Industry Report
on
Gems & Jewellery Industry
in
India

July 2026

Table of Contents

List of Tables

List of Charts

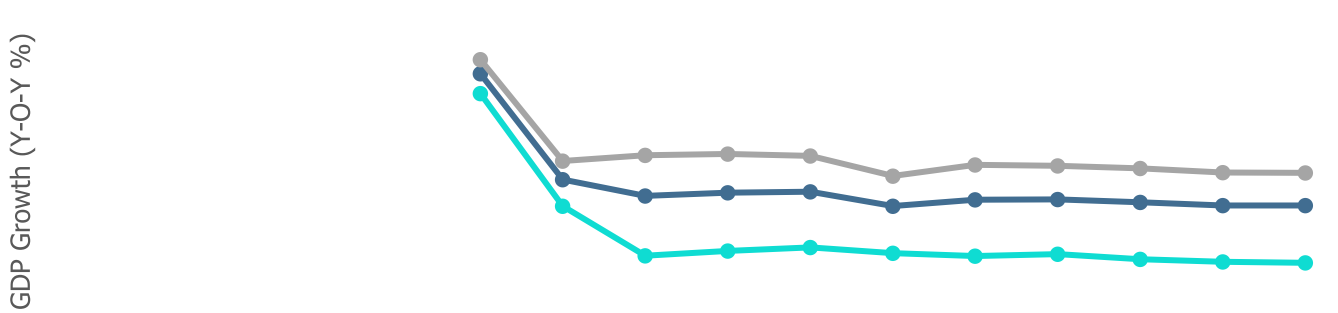
1 Economic Outlook

1.1 Global Economy

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

Global economic growth is projected to moderate to around 3.1% 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 2.5%, 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	CY25E	CY26P	CY27P	CY28P	CY29P	CY30P	CY31P
World	6.7%	3.8%	3.3%	3.4%	3.4%	3.1%	3.2%	3.2%	3.2%	3.1%	3.1%
Advanced Economies	6.1%	3.1%	1.7%	1.8%	1.9%	1.8%	1.7%	1.7%	1.6%	1.5%	1.5%
Emerging Market and Developing Economies	7.0%	4.3%	4.4%	4.5%	4.4%	3.9%	4.2%	4.2%	4.1%	4.0%	4.0%

Source: IMF – World Economic Outlook, April 2026; Notes: E-Estimate, 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 %)								
	CY23	CY24	CY25E	CY26P	CY27P	CY28P	CY29P	CY30P	CY31P
India	7.2	7.1	7.6	6.5	6.5	6.5	6.5	6.5	6.5
China	5.4	5.0	5.0	4.4	4.0	4.0	3.7	3.3	3.3
Indonesia	5.0	5.0	5.1	5.0	5.1	5.2	5.2	5.2	5.2
Saudi Arabia	0.5	2.6	4.5	3.1	4.5	3.6	3.5	3.5	3.6
Middle East and Central Asia	2.6	2.8	3.6	1.9	4.6	4.0	4.0	3.8	3.8
Latin America	2.3	2.4	2.4	2.3	2.7	2.9	2.9	2.7	2.6
Brazil	3.2	3.4	2.3	1.9	2.0	2.4	2.5	2.5	2.5
Euro Area	0.4	0.9	1.4	1.1	1.2	1.4	1.2	1.1	1.1
United States	2.9	2.8	2.1	2.3	2.1	2.1	1.9	1.8	1.8

Source: IMF- World Economic Outlook Database (April 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

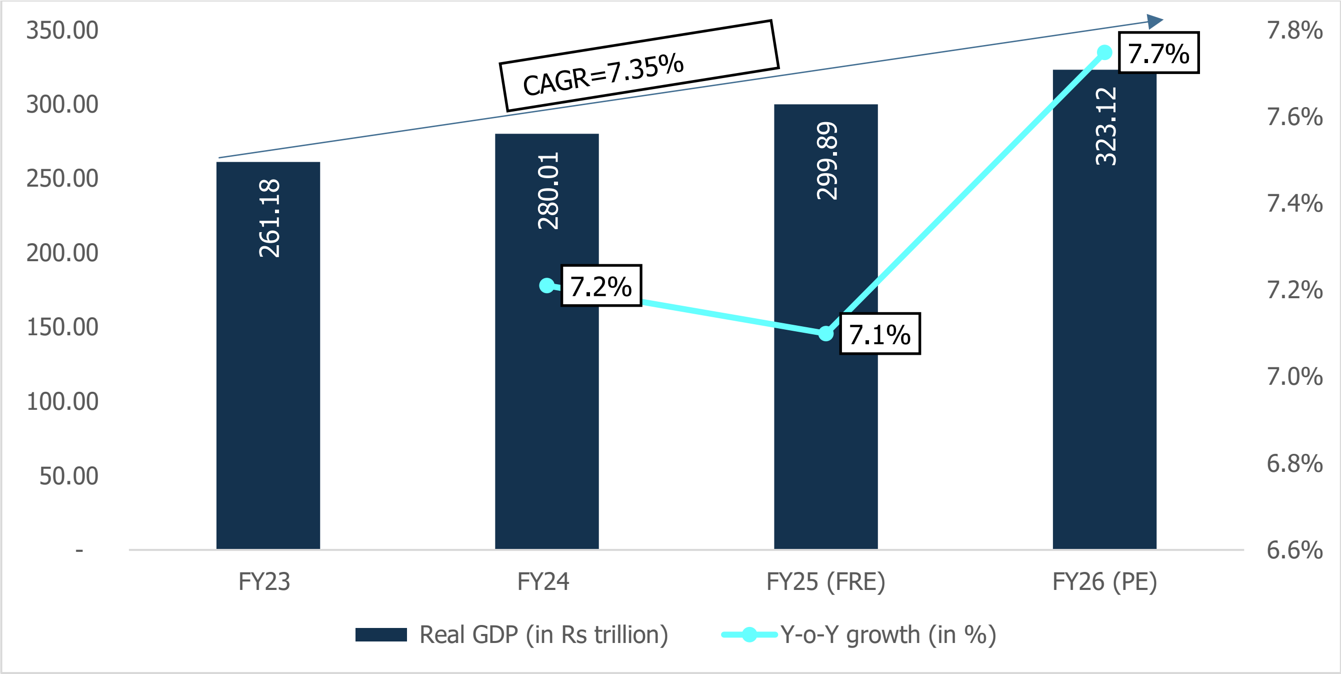
1.2.1 GDP Growth and Outlook

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 7.7%, supported by rising rural demand, better job opportunities and favourable business conditions.

For FY25, First Revised Estimates show a growth of 7.1% (Rs 299.89 trillion), led by robust performance in manufacturing, construction and financial services. Consumer spending rose by 7.7%, 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 7.2% 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 Indi (RBI) projects real GDP growth at 6.6% 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
6.6%	6.6%	6.3%	6.5%	6.8%

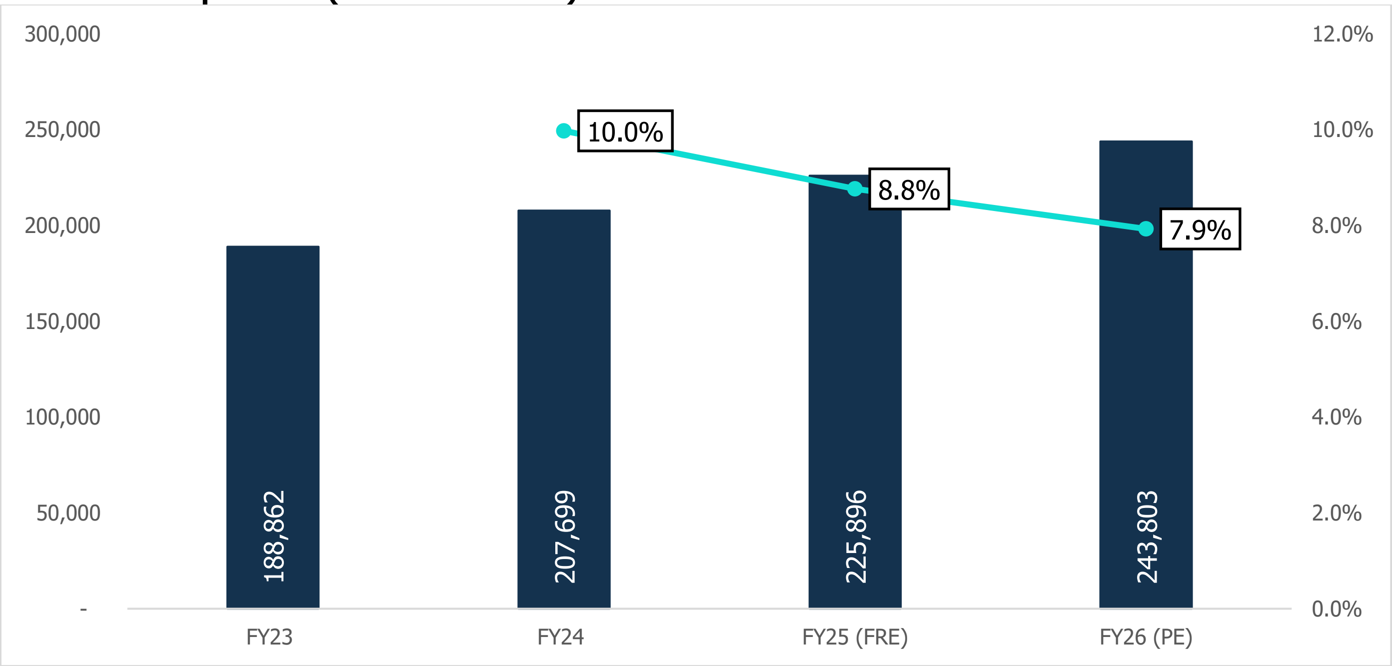
Source: RBI; Note: P-Projected
The trend for FY23-FY26 is based on new series base year 2022-23.

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, with an average growth rate of around 8.80% annually. In FY26, the growth is expected to have reached around 7.9% 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 7.9% is primarily led by manufacturing, Trade, Hotels, Transport, Communication & Services related to Broadcasting, Storage. Industry is estimated at 8.5%, supported by a pickup in manufacturing and construction (10.7% and 7.4% respectively). The gap between GDP and GVA growth stood at 0.2 percentage point in FY26, with GDP growing at 7.7% and GVA at 7.9%.

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

At constant Prices	FY24	FY25 (FRE)	FY26 (PE)
Agriculture, Forestry & Fishing	**2.6**	**4.2**	**3.0**
Industry	**10.9**	**8.3**	**8.5**
Mining & Quarrying	2.4	11.7	5.2
Manufacturing	12.7	9.3	10.7
Electricity, Gas, Water Supply & Other Utility Services	10.7	2.9	1.7
Construction	9.9	7.3	7.4
Services	**7.0**	**7.9**	**9.3**
Trade, Hotels, Transport, Communication & Broadcasting	10.1	6.6	11.0
Financial, Real Estate & Professional Services	5.5	10.0	10.4
Public Administration, Defence and Other Services	6.8	5.0	5.0
GVA at Basic Price	**7.2**	**7.3**	**7.9**

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

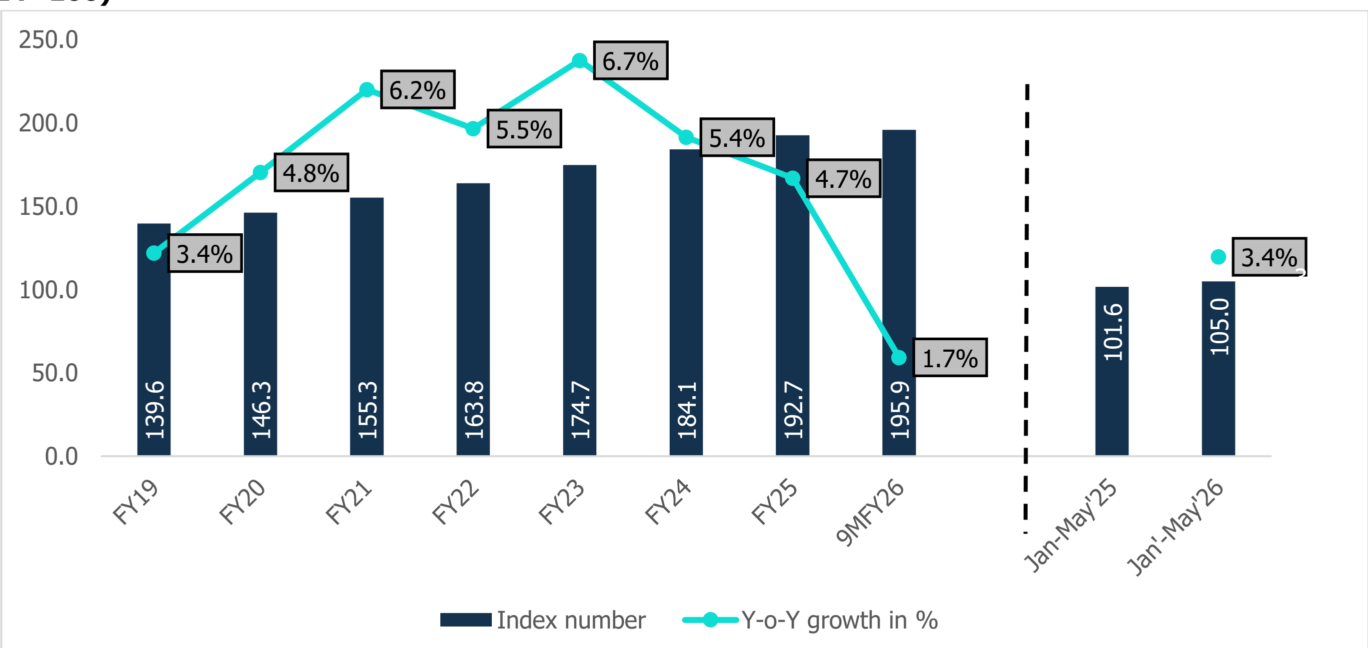
State\UT	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Maharashtra	1,37,808	1,40,782	1,45,626	1,27,550	1,41,651	1,54,979	1,66,013	1,76,678
Rajasthan	73,529	73,975	76,840	73,447	79,490	84,585	90,414	96,638
Tamil Nadu	1,33,029	1,41,844	1,44,845	1,43,482	1,54,269	163,205	1,78,496	1,97,747
Uttar Pradesh	41,771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

Source: MOSPI

1.2.5 Consumer Price Index (CPI) Records Combined Inflation Rate of 3.9% in May 2026

Between January and May 2026, inflation followed a steady yet modest path, averaging 3.2% across the Consumer Price Index. By April, the year-on-year rise sharpened slightly, reaching 3.48% compared to the same month in 2025. Within this, the rural inflation rate stood at 3.8%, while the urban inflation rate was comparatively lower at 3.2%. This indicates a modest overall 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)

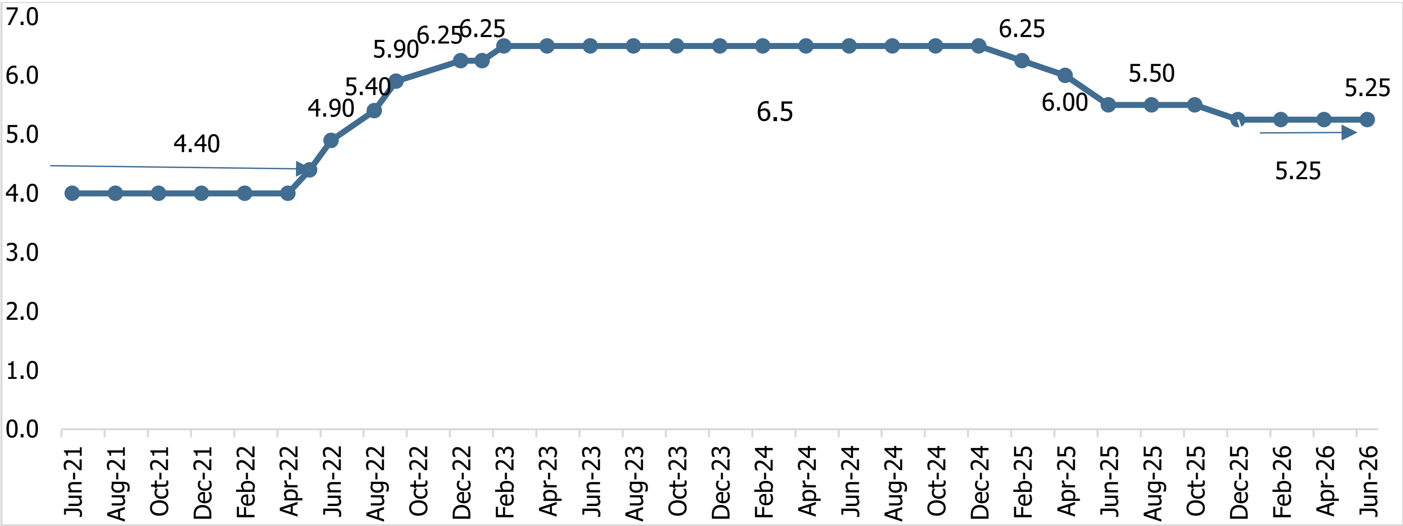


Source: MOSPI; Note: Base year for CPI has been revised in January 2026 to 2024 while till December 2025, the base year is 2012.

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 5.1% for FY27 with inflation during Q1FY27 at 4.2%, Q2FY27 at 5.1%, Q3FY27 at 5.9% and Q4FY27 at 5.4%.

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.

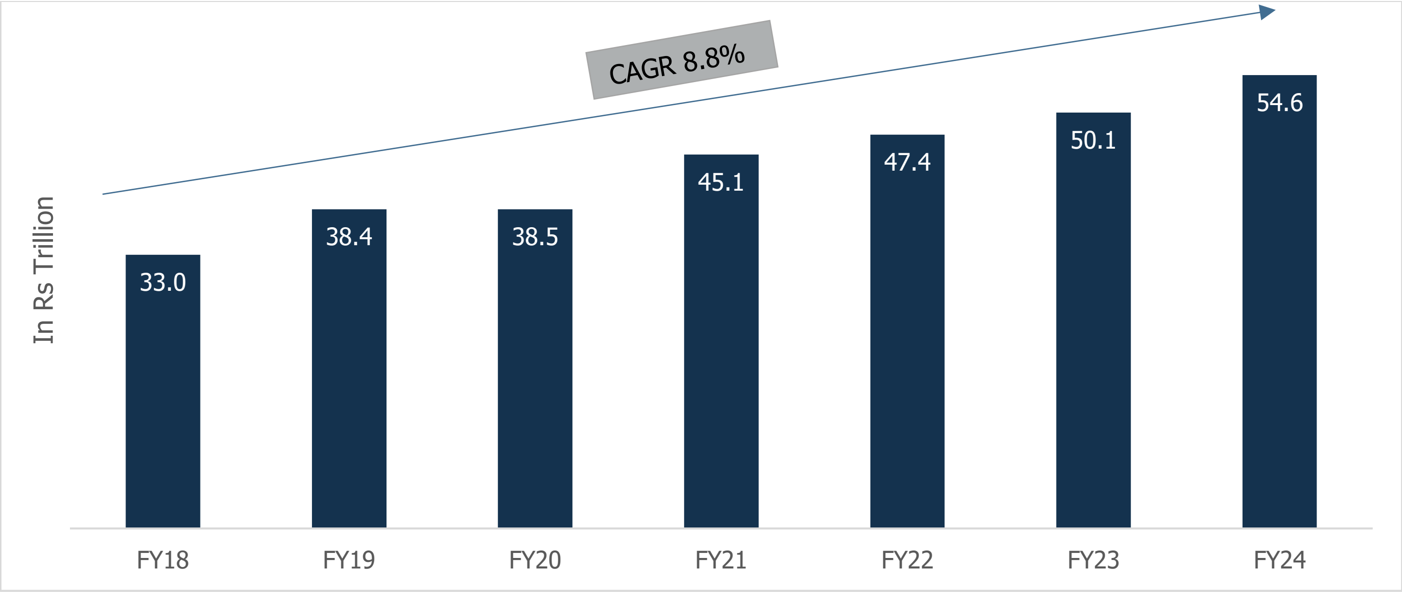
The prices of petrol and diesel have increased marginally as the refineries have been absorbing the shocks by reducing the excise duty, despite high global crude oil prices. However, a further hike in prices remains monitorable due to high company losses. The rise in energy prices and weather disturbances 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 54.6 trillion in FY24, a 9.0% 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 1.2% in FY24.

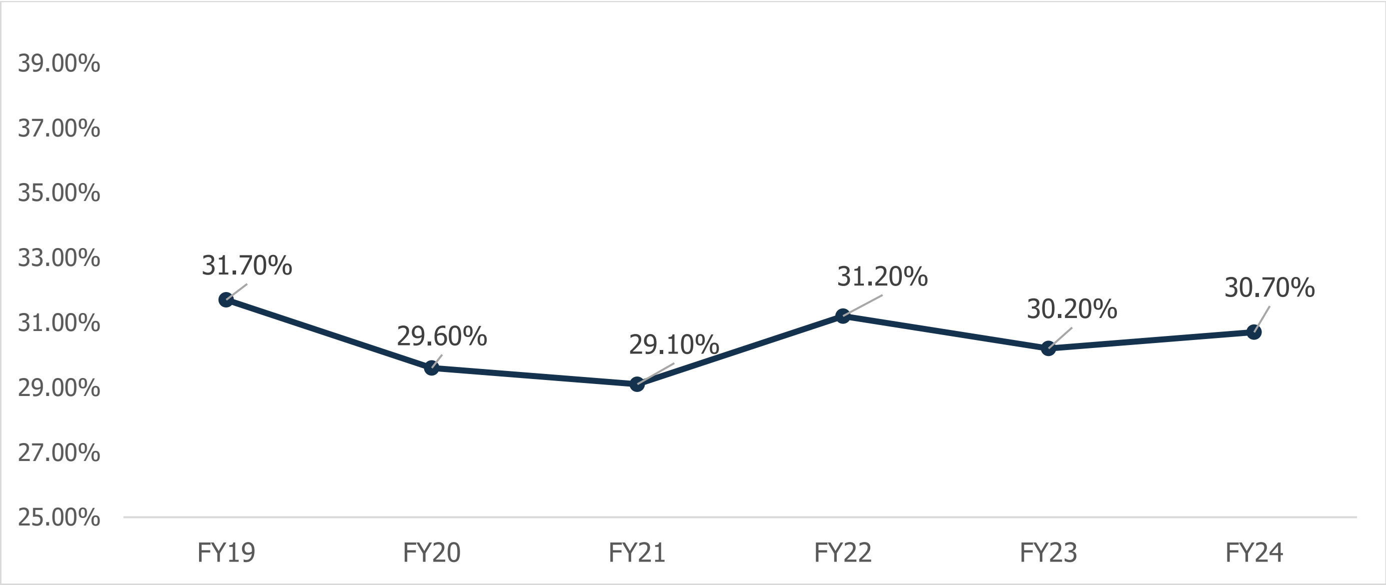
This increasing trend towards physical assets is occurring alongside a rise in household leverage, with borrowing, especially for housing, automobiles, and personal consumption, pushing household financial liabilities to a six-year high. Mutual funds and life insurance also grew, with an 11.5% and 13.6% 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.

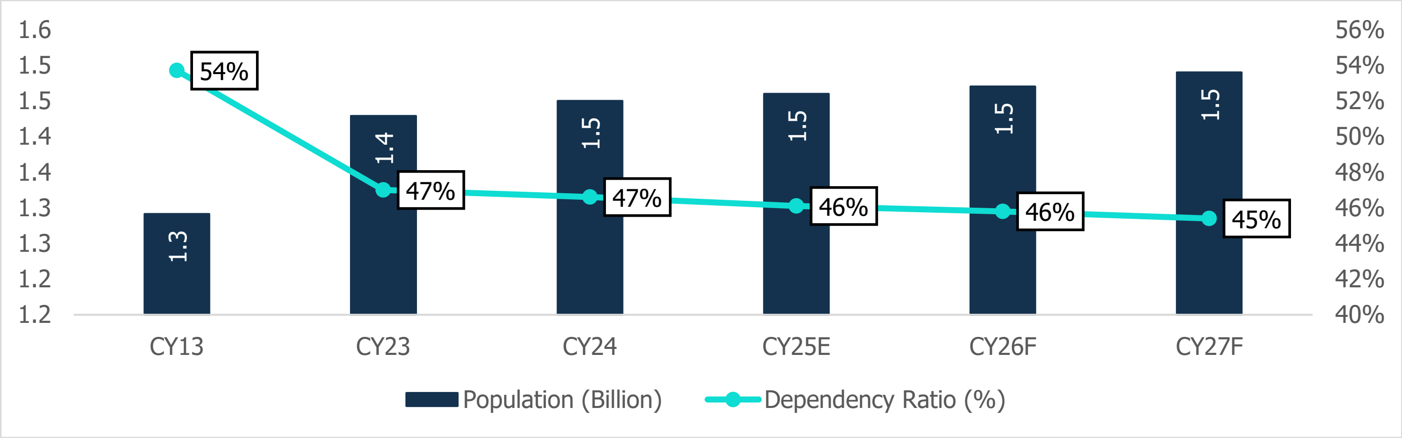
1.2.8 Overview on Key Demographic Parameters

- **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 (1.41 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% in CY23. However, this ratio is expected to rise again to 54% by CY36, driven by an increase in the elderly population as life expectancy improves.

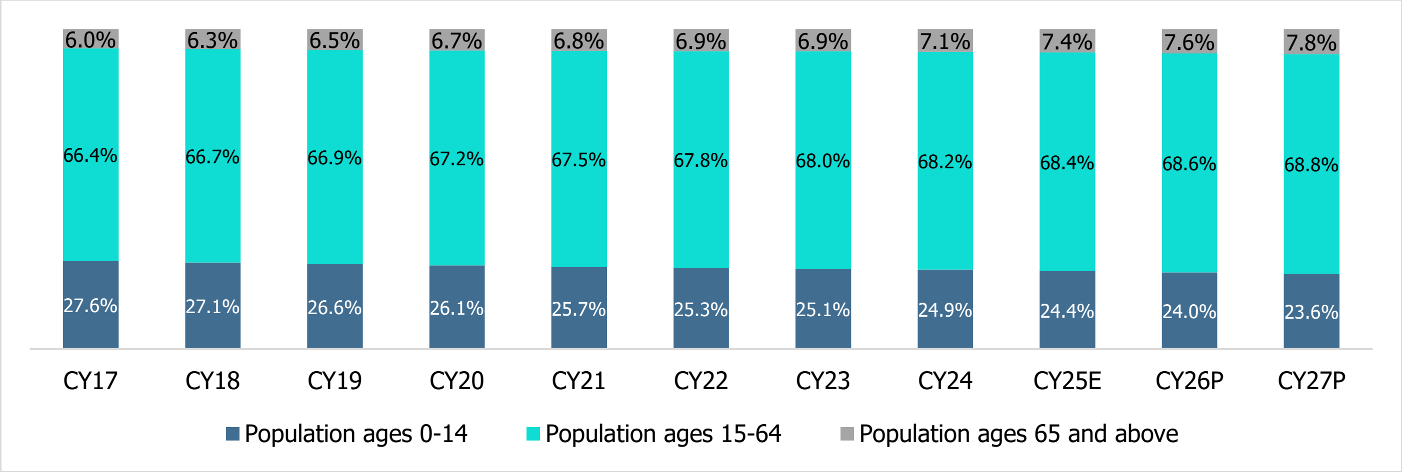
Chart 8: Trend in Population Growth vis-à-vis Dependency Ratio in India (in Billion)



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

Despite a projected rise in the dependency ratio to 54% 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.

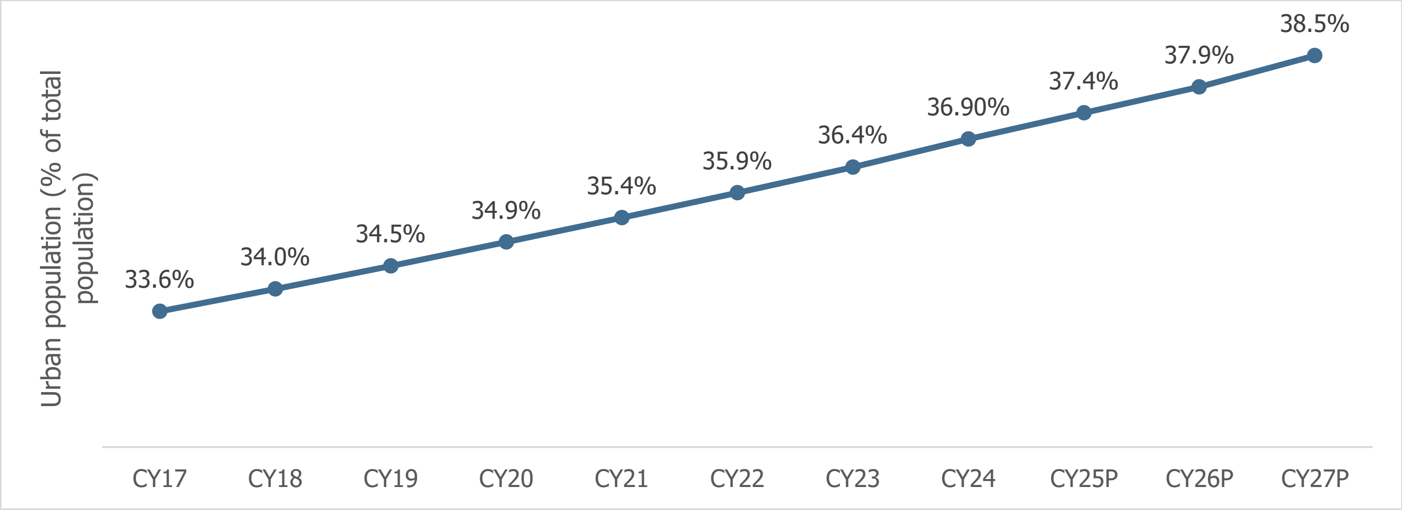
Chart 9: Age-wise Break-up of Indian Population (% of Working-age Population)



• 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 million (32% of total population) in CY13 to 519.5 million (36.4% of total population) in the year CY23. India is undergoing a significant urban transformation, with the urban population projected to rise to 40% 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



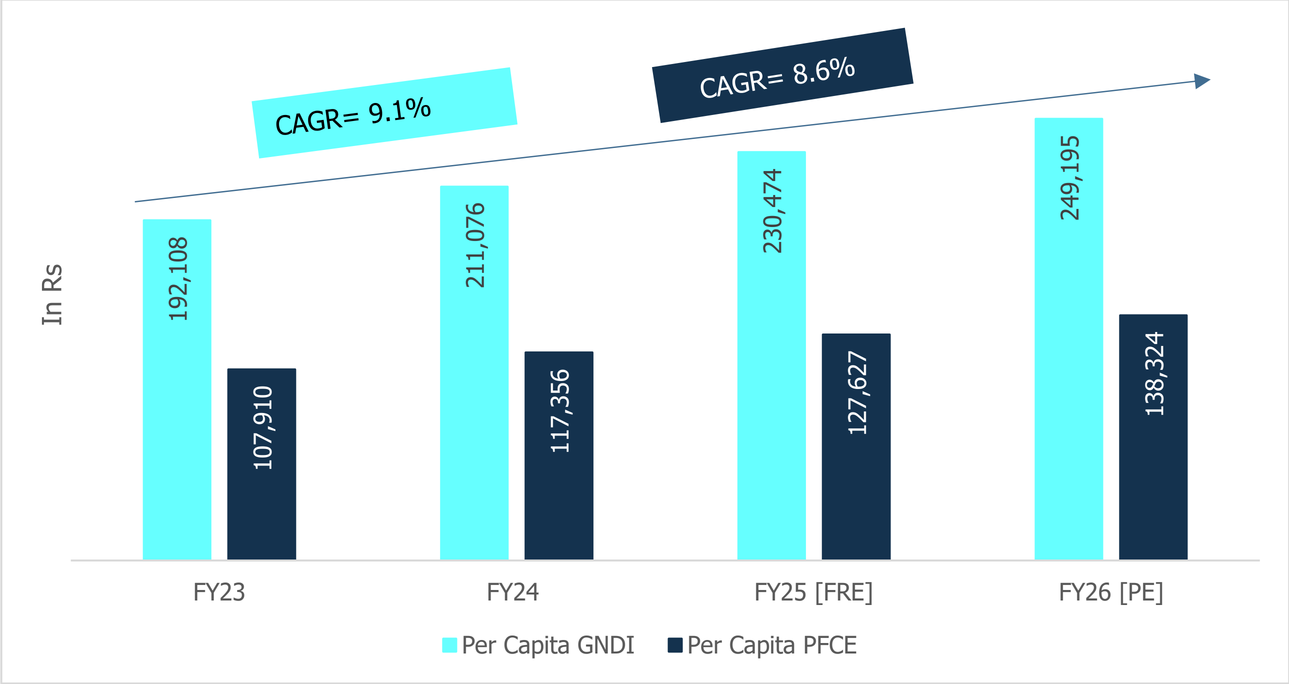
Source: World Bank Database; Note; E- Estimated, F- Forecasted

- **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 9.1%. 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 8.6%.

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 6.5% in CY26, far outpacing the estimated CY26 global average of 3.1%. 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 Global Gems & Jewellery Industry

2.1 Overview of the Global Gems and Jewellery Industry

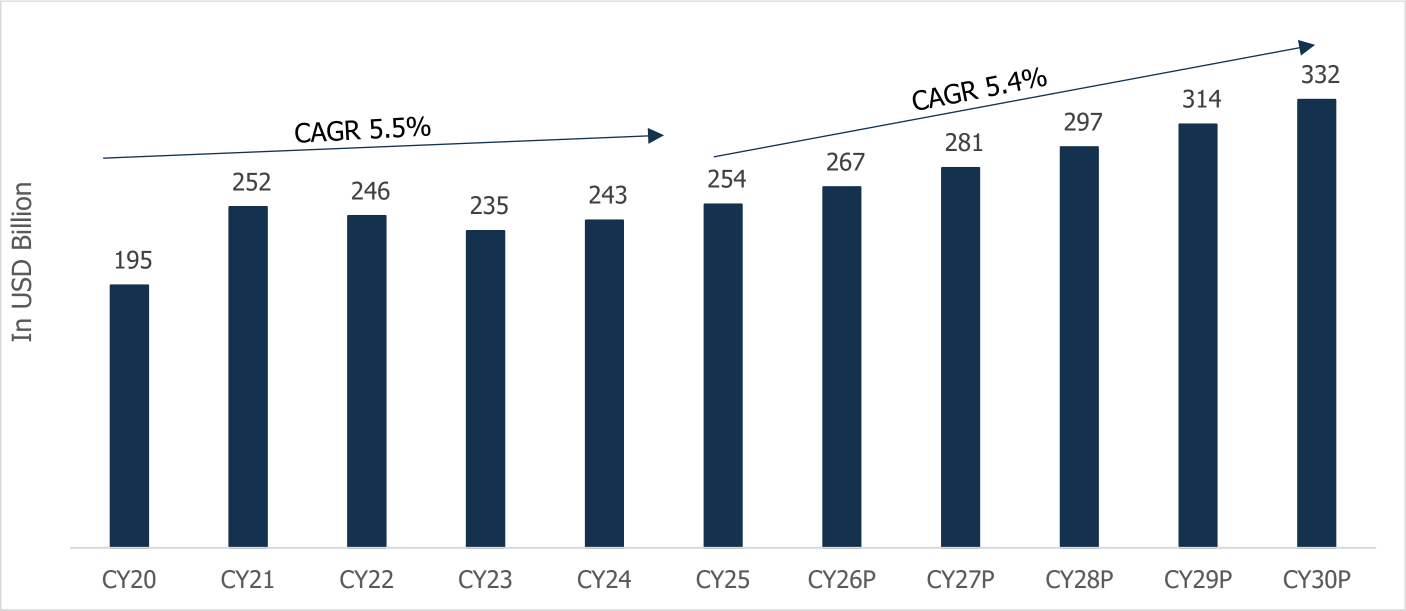
The global jewellery market is shaped by diverse economic trends, cultural practices, and shifting consumer preferences. The interest in gold chains and necklaces extends beyond weddings and unique events. People increasingly wear platinum and gold rings, delicate gold chains, bracelets, and anklets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

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

Gold is considered a haven, and most investors turn to gold during market turmoil for safe investment. Between CY20 to CY25, the global gems and jewellery market rebounded, achieving a (CAGR) of 5.5%. The diamond-studded gold jewellery segment has also gained traction, particularly in developed markets like North America and China, where it holds a higher share due to consumer preference for branded and certified jewellery.

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

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



Source: IMARC Group, CareEdge Research

In CY25, the global gems and jewellery industry has reached at around USD 254 billion, and it recorded CAGR of 5.5% 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 billion by CY30P, driven by economic recovery, rising disposable incomes in emerging economies, and increased demand for innovative and ethically sourced jewellery options.

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

2.2 Overview of the Global Gold Demand and Industry Trends

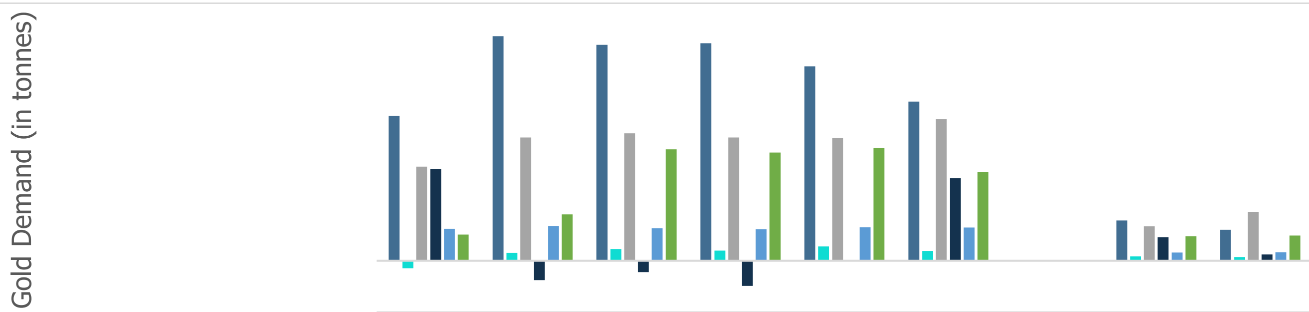
People across the world purchase gold for varied reasons, which are often shaped by local traditions, economic conditions, and broader global trends. Gold demand is influenced by a range of factors, including the state of the global economy, geopolitical developments, shifts in investor sentiment, and evolving industrial and technological uses.

Gold's versatility underpins demand across several key sectors, as it is widely used in jewellery, applied in advanced technologies such as electronics, semiconductors, and medical devices due to its superior conductivity and corrosion resistance, and held by central banks as part of reserve strategies. Additionally, gold is a popular choice among individual and institutional investors looking for safe-haven assets. The relative importance of these sectors can shift depending on the phase of the global economic cycle, with certain areas of the market, such as investment demand during periods of financial instability or jewellery demand during cultural celebrations, taking centre stage at various times.

This diversity of demand across multiple industries and the self-adjusting nature of the gold market help stabilise its value, making gold a resilient and attractive asset. Whether for wealth preservation, industrial use, or cultural purposes, gold's broad range of applications ensures that it maintains its significance, offering both a hedge against economic uncertainty and a tangible store of value.

2.2.1 Category-wise Gold Demand

Chart 13: Category-wise Gold Demand



	CY20	CY21	CY22	CY23	CY24	CY25		Q1CY25	Q1CY26
Jewellery Consumption	1,405.3	2,177.0	2,094.7	2,109.2	1,886.9	1,542.3		391.2	299.7
Jewellery Inventory	-73.5	75.4	113.6	99.0	139.6	95.7		43.5	35.3
Investment-Bars and Coins	912.8	1,195.4	1,234.9	1,195.1	1,188.3	1,374.1		333.6	473.6
Investment-ETFs	892.5	-188.6	-109.1	-243.3	-2.9	801.2		229.9	62.0
Technology-Electronics, Dentistry, industrial,etc	309.0	337.2	314.8	305.2	326.2	322.8		80.4	81.6
Central Banks	254.9	450.1	1,080.0	1,050.8	1,092.4	863.3		237.0	243.7

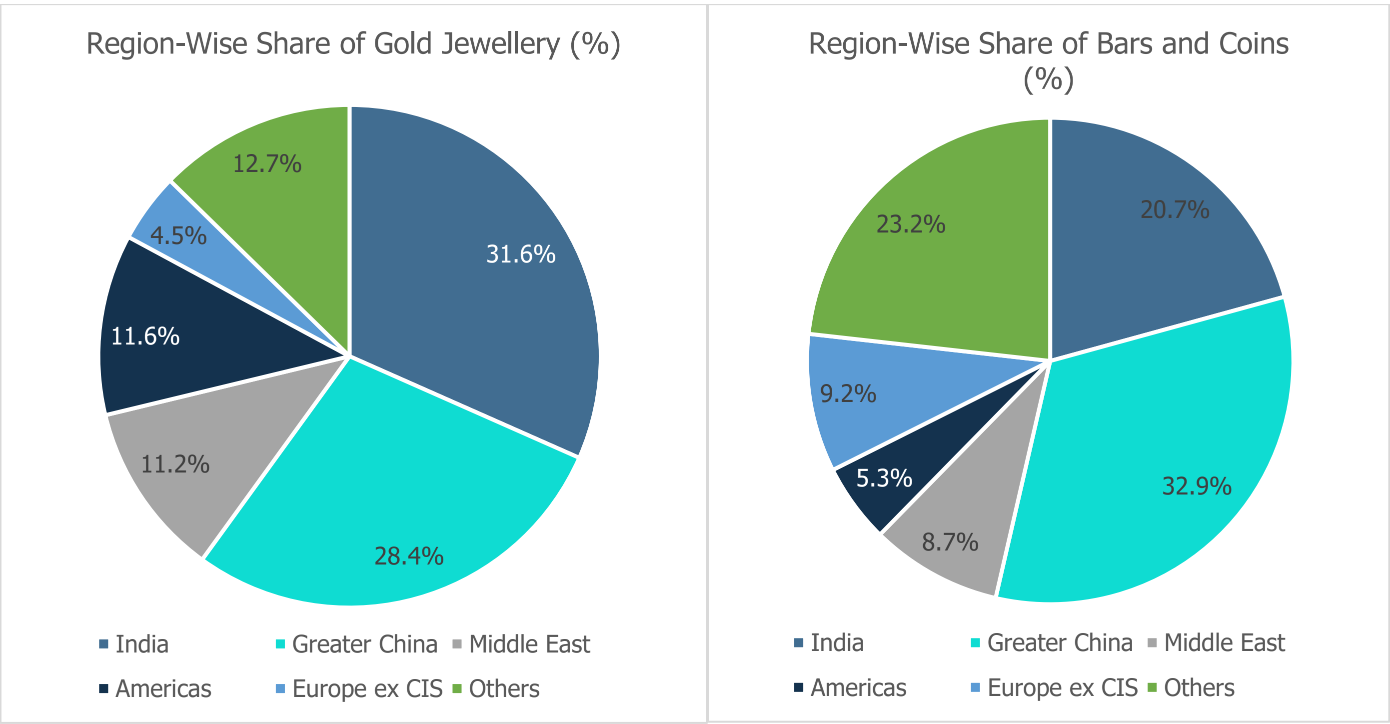
Source: World Gold Council, CareEdge Research

In Q1CY26, global gold demand declined by ~ 9% year-on-year to 1,195.9 tonnes. The majority share of global gold demand consists of gold jewellery, which is 35% for CY25 and around 28% for Q1CY26, followed by bars and coins, which account for 30% of total gold demand for CY25 and 40% in Q1CY26.

In CY25, the total demand for gold jewellery by global consumers was 1,542.2 tonnes as compared to 1,886.9 tonnes in CY24. The demand declined by 18.3% in CY25 as compared to the previous year. This fall was primarily due to record-high gold prices and weaker consumer sentiment in key markets like China, which impacted affordability and led consumers to either defer purchases or shift towards lighter jewellery and gold bars/coins. The overall demand in the gold market is largely in the form of gold jewellery fabrication and gold coins/bars. Whereas gold jewellery held a major share of 40.8% in the overall gold demand.

2.2.2 Region-wise Share of Gold Consumption in Volume Terms for Jewellery, Bars, and Coins

Chart 14: Region-Wise Share of Gold Jewellery, Bars, and Coins (CY25)



Source: WGC, CareEdge Research; "This excludes stock exchange data."

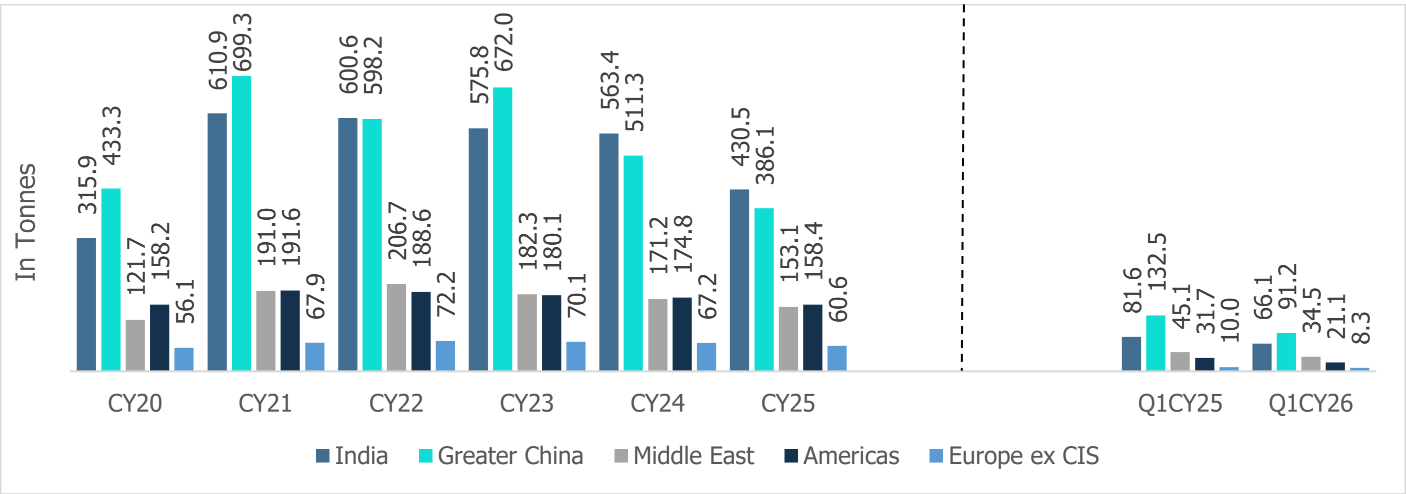
Note: The Middle East includes Saudi Arabia, the UAE, Kuwait, Egypt, Iran, and others. Europe included France, Germany, Italy, Spain, the UK, Switzerland, Austria, and others. Greater China includes China, the P.R. Mainland, Hong Kong, and Taiwan Province of China. The Americas include the US, Canada, Mexico, and Brazil.

Greater China commands the highest share of global gold bars and coins demand at **32.9%**, followed by India. In contrast, India emerged as the leading consumer of gold jewellery in CY25, accounting for **31.6%** of global demand with consumption of **430.5 tonnes**, exceeding China's **386.1 tonnes**.

In total (Gold Jewellery + Bars and Coins) Greater China consumed 830.3 tonnes of gold in CY25, followed by India with around 710.9 tonnes. Other key regions after China and India, are the Middle East (271.3 tonnes), the Americas (229.5 tonnes), and Europe (184.7 tonnes).

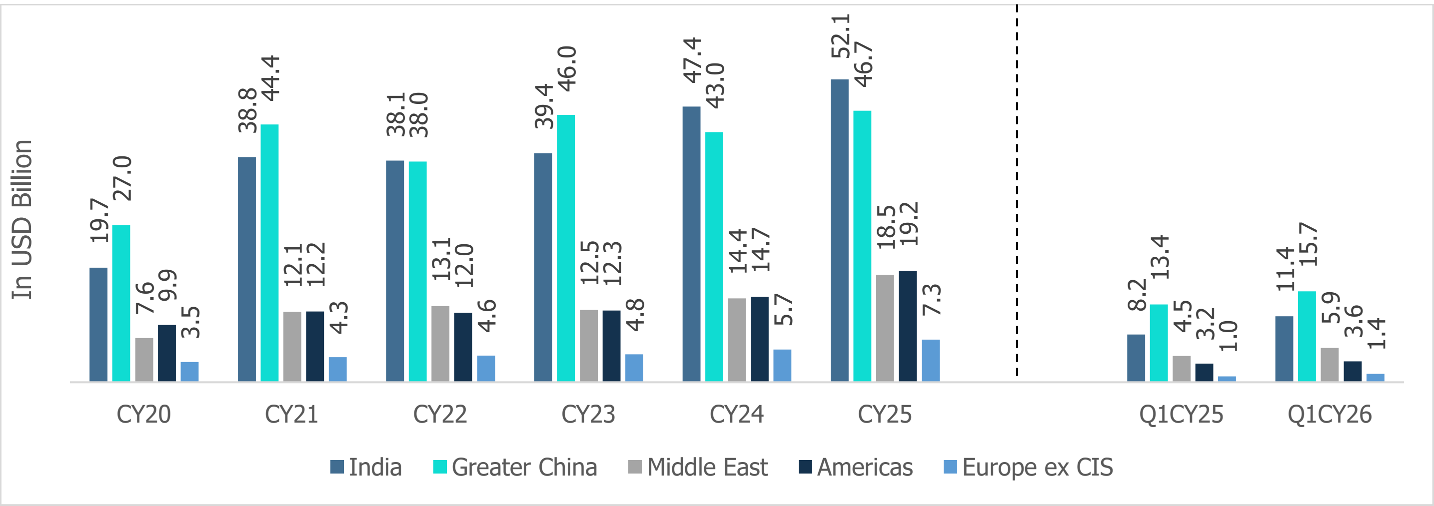
2.2.3 Region-Wise Trend in Jewellery Demand - Volume Terms & Value Terms

Chart 15: Region-Wise Trend in Jewellery Demand by Volume



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.

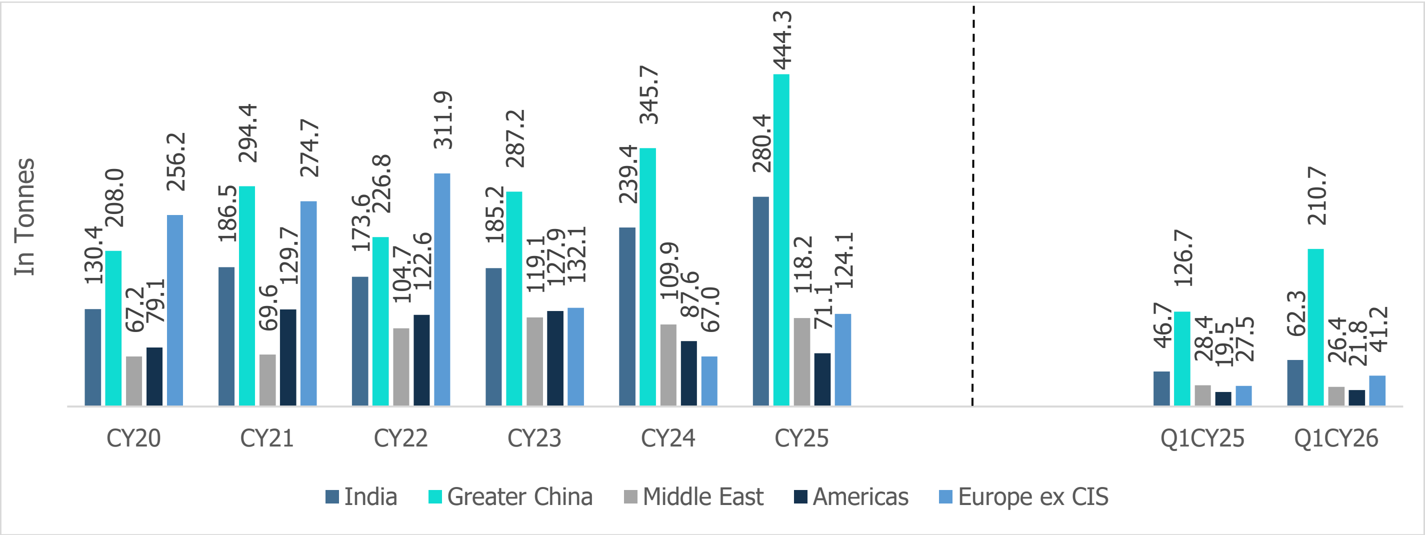
Chart 16: Region-Wise Trend in Jewellery Demand by Value



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.

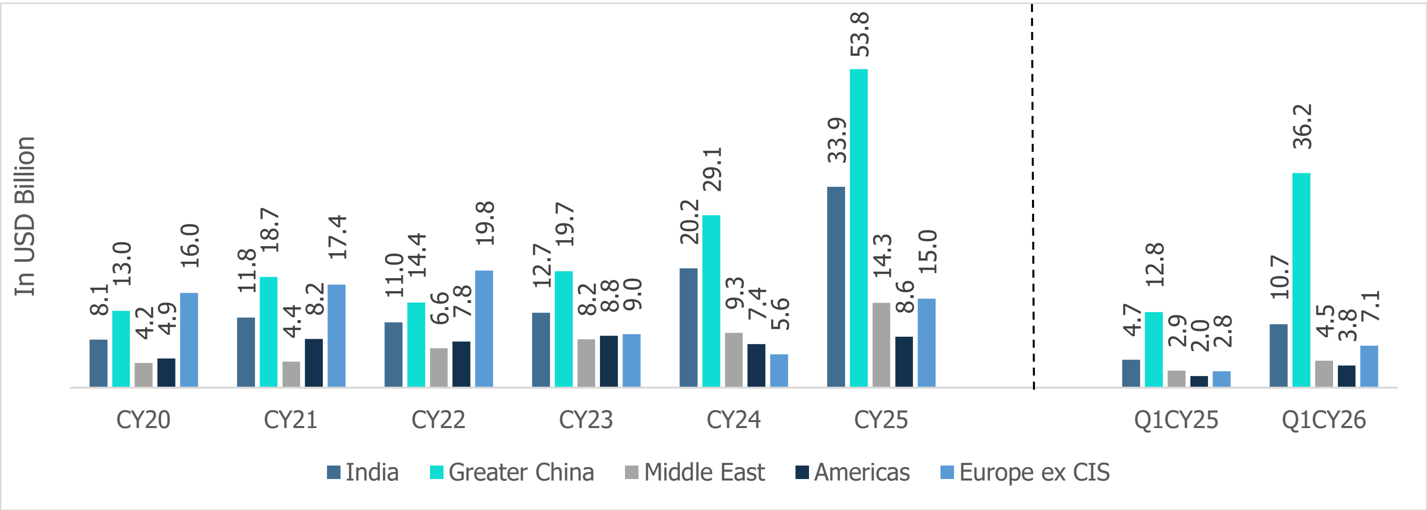
2.2.4 Region-Wise Trend in Bars and Coins Demand - Volume Terms & Value Terms

Chart 17: Region-Wise Trend in Bars & Coins Demand by Volume



Source: WGC, CareEdge Research
Note: The 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, the P.R. Mainland, Hong Kong, and Taiwan Province of China. The Americas include the US, Canada, Mexico, and Brazil.

Chart 18: Region-Wise Trend in Bars and Coins Demand by Value



Source: WGC, CareEdge Research
Note: The 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, the P.R. Mainland, Hong Kong, and Taiwan Province of China. The Americas include the US, Canada, Mexico, and Brazil.

2.3 Global Trade Scenario

2.3.1 Trend in Export Market for Precious Stones and the Jewellery Industry

Top Global Exporters of Articles of jewellery * (Share in %)

Country	CY22	CY23	CY24	CY25
Switzerland	10.1%	10.2%	9.6%	11.2%
India	9.9%	9.3%	8.7%	10.0%
Italy	7.8%	8.0%	11.3%	9.7%
China	12.6%	10.5%	8.3%	9.3%

Source: ITC (International Trade Centre), CareEdge Research; Note: *- Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal (excl. articles > 100 years old)

Top Global Exporters of Precious Stones* (Share in %)

Country	CY22	CY23	CY24	CY25
United States of America	20.9%	11.1%	19.5%	20.7%
China	17.9%	0.0%	15.3%	12.0%
Thailand	7.0%	4.2%	8.6%	9.6%
Belgium	1.3%	3.2%	10.0%	9.5%

Source: ITC (International Trade Centre), CareEdge Research; Note: *- Articles of natural or cultured pearls, precious or semi-precious stones "natural, synthetic or reconstructed

2.3.2 Trend in Import Market for Precious Stones and the Jewellery Industry

Top Global Importers of Articles of jewellery* (Share in %)

Country	CY22	CY23	CY24	CY25
United States of America	19.4%	18.9%	15.5%	19.8%
Switzerland	13.3%	11.7%	12.9%	11.9%
China	9.2%	8.5%	7.8%	10.9%
Germany	4.7%	4.4%	3.9%	5.7%
Austria	4.2%	4.1%	3.8%	4.8%

Source: ITC (International Trade Centre), CareEdge Research; Note: *- Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal (excl. articles > 100 years old)

Top Global Importers of Precious Stones* (Share in %)

Country	CY22	CY23	CY24	CY25
United States of America	37.7%	25.0%	40.0%	37.4%
Switzerland	6.3%	4.3%	5.5%	5.8%
China	4.7%	35.3%	3.8%	4.0%
Germany	3.3%	2.3%	3.2%	4.0%

Source: ITC (International Trade Centre), CareEdge Research; Note: *- Articles of natural or cultured pearls, precious or semi-precious stones "natural, synthetic or reconstructed

2.4 Factors for gold price movement

- **Currency Fluctuation**

  When the value of a currency (especially the dollar) declines, investors often look to gold as a "safe haven" asset. This increases demand for gold, driving up prices. A weakening currency can also cause inflation, making gold more appealing as a hedge against rising prices. If inflation increases and a currency weakens, gold can function as a store of value, which often pushes its price higher. Investors may use gold as a hedge against currency risk, particularly in times of economic instability or when there is significant fluctuation in a national currency. Countries with large foreign exchange reserves may buy or sell gold as part of their strategy to stabilise or diversify their currency holdings. Changes in these reserves due to currency fluctuations can influence global gold prices.

- **Key Consuming Nations**
  Gold production is heavily influenced by some of the world's major mining players, including China, South Africa, the United States, Australia, Russia, and Peru. The output from these countries plays a significant role in setting global gold prices, as the supply of gold impacts its market value. Over time, it has become increasingly challenging to extract gold because the more accessible reserves have already been mined. This means that miners now have to dig deeper, often in more remote or geologically complex areas, to access high-quality gold. This shift makes gold mining costlier and riskier. Deeper mining operations require advanced technology, more labour, and increased safety measures, all of which add to production costs.

- **Volatility & Performance of other assets**
  Gold often benefits from downturns in other financial markets, like stocks and currencies, because it is seen as a safe-haven asset. When stock markets experience negative price movements or when currency values drop, investor confidence tends to decline, and people look for ways to protect their wealth. Gold offers a stable alternative, so when these markets are down, demand for gold usually goes up. As more investors buy gold to shield themselves from the losses they might face in stocks or currency investments, demand for gold rises.

- **Inflation**
  Gold has long been considered a reliable store of value, especially when inflation rises or interest rates fall. As inflation climbs, the purchasing power of traditional currencies declines, eroding the value of money. In such cases, investors often turn to gold because, unlike fiat currencies, it retains its intrinsic value, providing a safeguard against the devaluation that inflation brings. This tendency to preserve wealth makes gold a favoured asset in inflationary times. Furthermore, low-interest environments often signal economic distress or a loose monetary policy, encouraging investors to seek stability in assets like gold. In times of economic uncertainty, gold acts as a hedge, with demand and, subsequently, its price rising as a result.

- **International gold prices are inversely correlated with the dollar index.**
  When the US dollar is strong, it holds more value against other global currencies. This makes it more expensive for people in other countries to buy gold, which is typically priced in dollars. A strong dollar means people need to spend more of their currency to buy the same amount of gold, which can discourage buying. As a result, demand for gold might drop, which can lead to a decrease in its price. On the other hand, when the US dollar weakens, gold becomes cheaper for international buyers who hold other currencies. They do not need as much of their local currency to buy gold, making it a more affordable and attractive purchase. This increase in affordability often leads to higher global demand, pushing up gold's price.

3 Indian Gems and Jewellery Industry

3.1 Overview of Indian Gems & Jewellery Industry

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

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

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

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

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

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

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

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

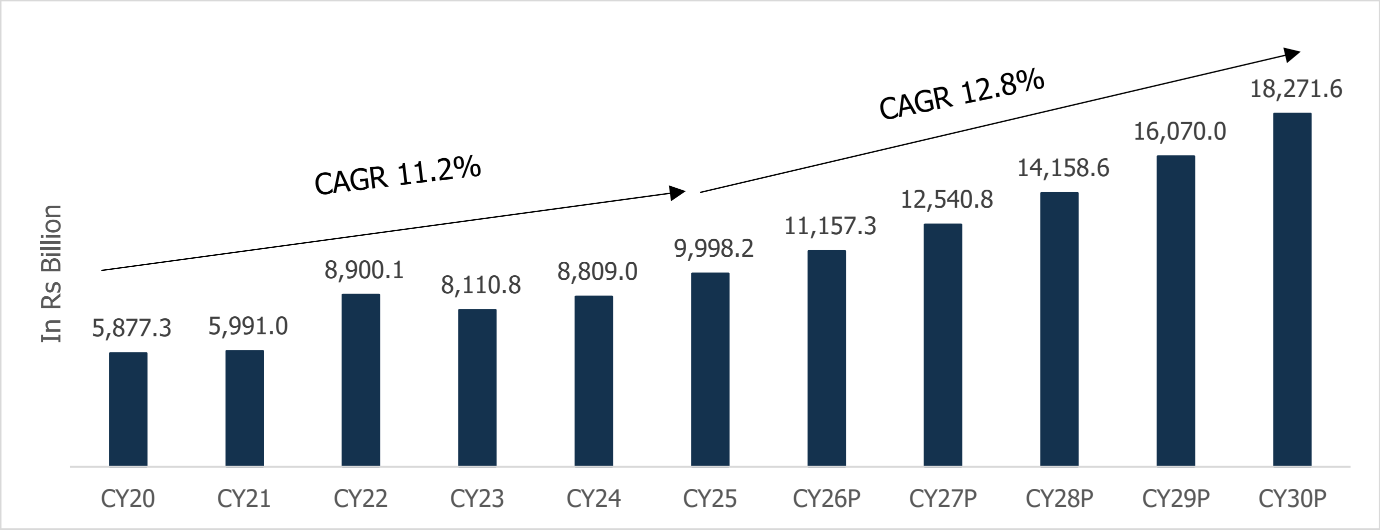
3.2 Indian Gems & Jewellery Industry Market Size

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

Over the past few years, the sector has witnessed increasing formalisation and consolidation, driven by factors such as the introduction of GST, mandatory hallmarking, rising consumer awareness regarding purity and pricing transparency, and the expansion of organised retail chains. As a result, the organised segment's share has increased to around 35–40%, led by pan-India players and regional brands. Despite this shift, the presence of a large number of 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 19: Indian Gems & Jewellery Industry Market Size (CY20-CY30P)



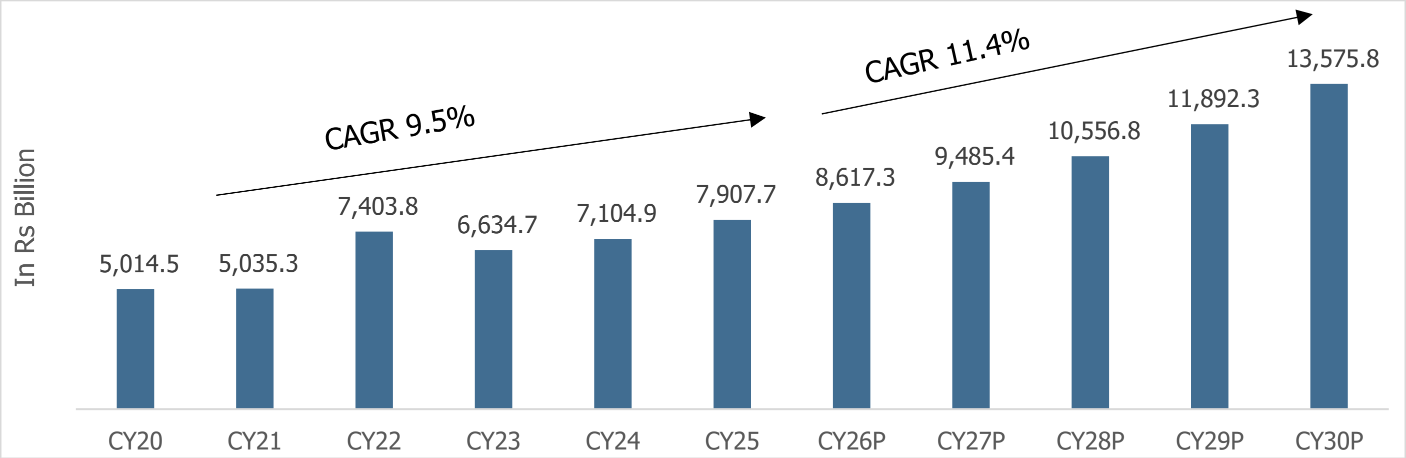
Source: IMARC Group, CareEdge Research

In CY25, the domestic gems and jewellery industry has reached at around Rs. 9,998.2 billion, with a CAGR of 11.2% during CY20–CY25. Further, the gems and jewellery market is expected to grow at a CAGR of 12.8% 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.

3.3 Indian gold jewellery industry market size (CY20-CY29)

The Indian jewellery market is traditionally dominated by gold jewellery. Gold jewellery purchases in India are not just limited to consumption, as is the case with fashion jewellery. They have a strong saving significance. This is more evident in rural communities where access, literacy, and acceptance of other financial savings instruments are low. These factors have resulted in gold being a major savings asset class. Cultural differences, religious & trust concerns, and other elements that influence jewellery purchases have all contributed to gold jewellery's significance.

Chart 20: Indian Gold Jewellery Industry Market Size (CY20-CY30P)

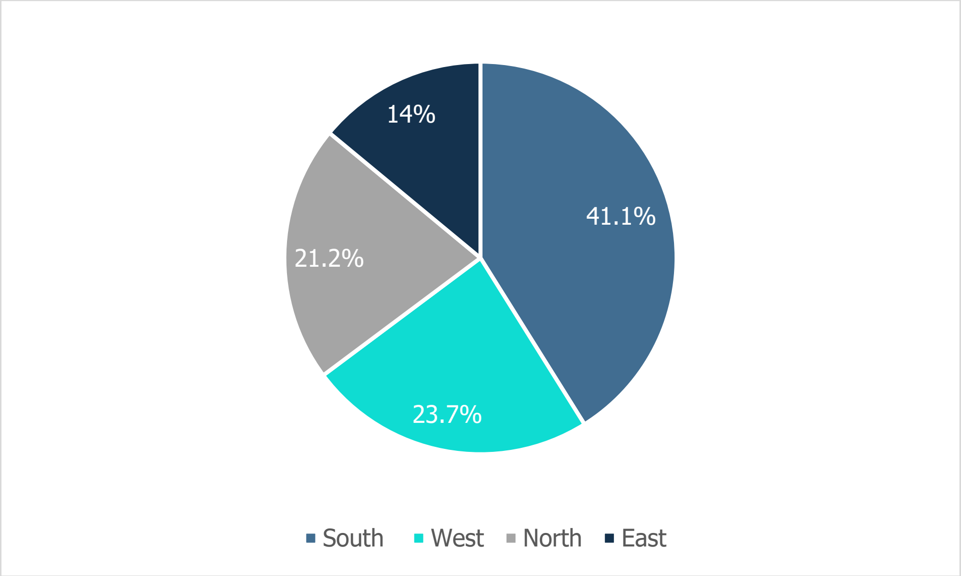


Source: IMARC Group, CareEdge Research

In CY25, the domestic gold Jewellery industry was valued at Rs 7,907.7 billion with a CAGR of 9.5% from CY20-CY25. However, in CY25, the demand for gold Jewellery declined in terms of volume by about 24%, while the gold price registered a ~44% increase compared to its previous year.

Furthermore, the market is expected to grow at a CAGR of 11.4% between CY25 and CY30 to Rs 13,575.8 billion. In India, the surge in demand for gold jewellery can be attributed to the growing middle-class population and their increasing disposable income levels. As more individuals experience higher income levels, they are more capable of affording luxury items like gold jewellery. This growing middle class views gold jewellery as a status symbol, a reflection of their improved lifestyle, and a worthwhile investment. The trend is especially prominent in urban areas where economic growth has enhanced financial independence and purchasing power.

Chart 21: Indian Gold Jewellery Industry Breakup by Region (% Share) in CY25



Source: IMARC Group, CareEdge Research

According to a report by the World Gold Council, recent interactions between Metals Focus and retailers have highlighted a significant increase in demand for lightweight jewellery, especially in the daily wear segment. For instance, it is now common to find chains or Mangal sutras weighing just 5-8 grams, a development that would have been unlikely five years ago. This surge in demand can be attributed to the rising per capita income, increased expenditure on jewellery, a higher number of weddings in India, and the influence of social media. These demographic shifts have significantly impacted gold jewellery purchases in recent years.

Regional demographics play a crucial role in influencing gold jewellery purchase decisions across India. In South India, the tradition of investing heavily in gold jewellery remains deeply ingrained, with households preferring high-weight, intricate designs that reflect cultural heritage and are also viewed as long-term investments. Higher per-capita consumption in the region is supported by relatively stronger purchasing power, steady income growth, and remittance inflows, particularly in states such as Kerala. While modern and lightweight designs are gaining acceptance among younger consumers, investment-driven purchases continue to dominate. In contrast, North India’s gold jewellery demand is more occasion-led and design-focused, with a preference for lighter, contemporary, and diamond-studded jewellery, especially in urban centres. Rising disposable incomes, urbanisation, and increasing penetration of organised retail have enhanced purchasing power in the region, supporting steady demand growth, although gold is less frequently treated as a primary investment asset compared to South India.

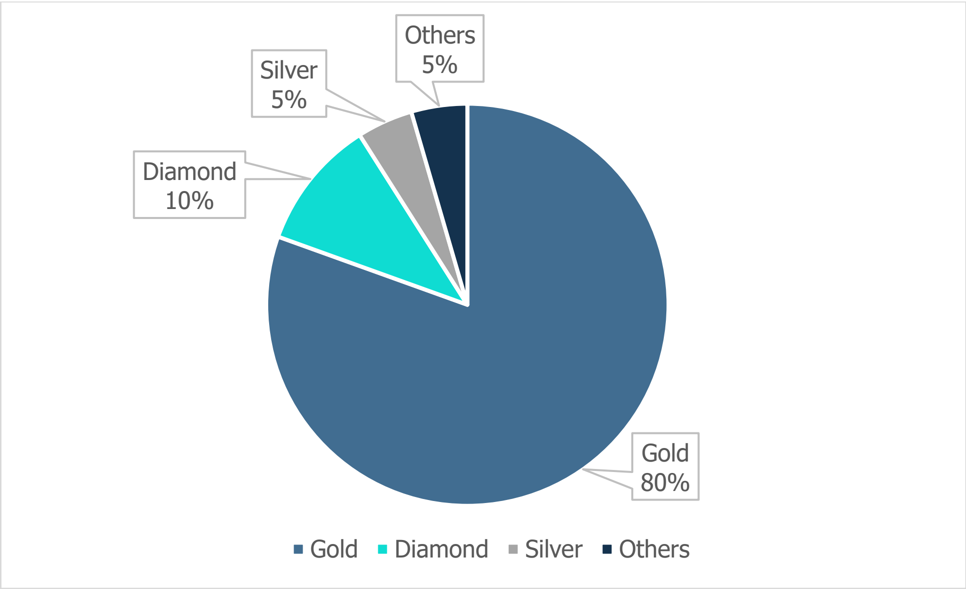
In contrast, Maharashtra sees continuous spending on jewellery, driven by strong replacement demand. Women in this region often buy new pieces or upgrade existing ones, reflecting both cultural practices and evolving fashion trends. The state's inclination towards nath (nose rings) and kamarband (waistbands)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

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

3.4 Indicative Share of Indian Gems and Jewellery Industry

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

Chart 22: Gems and Jewellery Market Breakup- By Material Type (CY25)



Source: IMARC Group, CareEdge Research

In 2025, gold was the dominant material in India's gems and jewellery market, making up 80% of the total market share. It was followed by diamonds (10%), silver (5%), and other materials (5%).

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

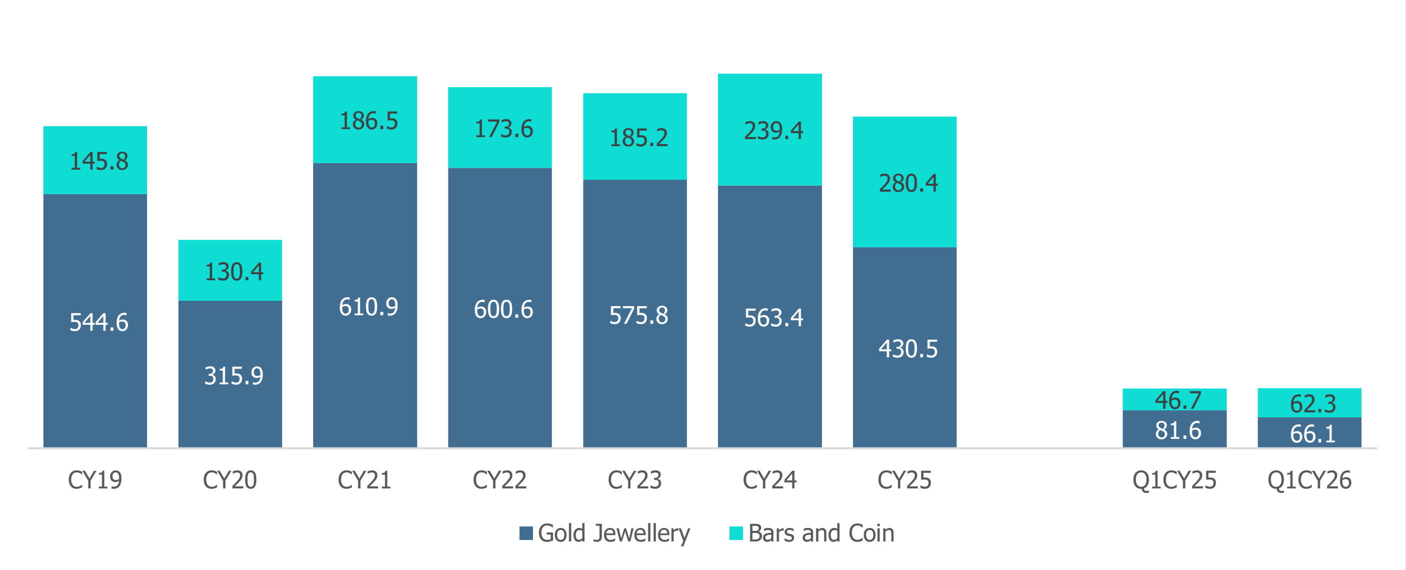
Diamond: The diamond jewellery sector in India has seen robust growth in recent years, particularly among consumers looking for luxury and exclusivity. Diamonds are a popular choice for special occasions, particularly weddings, and are often seen as a symbol of sophistication. This segment is supported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

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

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

3.5 Domestic Gold Demand from Various Segments

Chart 23: Trend in Domestic Gold Demand- in Volume Terms



Source: WGC, CareEdge Research

In CY25, India's total domestic demand for gold, including jewellery, bars, and coins, stood at 710.9 tonnes.

The jewellery segment continued to be the largest contributor and accounted for ~51.5% of the gold demand in India in Q1CY26, while bars and coins accounted for the balance. The gold jewellery demand declined by 18.9% y-o-y in Q1CY26. The demand was impacted mainly due to increasing gold prices.

3.6 Business Model in the Gems and Jewellery Industry

3.6.1 Franchisee-Owned, Franchisee-Operated (FOFO) Model:

In the FOFO model, the franchisee invests their capital to establish the jewellery store, including the costs of real estate, inventory, and operational expenses. The franchisee is responsible for the day-to-day operations of the store, including hiring staff, managing sales, and maintaining customer relationships. The franchisor provides branding, training, and support, along with the necessary systems and processes.

Key Features of the FOFO Model:

- **Investment**: Franchisees bear the financial responsibility for setting up and running the store.
- **Operational Control**: Franchisees have autonomy over the daily operations, allowing them to tailor their business strategies to local markets.
- **Brand Support**: The franchisor offers branding, marketing, and training support, ensuring that franchisees align with the overall brand image.
- **Revenue Sharing**: Franchisees pay an initial franchise fee and ongoing royalties based on sales to the franchisor, which provides a steady revenue stream for the brand.

Advantages of FOFO:

- **Lower Risk for Franchisor**: The franchisor does not have to invest in physical stores, reducing financial risk.
- **Local Expertise:** Franchisees often have better knowledge of local markets and consumer preferences, which can lead to more effective marketing and sales strategies.
- **Scalability:** This model enables rapid expansion of the brand across different regions.

3.6.2 Franchisee-Owned, Company-Operated (FOCO) Model:

In the FOCO model, the franchisee owns the store, but the company (franchisor) operates it. The franchisor retains control over the daily operations, staffing, and customer service, while the franchisee provides the physical space and bears the financial investment. This model allows the franchisor to ensure consistent quality and service across all locations.

Key Features of the FOCO Model:

- **Investment**: Franchisees invest in the physical location, while the franchisor manages the operations.
- **Operational Control**: The franchisor oversees all operational aspects, maintaining quality control and brand standards.
- **Revenue Sharing**: Similar to the FOFO model, franchisees pay initial fees and ongoing royalties, but profit margins may differ due to the operational control by the franchisor.

Advantages of FOCO:

- **Quality Assurance**: The franchisor can maintain stringent quality control and consistency across locations, enhancing the brand’s reputation.
- **Operational Expertise**: The franchisor can leverage its experience and systems to manage the store effectively, potentially leading to higher profitability.

Store Format Classification (Based on Size)

Retail stores in the industry are categorised based on their physical footprint. The size of the store often correlates with the product assortment, inventory depth, and target customer base. Typical classifications include:

Store Format	Approx. Size (sq. ft.)	Description
Small Format	100–500 sq. ft.	Compact stores designed for high-street locations or convenience centres; limited product range and faster service.
Medium Format	500–1,000 sq. ft.	The most common format in malls or commercial zones; balanced inventory with moderate footfall capacity.
Large Format	> 2,500 sq. ft.	Flagship stores offering a complete brand experience, often used in metro cities or destination malls with premium product lines and in-store events.

3.6.3 Shop-in-Shop (SIS) Model

The **Shop-in-Shop (SIS)** format is a strategic retail concept where a brand sets up a dedicated branded section within a larger multi-brand store (such as a department store, hypermarket, or retail chain). The SIS store typically includes exclusive branding, fixtures, and trained staff, while the host store manages overall infrastructure and billing.

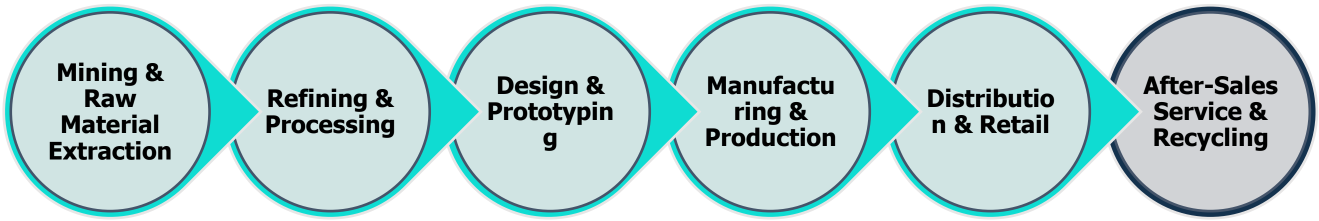
Key Advantages of the SIS Model:

- **Low Capex Expansion:** Brands can expand to premium locations without incurring full rental and fit-out costs.
- **Brand Visibility:** Strategic placement in large-format stores enhances brand recall and accessibility.
- **Targeted Footfall:** Beneficial in locations with established customer traffic, such as malls, large existing stores, Etc.

SIS models are widely used by fashion, electronics, cosmetics, and lifestyle brands as part of their retail mix, particularly during early market entry or for showcasing premium products.

3.7 Value Chain of Gems and Jewellery

Chart 24: Gems and Jewellery Value Chain



Source: IMARC Group, CareEdge Research

- **Mining and Raw Material Extraction**

  This phase starts with the extraction of precious metals and gemstones from mines worldwide. Key gold-producing countries include China, South Africa, the United States, Australia, Russia, and Peru. The process involves obtaining raw materials such as gold, silver, platinum, and gemstones from these mines. The cost of extraction is influenced by the location and availability of resources, as well as the methods used, which vary depending on factors like depth, accessibility, and mineral content. Additionally, environmental concerns and labour conditions are significant factors, with the jewellery industry placing greater emphasis on ethical sourcing practices.

- **Refining and Processing**
  Once extracted, raw materials are refined to eliminate impurities and achieve the required purity for use in jewellery. Refining metals involves specialised facilities and techniques to ensure consistent quality. For gemstones, the processing includes cutting, shaping, and polishing to enhance their colour, clarity, and brilliance. This step improves the visual appeal and market value of the stones. The refining process is crucial, as high-quality, well-processed materials result in durable and aesthetically pleasing jewellery pieces.

- **Design and Prototyping**
  Jewellery design blends creativity with technical skill. Designers either sketch their ideas or use computer-aided design (CAD) software to visualise each piece. The designs must balance both aesthetic appeal and practicality, ensuring the jewellery is comfortable to wear and durable. Prototyping, often done with a model or sample, lets designers evaluate their ideas and adjust before full production begins. This stage is crucial for producing pieces that reflect current trends and meet customer preferences.

- **Manufacturing and Production**
  At this stage, jewellery is produced on a larger scale. Skilled artisans or machinery work with the finalised designs to shape metals, set gemstones, and assemble each piece. Depending on the complexity and desired quality, both traditional techniques (such as handcrafting) and modern methods (like 3D printing) may be employed. Quality control is essential to ensure that every piece meets the brand's standards. In luxury jewellery, artisanry is especially prized, as fine detailing can increase the item's value.

- **Distribution and Retail**
  In the jewellery value chain, distribution and retail are crucial stages that connect production to final sales. After production, jewellery is distributed through wholesalers who buy in bulk from manufacturers and supply retailers. This phase involves secure logistics to manage high-value items, which affects inventory management and customer satisfaction by ensuring retailers have sufficient stock. Retailers, whether through physical stores or online platforms, then sell the jewellery directly to consumers. They use marketing strategies that emphasise the product's appeal and brand values, such as luxury or sustainability. Personalised services like custom fittings, engraving, and resizing further enhance customer satisfaction and promote brand loyalty, as customers often associate the quality of service with the jewellery’s overall value.

- **After-sales Service and Recycling**
  High-quality after-sales services, such as cleaning, repairs, and maintenance, play a vital role in extending the life of jewellery while fostering customer trust and loyalty. These services address post-purchase issues like resizing or replacing stones, further enhancing customer satisfaction. Recycling has also gained significance in the jewellery industry, with many brands offering buy-back or recycling programs. These initiatives allow companies to refurbish old pieces and reuse valuable metals and gemstones, promoting environmental sustainability and resource efficiency.

3.8 Gold Processing in India vs China

Gold Mining

In CY22, China was the largest producer in the world with 10.3% of total global production, which amounted to 3,627.7 tonnes. During CY25, the gold mining in the country was recorded at 384 tonnes. The value of gold mining in China grew at a CAGR of about 18.9% from USD 16,458 million in CY19 to USD 45,522 million in CY25.

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

Table 5: Gold Mining in China and India

Particulars	CY19		CY23		CY25	
	Volumes (Tonnes)	Value (USD Million)	Volumes (Tonnes)	Value (USD Million)	Volumes (Tonnes)	Value (USD Million)
China	380	16,458	375	23,300	384	46,522
India	1.7	79	0.8	48	N.A.	N.A.

Source: Maia Research, CareEdge Research

Gold Ore Concentrate

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

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

Table 6: Gold Ore Concentrate in India and China

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

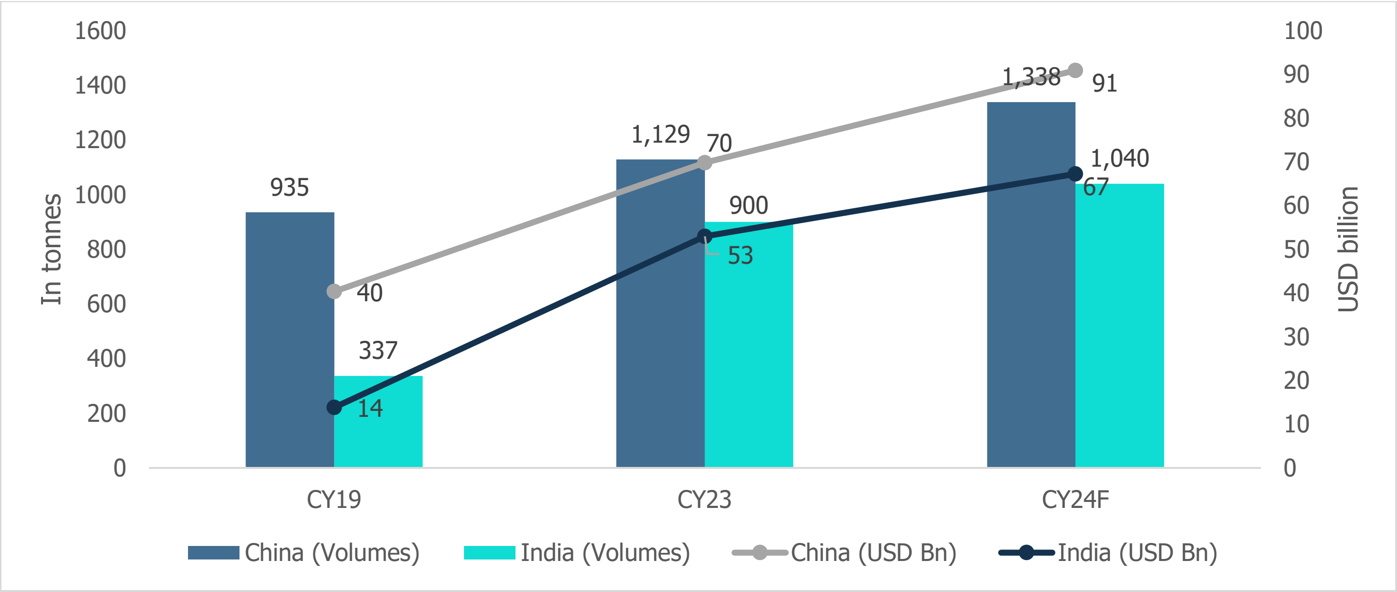
Source: Maia Research, CareEdge Research
Note: Gold ore concentrate includes both production and import volumes

Gold Refining

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

Impact of Interest Rates, Geopolitical

Chart 25: Gold Refining in India and China

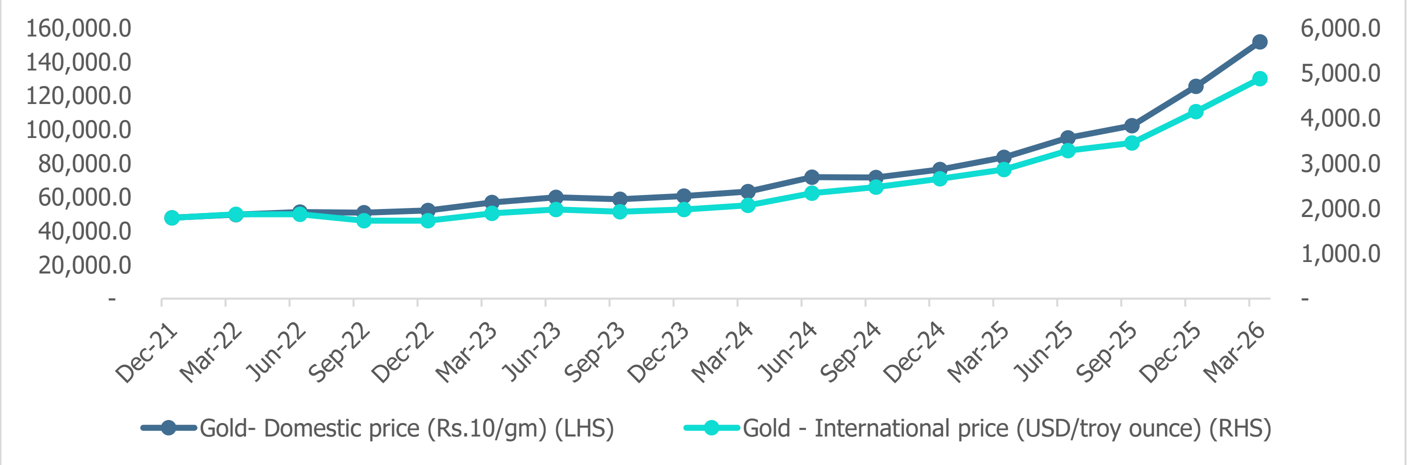


Source: Maia Research, CareEdge Research

3.9 Tensions on Gold Prices

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

Chart 26: Trend in International Gold Prices



Source: CMIE; CareEdge Research

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

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

Entering CY25, gold prices regained upward momentum, reaching new record highs. International prices climbed to USD 3,455.5 per troy ounce in Q3CY25, while domestic gold prices surged to Rs 1,02,280 per 10 grams during the same period. This continued rally was supported by expectations of further rate cuts, persistent geopolitical risks, and sustained demand from central banks and investors amid global economic uncertainty.

During Q4CY26, gold prices witnessed a sharp acceleration in both international and domestic markets. This increase was driven by heightened global economic uncertainty, continued geopolitical tensions, and strong As a result, gold entered a higher price band by the end of the quarter, reinforcing its role as a preferred store of value despite pressure on jewellery demand volumes.

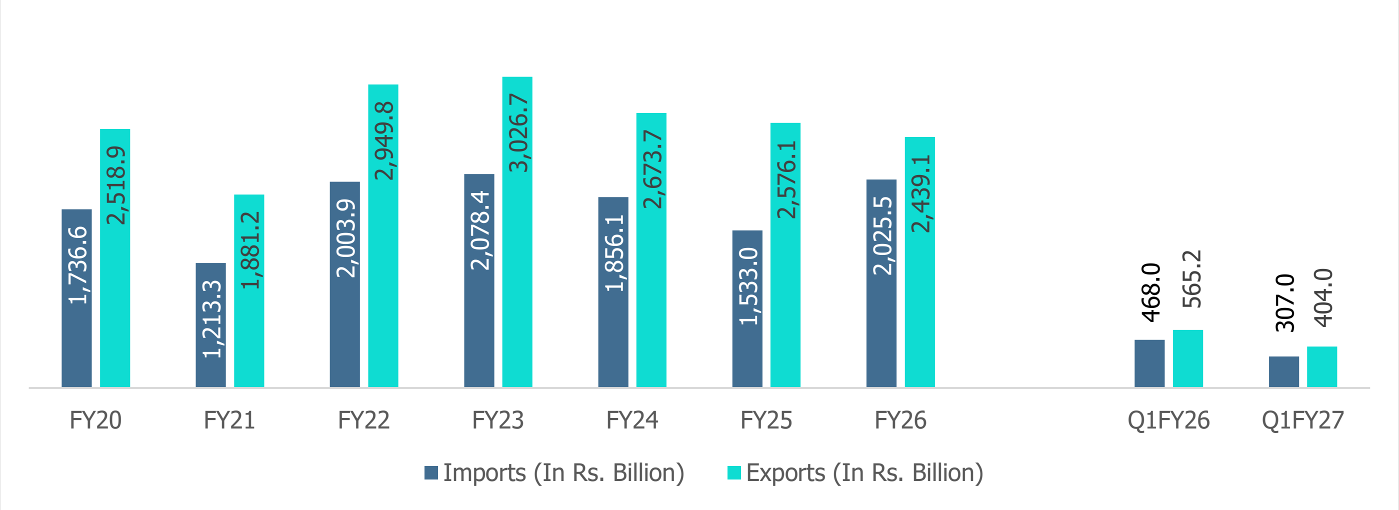
Movements in crude oil prices indirectly affect gold prices through their impact on inflation expectations. Rising oil prices can fuel input-cost inflation, strengthening demand for gold as an inflation hedge.

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

3.10.1 Overview

In FY26, Gems & Jewellery exports stood at Rs. 2,439.1 billion, marking a decline of 5.3% compared to FY25, primarily due to subdued demand in major markets such as the US and China, correction in diamond prices, and rising competition from lab-grown diamonds. On the import side, overall gross inflows grew by 32.1% to Rs. 2,025.5 billion from Rs. 1,553 billion in the previous year. The sharp rebound in imports in FY26, despite a decline in exports, is likely driven by inventory restocking by traders and manufacturers after subdued procurement in FY25, along with expectations of demand recovery in key markets. Additionally, softer global prices for rough diamonds and precious metals may have encouraged higher import volumes.

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



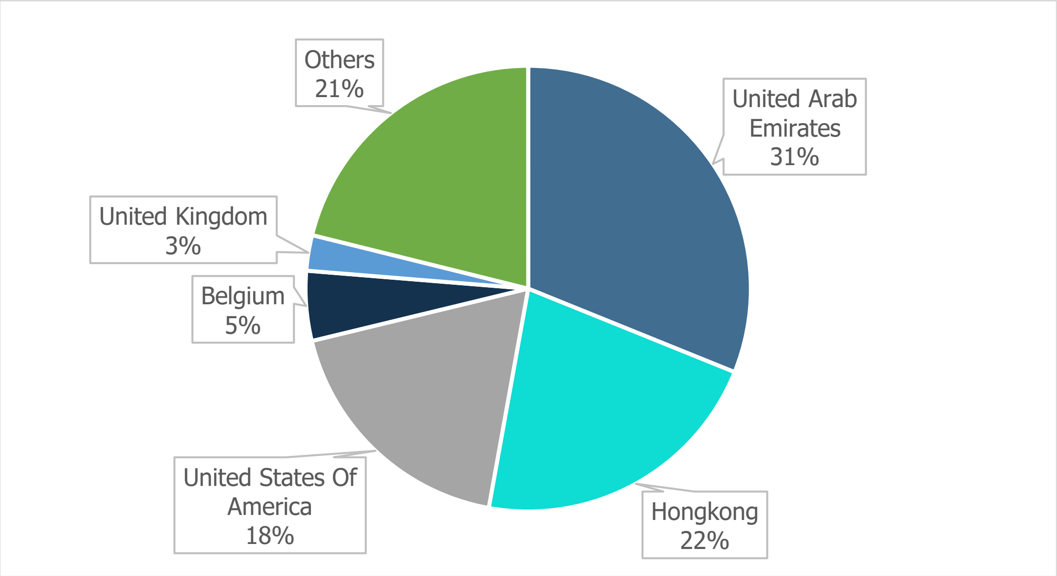
Source: Gems & Jewellery Export Promotion Council (GJEPC)

Growing Government Focus on Export Promotion

The Government of India, along with all the stakeholders of the Gems and Jewellery sector, are well committed to aggressively promoting exports, identifying challenges and addressing them with necessary interventions, assisting exporters, especially SME units and exploring new markets while consolidating existing ones. With strong growth prospects, the government of India has also declared the Gems and 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.

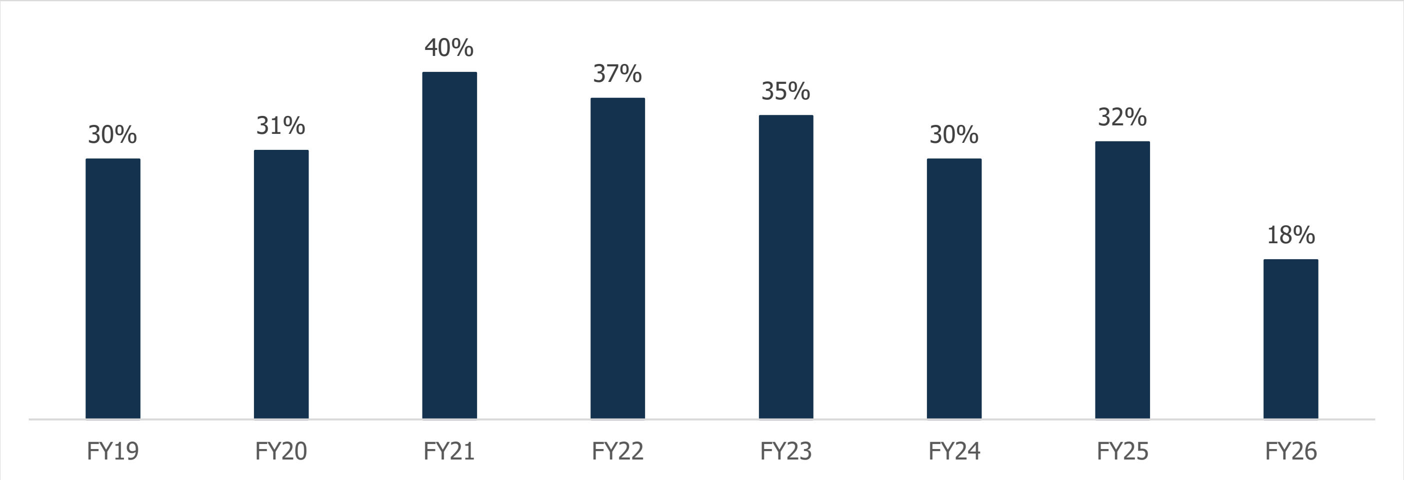
Chart 28: Country-wise Export Share in FY26 - Overall Indian Gems and Jewellery



Source: Gems & Jewellery Export Promotion Council (GJEPC)

In August 2025, the United States' imposition of a 50% blanket tariff on Indian exports comprising a 25% reciprocal duty and an additional 25% penalty linked to India's continued oil trade with Russia—is expected to significantly disrupt India's Gems and Jewellery export segment. With the US accounting for over 32% of India's Gems and Jewellery exports in FY25, the move is likely to cause a sharp contraction in demand, especially for diamonds, gold, silver, and coloured stone jewellery.

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



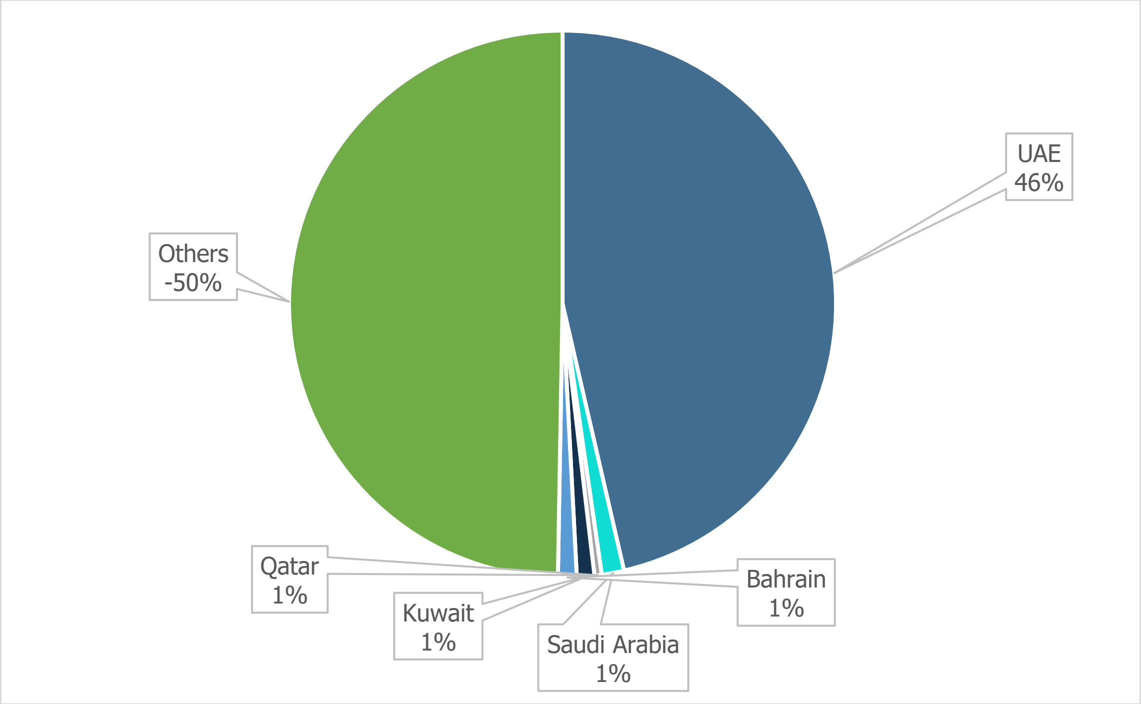
Source: Gems & Jewellery Export Promotion Council (GJEPC), CMIE

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

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

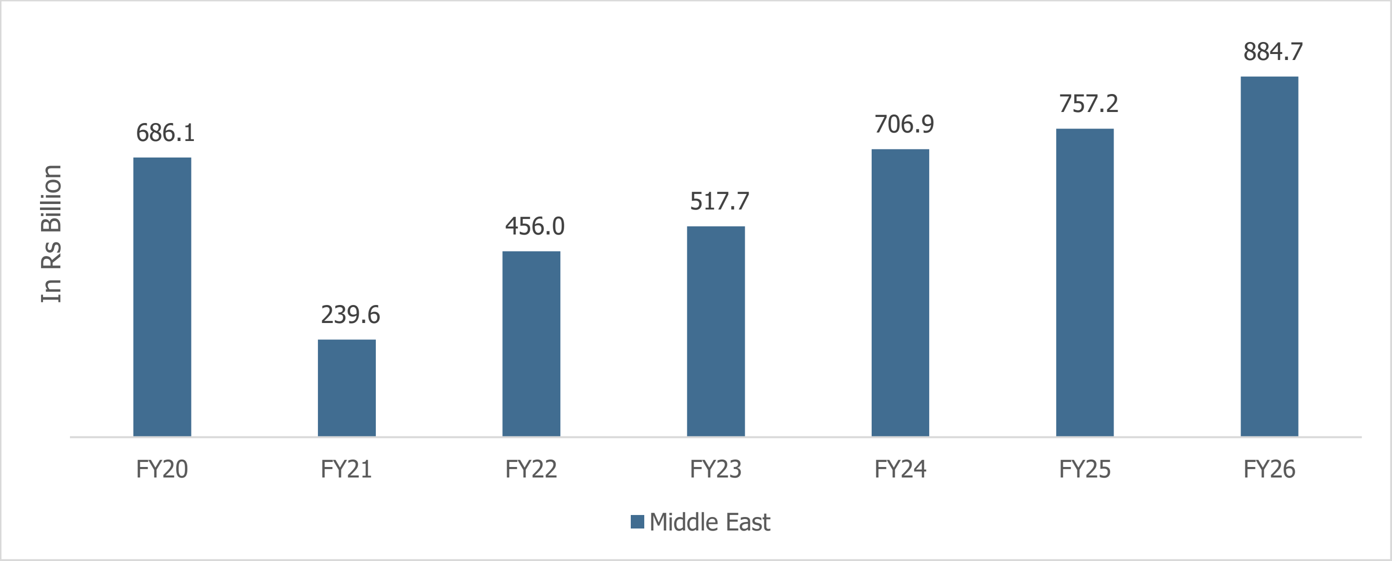
Focus on Middle East Countries

Chart 30: Country-wise Share in India's Gems & Jewellery Exports to the Middle East (FY26)



Source: Gems & Jewellery Export Promotion Council (GJEPC)

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



Source: Gems & Jewellery Export Promotion Council (GJEPC)
Note: The Middle East countries include 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 **4.3%** during **FY20–FY26**. Exports to the region had surged by **81.3% 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 884.7 billion)** registered a growth of 16.8% Y-o-Y.

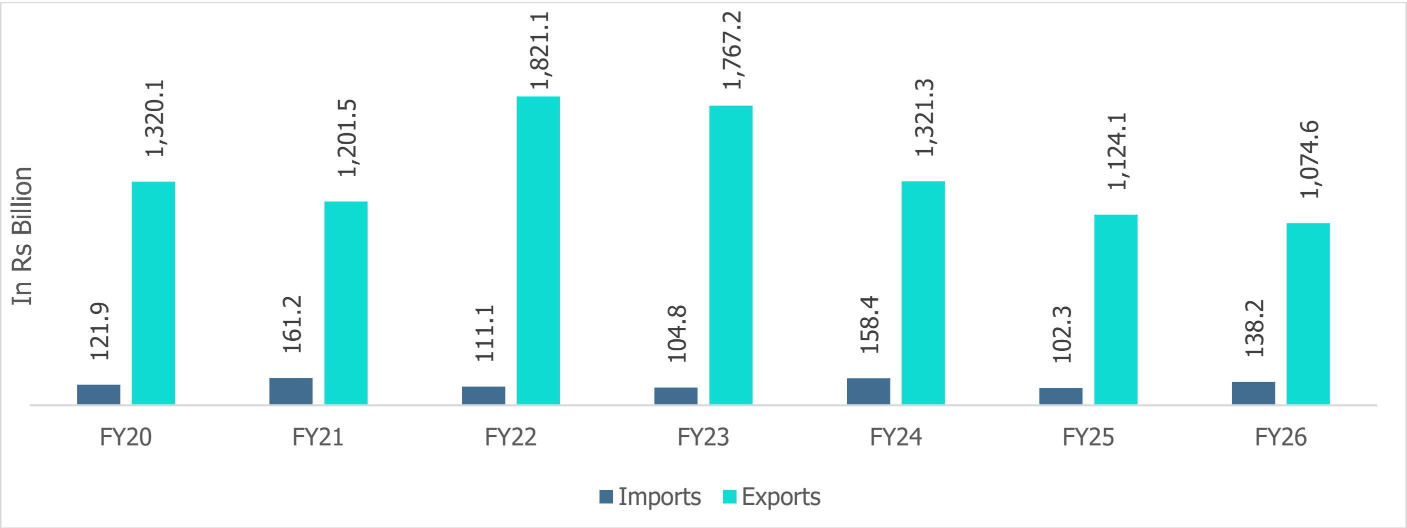
3.10.2 Product-Segment Wise Import and Export Trend

India's gems and 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. Among these, **cut and polished diamonds contributed around 44%** of total exports in FY26, followed by **gold jewellery (plain and studded) at ~41%**. The **remaining 15%** was made up of coloured gemstones, gold medallions, and coins.

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 32: Import and Export Trend 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. 1,074.6 billion, showing a 4.4% decline as compared to Rs. 1,124.1 billion in FY25. The decline in exports of cut & polished diamonds in FY26 was primarily due to weak demand in key markets such as the US and China, driven by subdued discretionary spending and a shift in consumer preference towards lab-grown diamonds.

However, imports during FY26 witnessed a growth of 35.1% to Rs. 138.2 billion as compared to Rs. 103.3 billion in the previous year. The sharp rise in imports reflects restocking of rough diamonds by manufacturers after a subdued FY25, along with expectations of demand recovery and relatively softer, rough diamond prices, which encouraged higher procurement despite weak export momentum.

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 .94% year-on-year to Rs 922.2

billion, compared with Rs 913.6 billion in FY24, accounting for about 45.5% of total gems and jewellery imports. The near-flat growth in rough diamond imports reflects cautious procurement by manufacturers amid weak global demand for polished diamonds, particularly in key markets like the US and China. While India's processing industry continues to anchor imports, inventory rationalisation and tight liquidity conditions limited fresh buying, keeping import growth largely stable despite underlying capacity.

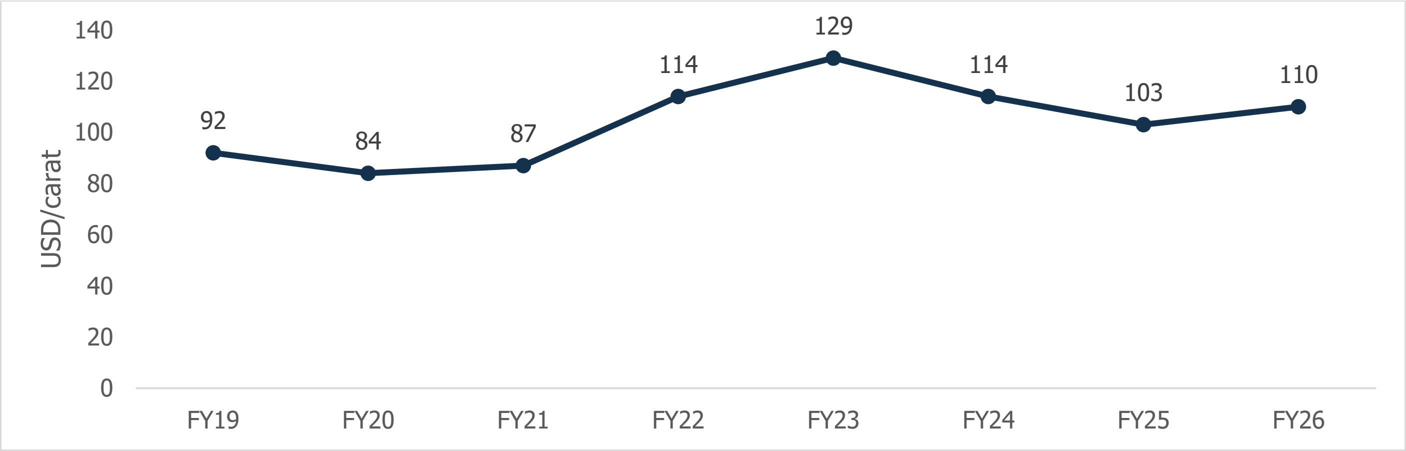
Table 7: Import and Export Trend of Rough Diamonds (Rs. In Billion)

Rough Diamonds	Imports	Exports
FY20	921.6	78.4
FY21	802.4	37.0
FY22	1,411.7	74.3
FY23	1,118.4	58.6
FY24	1,180.4	75.9
FY25	913.6	35.3
FY26	922.2	25.4

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

Meanwhile, exports of rough diamonds declined by 27.9% in FY26 compared to the previous year, reaching Rs 25.4 billion. The sharp decline in rough diamond exports during FY26 was primarily driven by subdued global demand for polished diamonds, especially in key markets such as the US and China, leading to lower procurement of rough stones by domestic manufacturers.

Chart 33: Trend in Rough Diamond Import Prices



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

Rough diamond prices have increased over the past two to three years as the ongoing Russia-Ukraine war has resulted in a decline supply of rough diamonds. The supply from Russian miner Alrosa, one of the leading suppliers of small-sized diamonds, has been impacted significantly, leading to the increasing rough diamond prices. However, the prices have corrected slightly in FY24 and continued correcting in FY25 as well, on account of weak global demand.

Gold Jewellery:

The gold jewellery market holds the second-largest share in Gems and Jewellery exports after the cut and polished diamonds segment. Gold jewellery accounted for 39.3% of the total exports of Gems and Jewellery in FY25.

Table 8: Import and Export of Gold Jewellery (In Rs Billion)

Year	Import	Export
FY20	20.6	852.3
FY21	15.2	371.1

Year	Import	Export
FY22	20.4	687.8
FY23	22.6	765.9
FY24	86.3	923.5
FY25	80.2	949.4
FY26	118.0	993.7

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

In FY26, gold jewellery exports registered a modest growth of 3.2% y-o-y. The increase was primarily driven by steady demand from key markets such as the United States, Hong Kong, and the Middle East, along with the rising global appeal of lightweight and plain gold jewellery. Additionally, growing participation of organised players in international trade fairs and greater product diversification have supported export performance during the year.

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

Imports of Raw Gold:

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

Table 9: Imports of Raw Gold

Year	Gold Imports (Rs. In Billion)	Y-o-Y Growth (%)	Gold Imports (In Kgs)	Y-o-Y Growth (%)
FY20	1,992.4	-13.2%	7,19,930	-26.7%
FY21	2,542.8	27.6%	6,51,240	-9.5%
FY22	3,440.9	35.3%	8,79,010	35.0%
FY23	2,804.8	-18.5%	6,78,300	-22.8%
FY24	3,772.5	34.5%	7,95,240	17.2%
FY25	4,897.5	29.8%	7,57,037	-4.8%
FY25 (April-Jan)	4,306.2		6,75,798	
FY26 (April-Jan)	5,435.7	26.2%	6,21,806	-8.0%

Source: CMIE, CareEdge Research

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

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

Subsequently, in July 2024, the Government of India reduced the customs duty on gold and silver from 15% to 6%, while the duty on platinum was reduced from 15.4% to 6.4%, providing relief to the gems and jewellery industry.

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

3.11 Outlook for the Gems & Jewellery Industry in India

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

Gold jewellery demand is largely driven by weddings and festivals, with bridal jewellery accounting for over half of the market. While rural demand typically strengthens post-harvest (September–November), elevated gold prices—peaking at USD 4,135.2 per troy ounce in the end of CY25, have dampened discretionary purchases. Consumers have increasingly resorted to old-gold exchanges, leading to inventory and liquidity pressures for retailers. Despite these challenges, investment demand for gold bars and coins remains resilient, and recent reductions in basic customs duty (BCD) on gold and silver are expected to support long-term jewellery demand.

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

Conclusion

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

4 Gold Jewellery Wholesale Market in India

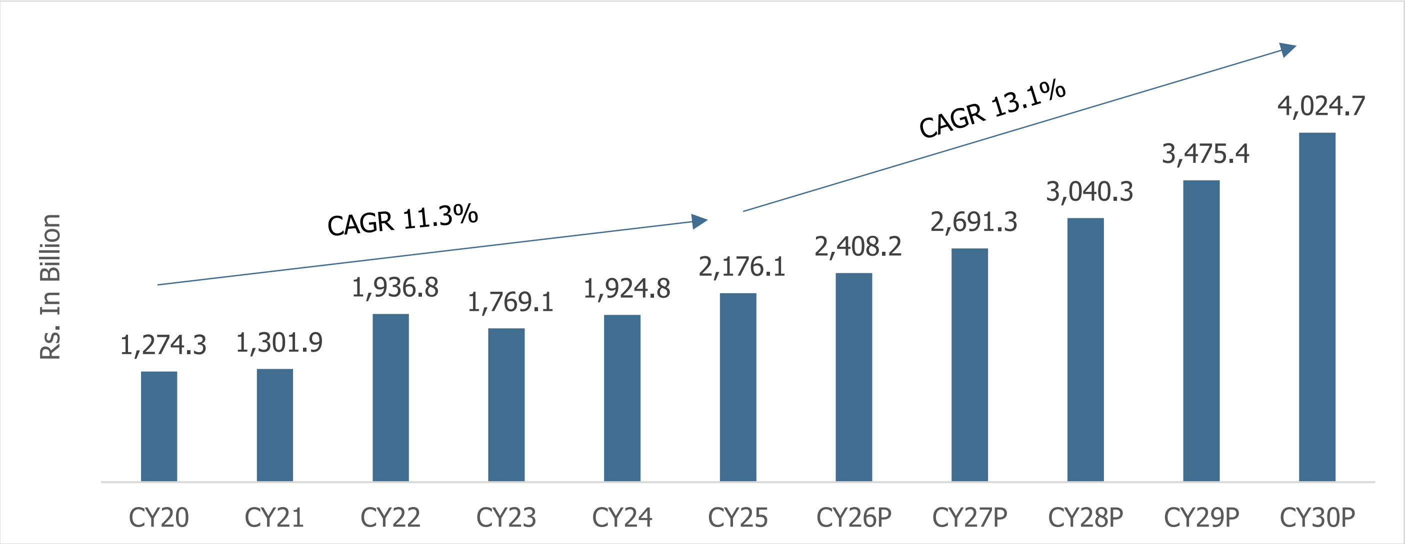
4.1 Indian Gold Jewellery Wholesale Market Size

India has one of the world's largest wholesale markets for gold jewellery. 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 2 and 3 cities, particularly with the rise of branded jewellery stores, there is a growing demand for wholesalers to supply these outlets. Additionally, wholesalers benefit from supplying customized 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.

Digitalization 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 34: Indian Gold Jewellery Wholesale Market Size, CY20–CY30P



Source: IMARC Group, CareEdge Research Analysis

In CY25, the wholesale gold jewellery market reached a value of Rs. 2,176.1 billion, representing a CAGR of 11.3% from CY20 to CY25. Looking forward, the market in this segment is expected to reach a value of Rs. 4,024.7 billion by CY30P, exhibiting a CAGR of 13.1% 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 993.7 billion worth of gold jewellery in FY26, underlining the scale and importance of exports to the sector's growth.

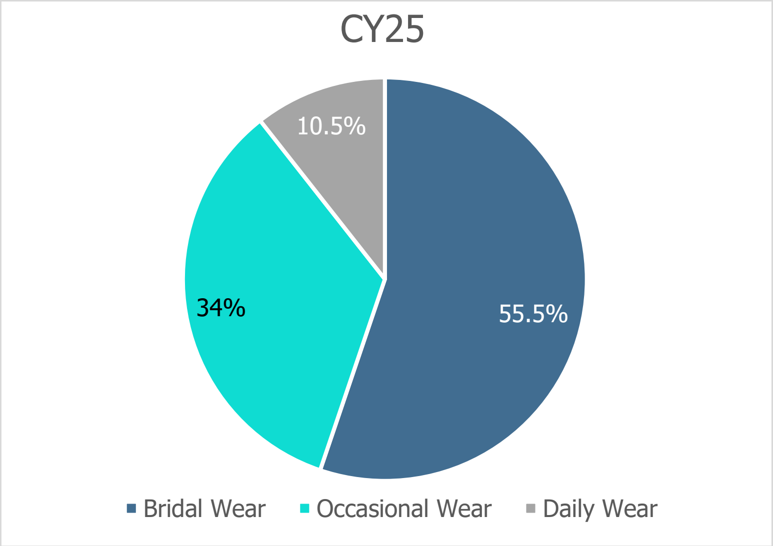
Economies of scale remain a crucial driver for wholesale operations. By purchasing gold in bulk, wholesalers can negotiate better rates with suppliers and lower making charges, significantly reducing the per-unit cost of production. These cost advantages allow wholesalers to offer competitive pricing to retailers and jewellers, thereby supporting higher purchase volumes and fuelling further market expansion. The ability to offer affordable pricing becomes especially valuable in India's highly price-sensitive gold jewellery market.

To cater to diverse consumer preferences, wholesalers offer a wide range of gold jewellery designs and styles, including bridal jewellery, everyday wear, traditional ornaments, and contemporary pieces. Retailers looking to curate comprehensive collections for their customers are drawn to wholesalers that provide such variety at scale. This diverse product portfolio continues to be a key factor supporting the growth and competitiveness of the wholesale gold jewellery market in India.

4.2 Indian Wholesale Gold Jewellery Market Breakup by Wearing

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

Chart 35: Indian Wholesale Gold Jewellery Market Breakup by Wearing (in %), CY25



Source: IMARC Group, CareEdge Research Analysis

- **Bridal Wear**

The Indian bridal jewellery market is a dominant segment, driven by cultural traditions and the significance of weddings. Bridal jewellery typically features heavy, ornate designs using gold, diamonds, Kundan, and Polki. This segment sees the highest demand in regions like North and South India, particularly during the wedding season. In CY24, the distribution of wedding expenditures in India highlights the significant allocation of funds across various categories. Jewellery holds a vital place in Indian weddings, with 23–25% of expenditures dedicated to it, reflecting its deep cultural and symbolic significance. Key trends include an increase in destination weddings and a preference for heritage designs, which continues to make bridal jewellery a crucial part of the wholesale jewellery market in India.

- **Occasional Wear**

The occasional wear segment in the Indian jewellery market caters to festivals, family functions, and special events. This segment is characterised by demand for semi-precious stones, contemporary designs, and versatile pieces that balance tradition with modern aesthetics. Cities like Mumbai, Delhi, and Bangalore drive significant sales during festive seasons, particularly Diwali. The market is evolving with younger consumers preferring lightweight and affordable options, making occasional wear a growing area in the wholesale jewellery sector.

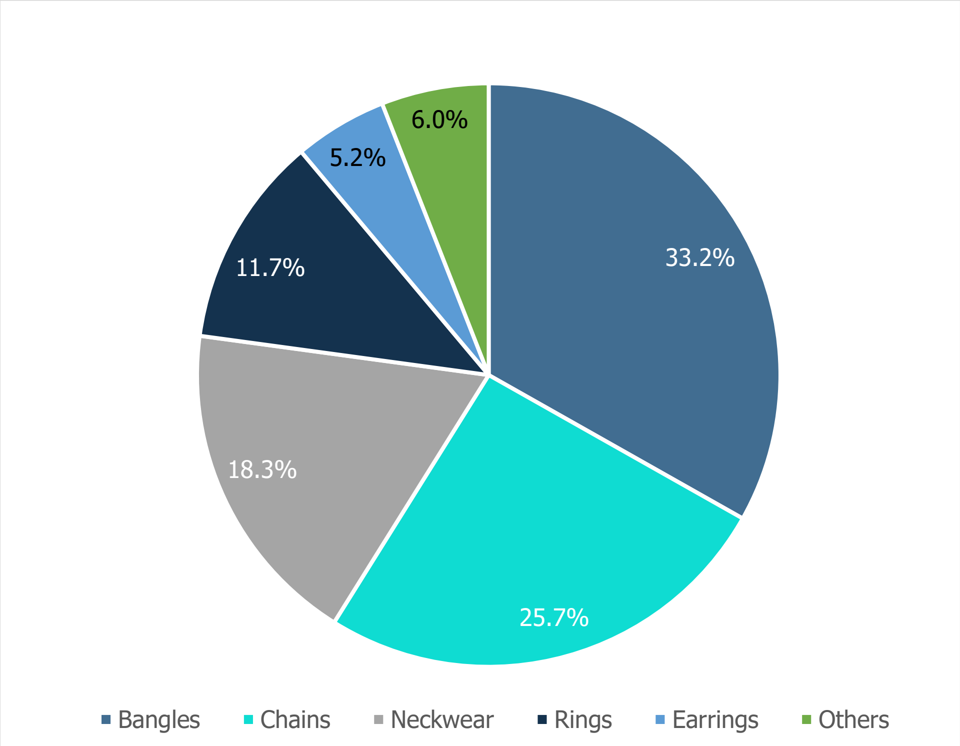
- **Daily Wear**

Daily wear jewellery in India is gaining traction, particularly in urban and semi-urban areas. This segment focuses on minimalistic, lightweight, and durable designs suitable for everyday use, such as simple gold chains, rings, and earrings. With the rise of working professionals, there is a steady demand for affordable yet stylish pieces. Regions like Maharashtra, Gujarat, and West Bengal show consistent demand due to their large urban populations and high concentration of working professionals. Maharashtra, particularly Mumbai, is a major economic hub with a diverse workforce. Gujarat, with its thriving business community and growing urbanisation, has a significant market for daily wear jewellery. West Bengal, especially Kolkata, has a rich cultural heritage and a substantial population that contributes to the steady demand for daily wear pieces. Though smaller than bridal or occasional wear, the daily wear segment is a growing component of the wholesale jewellery market.

4.3 Indian Wholesale Gold Jewellery Market Breakup by Product Type

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

Chart 36: Indian Wholesale Gold Jewellery Market Breakup by Wearing (in %), CY24



Source: IMARC Group, CareEdge Research Analysis

- **Neck Wear**

The neck wear segment, including necklaces, chokers, and pendants, is a cornerstone of the Indian wholesale jewellery market. It is highly diverse, with demand ranging from heavy, ornate designs in gold and diamonds for weddings to lightweight, everyday wear pieces. Traditional styles like Kundan and Temple jewellery remain popular, especially in

South India. The segment sees peak demand during the wedding and festive seasons, with a growing trend towards customizable designs that blend traditional motifs with modern aesthetics.

- **Rings**

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

- **Earrings**

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

- **Chains**

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

- **Bangles/Bracelets**

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

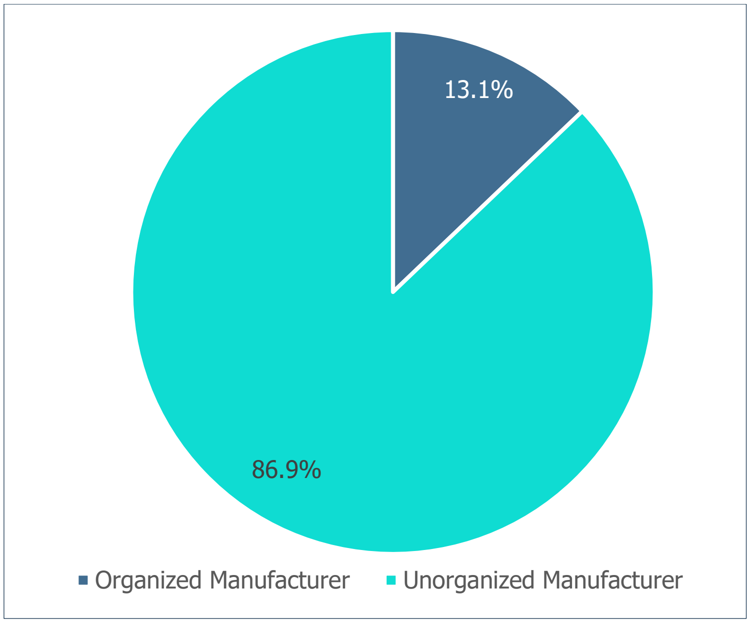
4.4 India Wholesale Gold Jewellery Market by Manufacturers

India’s wholesale gold jewellery market comprises both organised and unorganised segments, with the latter currently accounting for a larger share. The unorganised sector consists largely of small-scale manufacturers and artisans concentrated in traditional centres such as Mumbai, Jaipur, and Kolkata. These players specialise in handcrafted jewellery tailored to regional tastes and cultural preferences, supported by long-standing relationships with local retailers. However, their operations are constrained by limited access to formal finance, informal business structures, exposure to gold price volatility, and rising compliance requirements.

The organised segment, although smaller, is witnessing rapid expansion led by established players such as Kalyan Jewellers, Malabar Gold & Diamonds, Joyalukkas, and Titan’s Tanishq. These companies benefit from stronger capital access, technologically advanced manufacturing processes (including CNC and laser-based design), and adherence to regulatory and quality standards. Their focus on scale, branding, and omnichannel distribution has enhanced operational efficiency and market reach.

The ongoing shift toward organised manufacturing is being driven by regulatory formalisation—particularly mandatory BIS hallmarking and GST compliance—along with increasing consumer preference for certified, standardised, and traceable jewellery. Additionally, strategic partnerships between organised manufacturers, large retail chains, and export houses are ensuring stable demand and scalability. In contrast, unorganised players continue to face margin pressure and higher compliance costs, resulting in a gradual erosion of their market share.

Chart 37: India: Wholesale Gold Jewellery Market: Breakup by Manufacturing Type (in %), CY25



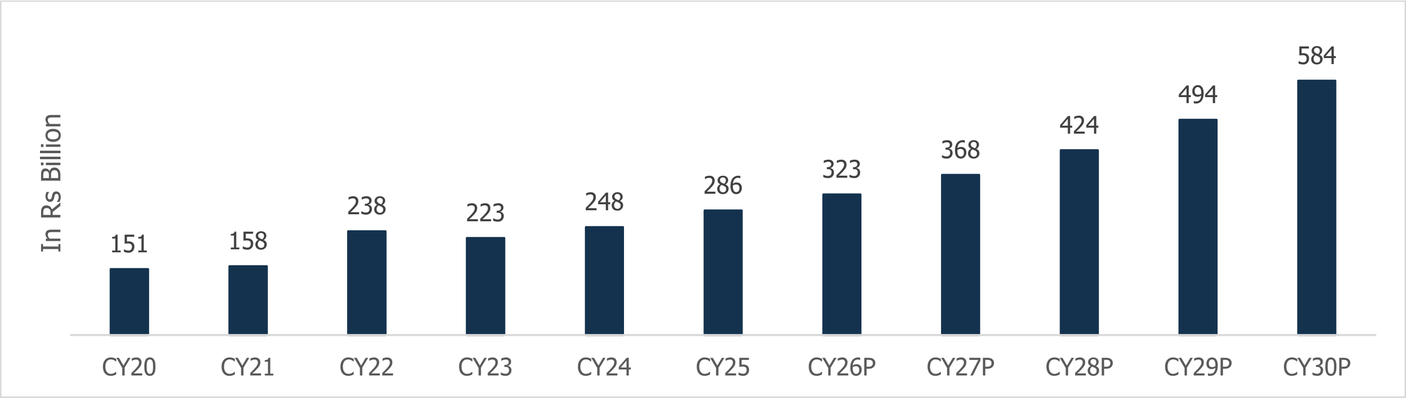
Source: IMARC Group, CareEdge Research

In CY24, unorganised manufacturers represented the largest manufacturing type in India, accounting for a share of 86.9% of the total market. Unorganised manufacturers were followed by organised manufacturers (13.1%).

Organised Manufacturers

The organised wholesale gold jewellery market in India is dominated by large players, such as organised jewellery chains, branded jewellery manufacturers, and distributors. These entities often have multiple outlets across major cities and leverage economies of scale in procurement, manufacturing, and distribution.

Chart 38: India: Wholesale Gold Jewellery Market (Organised Manufacturers): Sales Value (in Rs. Billion), CY20–CY29P



Source: IMARC Group, CareEdge Research Analysis

In CY25, organised manufacturers accounted for 13.1% of the wholesale gold jewellery market in India, reaching a value of Rs. 286 billion and growing at a CAGR of 13.6% from CY20 to CY25. This growth is primarily driven by the ongoing shift from the unorganised to the organised sector, supported by structural changes in the regulatory and business environment rather than organic demand alone.

A key factor driving this transition is the implementation of the Goods and Services Tax (GST), which has brought increased transparency and accountability to the jewellery industry. Organised players also benefit from economies of scale, improved access to institutional financing, and efficient supply chains, enabling them to offer competitive pricing and a diverse product portfolio. Moreover, there is a noticeable consumer preference emerging in favour of branded and certified gold jewellery, driven by rising awareness of product quality, authenticity, and design innovation.

In response, organised wholesale players are increasingly offering branded collections that emphasise quality craftsmanship, hallmarking, and contemporary aesthetics, aligning with evolving customer expectations.

Looking ahead, the market in this segment is projected to reach a value of Rs. 584 billion by CY30P, exhibiting a CAGR of 15.4% from CY25P to CY30P. Changing consumer tastes, particularly among urban and younger demographics, are being shaped by global trends in jewellery fashion and design. Organised wholesalers are actively incorporating international styles into their offerings to appeal to fashion-forward buyers.

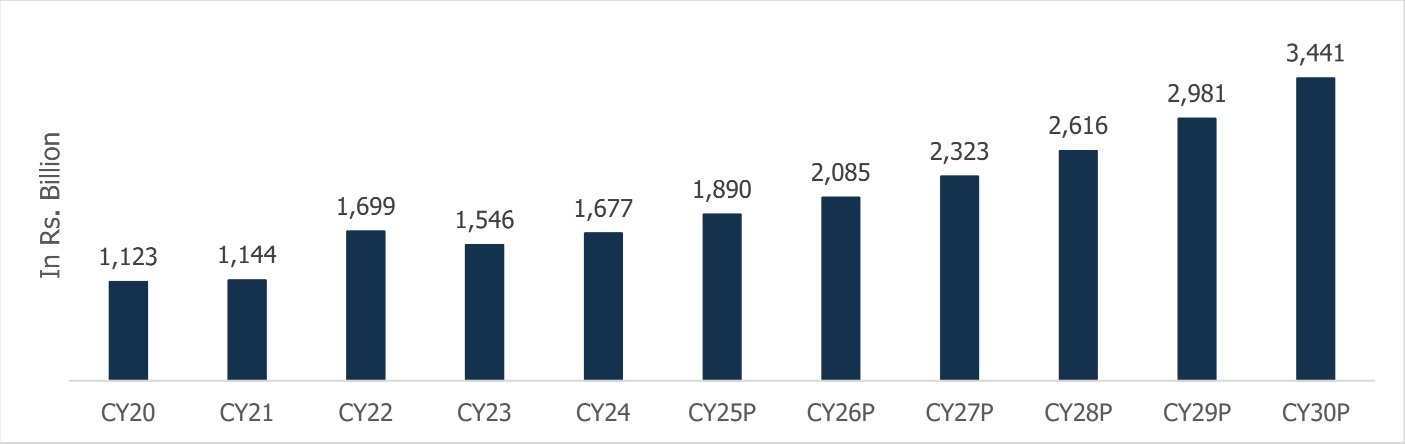
Seasonal and cultural factors such as festivals, weddings, and auspicious events continue to drive a significant share of demand. Organised wholesale players are capitalising on these occasions through exclusive festive collections, promotional offers, and targeted marketing campaigns.

To stay competitive in the evolving landscape, organised wholesale gold jewellers are focusing on innovation across design, marketing, and customer engagement. This includes collaborations with renowned designers, the launch of thematic and seasonal collections, and the adoption of digital marketing and B2B e-commerce platforms to enhance reach and drive sustained growth over the forecast period.

Unorganised Manufacturers

The unorganised wholesale gold jewellery market in India plays a significant role, especially in rural areas and smaller towns. This market is characterised by local artisans, small-scale jewellers, and traditional business practices, often lacking formal documentation and standardisation. It offers a wide variety of designs and customisation at competitive prices, catering to diverse consumer preferences. However, challenges include inconsistent quality, lack of transparency, and limited access to modern technology. Despite government efforts to formalise the sector, the unorganised market remains a vital part of India's gold jewellery industry.

Chart 39: India: Wholesale Gold Jewellery Market (Unorganised Manufacturers): Sales Value (in Rs. Billion), CY20–CY29P



Source: IMARC Group, CareEdge Research Analysis

In CY25, unorganised manufacturers represented 86.9% of the wholesale gold jewellery market in India. The market reached a value of Rs 1,890 billion in CY25, growing at a CAGR of 11% from CY20 to CY25.

A key driver of this growth is consumer price sensitivity. The unorganised sector often offers jewellery at lower prices compared to organised retailers, partly because they can sell without issuing tax bills. This pricing advantage increases accessibility, particularly in rural and semi-urban areas. Moreover, the unorganised sector excels in customisation, allowing customers to create personalised pieces tailored to their preferences, including design, metal choice, gemstones, and budget considerations.

Small-scale jewellers in the unorganised sector effectively cater to local market preferences and individual customer needs, addressing niche demands that larger retailers often overlook. Many consumers prefer these local jewellers due to the trusted relationships and personalised service they provide, which often exceed the benefits offered by larger, more impersonal stores.

Looking ahead, the market in this segment is expected to reach a value of Rs 3,441 billion by CY30P), reflecting a CAGR of 12.7% from CY25P to CY30P. In the unorganised sector, jewellers frequently offer informal credit facilities and flexible payment options, which are particularly appealing for significant purchases like wedding jewellery. The widespread physical presence of unorganised retailers, especially in smaller towns and rural areas where organised retail chains are less common, is expected to drive further market expansion.

Different regions in India have unique jewellery preferences concerning styles, designs, and materials. The unorganised wholesale gold jewellery market specialises in providing customised products that meet these regional tastes. Additionally, the sector's adoption of technology, such as digital payment systems and online platforms, enhances accessibility and expands market reach beyond traditional retail channels, facilitating convenient transactions and improving customer interaction.

4.5 SWOT Analysis of Organised Jewellers in India

Source: CareEdge Research

4.6 Outlook of the Gold Jewellery Wholesale Market in India

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

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

Recent Trends in the Jewellery Market in India

- **Rise of Minimalistic Designs:** Minimalistic jewellery designs are gaining popularity, especially among younger consumers. These designs emphasise simplicity and elegance, often featuring lightweight gold and diamond pieces. The trend is driven by changing fashion preferences and the desire for jewellery that complements everyday wear.
- **Digital and Omni-channel Strategies:** The jewellery market is increasingly integrating digital strategies, with retailers adopting omni-channel approaches to enhance customer experience. Online platforms are not just for sales but also for virtual try-ons, consultations, and customisations. The adoption of AI and AR tools in the online space has further enhanced consumer engagement.
- **Expansion of the Wholesale Gold Jewellery Market:** The wholesale gold jewellery market is experiencing a shift towards organised trade. Wholesalers are adopting technology to streamline operations, improve inventory management, and enhance transparency. There is also a growing trend of direct sourcing from mines and refineries, reducing dependency on intermediaries.
- **Increased Demand for Pre-Owned and Vintage Jewellery:** Owned and vintage jewellery is becoming increasingly popular, driven by a growing interest in sustainable fashion and unique, heritage pieces. Retailers and wholesalers alike are tapping into this trend by offering refurbished and certified pre-owned jewellery, often at more affordable prices.
- **Influence of Global Design Trends:** Global design trends are influencing Indian jewellery preferences. There is a noticeable increase in demand for jewellery styles inspired by international fashion, such as Italian or Middle Eastern designs. This trend is particularly strong in metro cities, where consumers are more exposed to global fashion trends.
- **Focus on Customization in Wholesale Gold Jewellery:** In the wholesale gold jewellery market, there is a rising demand for customization. Wholesalers are increasingly offering bespoke designs to cater to the specific needs of retailers, who in turn provide personalized pieces to end consumers. This trend is helping wholesalers differentiate themselves in a competitive market.
- **Hallmarking and Certification:** With the mandatory hallmarking of gold jewellery introduced in January 2021, there has been an increased focus on certified products in the wholesale market. Wholesalers are now more inclined to deal with hallmarked gold, ensuring quality and authenticity, which has boosted consumer confidence and led to greater demand for certified products.

Outlook on the Organised and Unorganised Segments

Outlook on the Organized and Unorganized Segments

- **Organized Segment**

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

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

- **Unorganized Segment**

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

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

5 Regulatory Process and framework for the Gems & Jewellery Industry in India

5.1 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.

5.2 FDI Norms

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

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

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

5.3 Goods & Services Tax (GST)

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

5.4 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.

5.5 Authorized Banks for Purchase of Gold

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

Table 10: Authorized Banks Permitted to Purchase Gold from Other Countries valid up to March 2029

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

Source: Reserve Bank of India

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

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

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

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

- **Duty cut on platinum findings**

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

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

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

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

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

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

5.7 Central Government's Gold Monetization Scheme

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

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

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

Revamped Gold Deposit Scheme (R-GDS):

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

Revamped Gold Metal Loan (R-GML):

- Repayment of Gold Metal Loan (GML) in lots of 1kg
- Repayment of the gold loan under GML using locally sourced IGDS standard bullion
- Availability of GML to all jewellers with a valid working capital credit limit

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

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

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

Its founding organisations are as follows:

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

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

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

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

5.9 Hallmarking of Jewellery in India

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

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

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

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

5.10 Jewellery Parks

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

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

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

5.11 Emergency Credit Line Guarantee Scheme (ECLGS)

The Government of India introduced the **Emergency Credit Line Guarantee Scheme (ECLGS)** in May 2020 as part of its COVID-19 relief measures to support businesses facing acute liquidity stress. The scheme, implemented through the **National Credit Guarantee Trustee Company (NCGTC)**, provided a **100% government-backed guarantee** to banks and NBFCs for extending collateral-free loans to eligible borrowers.

For the gems and jewellery industry, largely dependent on working capital cycles, exports, and retail demand, ECLGS acted as a crucial lifeline during the pandemic. MSMEs and mid-sized enterprises in the sector benefitted from enhanced credit access under the scheme, which offered:

- Additional funding up to **20–30% of outstanding credit**,
- **Interest rate caps** (9.25% for banks, 14% for NBFCs),
- **Four-year tenure with a moratorium** of 12 months on principal repayment, and
- Coverage across multiple phases, including support for hospitality, travel, and healthcare-linked supply chains.

By easing liquidity constraints and reducing the risk perception of lenders, ECLGS helped preserve jobs, sustain operations, and stabilize cash flows in the jewellery trade ecosystem. Although the scheme was launched as a temporary measure, its positive spillovers have reinforced the importance of targeted credit guarantee frameworks in strengthening the financial resilience of the industry.

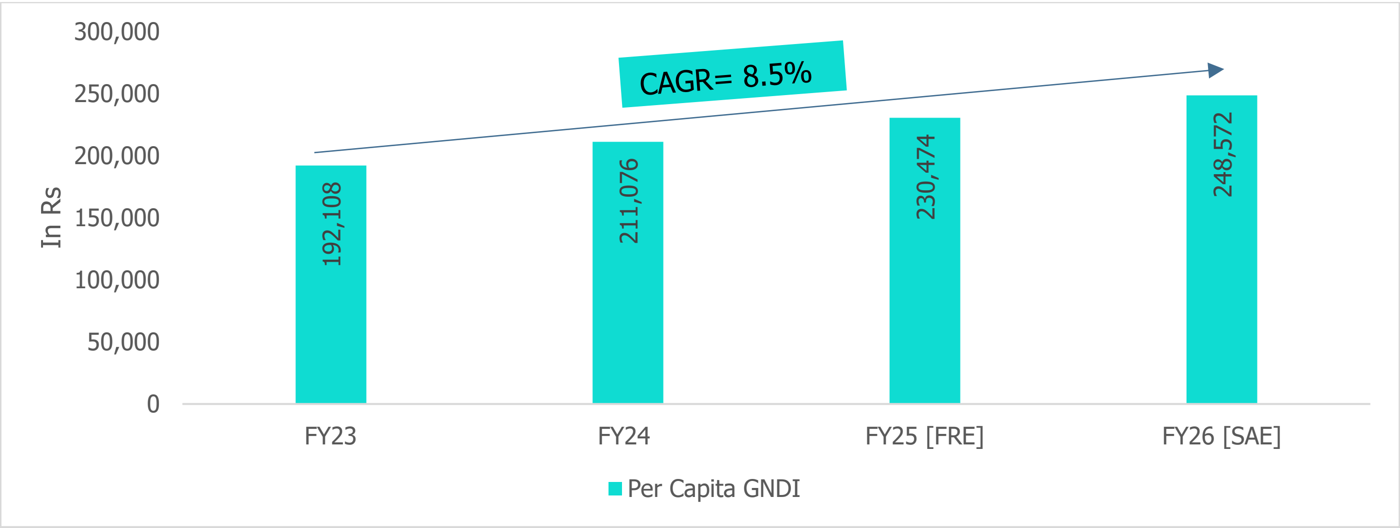
6 Key Demand Drivers and Opportunities for Jewellery in India

Increase in Per Capita Disposable Income:

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

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

Chart 40: Trend of Per Capita Gross National Disposable Income (Current Price)



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

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

Demographic Dividend and Consumption Growth:

India's large and young population base remains a key structural driver of consumption growth. The country's population increased from ~1.21 billion in 2011 (Census) to an estimated ~1.4–1.45 billion in 2021–2024 (World Bank/UN) and is projected to reach ~1.5 billion by 2031.

At the same time, India has a rapidly expanding consumer base with approximately ~302 million households in 2021, reflecting steady growth in household formation.

A key strength is India's favourable age structure. As per Census and government projections, the country remains relatively young, with a large working-age population:

Key Demographic Indicators:

Metric	Details
Population	~1.21 bn (2011) → ~1.45 bn (2024)
Population (Projection)	~1.52 bn by 2031
Households	~302 million (2021)

Metric	Details
Youth Population (15–29 yrs)	~371 million (~27% share)
Working-age Population (15–59 yrs)	~60.7% (2021), rising to ~65% by 2031
Child Population (0–14 yrs)	~30.9% (2011) → ~24% (2024E)
Elderly Population (60+)	Increasing to ~13% by 2031
Female LFPR	23.3% (2017–18) → 41.7% (2023–24)

Source: Census 1991, 2001 and 2011. Report of the Technical Group on Population Projections for India and States 2011-2036, Ministry of Health & Family Welfare, July 2020

This demographic profile indicates:

- A rising share of working-age population, supporting income generation
- A declining dependency ratio, improving consumption capacity
- A large youth cohort (~371 million) acting as a key consumption driver

In addition, improving labour participation, especially among women (FLFPR rising to 41.7% in 2023–24), is further strengthening household incomes and spending power.

These factors collectively drive:

- Growth in discretionary consumption
- Increasing household formation and urban demand
- Expansion of the consuming middle-income segment (supported by rising per capita income and GDP growth)

Importantly, India's strong socio-cultural structure amplifies this demographic advantage. Weddings and festivals remain major consumption drivers, particularly for jewellery, with:

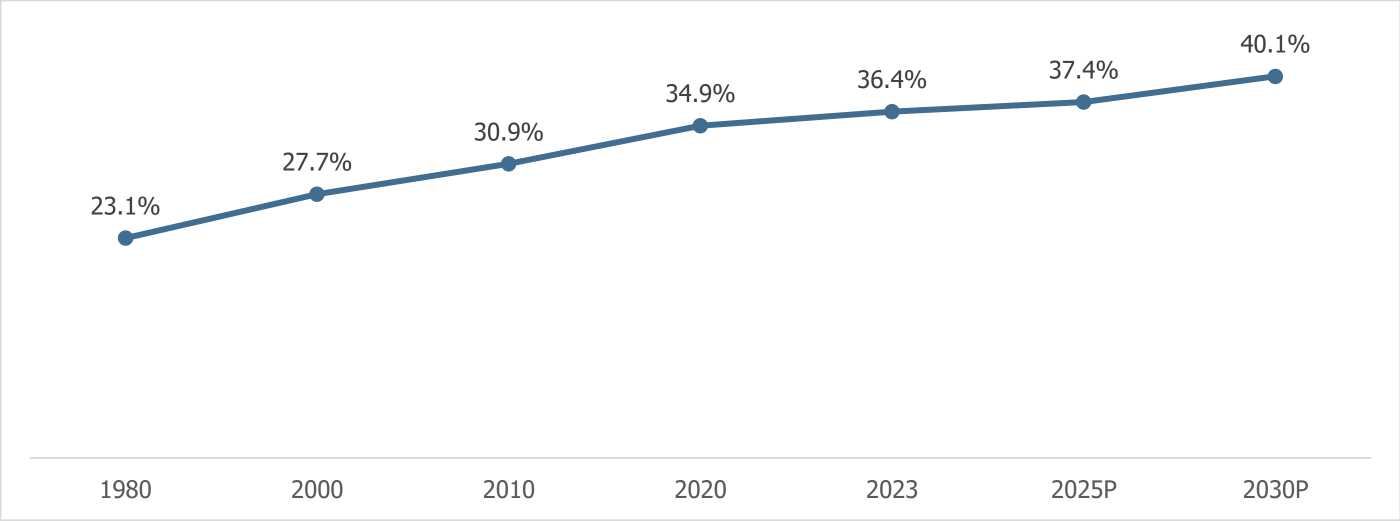
- High volume of annual marriages
- Strong preference for gold-backed savings and consumption
- Continued demand for bridal jewellery, a dominant segment

Thus, India's demographic dividend—driven by a large young population, rising working-age share, increasing household formation, and improving income levels—acts as a sustainable long-term driver of consumption, supporting structurally strong demand in discretionary categories such as Jewellery, especially through weddings and festive purchases

Urbanization and changing consumer preferences:

Rapid urbanization is one of the most critical drivers of India's economic and consumption growth, significantly influencing jewellery demand patterns. India's urban population has been rising steadily—from ~17.9% in 1960 to ~36.4% in 2023—and is projected to reach ~40% by 2030, reflecting sustained migration towards cities and expanding urban centers, including Tier-II and Tier-III markets. This structural shift is driving investments in infrastructure, job creation, modern retail ecosystems, and higher income generation, thereby enhancing overall consumption potential.

Chart 41: Urban population (% of total population)



Note: P – Projected, Figures in %
Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

Alongside this, the geographic spread of economic activity is becoming more balanced. While metropolitan regions continue to account for a significant share of economic output and credit (~59% of outstanding credit), incremental growth in credit and consumption is increasingly being driven by non-metro regions, including semi-urban and emerging urban centres. This indicates deeper financial penetration, rising disposable incomes, and expanding access to formal credit in Tier-II and Tier-III cities, which are becoming key contributors to consumption growth.

These trends are reshaping consumer behaviour in the jewellery sector. Urban consumers, particularly in emerging cities, are increasingly shifting towards lightweight, daily-wear, and studded jewellery, driven by evolving fashion preferences, greater exposure to global trends, and increasing workforce participation. At the same time, rising female workforce participation is supporting independent purchasing decisions and boosting discretionary spending on personal jewellery.

The combination of rising urbanization, increasing income levels in non-metro regions, and changing lifestyle preferences is also accelerating the shift towards organized players. Organized jewellers are benefiting through:

- Expansion into Tier-II and Tier-III cities
- Adoption of omnichannel retail strategies (online + offline)
- Offering design innovation and standardized quality assurance.

Jewellery as both adornment and investment:

In India, jewellery continues to serve the dual purpose of ornamentation and wealth preservation. Gold jewellery is widely perceived as a store of value and financial security, particularly during periods of inflation and economic uncertainty. Consumer preference for gold as a wealth creation instrument remains strong, further supporting long-term industry demand.

Exposure to Global Trends:

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

Preference for Branded Jewellery:

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

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

Easy availability of Gold Loan:

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

A trusted source of gold and innovative designs:

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

Increasing Adoption of Lower-Carat Gold Jewellery

Persistently high gold prices are encouraging a gradual movement towards lower-carat jewellery, particularly 18K and 14K products, as consumers seek more affordable alternatives without significantly compromising on aesthetics or quality. While 22K jewellery continues to dominate the Indian market due to its strong cultural and investment appeal, lower-carat jewellery is witnessing growing acceptance across select consumer segments, especially for everyday wear and fashion-oriented purchases.

The increasing adoption of 18K and 14K jewellery is enabling jewellers to cater to a broader customer base and sustain demand amid elevated gold prices. Lower-carat products are also widely used in studded, lightweight, and contemporary jewellery collections, allowing retailers to offer innovative designs at more accessible price points. This trend supports product diversification, enhances affordability, and creates additional growth opportunities for organised jewellery players.

Growing Demand for Lightweight Jewellery

The increasing popularity of lightweight jewellery is emerging as a key growth driver for the jewellery industry. Rising gold prices have encouraged consumers to opt for lighter pieces that require lower gold content and involve a smaller upfront investment. These products offer an attractive balance between affordability, design, and wearability, making them particularly appealing to middle-income consumers, first-time jewellery buyers, and younger consumers seeking value-oriented purchases.

The lightweight jewellery segment is expected to witness strong growth, with the market projected to expand at a CAGR of approximately 15.4% between CY25 and CY30. In addition to affordability, evolving consumer preferences towards everyday wear, contemporary designs, and versatile jewellery are supporting demand. Organised jewellers are increasingly expanding their lightweight product portfolios across rings, earrings, chains, pendants, and daily-wear collections. This trend is helping sustain jewellery consumption amid elevated gold prices while broadening the industry's customer base and supporting overall market growth.

7 Threats and Challenges for the Gems and Jewellery Industry

- **Shortage of Skilled Labour:**

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

- **Short-Lived Fashion and Design Preferences:**

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

- **Dependency on Imports for Raw Materials:**

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

- **Impact of Global Slowdown**

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

- **Working Capital Strain Due to High Gold Prices**

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

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

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

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

• **Hedging Practices and Price Volatility**

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

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

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

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

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

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

8 Competitive Landscape

8.1 Overview

Company	Description
Shankesh Jewellers Limited	Shankesh Jewellers is a B2B company based in Mumbai's Zaveri Bazaar, with a pan-India presence. The company specializes in Hand crafted gold jewellery offering bangles, bridal sets, chokers, jhumkas, rings, mangalsutras, and more across diverse categories and finishes.
Sky Gold & Diamonds Ltd	The brand 'Sky Gold Ltd.' was established in 2008, focusing on the design, production, and promotion of gold jewellery. Operating under a business-to-business (B2B) model, Sky Gold Limited primarily sells its products to mid-range jewellers and boutique stores. These then distribute the products through various channels, including online platforms and retail outlets.
Shanti Gold International Limited	Shanti Gold International Limited, incorporated in 2003 and converted to a public limited company in 2013, is a B2B manufacturer of 22K CZ casting gold jewellery. With strong in-house design and manufacturing, it supplies leading jewellers across India and abroad, supported by robust financial growth and expansion plans.
Shringar house of mangalsutra Limited	Shringar House of Mangalsutra Limited focuses on the design, manufacture, and sale of mangalsutras and other traditional Indian jewellery. It operates both retail and wholesale distribution networks.
Radhika Jeweltech Limited	Radhika Jeweltech Limited is a jewellery retailer based in Gujarat, primarily engaged in the sale of gold and diamond jewellery through its retail outlet. It targets regional customers with a focus on bridal and traditional segments.

8.2 Financial Parameters

Table 11: Financial Parameters, FY24

Parameters	Shankesh Jewellers Limited	Sky Gold & Diamonds Ltd	Shanti Gold Limited	Shringar House of Mangalsutra Limited	Radhika Jeweltech Limited
Net Sales (Rs. Millions)	10,617.8	17,454.8	7,114.3	11,015.2	5,440.6
Operating Profit (EBITDA) (Rs. Millions)	286.0	772.5	498.5	495.7	700.9
Operating Margin	2.7%	4.4%	7.0%	4.5%	12.9%
Net Profit (Rs. Millions)	128.2	404.8	268.7	311.1	495.3
Net Profit Margin	1.2%	2.3%	3.8%	2.8%	9.1%
Debt-to-Equity	1.8	1.3	2.1	0.8	0.2
Return on Capital Employed (ROCE)	45.5%	27.2%	33.3%	33.1%	25.2%
Return on Equity (ROE)	21.3%	16.6%	27.8%	22.7%	18.7%
Working Capital Cycle	60	59	98	60	211

Source: Company Annual Reports, CareEdge Research

Table 12: Financial Parameters, FY25

Parameters	Shankesh Jewellers Limited	Sky Gold & Diamonds Ltd	Shanti Gold Limited	Shringar House of Mangalsutra Limited	Radhika Jeweltech Limited
Net Sales (Rs. Millions)	14,038.3	35,480.2	11,064.1	14,298.2	5,877.9
Operating Profit (EBITDA) (Rs. Millions)	653.5	1,963.7	916.5	923.1	892.2
Operating Margin	4.7%	5.5%	8.3%	6.5%	15.2%
Net Profit (Rs. Millions)	403.1	1326.6	558.4	611.1	601.2
Net Profit Margin	2.9%	3.7%	5.0%	4.3%	10.2%
Debt-to-Equity	1.4	0.9	1.5	0.6	0.1
Return on Capital Employed (ROCE)	63.7%	30.3%	49.5%	43.8%	26.5%
Return on Equity (ROE)	40.1%	19.4%	36.6%	30.4%	18.6%
Working Capital Cycle	61	80	108	62	248

Source: Company Annual Reports, CareEdge Research

Table 13: Financial Parameters, FY26

Parameters	Shankesh Jewellers Limited	Sky Gold & Diamonds Ltd	Shanti Gold Limited	Shringar House of Mangalsutra Limited	Radhika Jeweltech Limited
Net Sales (Rs. Millions)	16,307.9	62,948.9	20,187.1	22,458.2	6,391.4
Operating Profit (EBITDA) (Rs. Millions)	1,579.0	4,343.5	1,990.0	1,587.5	1,038.8
Operating Margin	9.7%	6.9%	9.9%	7.1%	16.3%
Net Profit (Rs. Millions)	1,066.8	2,818.3	1,401.5	1,154.9	747.9
Net Profit Margin	6.5%	4.5%	6.9%	5.1%	11.7%
Debt-to-Equity	0.8	0.7	0.3	0.3	0.1
Return on Capital Employed (ROCE)	74.6%	39.4%	32.6%	23.3%	25.4%
Return on Equity (ROE)	50.9%	23.4%	23.4%	17.0%	18.8%
Working Capital Cycle	78	64	114	97	290

Source: Company Annual Reports, CareEdge Research

9 Business Profile

9.1 Overview

Shankesh Jewellers Limited, headquartered in Mumbai, Maharashtra, is engaged in the business of hand crafted gold jewellery and providing customisation services to its clients. Its clientele includes both corporate entities such as Joyalukkas India Limited, P. N. Gadgil & Sons Limited, Kalyan Jewellers India Limited, P N Gadgil Jewellers Limited, Manoj Vaibhav Gems 'N' Jewellers Limited, Novel Jewels Limited (Aditya Birla Group), Bhima Jewellery Madurai, Hari Prasad Gopi Krishna Saraf Private Limited, D.P Abhushan Limited, Vysyaraju Jewellers Private Limited, Gajaananda Jewellery Mart India Private Limited, Arundhati Jewellers Pvt. Ltd., amongst others, as well as non-corporate entities such as Verma Jewellers and Sham Jewellers. The company acts as a principal contractor, managing the design, material sourcing, and finished jewellery-making process for these clients. Depending on the type of jewellery, production is outsourced to localised karigars through jobworkers engaged by the company to ensure end-to-end delivery of the final product as per client-specific design requirements. This model, common in the jewellery industry, allows Shankesh Jewellers to focus on inventory management, design, and marketing without investing in manufacturing infrastructure.

The company offers a diverse range of high-quality hand-crafted gold jewellery in 22-karat and 18-karat. Its product portfolio encompasses collection of bangles, bridal jewellery, chokers, jhumkas, long and short necklace sets, mangalsutras, and rings, along with combined jewellery sets across categories such as antique jewellery, semi-antique jewellery, Calcutta jewellery, temple jewellery, gheru polish, and yellow/rhodium/rose gold jewellery. With the capability to create customised jewellery tailored to client specifications, the company caters to varied occasions such as weddings, festivals, and daily wear, addressing the diverse needs of its pan-India clientele. All jewellery pieces are hallmarked as per BIS standards in line with regulatory guidelines.

In addition to its standard product offerings, Shankesh Jewellers provides custom job-work services wherein clients supply bullion along with specific design requirements. The company then engages karigars through jobworkers to craft the jewellery accordingly. Once completed, the finished pieces are delivered directly to clients.

Table 14: Product Portfolio

Products	Overview
Bangles	The company's bangle collection offers a variety of designs and sizes, often embellished with American diamonds, coloured stones, and intricate craftsmanship, blending traditional and contemporary appeal.
Bridal	The bridal jewellery collection features predominantly gold designs with timeless appeal and modern sophistication, offering intricate silhouettes to attract brides seeking opulence and cultural richness.
Chokers	The Chokers are statement pieces which fits close to the neck and feature various designs like plain, textured, patterned, or adorned with gemstones.
Jhumkas	The jhumkas collection includes traditional gold earrings with bell-shaped designs, detailed motifs, and embellishments, offering styles from simple to ornate for festivals and cultural occasions.
Long Necklace	The long necklace collection comprises classic gold pieces in varied lengths and designs, often adorned with pendants or gemstones, suitable for both daily wear and special occasions.
Mangal Sutra	The mangalsutra collection features traditional gold designs with black beads or pendants, symbolising marital status and cultural heritage, often treasured as family heirlooms
Rings	The rings collection offers gold designs in various styles and purities, from wedding bands to filigri work, valued for durability, elegance, and timeless appeal.

Source: Company Website

Table 15: Financial Overview

Parameters	FY24	FY25	FY26
Net Sales (Rs. Millions)	10,617.8	14,038.3	16,307.9
Operating Profit (EBITDA) (Rs. Millions)	286.0	653.5	1,579.0
Operating Margin	2.7%	4.7%	9.7%
Net Profit (Rs. Millions)	128.2	403.1	1,066.8
Net Profit Margin	1.2%	2.9%	6.5%
Debt-to-Equity	1.8	1.4	0.8
Return on Capital Employed (ROCE)	45.5%	63.7%	74.6%
Return on Equity (ROE)	21.3%	40.1%	50.9%

Source: Company Reports, CareEdge Research

The company's net sales registered a CAGR of 23.9% during FY24–FY26. In FY26, revenue increased by 16.2% year-over-year, while net profit witnessed a significant growth of 164.6% compared with the previous year.

Table 16: Job Work Income Vs Profit Analysis

Particulars	Income	PAT	% of total Income	% of total PAT
Actual Sales	13,916	352	99.1%	87.4%
Job Work	123	51	0.9%	12.6%
Total	14,038	403	100.0%	100.0%

Source: Company Reports, CareEdge Research

10 Abbreviations, KPI Definitions and Bibliography

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

Table 17: Abbreviations Table

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

Table 18: KPI Definitions

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

Table 19: Bibliography

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