32.44x

Source: Company Reports, CareEdge Research

2. Financials Information (FY25)

Particulars	Tanvi Exports India Ltd.	Shanti Gold Ltd.	Sky Gold Ltd.	RBZ Jewellers Ltd.	Utssav CZ Gold Jewels Ltd.
Revenue from Operations (In Rs Million)	10,084.05	11,064.07	35,480.20	5,301.15	6,463.19
Gross Profit (In Rs Million)	723.16	1,054.95	2,508.91	1,115.11	462.70
Gross Profit Margin	7.17%	9.53%	7.07%	21.04%	7.16%
EBITDA (In Rs Million)	317.32	899.16	1,963.70	642.57	389.89
EBITDA margin	3.15%	8.13%	5.53%	12.12%	6.03%
PAT (In Rs Million)	184.84	541.05	1,326.55	387.99	250.60
PAT Margin	1.83%	4.9%	3.7%	7.3%	3.9%
Return on Equity	38.95%	39.28%	19.40%	15.83%	19.76%
ROCE	20.77%	22.93%	14.53%	18.52%	18.85%
Net Working Cycle Days	24	102	85	208	108
Net Debt to Equity Ratio	1.57x	1.67x	0.87x	0.35x	0.58x
Net Debt to EBITDA Ratio	2.35x	2.55x	3.02x	1.35x	1.90x
Net Fixed Asset Turnover ratio	23.06x	68.45x	97.51x	19.69x	85.62x

Source: Company Reports, CareEdge Research

3. Financials Information (FY26)

Particulars	Tanvi Exports India Ltd.	Shanti Gold Ltd.	Sky Gold Ltd.	RBZ Jewellers Ltd.	Utssav CZ Gold Jewels Ltd.
Revenue from Operations (In Rs Million)	11,399.36	20,187.09	62,948.87	6,364.80	11,548.96
Gross Profit (In Rs Million)	1,363.45	2,190.77	5,320.98	1,492.82	1,022.99
Gross Profit Margin	11.96%	10.85%	8.45%	23.45%	8.86%
EBITDA (In Rs Million)	920.75	1,989.97	4,343.48	918.61	911.42

Particulars	Tanvi Exports India Ltd.	Shanti Gold Ltd.	Sky Gold Ltd.	RBZ Jewellers Ltd.	Utssav CZ Gold Jewels Ltd.
EBITDA margin	8.08%	9.86%	6.90%	14.43%	7.89%
PAT (In Rs Million)	657.97	1,401.54	2,818.31	547.96	590.59
PAT Margin	5.77%	6.94%	4.48%	8.61%	5.11%
Return on Equity	60.71%	23.42%	23.37%	18.28%	29.84%
ROCE	38.61%	24.04%	20.60%	19.91%	27.02%
Net Working Cycle Days	59	127	73	221	101
Net Debt to Equity Ratio	1.04x	0.34x	0.70x	0.47x	0.68x
Net Debt to EBITDA Ratio	1.22x	1.03x	1.93x	1.52x	1.48x
Net Fixed Asset Turnover ratio	28.82x	109.89x	64.12x	18.88x	139.06x

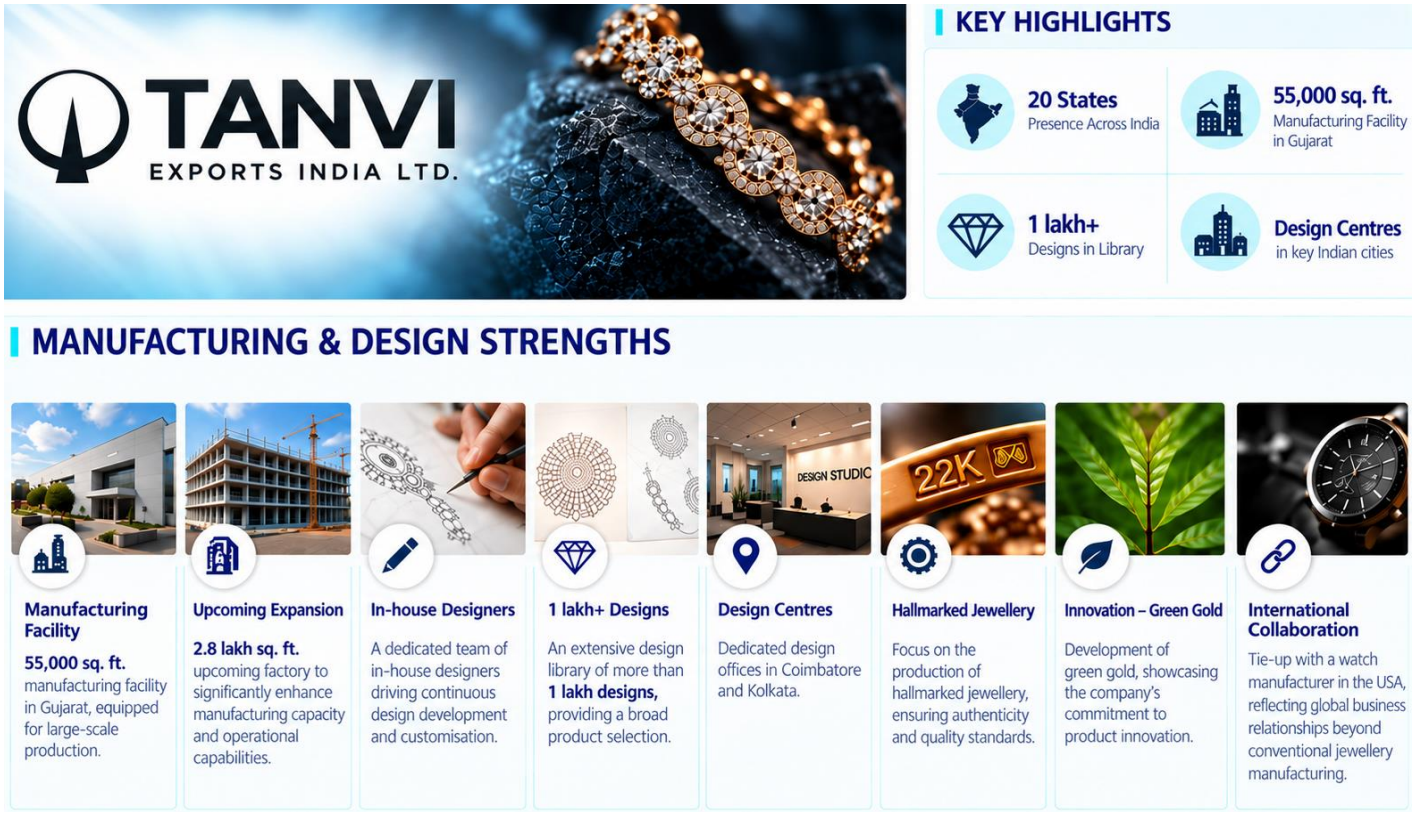
Source: Company Reports, CareEdge Research

13 Business Profile

13.1 Overview

Tanvi Exports India Limited is a jewellery manufacturing and export company driven by the promoter Bipinbhai Gordhanbhai Viradiya who has an more than 25 years of experience in the industry. Bipinbhai Gordhanbhai Viradiya started theire journey in 1999 in Rajkot, Gujarat, he has evolved from a small-scale operation into an integrated jewellery business with a 55,000 sq. ft. manufacturing facility in Gujarat and an upcoming 2.8 lakh sq. ft. facility. The company has a presence across 20 states in India and exports jewellery to key international markets, including Dubai, the USA and Australia. The company is increasingly focusing on exports, which has enabled it to increase its export revenue contribution from **3.16%** of total revenue in FY24 to **15.65%** in FY26. Tanvi Exports India Limited is one of the leading manufacturers and exporters of gold jewellery in Gujarat, accounting for ~ 8%[1]of the state's overall gold jewellery exports.

Its capabilities are supported by in-house designers, a design library of more than 1 lakh designs and dedicated design centres in Coimbatore and Kolkata.



Source: Company Documents; CareEdge Research

The company focuses on the manufacturing of gold jewellery across a diverse product portfolio, supported by modern technology, established manufacturing capabilities and product development expertise. In FY26, the company processed **2.61 tonnes** of gold and accounted for an estimated **~0.61%** share of gold jewellery consumption in India. Its capabilities also include the production of hallmarked jewellery, green-gold innovation and international collaborations, reflecting its focus on quality, design development and expanding its presence across domestic and international markets.

[1] The market share has been calculated based on gold jewellery exports under HSN Code 71131911 from Gujarat only

EXPORTS PORTFOLIO

Tanvi Exports India Limited offers a diversified jewellery portfolio designed to address multiple occasions, customer preferences and product requirements, spanning traditional, contemporary and statement-oriented designs.

JEWELLERY FOR EVERY OCCASION

- **Wedding Jewellery** – For life's biggest celebrations
- **Festival Jewellery** – Inspired by traditions
- **Personal Occasion Jewellery** – For your special moments
- **Daily Wear Jewellery** – Elegant designs for everyday use
- **Blingy Jewellery** – For a distinctive and expressive look

WIDE RANGE OF PRODUCT CATEGORIES

Necklaces, Earrings, Rings, Chains, Pendants, Bracelets, Mangal Sutras

STRONG CUSTOMER BASE

TRUSTED BY LEADING JEWELLERY BRANDS WORLDWIDE

INTERNATIONAL CUSTOMERS
Serving customers across key global markets.

- Pakeeza Impex
- Vamor Gold LLC
- VIM Gold and Jewellery LLC
- Sri Jewellery LLC

LEADING CORPORATE CUSTOMERS IN INDIA
Partnering with prominent names in the Indian jewellery industry.

- Titan Company Limited
- P. N. Gadgil and Sons Limited
- Kalyan Jewellers India Limited
- Joyalukkas India Limited
- Jos Alukkas India Private Limited

THE COMPANY'S PRESENCE

Serving Customers Across **20 States** in India

Exports to Key International Markets: Dubai, USA, Australia

Source: Company Documents; CareEdge Research

14 Abbreviations, KPI Definitions and Bibliography

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

Table 8: 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 9: 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 10: Bibliography

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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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