Industry Report
on
Gems & Jewellery Industry
in
India

19th Aug 2026

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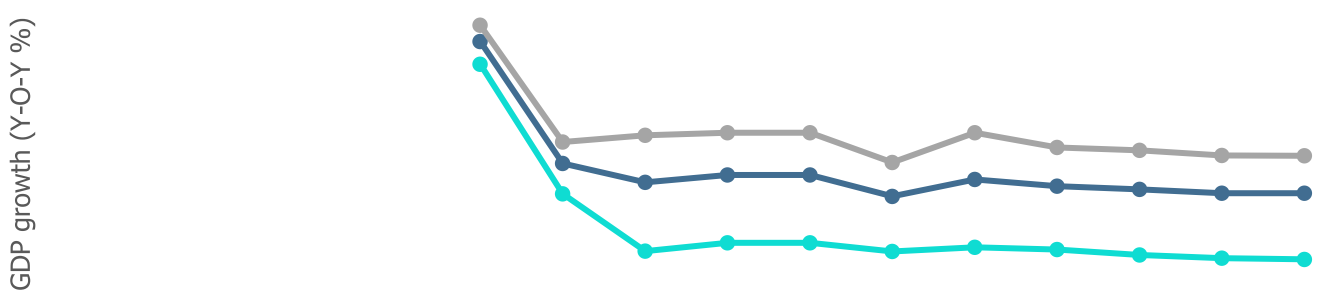
1 Economic Outlook

1.1 Global Economy

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

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

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



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

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

Table 1: GDP Growth Trend Comparison - India v/s Other Economies (Real GDP, Y-o-Y Change in %)

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

Source: IMF- World Economic Outlook Database (April, July 2026)
Note: E-Estimate, P- Projections; India's fiscal year (FY) aligns with the IMF's calendar year (CY). For instance, FY24 corresponds to CY23.

1.1.1 El-Nino and Economic Growth

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

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

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

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

1.1.2 Iran Conflict Impacts Energy Intensive Sectors

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

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

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

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

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

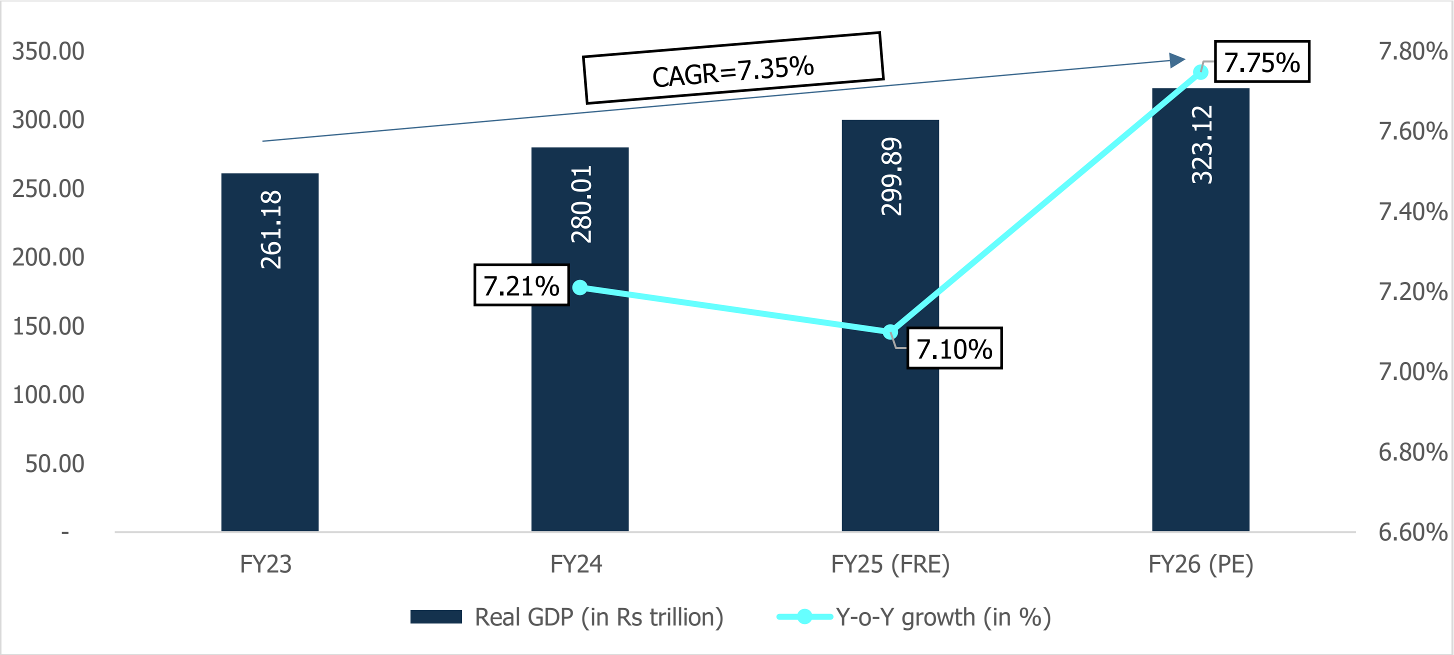
1.2 Indian Economic Outlook
1.2.1 GDP Growth and Outlook

Resilience to External Shocks Remains Critical for Near-term Outlook

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

For FY25, First Revised Estimates show a growth of 7.1% (Rs 299.89 trillion), led by robust performance in manufacturing, construction and financial services. Consumer spending rose by 7.75%, and government spending increased by 5.5%, both contributing to the overall growth. In FY23, the real GDP stood at Rs 261.18 trillion and registered Y-o-Y growth of 7.2% 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 6.60% for 2026–27, supported by sustained momentum in the services sector, strong reservoir levels aiding the agricultural sector, and private consumption expected to remain uplifted by discretionary spending.

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

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

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

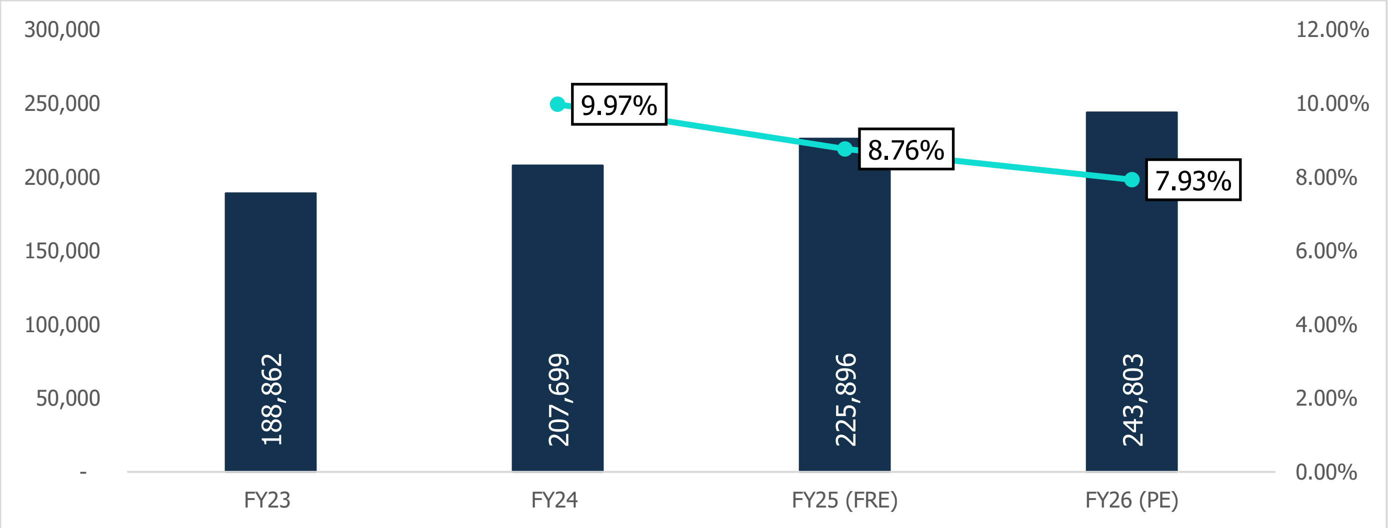
Source: RBI; Note: P-Projected
The trend for FY23-FY26 is based on new series base year 2022-23.

1.2.2 India's GDP Per Capita

India's per capita GDP has shown a consistent upward trend over the past decade, reflecting steady economic growth. Rising per capita income, driven by robust economic development, enhances consumer confidence and discretionary spending, reflecting a higher standard of living and overall prosperity.

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

Chart 3: Per capita GDP (at Current Prices)



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

1.2.3 Gross Value Added (GVA)

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

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

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

At constant Prices	FY24	FY25 (FRE)	FY26 (PE)
Agriculture, Forestry & Fishing	**2.60**	**4.20**	**3.00**
Industry	**10.90**	**8.30**	**8.50**
Mining & Quarrying	2.40	11.70	5.20
Manufacturing	12.70	9.30	10.70
Electricity, Gas, Water Supply & Other Utility Services	10.70	2.90	1.70

At constant Prices	FY24	FY25 (FRE)	FY26 (PE)
Construction	9.90	7.30	7.40
Services	**7.00**	**7.90**	**9.30**
Trade, Hotels, Transport, Communication & Broadcasting	10.10	6.60	11.00
Financial, Real Estate & Professional Services	5.50	10.00	10.40
Public Administration, Defence and Other Services	6.80	5.00	5.00
GVA at Basic Price	**7.20**	**7.30**	**7.90**

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

1.2.4 Trends in Per capita State Domestic Product (SDP)

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

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

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

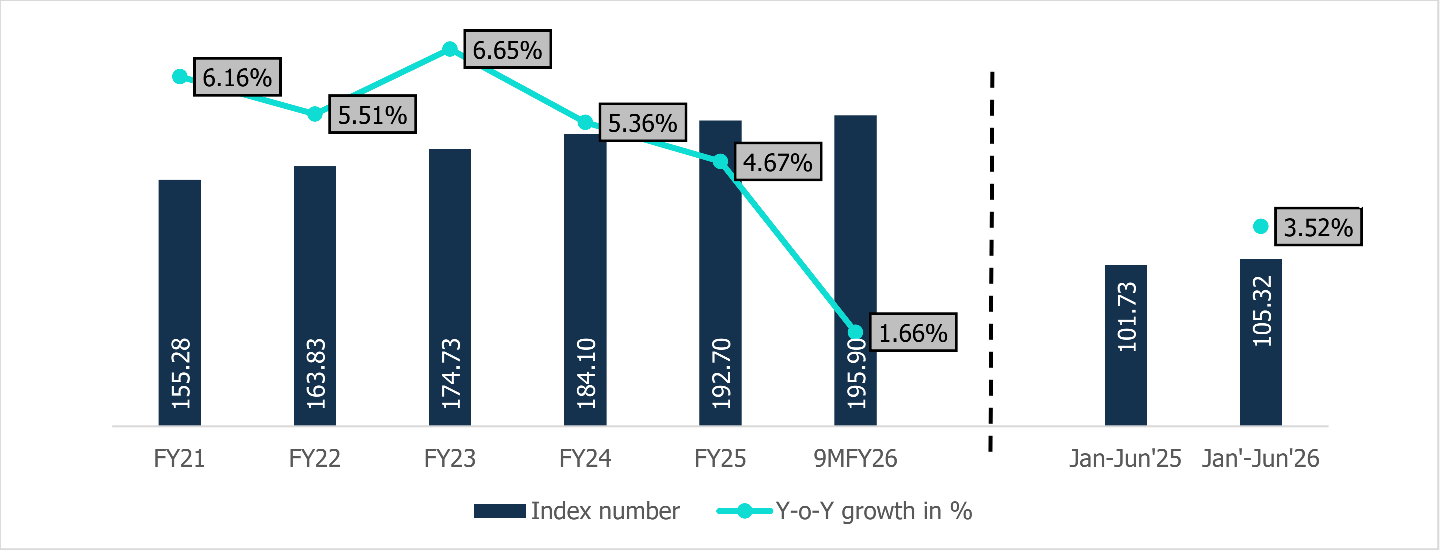
State\UT	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Andhra Pradesh	1,03,177	1,08,853	1,10,587	1,10,971	1,18,349	1,23,853	1,31,083	1,41,609
Bihar	26,719	29,092	29,798	26,839	27,674	30,678	33,966	36,342
Gujarat	1,43,604	1,54,887	1,64,060	1,56,285	1,70,519	1,81,963	NA	NA
Karnataka	1,40,747	1,49,024	1,56,478	1,49,673	1,65,517	1,82,371	1,91,970	2,04,605
Madhya Pradesh	54,824	59,005	60,452	56,086	61,011	63,681	67,301	70,434
Maharashtra	1,37,808	1,40,782	1,45,626	1,27,550	1,41,651	1,54,979	1,66,013	1,76,678
Rajasthan	73,529	73,975	76,840	73,447	79,490	84,585	90,414	96,638
Tamil Nadu	1,33,029	1,41,844	1,44,845	1,43,482	1,54,269	163,205	1,78,496	1,97,747
Uttar Pradesh	41,771	42,333	43,061	39,866	45,294	48,014	51,898	55,990
Delhi	2,52,960	2,57,597	2,60,559	2,28,162	2,39,821	2,52,768	2,71,490	2,83,093

Source: MOSPI

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

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

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

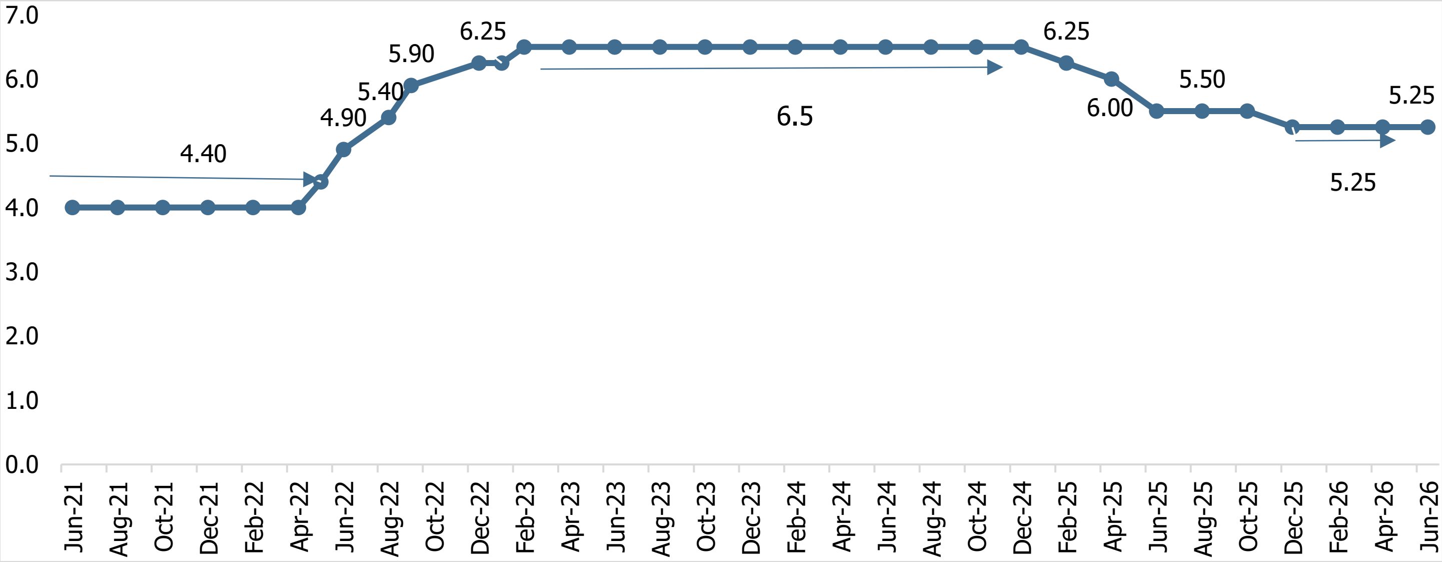


Source: MOSPI; Note: Base year for CPI has been revised in January 2026 to 2024 while till December 2025, the base year is 2012.

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

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

Chart 5: RBI Historical Repo Rate



Source: RBI

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

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

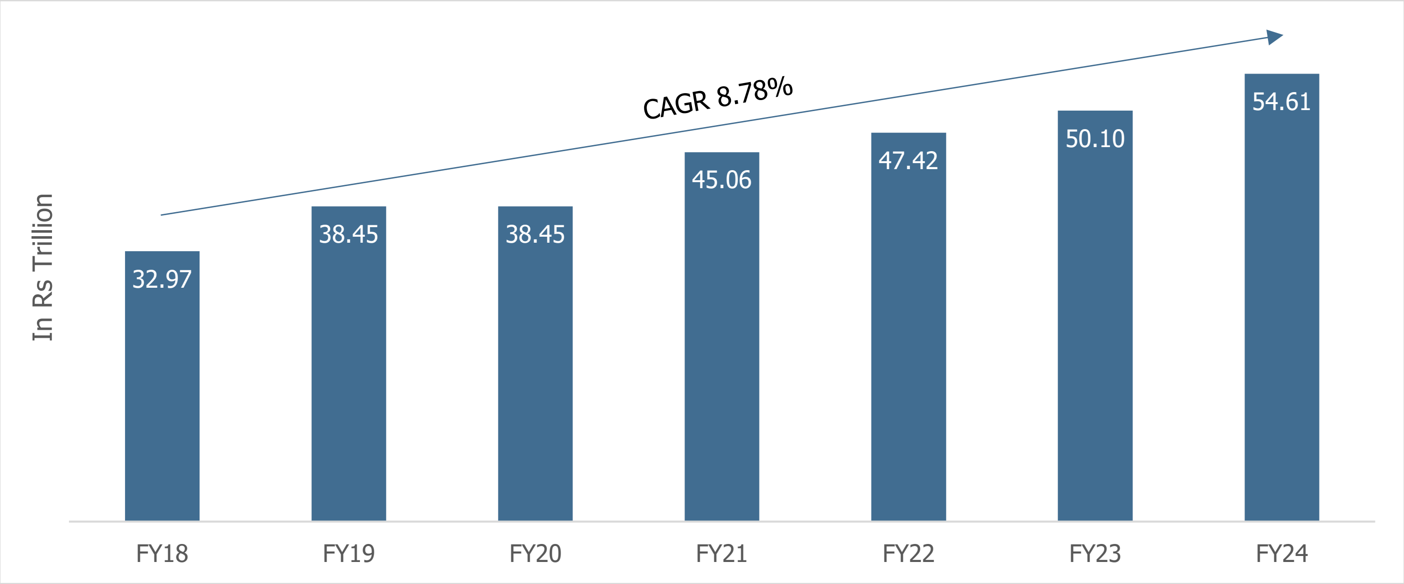
The prices of petrol and diesel have increased marginally as the refineries have been absorbing the shocks by reducing the excise duty, despite high global crude oil prices. However, a further hike in prices remains monitorable due to high company losses. The rise in energy prices and weather disturbances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

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

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

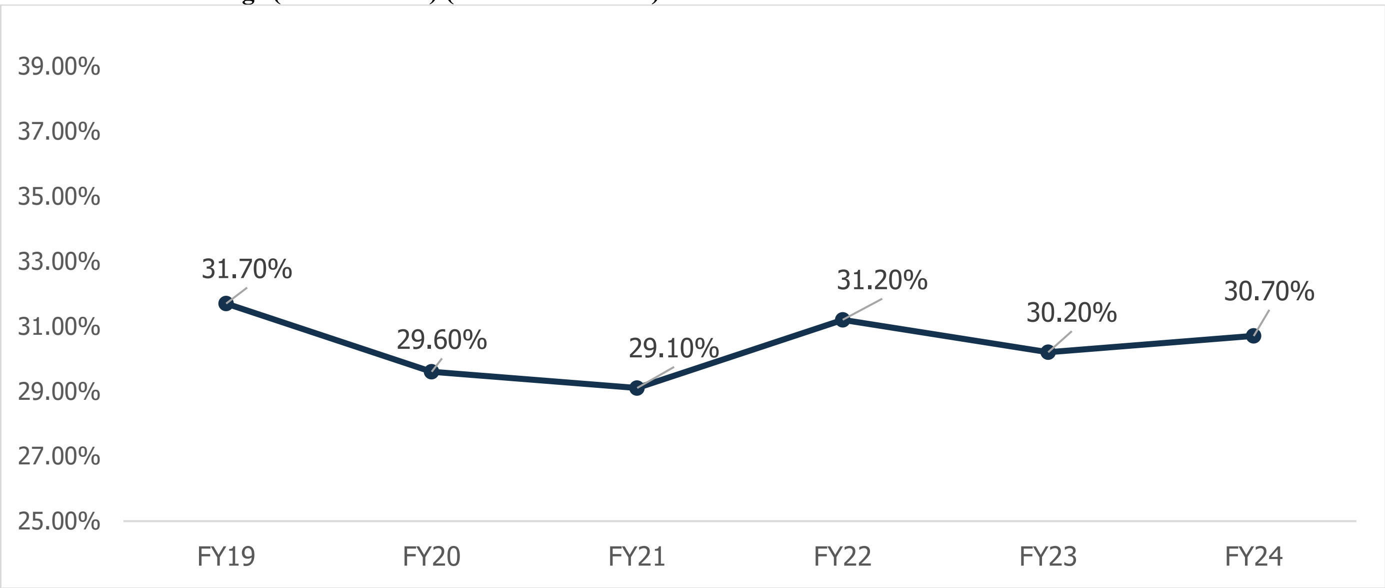
This increasing trend towards physical assets is occurring alongside a rise in household leverage, with borrowing, especially for housing, automobiles, and personal consumption, pushing household financial liabilities to a six-year high. Mutual funds and life insurance also grew, with an 11.50% and 13.60%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

Chart 6: Household Savings



Source: MOSPI

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



Source: MOSPI

Gross Domestic Savings (GDS) are the total savings within the economy, comprising the savings of the household, private corporate and public sectors. GDS as percentage of GDP has seen a flat growth moving within a narrow range. Within the last five years, it was highest in FY19 at 31.7%. It declined to less than 30% during FY20 and FY21 on account of COVID-19 pandemic, increasing again to 31.2% in FY22 before declining to 30.2% in FY23. The trend picked up marginally in FY24 to 30.70%.

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

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

The Indian rural economy is becoming a significant driver of the Fast-Moving Consumer Goods (FMCG) sector's resurgence, signalling a promising turnaround in aggregate demand after a slow start to the FY24-25. RBI highlights that rising incomes and improved infrastructure are fuelling increased rural consumption of FMCG products. This boost is supported by a rise in rural savings, marked by growing numbers of savings bank accounts and balances, and a reduction in inflationary pressures, which has allowed rural consumption to catch up with urban areas. Additionally, favourable monsoon conditions and improved sowing data are expected to sustain this growth, complemented by increased government spending on rural development and infrastructure.

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

The government's budget measures which focus on agriculture, infrastructure and rural development, aim to increase incomes and revitalise the rural sector. These measures include transforming agricultural research, introducing new crop varieties, promoting natural farming and enhancing digital infrastructure for agriculture. Successful implementation of these programs, coupled with proper fund allocation, is crucial for improving farm incomes and strengthening supply chains. A shift towards diversified, high-value agricultural production, along with marketing and trade reforms, is needed to foster more inclusive, environmentally friendly and climate-resilient agriculture .

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

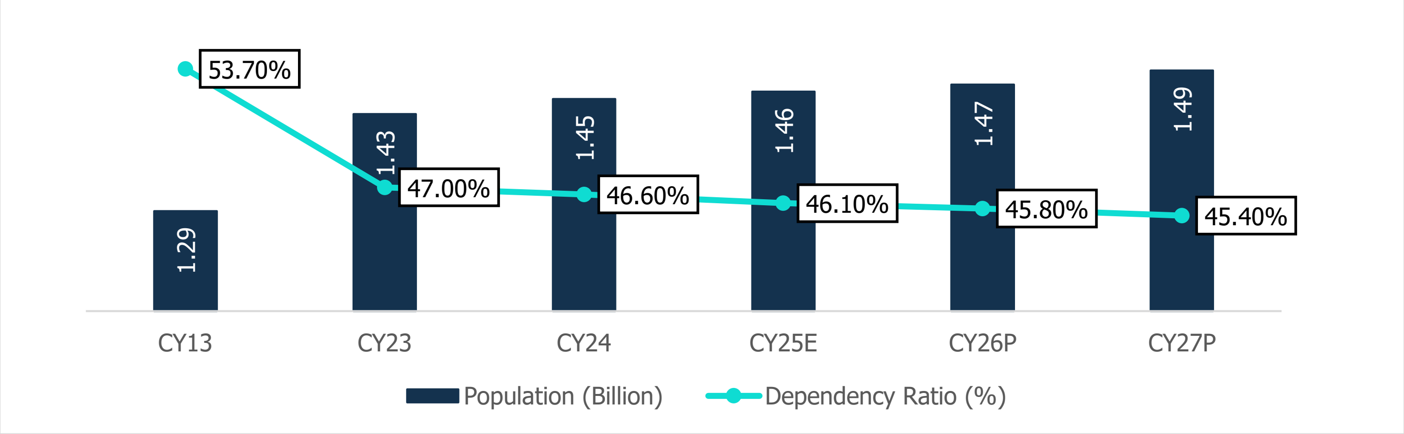
1.2.8 Overview on Key Demographic Parameters

- **Population Growth and Urbanisation**

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanisation. According to the World Bank, India’s population in CY22 surpassed 1.42 billion, slightly higher than China’s population (1.410 billion) and became the most populous country in the world.

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

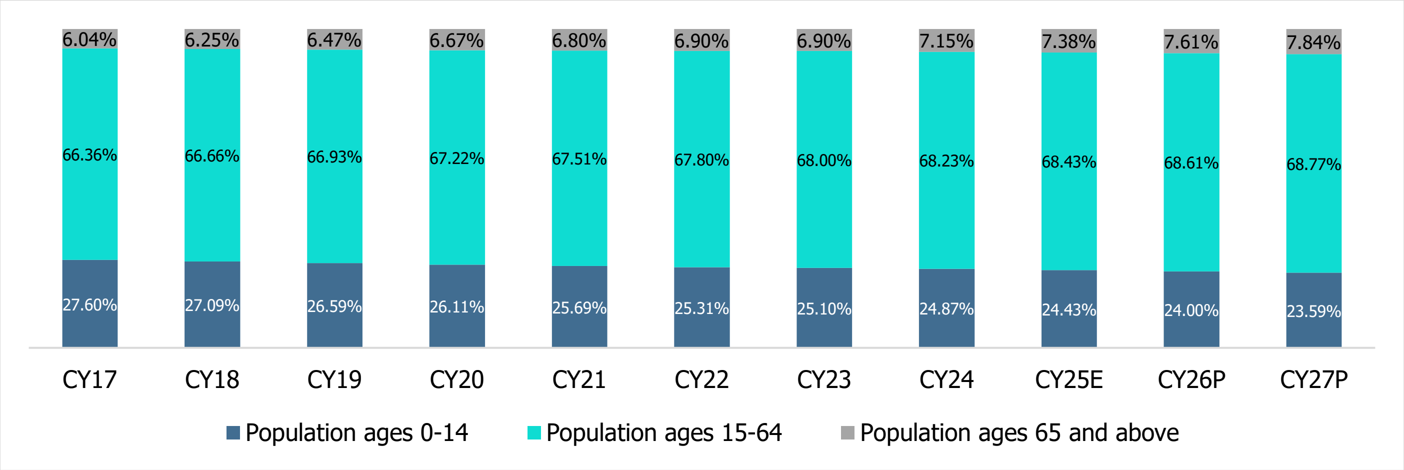
Chart 8: Trend in Population Growth vis-à-vis Dependency Ratio in India (in Billion)



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

Despite a projected rise in the dependency ratio to 54% by CY36, India’s young and growing workforce, especially in newly urbanised towns, will continue to drive income growth and consumer demand. This presents strong opportunities for sectors like consumer electronics, transportation and railways. Rising employment, urbanisation and government investment in rural development and digital infrastructure will further boost demand, while increased tech adoption supports long-term consumption growth across both urban and rural markets.

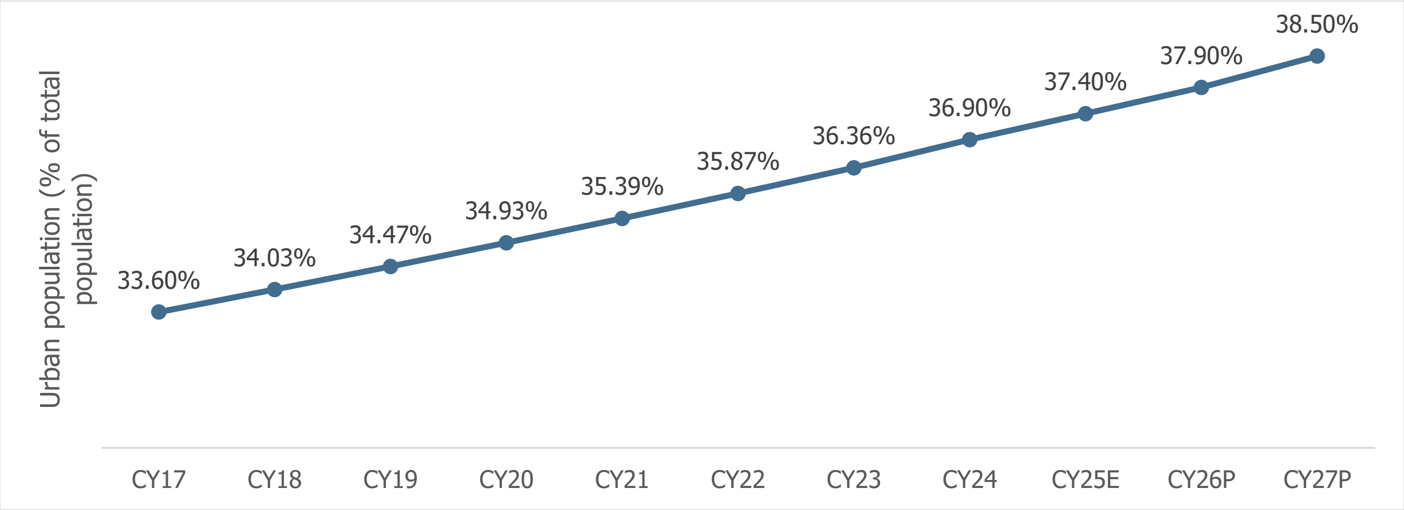
Chart 9: Age-wise Break-up of Indian Population (% of Working-age Population)



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

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

Chart 10: Urbanisation Trend in India



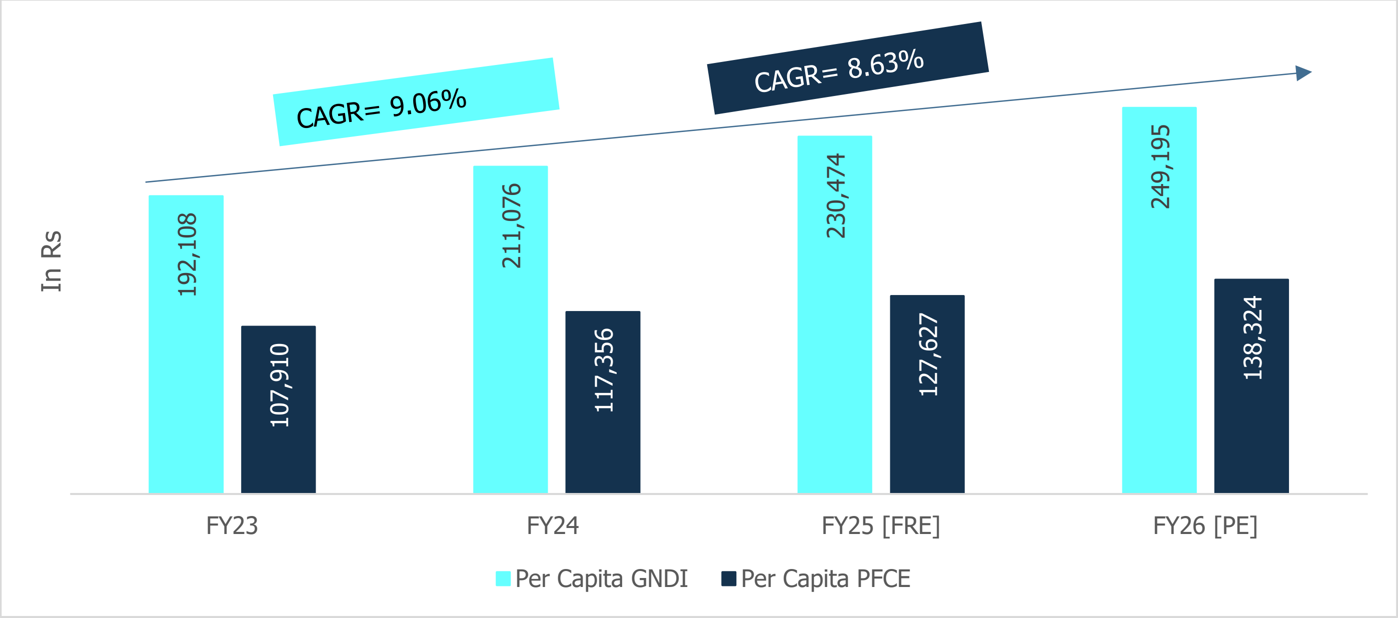
Source: World Bank Database; Note; E- Estimated, F- Forecasted

- **Increasing Disposable Income and Consumer Spending**

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY23 to FY26, per capita GNDI at current prices registered a CAGR of 9.06%. More disposable income drives more consumption, thereby driving economic growth.

With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Per capita Private Final Consumption Expenditure (PFCE), which is measure of consumer spending, has also shown significant growth from FY23 to FY26 at a CAGR of 8.63%.

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



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

1.3 Conclusion

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

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

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

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

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

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

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

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

2 Retail Gems and Jewellery Industry in India

2.1 Overview of Indian Retail Gems & Jewellery Industry

The Indian gems and jewellery industry is a significant pillar of the national economy, contributing approximately 7% to GDP and around 15% of total merchandise exports. The sector is expected to grow steadily, supported by strong domestic consumption and resilient international demand. India is the world's largest diamond-cutting and polishing hub, accounting for over 90% of global polished diamond production. The industry comprises multiple segments, including gold jewellery, diamond jewellery, coloured gemstones, and diamond-studded gold jewellery, with gold jewellery dominating due to its deep cultural and religious significance. Jewellery continues to play an integral role in weddings, festivals, and ceremonial occasions, reinforcing sustained demand. The manufacturing ecosystem is geographically concentrated in Maharashtra, Gujarat, and Tamil Nadu.

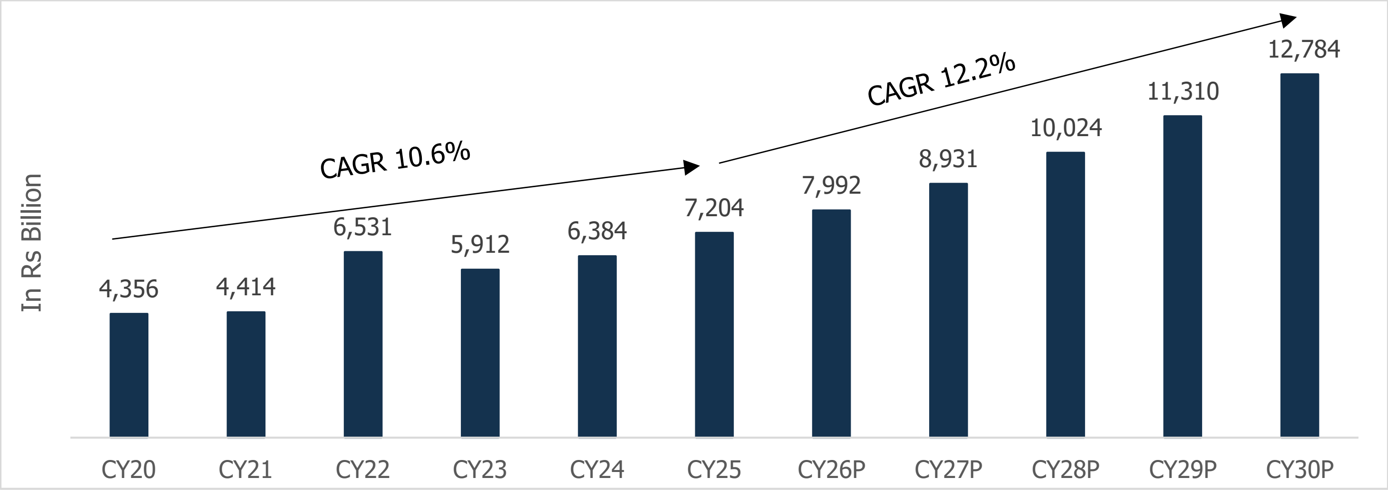
Within this broader landscape, the retail gems and jewellery segment have emerged as a key growth driver. The retail market, traditionally led by unorganised family-run jewellers, is undergoing a structural shift towards organised and branded players. This transition is driven by rising consumer preference for certified products, transparency in pricing, greater design variety, and mandatory hallmarking. Organised national and regional chains are rapidly expanding their presence across metros as well as Tier II and Tier III cities. The adoption of digital retail, omni-channel models, and virtual try-on technologies is reshaping the consumer buying journey, particularly among younger, urban consumers who increasingly prefer lightweight, contemporary, and daily-wear jewellery. This shift is supporting formalisation and enhancing trust, quality standards, and market efficiency.

In 2024, seven major trade fairs were organised by prominent bodies, including the Gem and Jewellery Export Promotion Council (GJEPC) and the All-India Gem and Jewellery Domestic Council, across cities such as Jaipur, Mumbai, Bengaluru, Coimbatore, Delhi NCR, Hyderabad, and Kolkata. These events facilitated innovation, business networking, and domestic and international trade opportunities. Domestic demand is being propelled by rising disposable incomes, urbanisation, and evolving lifestyle preferences. On the export front, key markets such as the U.S., UAE, and Hong Kong continue to support growth, while policy initiatives and trade agreements strengthen India's global competitiveness. The sector, however, faces challenges including gold price volatility, dependency on imports, competition from synthetic diamonds, and regulatory compliance requirements. These risks are being mitigated through government interventions, product diversification, and technological improvements. Although the adoption of advanced technologies such as blockchain and digital retail platforms is still at an early stage, they are expected to enhance transparency and operational efficiency over time.

Overall, the Indian gems and jewellery industry continue to demonstrate resilience, leveraging its traditional strengths, skilled workforce, and evolving consumer preferences. The interplay of modern retail practices, supportive policies, and deep-rooted cultural demand positions the sector for sustained long-term growth.

2.2 Indian Retail Gems & Jewellery Industry Market Size

Chart 12: Indian Retail Gems & Jewellery Industry Market Size (CY20-CY30P)



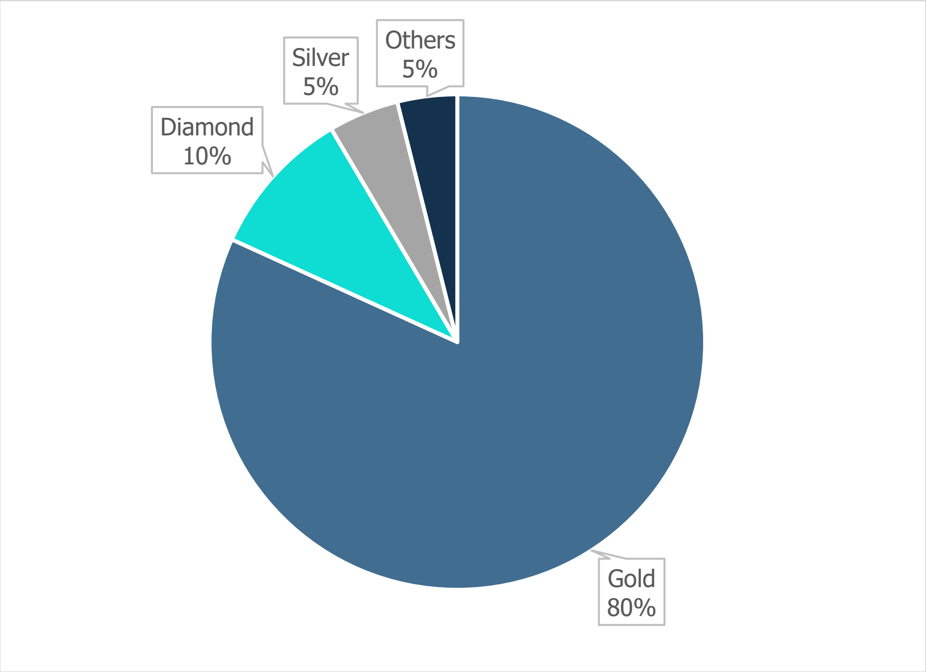
Source: IMARC Group, CareEdge Research

In CY25, the domestic retail gems and jewellery industry was valued at around Rs. 7,204 billion, with a CAGR of 10.6% during CY20–CY25. Further, the retail gems and jewellery market are expected to grow at a CAGR of 12.2% between CY25 and CY30. The growth is supported by rising gold prices (driving value growth), increasing disposable incomes, rapid urbanisation, and evolving consumer preferences toward branded and design-oriented jewellery, along with a gradual shift toward organized retail channels. The shift from unorganised to organised retail, driven by mandatory hallmarking, transparent pricing, and growing trust in branded products, is accelerating industry formalisation. Strong demand for lightweight, contemporary designs, particularly among younger consumers, along with omnichannel retail expansion, virtual try-ons, and digital engagement tools, is further enhancing market growth. In addition, sustained wedding- and festival-led demand, expansion of organised players into Tier II and Tier III cities, and growing interest in categories such as diamond jewellery and lab-grown diamonds are contributing to the sector's growth.

2.3 Key Segments within the Gems & Jewellery Retail Industry in India

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 13: 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.

2.4 Rising gold prices have contributed to the growth in the value of the Indian gold jewellery retail market in recent years

Rising gold prices have been a key driver of value growth in India's gold jewellery retail market in recent years. Domestic jewellery prices closely follow bullion prices, with limited lag, resulting in quick pass-through of price increases to retail billing values. Average gold prices rose sharply from around Rs 75,800 per 10 grams in FY25 to over Rs 1.2lakh per 10 grams in FY26 and have remained elevated thereafter. This sustained price increase has expanded the overall market value even as growth in purchase volumes moderated.

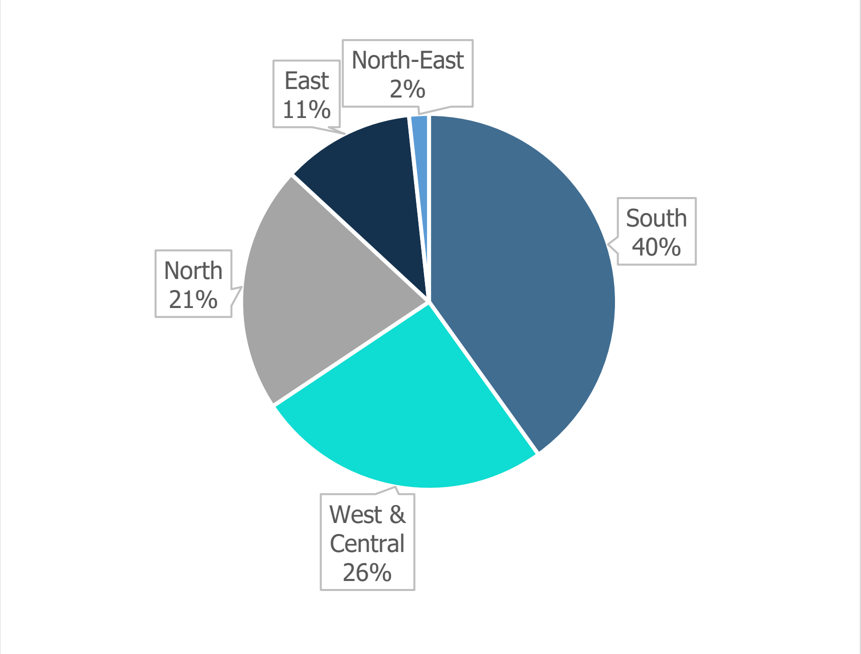
In value terms, demand for gold jewellery in India remains relatively resilient due to its cultural, social, and savings-oriented importance. Purchases linked to weddings, festivals, and long-term wealth preservation tend to continue despite price increases, with consumers adjusting product choices rather than cutting expenditure outright. This has resulted in a value-led growth pattern, where market revenues rise primarily due to higher prices rather than proportional volume expansion.

The scale of this impact, with gold, diamond, and platinum jewellery recording year-on-year inflation of about 46% in March 2026, among the highest within the CPI basket. Elevated prices have also increased average transaction values, even for lighter-weight or lower-carat jewellery. While retailers have introduced affordability-oriented offerings such as lightweight and lower-carat products, higher underlying gold prices continue to push up invoice values.

Overall, strong price pass-through, adaptive consumer behaviour, and gold's dual role as ornament and investment have enabled the Indian gold jewellery retail market to achieve steady value growth, with value expansion consistently outpacing volume growth.

2.5 Retail Gems and Jewellery Industry Breakup by Region

Chart 14: Indian Retail Gems and Jewellery Industry Breakup by Region (% share) in CY26P



Source: IMARC Group, CareEdge Research

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

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

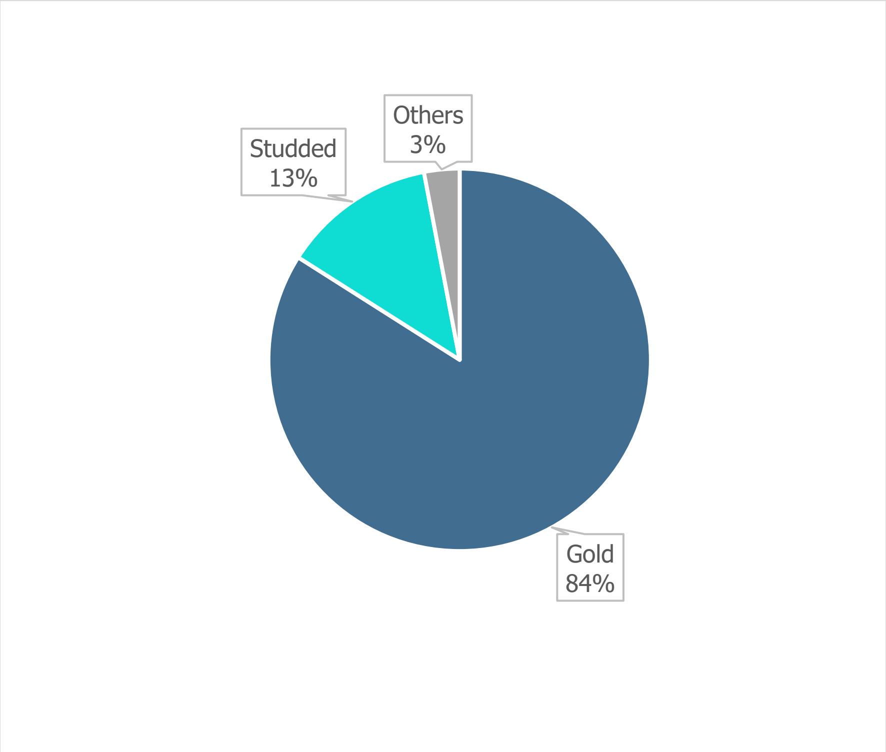
In contrast, Maharashtra sees continuous spending on jewellery, driven by strong replacement demand. Women in this region often buy new pieces or upgrade existing ones, reflecting both cultural practices and evolving fashion trends. The state's inclination towards nath (nose rings) and kamarband (waistbands)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

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

Key Segments of the Indian Gems and Jewellery Industry:

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

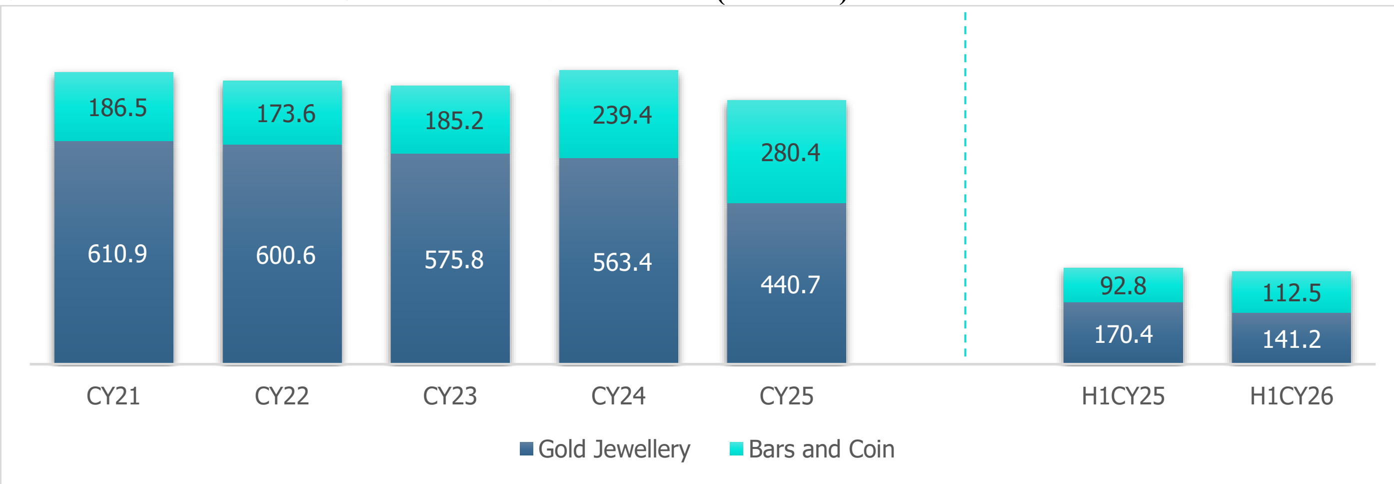
Chart 15: Indian Domestic Jewellery Market Share in CY25



Source: Industry Sources, CareEdge Research; Note: Studded include diamonds, coloured gems, gemstones, & others including platinum jewellery, fashion jewellery, silver jewellery, etc.

2.7 Domestic Gold Demand from Various Segments

Chart 16: Trend in Domestic Gold Demand- in Volume Terms (In Tonnes)

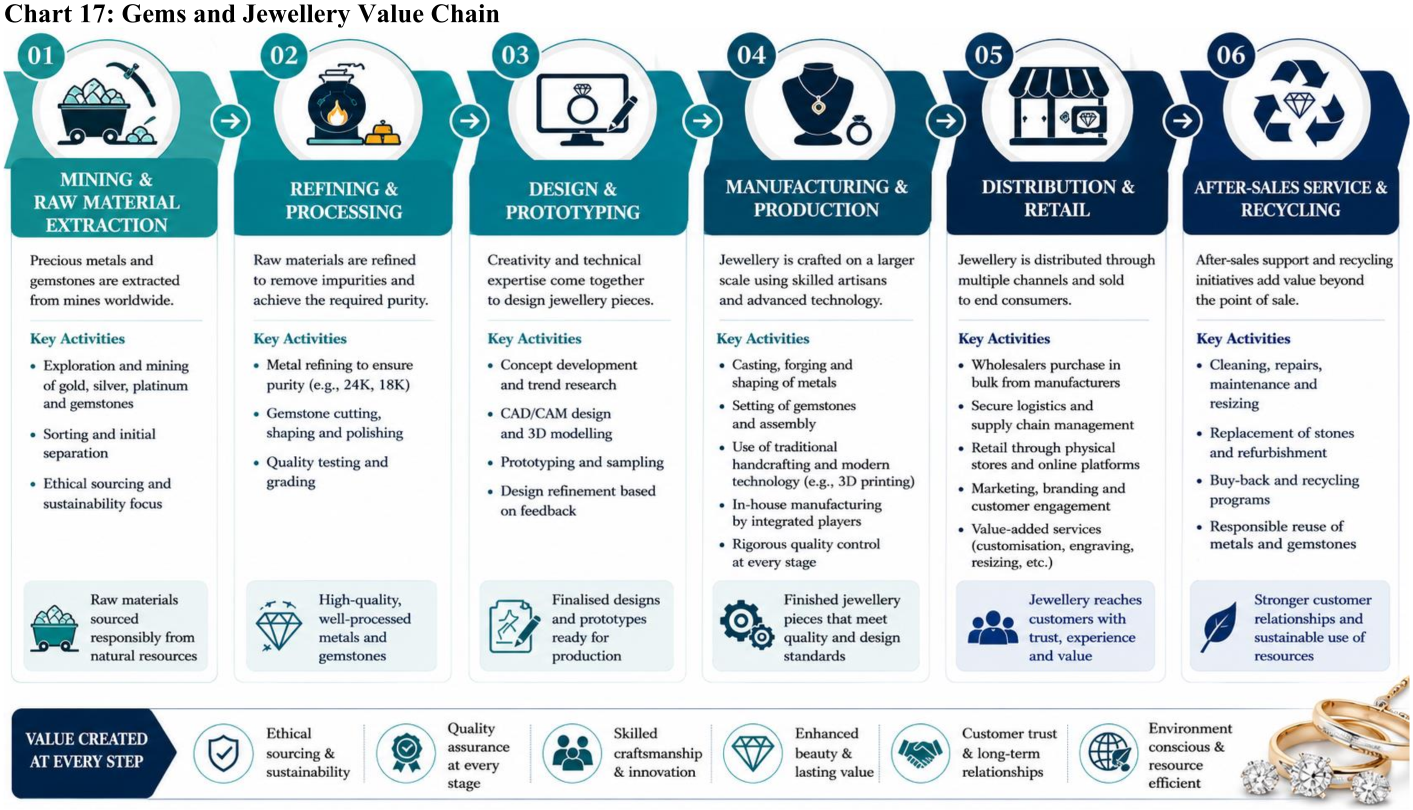


Source: WGC, CareEdge Research

In CY25, India's total domestic gold demand, including jewellery, bars and coins, stood at 721.1 tonnes, declining 10.17% y-o-y from 802.7 tonnes in CY24, primarily reflecting the impact of elevated gold prices on consumer demand. Gold jewellery remained the largest component, accounting for 61.1% of total gold demand in CY25, although jewellery demand in volume terms declined by 21.8% y-o-y to 440.7 tonnes. The decline in volume was largely driven by the sharp increase in gold prices, which made jewellery purchases more expensive and weighed on consumption.

2.8 Value Chain of Gems and Jewellery

Chart 17: Gems and Jewellery Value Chain



Source: IMARC Group, CareEdge Research

2.9 Impact of Interest Rates, Geopolitical Tensions, movement in crude oil prices 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 18: Trend in Domestic and International Gold Prices

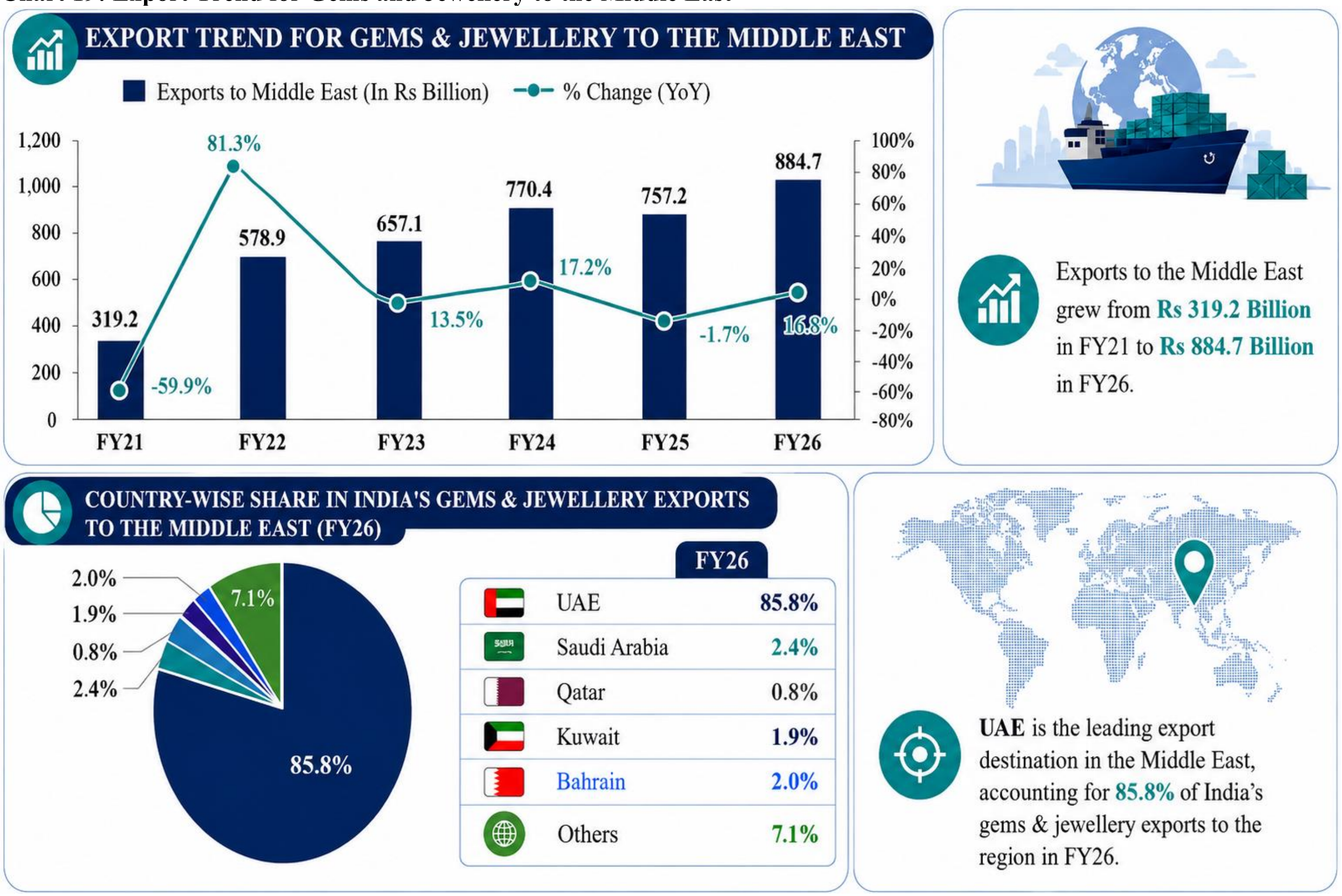
Source: WGC, CareEdge Research

During Q2CY26, gold prices underwent a correction in both international and domestic markets following the sharp rally earlier in the year. By Jun-26, international gold prices stood at USD 4,506.29 per troy ounce, while domestic gold prices stood at Rs 150,744.88 per 10 grams. The correction was primarily driven by profit-taking after the strong rally, a stronger US dollar and changing expectations around the pace of monetary easing, which reduced the appeal of gold as a non-yielding asset. Nevertheless, prices remained significantly higher than their Jun-21 levels, with domestic and international gold prices recording CAGRs of 26.50% and 20.10%, respectively, over the period.

West Asia crisis: impact on the gems and jewellery sector

The Share of Middle Eastern countries is around 36.2% in the total export of the Indian gems and jewellery industry. Middle Eastern countries which India exports to consist of Unites Arab Emirates (UAE), Saudi Arabia, Qatar, Kuwait, Bahrain, and Oman. But the maximum share is of UAE.

Chart 19: Export Trend for Gems and Jewellery to the Middle East



Source: Gems & Jewellery Export Promotion Council (GJEPC)

Note: The Middle East countries include United Arab Emirates (UAE), Saudi Arabia, Qatar, Kuwait, Bahrain, Oman, and Jordon

The CAGR for India's gems and jewellery exports to the Middle East stood at 22.61% during FY21–FY26. Exports to the region had surged by 81.34% in FY22, primarily due to recovery from the pandemic-induced slowdown in FY21. Although the India–UAE Comprehensive Economic Partnership Agreement (CEPA) came into effect in 2022 and provided benefits such as preferential tariffs and streamlined customs procedures, its impact appears limited so far, as the export value in FY26 (Rs 884.67 billion) registered a growth of 16.83% Y-o-Y.

2.10 Impact of Changes in Gold Import Duty Structure Over the Past Decade

Over the past decade, changes in India's gold import duty structure have played a significant role in shaping the dynamics of the gems and jewellery industry by influencing domestic gold prices, consumer demand, import volumes and the level of formal trade. Gold import duties were increased sharply during 2012–2013, from around 2% to 10%, as part of the Government of India's efforts to curb rising gold imports and reduce the current account deficit. According to the World Gold Council, India's heavy dependence on imported gold makes domestic prices highly sensitive to changes in import duties. Consequently, the higher duty structure increased domestic gold prices, moderated demand, particularly for investment-oriented purchases, and encouraged consumers to shift towards lighter and lower-value jewellery.

Chart 20: Evolution of Gold Import Duty in India and Key Impacts

PERIOD	IMPORT DUTY (APPROX.)	POLICY CONTEXT	IMPACT
2012–2013	Increased from ~2% to 10%	To curb rising gold imports and reduce current account deficit	Higher domestic prices; moderation in demand
2013–2021	Mostly above 10%	Continued import control strategy	Sustained premium over international prices; gradual shift towards lightweight jewellery
2019–2022	Increased further to ~12.5%~15%	Revenue mobilisation and import management	Elevated domestic prices; pressure on demand; higher incentive for unofficial imports
July 2024 onwards	Reduced from ~15% to ~6%	Boost demand, reduce smuggling and promote formalisation	Improved affordability; stronger official imports; narrowing of domestic price premium; improved transparency
May 2026 onwards	Increased from ~6% to ~15% (10% BCD + 5% AIDC)	To curb rising imports, manage current account deficit, conserve foreign exchange and support rupee stability	Higher domestic prices; moderation in jewellery demand; increased working capital requirements; renewed risk of unofficial imports; greater focus on gold recycling and exchange programmes

Source: CareEdge Research

Following the sharp increase in duties, India remained in a high-duty regime for nearly a decade, with effective import duties largely staying above 10% and reaching around 15% by 2022 after the introduction of additional levies. This prolonged period of elevated duties resulted in a persistent premium of domestic gold prices over international prices, which not only dampened demand at various points but also encouraged a shift in consumption patterns toward lightweight and lower-carat jewellery. At the same time, the high duty structure created incentives for unofficial channels such as smuggling, thereby impacting the formalisation of the sector.

A significant policy shift occurred in July 2024, when the Government of India reduced the effective customs duty on gold from around 15% to approximately 6%, marking the lowest level in over a decade. According to the World Gold Council, this reduction helped narrow the gap between domestic and global gold prices, thereby improving affordability for consumers and supporting a recovery in demand, particularly in price-sensitive segments. The lower duty structure also reduced the incentive for informal trade and led to an increase in official gold imports, contributing to greater transparency and strengthening of the organised jewellery sector.

However, in May 2026, the government reversed this stance by increasing the import duty on gold and silver from approximately 6% to around 15%, reinstating a 10% Basic Customs Duty along with a 5% Agriculture Infrastructure and Development Cess (AIDC). This move reflects a renewed policy focus on curbing rising imports, managing the current account deficit, and supporting the stability of the Indian rupee. The higher duty is expected to increase domestic gold prices, potentially moderating near-term demand and raising working capital requirements for manufacturers and retailers due to higher inventory costs. Additionally, the increase may revive incentives for unofficial channels, though it could also encourage greater recycling of gold within the organised ecosystem and a shift toward lighter and more affordable jewellery formats.

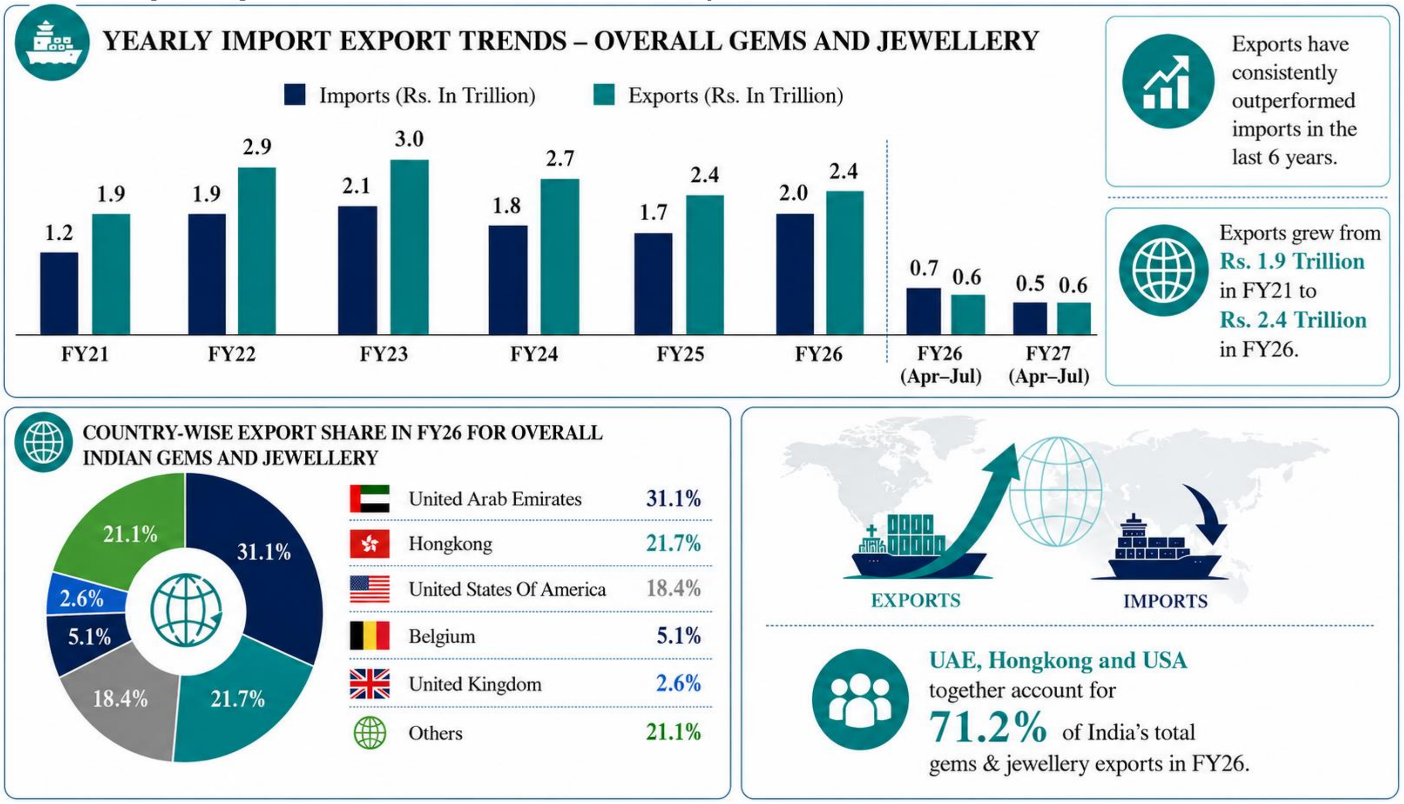
Overall, the evolution of India's gold duty structure highlights a clear policy trade-off. While higher duties have been effective in curbing imports and protecting the current account, they have also led to higher domestic prices and incentivised informal trade. In contrast, duty reductions have supported demand recovery, improved price transparency, and aided sectoral formalisation, albeit with the risk of higher import volumes. The recent increase in duties suggests a renewed balancing of these objectives, with implications for both demand dynamics and the structure of the jewellery market in the near to medium term.

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

2.11.1 Overview

In FY26, Gems & Jewellery exports stood at Rs. 2,439.1 billion, remains largely stable as 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 imports grew by 21.5% to Rs. 2,022.1 billion from Rs. 1,666.5 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 21: Import-Export Trends - Overall Gems and Jewellery



Source: Gems & Jewellery Export Promotion Council (GJEPC)

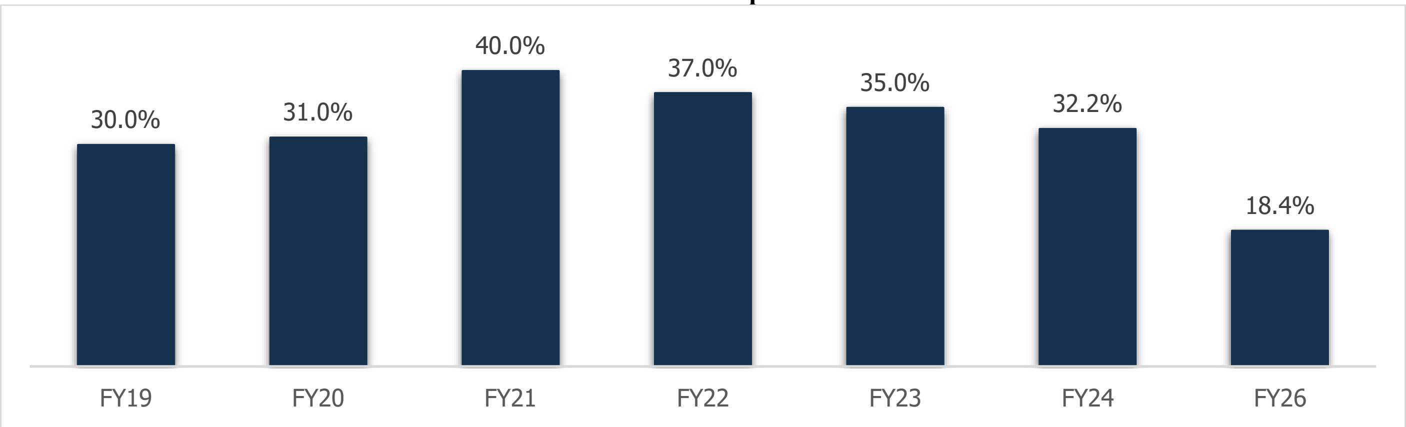
Growing Government Focus on Export Promotion

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

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

Chart 22: 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 18.4% in FY26 is primarily attributable to the steep tariff measures imposed in August 2025, which significantly eroded the price competitiveness of Indian gems and jewellery in the US market, leading to a demand contraction. Additionally, exporters proactively diversified towards alternative markets such as the Middle East and Europe to mitigate concentration risk, accelerating the relative decline in the US share.

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

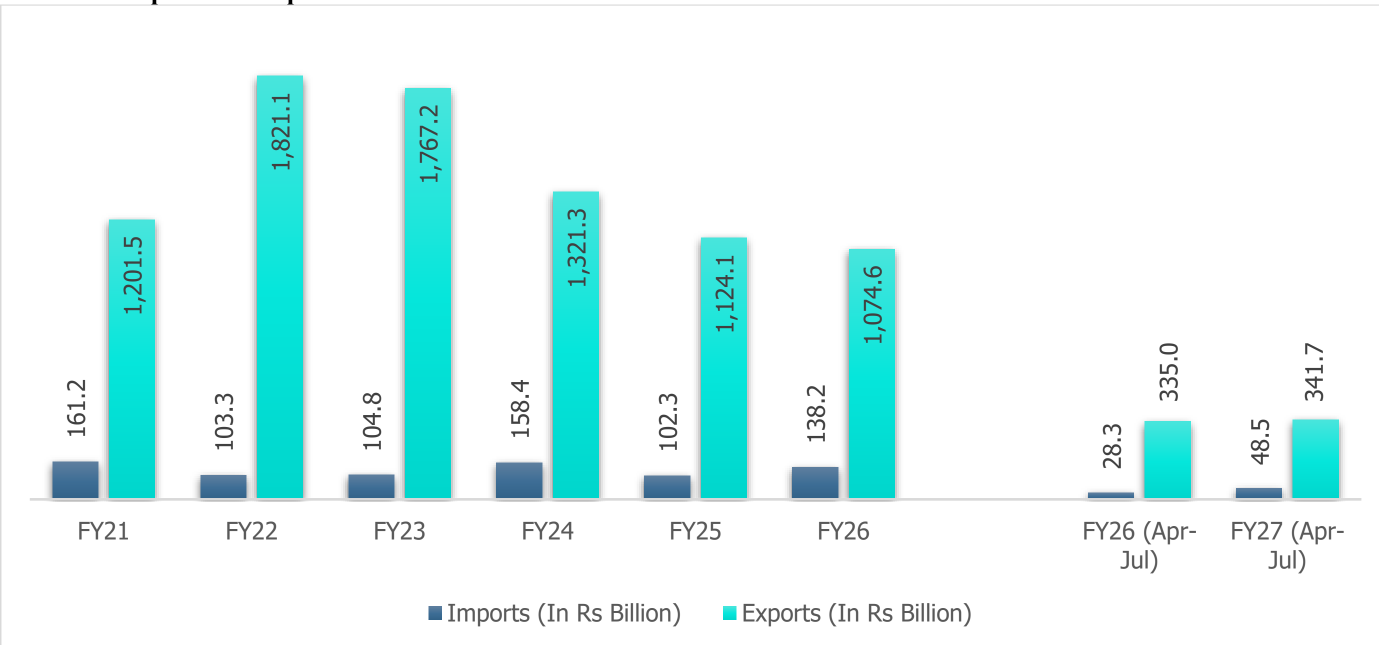
2.11.2 Product-Segment Wise Import and Export Trend

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 ~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 23: 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. 1,074.60 billion, registering a 4.40% decline from Rs. 1,124.10 billion in FY25. The decline in exports was primarily attributable to weak demand in key markets such as the US and China, driven by subdued discretionary spending and the increasing consumer preference for lab-grown diamonds.

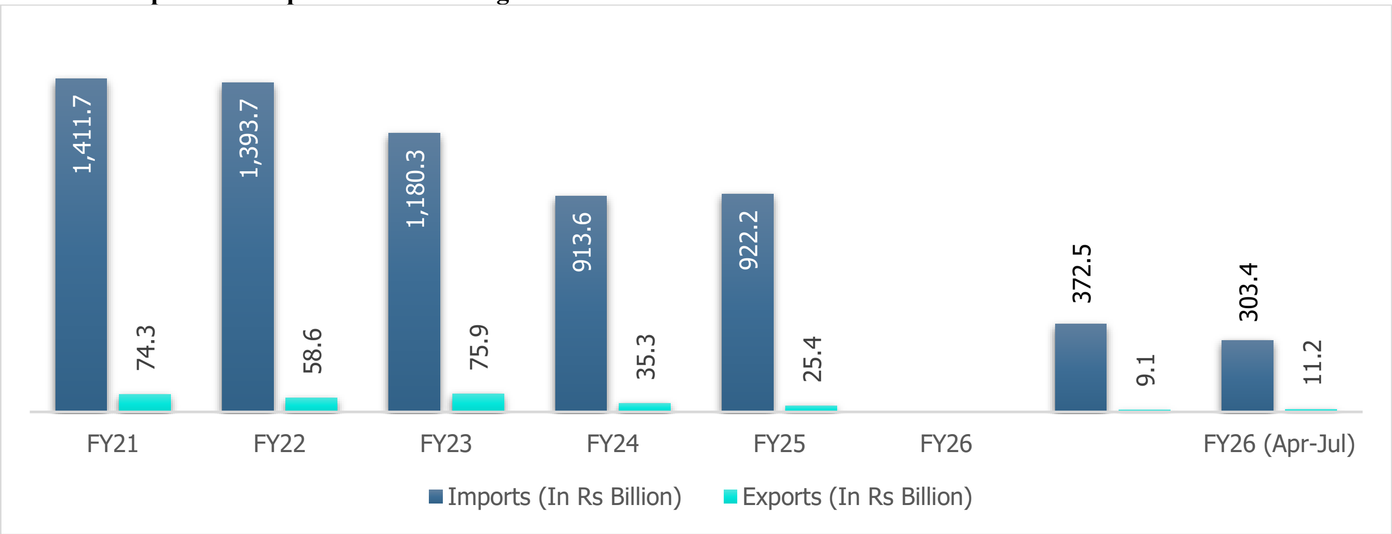
However, imports of cut & polished diamonds increased by 35.12% to Rs. 138.23 billion in FY26 from Rs. 102.30 billion in FY25. The increase was primarily driven by higher procurement of certified polished diamonds for domestic jewellery manufacturing and trading activities, improved availability of competitively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

To enhance the competitiveness of the gems and jewellery sector, the Government of India, in the Union Budget 2022–23, reduced the Basic Customs Duty (BCD) on cut and polished diamonds and gemstones from 7.5% to 5%. Subsequently, in the Union Budget 2024–25, the Government introduced safe harbour rates for foreign mining companies selling rough diamonds in India to facilitate direct sourcing and provide greater tax certainty. Further, in the Union Budget 2026–27, the Basic Customs Duty on cut and polished diamonds and coloured gemstones was further reduced from 5% to 2.5%, along with a complete exemption from duty on rough coloured gemstones. These measures are expected to improve cost competitiveness, strengthen India's export position and reinforce its status as a global hub for diamond processing and jewellery manufacturing.

Rough Diamonds:

India remains one of the world's largest importers of rough diamonds, supported by its strong diamond cutting and polishing industry. In FY26, imports of rough diamonds remained stable, grew by only 0.9% year-on-year to Rs 922.2 billion, compared with Rs 913.6 billion in FY25, 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.

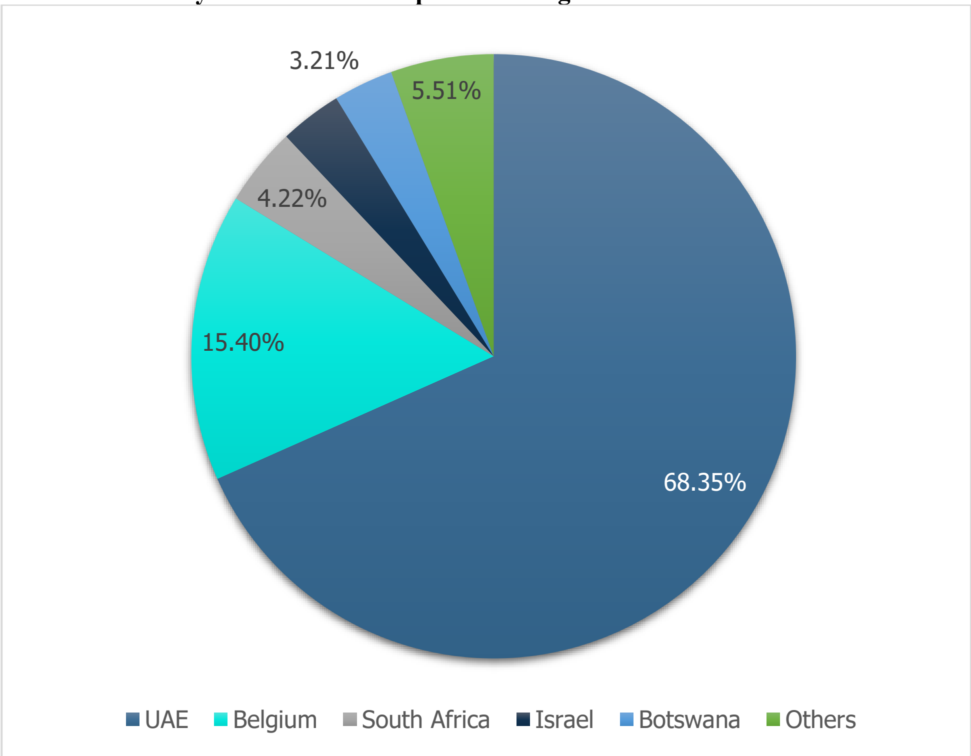
Chart 24: Import and Export Trend of Rough Diamonds



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 25: Country-Wise Share in Imports of Rough Diamond in FY26



Source: Gems & Jewellery Export Promotion Council (GJEPC)

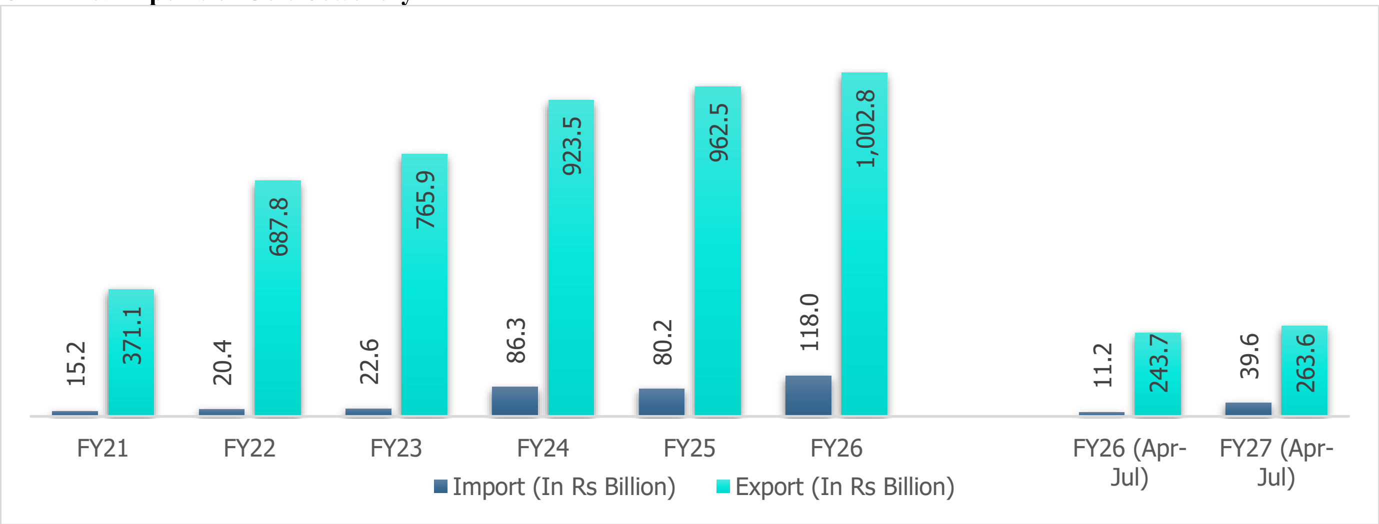
The United Arab Emirates (68.35%) had the highest share in rough diamond imports to India in FY26, followed by Belgium (15.40%), South Africa (4.22%), Israel (3.32%), Botswana (3.21%) and others.

Gold Jewellery:

The gold jewellery market holds the second-largest share in G&J exports after the cut and polished diamonds segment. Gold jewellery accounted for 41.1% of the total exports of G&J in FY26.

Gold jewellery exports increased by 4.2% y-o-y in FY26 and 8.1% y-o-y in FY27(Apr-Jul) in Rs terms; however, exports declined by 0.03% and 2.4%, respectively, in US dollar terms. This divergence indicates that export growth was largely value-led, supported by higher gold prices, while underlying shipment volumes remained under pressure. Elevated gold prices have reduced affordability in price-sensitive international markets, while constraints in gold availability for export manufacturing have further weighed on export volumes. The shift towards higher-value, studded jewellery has partly supported export realisations despite subdued volume growth.

Chart 26: Exports of Gold Jewellery



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

On the other hand, gold jewellery imports recorded strong growth, increasing by 47.1% y-o-y in Rs terms and 38.2% in US dollar terms in FY26. The trend strengthened significantly in FY27(Apr-Jul), with imports surging by 253.0% in Rs terms and 219.7% in US dollar terms. The strong growth in US dollar terms indicates a substantial increase in imported jewellery value/quantity, rather than being solely driven by higher gold prices. The increase was supported by greater sourcing of finished and value-added jewellery from international markets, particularly through established jewellery trading hubs such as the UAE, aided by the India-UAE CEPA. The exceptionally high growth in FY27(Apr-Jul) also reflects a favourable low-base effect.

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 5: Imports of Raw Gold (Rs. In Billion)

Year	Gold Imports (Rs. In Billion)	Y-o-Y Growth (%)	Gold Imports (In Kgs)	Y-o-Y Growth (%)
FY21	2,542.8	27.6%	651,240.0	34.9%
FY22	3,440.9	35.3%	879,010.0	-22.8%
FY23	2,804.8	-18.5%	678,300.0	17.2%
FY24	3,772.5	34.5%	795,240.0	-4.8%
FY25	4,897.5	29.8%	757,037.0	-4.8%
FY26	6,395.2	27.6%	719,930.0	34.9%

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 Retail Gold Jewellery Market in India

3.1 Overview

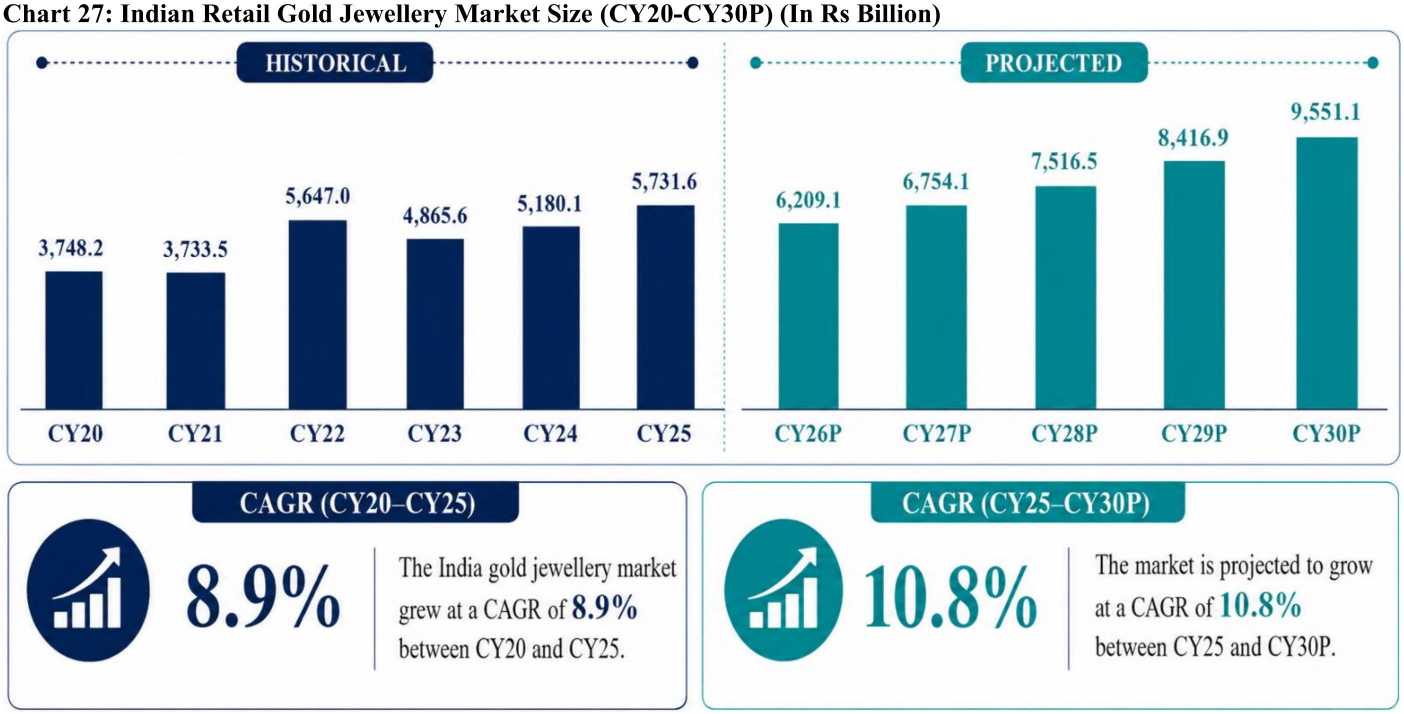
India's retail gold jewellery market is one of the largest in the world, deeply driven by cultural traditions, weddings, festivals, and the long-standing view of gold as both ornament and investment. The overall gems & jewellery sector contributes around 7% to India's GDP, and gold forms a major share of this demand. While the market remains highly fragmented with thousands of regional and local jewellers, organised retail has been growing rapidly as consumers shift towards branded, hallmarked, and trusted players. This is supported by strong expansion by large chains across Tier II and Tier III cities.

In recent years, gold prices have remained elevated, which has softened volume growth, but overall revenue has continued to rise due to higher realisations. Organised players are expected to benefit more, as they gain market share through wider store networks, franchise-led expansion, and improved customer trust. At the same time, the sector faces challenges such as gold price volatility, regulatory changes, and financing costs due to high inventories.

Formalisation, premiumisation, omni-channel retailing, and increasing disposable income in smaller cities will continue to shape the market. As consumer behaviour evolves towards transparency, branded experiences, and lighter-weight designs, organised jewellers are positioned to lead growth, while traditional jewellers adapt to the changing landscape.

3.2 Indian Retail Gold Jewellery Market Size

Chart 27: Indian Retail Gold Jewellery Market Size (CY20-CY30P) (In Rs Billion)



Source: IMARC Group, CareEdge Research

India's gold jewellery retail market has shown steady value growth over the past few years, rising from Rs 3,740.2 billion in CY20 to Rs 5,731.6 billion in CY25, reflecting a CAGR of 8.9% despite pandemic-related disruptions and price volatility. The market is expected to grow further to Rs 9,551.1 billion by CY30, driven by rising disposable incomes, formalisation of the sector, and the continued preference for branded and hallmarked jewellery. The projected CAGR of 10.8% between CY25 and CY30 highlights the structural demand for gold in India, supported by its cultural significance, investment appeal, and the widespread availability of buyback and exchange programs that allow consumers to monetize or upgrade their jewellery, thereby enhancing liquidity and encouraging repeat purchases. Alongside mandatory hallmarking, these customer-friendly practices are further accelerating the shift toward organized and branded jewellery retailers.

3.3 Indian Retail Gold Jewellery Market Breakup by Region

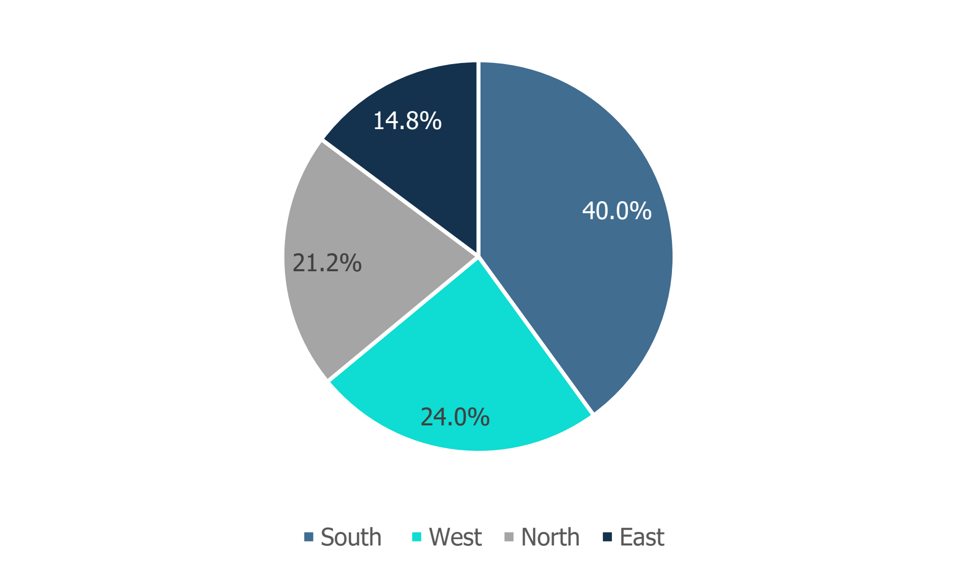
3.3.1 South India

South India accounted for approximately 40.0% of India's retail gold jewellery market in CY25, making it the largest jewellery consuming region in the country. The region's dominance is supported by strong cultural affinity towards gold, high bridal jewellery demand and relatively high household gold ownership levels. Key markets include Tamil Nadu, Kerala, Karnataka, Telangana and Andhra Pradesh, with major consumption centres such as Chennai, Bengaluru, Hyderabad and Kochi. Consumers in the region predominantly prefer 22-carat plain gold jewellery, temple jewellery and bridal collections, while urban centres are increasingly witnessing demand for lightweight and contemporary jewellery products.

3.3.2 West India (Including Central India)

West India, including Central India, accounted for approximately 24.0% of India's retail gold jewellery market in CY25. Major markets in the region include Maharashtra, Gujarat, Madhya Pradesh and Chhattisgarh, supported by rising urbanization, growing disposable incomes and increasing organized retail penetration. Mumbai and Ahmedabad remain important jewellery trading and consumption hubs in India. Consumers in the region exhibit preference towards a mix of traditional and contemporary jewellery, including plain gold, studded and lightweight jewellery. Central India is also emerging as a developing jewellery consumption market driven by increasing formalization and expanding retail infrastructure.

Chart 28: Indian Retail Gold Jewellery Market Share by Region (CY25)



Source: CareEdge Research

Key Jewellery Trends in Central India

Growing Preference for Lightweight Jewellery

- Consumers are increasingly opting for lightweight necklaces, bangles and earrings ranging between 10–30 grams owing to elevated gold prices.
- Detachable and modular jewellery designs that can be worn across multiple occasions are witnessing higher demand among young consumers.
- Daily wear collections in 18-carat and 22-carat gold are gaining traction across Tier-II and Tier-III cities of Madhya Pradesh and Chhattisgarh.

Strong Demand for Traditional Gold Jewellery

- Plain gold jewellery continues to dominate purchases in Central India, particularly during weddings and festivals.
- Consumers prefer 22-carat gold jewellery owing to its investment value and cultural significance.

- Traditional patterns including Rani Haar, Chandra Haar, Gokhru bangles, Mangalsutras and long necklaces remain popular in the region.

Increasing Popularity of Diamond and Studded Jewellery

- Working professionals and younger consumers are increasingly purchasing lightweight diamond-studded jewellery for gifting and daily wear.
- Solitaire pendants, diamond rings and contemporary bracelet designs are witnessing growing adoption in urban centres such as Indore, Bhopal and Raipur.
- Consumers are increasingly valuing versatility and modern aesthetics alongside purity considerations.

Tribal and Heritage-inspired Designs

- Jewellery designs inspired by Gond and Bastar tribal art are gradually finding acceptance among premium consumers.
- Oxidised silver jewellery, handcrafted motifs, coin necklaces and nature-inspired designs have witnessed growing demand among younger buyers seeking unique and artisanal products.
- Heritage craftsmanship is increasingly being incorporated into contemporary collections.

Jewellery Trends in Rajasthan

Rajasthan remains one of India's most influential jewellery markets owing to its rich heritage of Kundan, Meenakari, Jadau and Polki craftsmanship. The state's jewellery preferences significantly influence neighbouring Central Indian markets, particularly during bridal purchases.

Polki and Kundan Jewellery Continue to Dominate Bridal Segment

- Bridal consumers continue to prefer elaborate Polki and Kundan sets featuring emerald and ruby embellishments.
- Multi-layered necklaces paired with statement chokers are increasingly popular among wedding consumers.
- Fusion bridal jewellery combining traditional craftsmanship with contemporary styling is witnessing growing demand.

Meenakari Jewellery Witnessing Revival

- Dual-purpose Meenakari jewellery featuring colourful enamel work is gaining popularity among younger consumers.
- Reversible jewellery designs offering multiple styling options are increasingly preferred owing to their versatility.

Rise of Lightweight Bridal Jewellery

- Owing to elevated gold prices, consumers are increasingly opting for lightweight Polki and Kundan jewellery collections.
- Jewellers are introducing design-intensive pieces that offer the appearance of heavier ornaments while utilising comparatively lower quantities of gold.
- Bridal jewellery purchases are increasingly focusing on wearability beyond wedding ceremonies.

Contemporary Fusion Jewellery

- Consumers are increasingly pairing traditional Rajasthani jewellery with modern apparel.
- Layered necklaces, statement earrings, coloured gemstones and minimalist Polki collections are gaining traction among millennials and Gen Z consumers.
- Demand for customised bridal jewellery collections has increased considerably across urban centres

3.3.3 North India

North India accounted for approximately 21.2% of India’s retail gold jewellery market in CY25. Key jewellery markets in the region include Delhi NCR, Punjab, Uttar Pradesh, Rajasthan and Haryana. The region is characterized by strong wedding-led demand and higher preference for ornate, studded and bridal jewellery products such as Polki, Kundan and Jadau jewellery. Increasing urbanization, rising disposable incomes and changing consumer preferences have contributed to growing demand for branded and contemporary jewellery in metropolitan and Tier II cities. Organized jewellery retailers continue to expand their presence across the region supported by increasing consumer preference for hallmarked jewellery products.

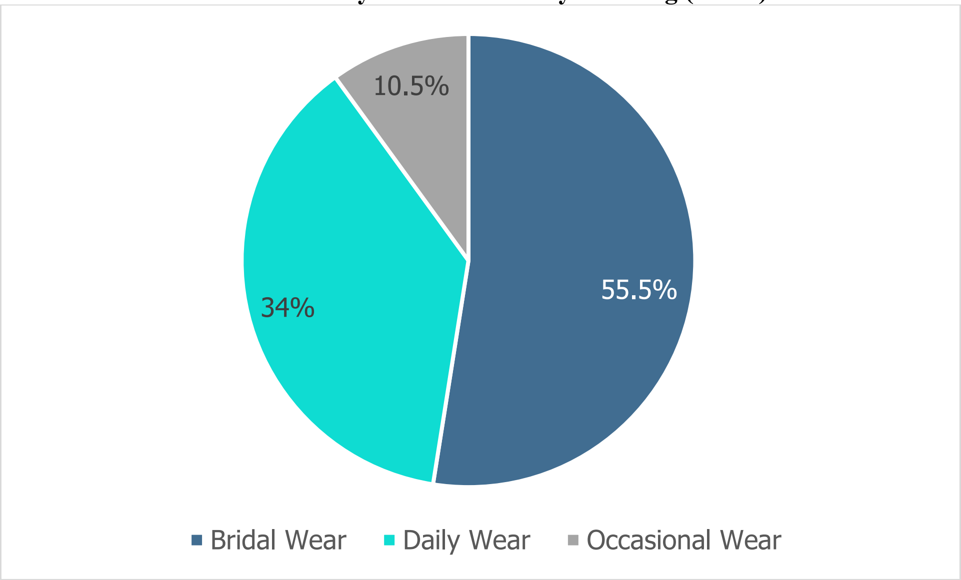
3.3.4 East India

East India accounted for approximately 14.8% of India's retail gold jewellery market in CY25. The region includes key markets such as West Bengal, Odisha, Bihar and Jharkhand, where gold jewellery continues to hold significant cultural and social importance. Kolkata remains an important jewellery manufacturing and retail hub known for traditional and handcrafted gold jewellery designs. Consumers in the region generally prefer 22-carat traditional jewellery, particularly for weddings and festive occasions. The region has also witnessed increasing organized retail penetration driven by rising urbanization, improving affordability and growing awareness regarding branded and hallmarked jewellery products.

3.4 Indian Gold Jewellery Market Breakup by Wearing

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

Chart 29: Indian Gold Jewellery Market Share by Wearing (CY25)



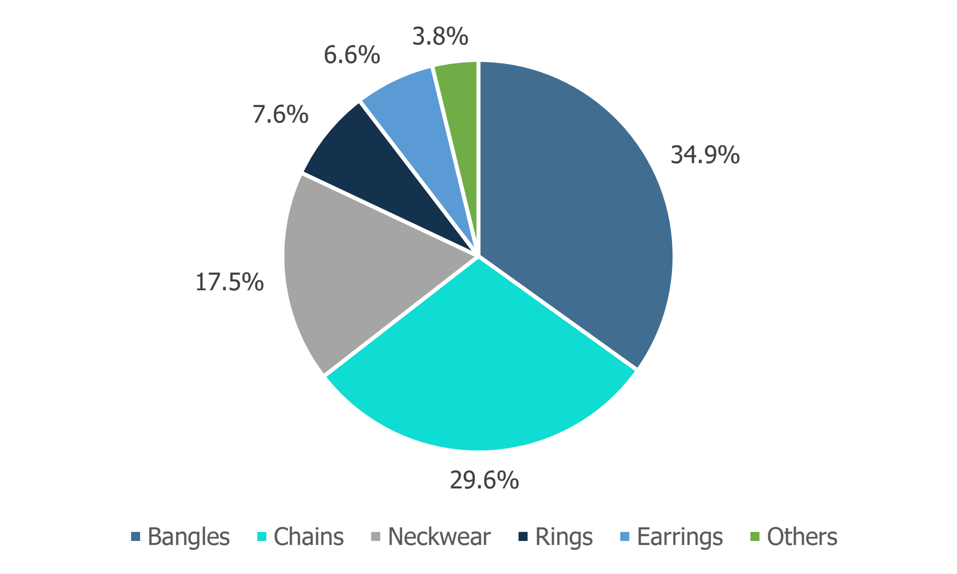
Source: IMARC Group, CareEdge Research

Segment	Description	Key Demand Drivers / Trends	Regional Highlights
Bridal Wear	Heavy, ornate designs using gold, diamonds, Kundan, and Polki; deeply tied to cultural and wedding traditions. Accounts for 23–25% of wedding expenditure.	Increase in destination weddings, preference for heritage designs; remains the largest segment in wholesale jewellery.	Strongest in North & South India during wedding seasons.
Occasional Wear	Jewellery for festivals, family functions, and special events. Includes semi-precious stones, contemporary and versatile designs.	Demand peaks during festive seasons (e.g., Diwali). Younger consumers prefer lightweight and affordable designs.	Driven by metros such as Mumbai, Delhi, and Bangalore.
Daily Wear	Minimalistic, lightweight, durable jewellery for everyday use (chains, rings, earrings). Growing with urbanisation and working professionals.	Rising demand among working professionals for affordable yet stylish pieces; steady growth in semi-urban and urban areas.	Key markets: Maharashtra (Mumbai), Gujarat, and West Bengal (Kolkata).

3.5 Indian Gold Jewellery Market Breakup by Product Type

The Indian retail gold jewellery market is segmented based on the product type, which includes Bangles, Chains, Neckwear, Rings, Earrings, and Others.

Chart 30: Indian Gold Jewellery Market Share by Product Type (CY25)



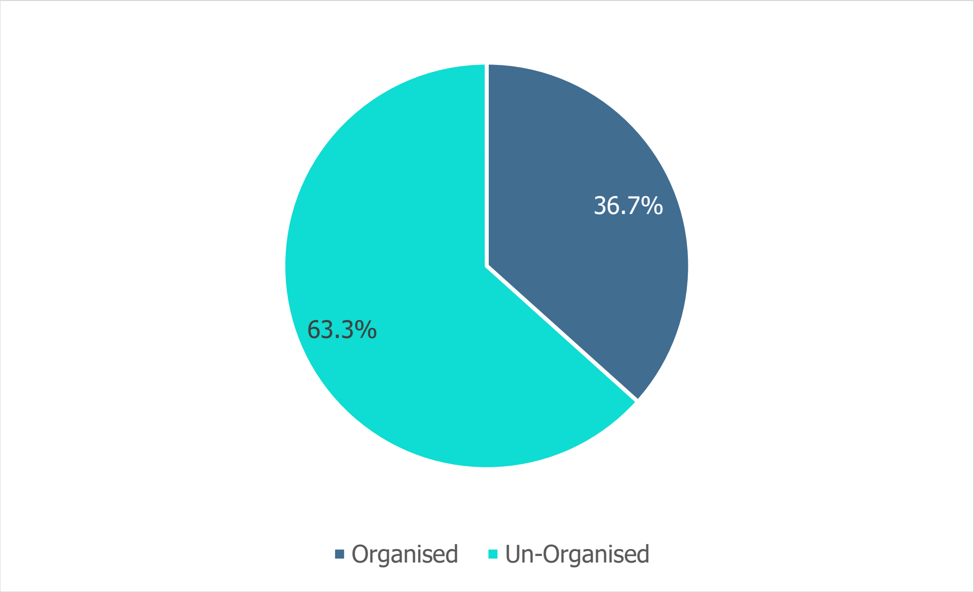
Source: IMARC Group, CareEdge Research

Segment	Description	Key Demand Drivers / Trends	Regional Highlights
Neck Wear	Includes necklaces, chokers, pendants; ranges from heavy bridal designs to lightweight everyday wear.	Peak demand during weddings & festivals; rising trend of customizable designs blending traditional motifs with modern styles.	Strong presence in South India with Kundan and Temple jewellery.
Rings	Covers bridal rings, diamond solitaires, simple gold bands, and everyday wear. Popular for engagements and gifting.	Engagement & solitaire rings are key drivers; growing demand for innovative styles like stackable and multi-finger rings.	Nationwide demand, especially among younger consumers.
Earrings	Includes studs, hoops, jhumkas, chandbalis; caters to both daily wear and weddings.	Lightweight, versatile, and gifting-oriented designs are trending; consistent year-round sales.	Strong demand in Maharashtra and Gujarat for both traditional and modern designs.
Chains	Gold chains in plain, beaded, rope, and other styles; popular as everyday wear.	Favoured by men and working professionals; also common gifting item during festivals.	Expanding demand in urban and semi-urban areas.

Segment	Description	Key Demand Drivers / Trends	Regional Highlights
Bangles/Bracelets	Largest segment; ranges from ornate bridal bangles to sleek modern bracelets.	Demand peaks during weddings & festivals; fusion of traditional and modern styles driving innovation.	South India strong for gold bangles; diamond bracelets growing among urban youth.

3.6 Indian Retail Gold Jewellery Market Breakup by Manufacturer

Chart 31: Indian Retail Gold Jewellery Market Share by Manufacturer (CY25)



Source: IMARC Group, CareEdge Research

The retail gold jewellery market in India continues to remain largely fragmented, with the unorganised segment accounting for 63.3% of the market in CY25. A significant part of this fragmentation is supported by the traditional craftsmanship-led model, wherein retailers and small manufacturers supply raw gold to skilled karigars (artisans), who create finished jewellery and are compensated through labour charges. This decentralised production structure enables high levels of design flexibility, intricate workmanship, and customization, but also leads to variability in quality and limits scalability.

However, like the wholesale side, the sector is witnessing steady formalisation driven by stronger regulatory oversight, increased adoption of hallmarking, and rising consumer demand for purity assurance and transparent billing. Organised retailers, holding 36.7% share in CY25, are expected to steadily gain ground as large chains expand aggressively into Tier II and Tier III cities through a mix of company-owned and franchise models.

The shift towards organised retail is further supported by evolving consumer behaviour, with buyers increasingly preferring branded stores for assured purity, modern designs, buyback policies, and a consistent shopping experience. Organised players are also leveraging technology, omni-channel touchpoints, and loyalty programs to deepen customer engagement. In contrast, unorganised jewellers continue to face challenges around compliance, working capital pressure due to high gold prices, and rising competition from national and regional chains. As a result, the retail market is expected to gradually formalise over the coming years, with organised players capturing a larger share of incremental growth.

3.7 Recent Trends in Retail Gems and Jewellery Market in India

Introduction of 9K Gold Jewellery

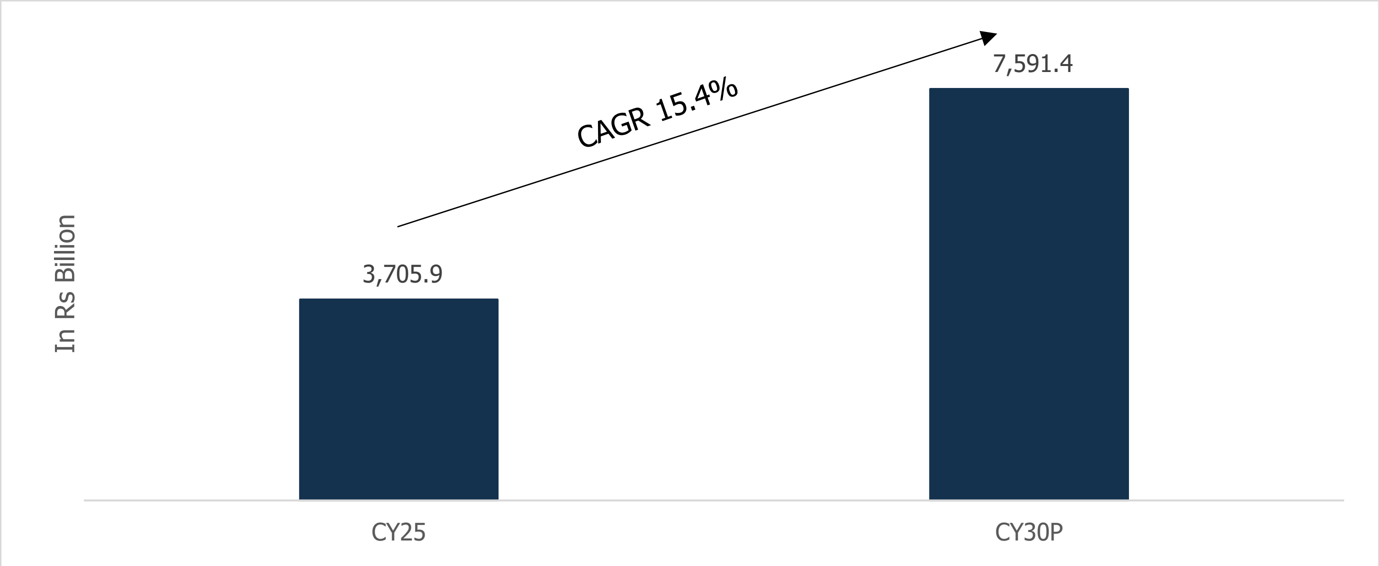
The Indian jewellery industry has recently witnessed the introduction of BIS hallmarking for 9-karat (9K) gold jewellery, aimed at improving affordability and expanding access to gold jewellery for price-sensitive consumers. In July 2025, the Government of India approved hallmarking standards for 9K gold, which contains 37.5% pure gold, bringing it under the formal hallmarking framework alongside 14K, 18K and 22K jewellery.

The introduction of 9K jewellery is being driven primarily by rising gold prices, which have significantly increased the retail cost of traditional 22K jewellery. Organized jewellers have increasingly introduced lower-carat and lightweight jewellery collections targeting younger consumers, first-time buyers and fashion-oriented purchases. Industry participants such as Mia by Tanishq and CaratLane have already begun expanding their 9K product offerings in response to growing demand.
The trend is also expected to support growth in lightweight and daily-wear jewellery categories, particularly in urban markets where consumers prioritize affordability, design and durability over higher gold purity.

Increasing Preference for Lightweight Jewellery

The Indian jewellery market has increasingly shifted towards lightweight jewellery owing to rising gold prices, changing fashion preferences and increasing demand for daily-wear jewellery products. Consumers are increasingly prioritizing affordability, versatility and lower ticket-size purchases, particularly in urban markets and among younger consumers.
The India lightweight jewellery market is valued at approximately INR 3,705.9 billion and is expected to grow at a CAGR of 15.4% over CY25–CY30.

Chart 32: Indian Lightweight Jewellery Market Size (CY25 Vs CY30P)



Source: CareEdge Research

Organized jewellers have expanded their lightweight jewellery portfolios across plain gold, studded and lower-carat categories to address changing consumer preferences. Industry participants have indicated that the lightweight jewellery segment has been witnessing strong growth, particularly in metropolitan and Tier I cities. Reuters reported that certain organized jewellers expect the lightweight jewellery category to grow at approximately 30% annually.

The trend has also been supported by increasing adoption of 14K and 18K jewellery as well as rising consumer preference for contemporary and office-wear jewellery products. Higher gold prices have further accelerated consumer migration toward lighter and lower-carat jewellery products.

Increasing Availability of BIS Hallmarked and Accredited Jewellery

The Indian jewellery industry has witnessed increasing formalization and transparency with the implementation of mandatory BIS hallmarking norms. Hallmarking has become a key purchase consideration for consumers, particularly in the organized jewellery retail segment, as it provides assurance regarding gold purity and authenticity.

The Government of India has progressively expanded mandatory hallmarking coverage across districts and gold purity categories, including the recent inclusion of 9K jewellery under BIS standards. Increasing consumer awareness regarding HUID (Hallmark Unique Identification) verification and certified jewellery has contributed to rising preference for organized jewellery retailers and accredited products.

Mandatory hallmarking has also supported industry formalization by improving transparency, consumer confidence and standardization across the jewellery value chain. Consumers are increasingly prioritizing certified jewellery products due to better resale value, exchange transparency and trust regarding purity standards.

Increasing Popularity of Buyback and Exchange Schemes

Buyback and exchange schemes have emerged as important customer acquisition and retention strategies among organized jewellery retailers in India. Such schemes allow consumers to exchange or sell previously purchased jewellery against new purchases, thereby improving affordability and encouraging repeat purchases.

Industry reports indicate that exchange of old gold has become a significant contributor to jewellery sales amid elevated gold prices. According to the World Gold Council, approximately 40%–60% of jewellery transactions across retailers in recent periods were driven by exchange of old gold.

Organized jewellery retailers generally offer higher exchange value and greater transparency for BIS hallmarked jewellery, which has further strengthened consumer preference for branded retailers. Buyback schemes have also helped consumers manage higher gold prices by reducing the incremental cash outflow required for new jewellery purchases.

Growing Adoption of Monthly Investment and Gold Savings Plans

Monthly investment plans and gold savings schemes have become increasingly popular among Indian jewellery consumers, particularly in the organized retail segment. Such schemes allow consumers to make periodic monthly contributions toward future jewellery purchases, thereby improving affordability and purchase planning. Organized jewellery retailers extensively utilize these programs to enhance customer loyalty and improve repeat purchases.

Gold savings schemes are especially popular for wedding jewellery purchases and festive buying, as they help consumers accumulate value gradually while mitigating the impact of gold price volatility. The schemes have witnessed increasing adoption among middle-income households and consumers in Tier II and Tier III cities.

The growing formalization of the jewellery industry, rising penetration of organized retailers and increasing consumer preference for structured savings products have further supported adoption of monthly jewellery investment plans. Additionally, rising gold prices have encouraged consumers to spread jewellery purchases over longer periods through installment-based savings programs.

3.8 SWOT Analysis of Organised Retail Jewellers in India

Source: CareEdge Research

3.9 Key Entry Barriers in Gems and Jewellery Retail Industry and key Challenges and Risk in Gems and Jewellery Retail Industry

Capital intensity and inventory-led risk exposure

Indian gold jewellery retail is structurally attractive because demand is deep and recurring, but it is difficult to enter and scale due to working-capital intensity. Gold is a high-value inventory item whose replacement cost can shift sharply with global bullion prices and the rupee, so a retailer's balance sheet remains continuously exposed to market risk. Gold imports rose to Rs 2,025 billion in FY26, compared to Rs 1,533 billion in FY25, in gold and precious-metal jewellery exports, underscoring heavy dependence on imported bullion and sensitivity to global price shifts

Compliance-led entry barriers: hallmarking, registration and traceability

A major structural barrier today is formal compliance, which has moved from being optional to becoming central to consumer trust and business scalability. The hallmarking framework has expanded in phases, beginning with mandatory hallmarking in 256 districts in June 2021, as per the latest amendment in March 2026, the coverage has further expanded to 380 districts, reflecting the government's continued push toward nationwide standardisation and consumer protection. For retailers, this is not merely a legal requirement; it is also a trust infrastructure that compels investments in vendor qualification, product documentation, assaying workflows, and auditability. The BIS explicitly positions jeweller registration as necessary for selling hallmarked gold and silver jewellery/artefacts, and its guidance indicates that registration is online, fee-free and structured via government digital portals, reinforcing that compliance is now embedded into the operating model of organised retail.

Trust and governance risks: purity, documentation, and after-sales expectations

Gold jewellery is a trust purchase, and retailers must manage multiple perception-sensitive variables, purity assurance, making charges, weight accuracy, buyback/exchange policies, and repairs, alongside physical security and shrinkage controls. Mandatory hallmarking improves transparency and consumer protection, but it also raises execution risk for retailers because any inconsistency between product claims, invoicing, and hallmark verification can become reputationally damaging in a high-ticket category. The growing consumer use of official verification tools strengthens this dynamic, the expanding hallmarking ecosystem and consumer verification behaviour, which increases the expectation that retailers will be able to demonstrate authenticity quickly and consistently at the point of sale.

Price volatility, policy sensitivity, and duty-related shocks

A core risk for gold jewellery retail is that profitability and affordability are sensitive to the policy and tax environment. This was evident in the July 2024 Union Budget, where the government significantly reduced the effective gold import duty to ~6% (from ~15%) to curb smuggling and formalise trade. While the duty structure comprises components such as Basic Customs Duty and AIDC, the market largely tracks it as a single effective rate. As of FY26, no major structural changes have been introduced; however, rising gold imports and macroeconomic pressures have led to increasing expectations of potential duty revisions, highlighting ongoing policy uncertainty for the sector. For retailers, such changes can support affordability and reduce incentives for grey-market sourcing, but they also create inventory valuation risk (older stock vs. new replenishment cost) and demand timing effects, particularly around festival/wedding peaks when stocking decisions are made weeks in advance.

AML/transaction monitoring as a scale barrier

As retail formalises, governance costs rise, especially for larger chains and multi-store formats. Government-issued AML guidance for dealers in precious metals/stones highlights that dealers become relevant for reporting and controls in relation to cash transactions of Rs 10 lakh and above (including linked transactions) and sets expectations around risk-based customer due diligence and suspicious transaction reporting. This creates a practical entry barrier for fast-scaling entrants because compliance is not just paperwork, it requires staff training, internal controls, and technology-enabled transaction monitoring, all of which add fixed cost and operational complexity.

Marketing Approaches for Brand Building and Digital Marketing Activities

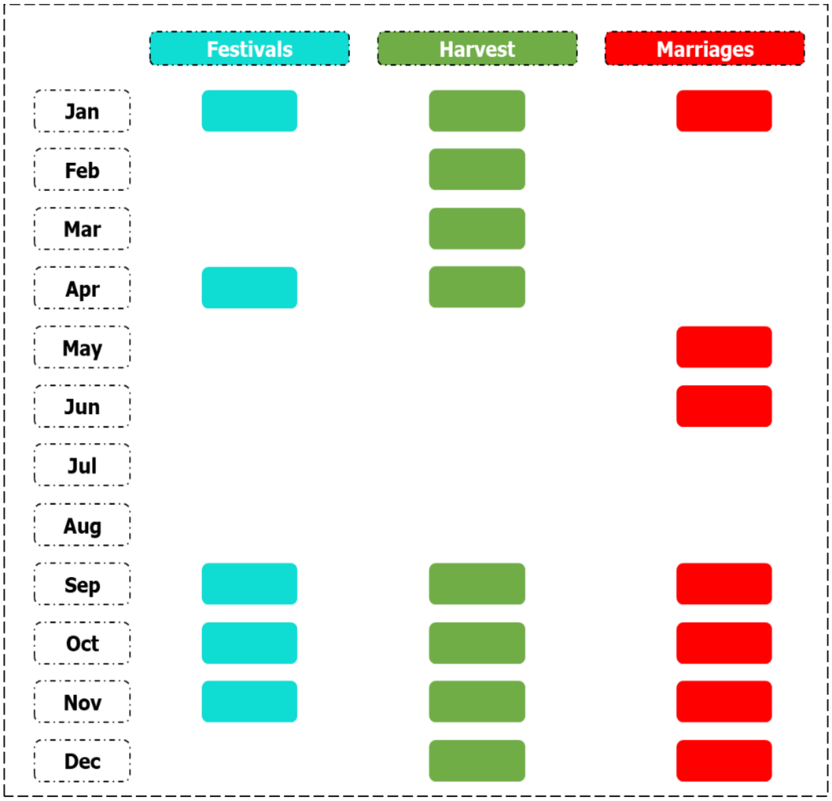
In the evolving gems and jewellery retail industry, strong marketing and brand-building capabilities are increasingly becoming a critical requirement for entry and scalingparticularly for organised players operating in a competitive and trust-driven market. Retailers are required to adopt integrated marketing approaches that combine traditional channels with digital outreach to establish brand visibility and customer trust.

3.10 Key Events, Including Weddings and Festivals Driven Demand

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

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

Jewellery demand strengthens during key wedding months such as May–June, September–December, and January. In November and December, rural households often channel post-harvest income into gold jewellery. Demand in Tier II and Tier III towns is similarly influenced by agricultural output and monsoon conditions. Religious and auspicious occasions, such as Diwali and Dhanteras in October and November, and Akshaya Tritiya in April and May, also drive sharp spikes in gold and silver jewellery purchases.



Source: Industry Sources, CareEdge Research

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

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

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

Table 6: The Seasonal Peak for Gold Jewellery Demand in India

Quarterly Demand	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY24	CY25
Q4 Demand	**36.1%**	**30.3%**	**30.1%**	**27.4%**	**43.5%**	**43.4%**	**36.6%**	**34.7%**	**33.7%**	**33.8%**	**36.1%**
Q3 Demand	30.3%	22.4%	24.9%	18.6%	19.2%	20.5%	24.3%	27.0%	30.5%	29.0%	30.3%
Q2 Demand	17.8%	26.7%	25.1%	31.0%	13.9%	15.4%	23.4%	22.3%	18.9%	20.6%	17.8%
Q1 Demand	15.8%	20.6%	19.9%	23.0%	23.4%	20.7%	15.7%	16.0%	16.9%	16.6%	15.8%

Source: WGC, CareEdge Research

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

3.11 E-commerce and Digitalisation

Digital readiness of consumers: scale and economic weight

Digitalisation is changing how jewellery is discovered, compared, and paid for, and this shift is supported by government measurements of the digital economy's rising footprint. The Government of India's digital economy release states that India's digital economy contributed 11.7% of GDP in FY23, employed 14.67 million workers (~2.6% of the workforce), and is projected to contribute nearly one-fifth of national income by FY30. These indicators matter for jewellery because they describe a consumer environment where discovery and decision-making increasingly begin online, even when final purchase still occurs in-store for tactile inspection and assurance.

Payments infrastructure as an enabler of high-value retail

Digital payments expansion has reduced friction for high-ticket purchases and strengthened transaction traceability. RBI's Digital Payments Index rose to 516.76 (September 2025) from 465.33 (September 2024), reflecting growth in payment infrastructure and performance. At the transaction layer, NPCI's official UPI product statistics show that March 2026 recorded 22.64 billion transactions with a value of Rs 29.5 lakh crore, illustrating the depth of adoption of real-time payments that can support jewellery retail checkout and booking flows.

Omnichannel retail: transparency, comparison, and trust verification

Digitalisation is increasing transparency in jewellery retail because consumers can compare designs, indicative pricing, and making charges before visiting a store. At the same time, trust has become more data-driven: BIS promotes the BIS Care app and "Verify HUID" feature to check hallmarked jewellery authenticity, which supports informed buying and increases the premium on compliant inventory and clear documentation. As a result, e-commerce in jewellery is evolving less as a pure delivery channel and more as an omnichannel journey, digital discovery and appointment-led store visits, online booking with offline fulfilment, and quick digital payments at the point of sale.

Policy-backed digitisation: broader ecosystem formalization

Government initiatives to expand digital touch points and deepen adoption also indirectly benefit organised jewellery retailers by improving merchant acceptance in smaller cities and towns. Digital payment acceptance infrastructure has expanded significantly, with around 4.77 crore touchpoints deployed under the Payments Infrastructure Development Fund (PIDF) as of May 2025. This has since increased to approximately 5.8 crore touchpoints by early 2026, reflecting continued expansion across semi-urban and rural regions. With the PIDF scheme concluding in December 2025, the ecosystem is transitioning from incentive-led deployment to a more market-driven growth phase.

3.12 Classification of Jewellery Retail Stores by Store 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.

Store Format	Approx. Size (sq. ft.)	Description
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.

Source: CareEdge Research; Note: The above classification is indicative and has been developed by CareEdge Research based on an analysis of store formats adopted by leading organized jewellery retailers in India.

3.13 Key Advantages of Jewellery Retail Chains Market in India

Strong Underlying Demand and Scalable Category Economics

India's jewellery category is supported by entrenched cultural consumption and the asset-like role of gold, which sustains category relevance across economic cycles and price phases. At a macro level, official trade narratives continue to underline the importance of India's export ecosystem and the broader market depth that supports organised retail expansion.

Formalisation Benefits Organised Chains (Standardisation, Governance, And Trust)

A key advantage for chain retailers is that the industry is becoming more system-driven and compliance-led, which inherently favours players who can implement uniform controls across stores and regions. BIS defines hallmarking as a mechanism to assure precious metal content and protect consumers against purity-related malpractices, reinforcing that "trust infrastructure" is now a core market feature.

BIS also makes registration operationally frictionless for jewellers selling hallmarked gold and silver jewellery (online process, instant grant, no fee, lifetime validity), supporting faster and more compliant network expansion, an area where organised chains typically execute better than fragmented independents.

Process Clarity Strengthens Chain-led Procurement and Quality Assurance

BIS places hallmarking responsibility at the first point of sale in the supply chain and clarifies obligations across manufacturer–wholesaler–distributor–retailer flows, enabling chain retailers to centralise sourcing and standardise QA and documentation. This structure supports brand-led retail models because consistent compliance, traceability, and invoice discipline can be deployed across locations as a repeatable operating system.

Digital Adoption Strengthens Omnichannel Conversion for High-Value Purchases

India's expanding digital economy and platform adoption improve the efficiency of jewellery discovery, comparison, and conversion, allowing chains to blend online influence with in-store closure. The RBI's Digital Payments Index indicates continued growth in payment digitisation (index at 516.76 for September 2025), which supports smoother checkout and booking flows for high-ticket retail. NPCI data shows sustained scale in UPI usage (March 2026: 22,641.11 million transactions), reflecting the maturity of real-time digital payments that chains can integrate into omnichannel journeys.

Better Resilience to Policy and Duty Changes

Gold retail economics are sensitive to duty/levy structures and compliance-related policy shifts; organised retailers are generally better positioned to respond through faster system updates, pricing governance, and inventory planning. The July 2024 customs notifications illustrate how duty structures can be revised through formal amendments, reinforcing why scale players benefit from dedicated tax/compliance capability and rapid implementation.

Continued Expansion of Hallmarking Coverage Supports Formal Players

Government communication indicates continued intent to widen hallmarking reach (for example, reporting 361 districts under the mandatory regime at the time and articulating an expansion target), which reinforces formalisation, typically favourable for organised chains.

3.14 Marketing Strategies by Jewellery Retailers in India

Trust-Led Marketing as the Primary Lever

In Indian jewellery retail, trust remains the central purchase driver; therefore, the strongest marketing is built around certified quality, transparent pricing, and documentation discipline. BIS explicitly advises consumers to obtain authentic invoices for hallmarked articles and states that invoice/bill details should include article description, net weight of precious metal, purity in carat and fineness, and hallmarking charges, requirements that chains can deploy consistently as part of brand assurance.

In-Store Trust Signals That Support Conversion

BIS consumer guidance highlights the role of retailer registration visibility and hallmark verification awareness, which retailers can operationalise through store displays, staff training, and assisted education at the counter. For chain players, this is not only compliance, it becomes a repeatable "customer confidence" playbook across locations.

Digital Marketing and Omnichannel Execution (The Modern Growth Engine)

As digital adoption expands, jewellery marketing increasingly starts online (inspiration, catalogue browsing, comparison) and closes in-store where customers seek tactile assurance and final validation. RBI's DPI trend and NPCI's UPI scale support frictionless digital payments and booking-led commerce, enabling chains to convert online interest into in-store revenue with fewer transaction bottlenecks.

Price-Aware Merchandising and Promotional Design

Retailers respond to price sensitivity by emphasising lightweight collections, exchange/buyback propositions, and occasion-specific assortments, strategies that are stronger when supported by central pricing governance and high-frequency inventory planning. The broader policy environment (including duty/levy amendments) reinforces the need for pricing agility and compliance readiness, areas where organised chains typically have structural advantages

3.15 Outlook of the Gold Jewellery Retail Market in India

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

However, challenges, such as fluctuating gold prices and stringent government regulations on gold imports, may impact market dynamics. Despite these challenges, the long-term outlook remains positive, with innovations in design and growing consumer preference for certified and branded gold jewellery expected to drive growth.

Recent Trends in the Jewellery Market in India

- **Rise of Minimalistic Designs:** Minimalistic jewellery designs are gaining popularity, especially among younger consumers. These designs emphasise simplicity and elegance, often featuring lightweight gold and diamond pieces. The trend is driven by changing fashion preferences and the desire for jewellery that complements everyday wear.
- **Digital and Omni-channel Strategies:** The jewellery market is increasingly integrating digital strategies, with retailers adopting omni-channel approaches to enhance customer experience. Online platforms are not just for sales but also for virtual try-ons, consultations, and customisations. The adoption of AI and AR tools in the online space has further enhanced consumer engagement.
- **Expansion of the Wholesale Gold Jewellery Market:** The wholesale gold jewellery market is experiencing a shift towards organised trade. Wholesalers are adopting technology to streamline operations, improve inventory management, and enhance transparency. There is also a growing trend of direct sourcing from mines and refineries, reducing dependency on intermediaries.

- **Increased Demand for Pre-Owned and Vintage Jewellery:** Pre-Owned and vintage jewellery is becoming increasingly popular, driven by a growing interest in sustainable fashion and unique, heritage pieces. Retailers and wholesalers alike are tapping into this trend by offering refurbished and certified pre-owned jewellery, often at more affordable prices.
- **Influence of Global Design Trends:** Global design trends are influencing Indian jewellery preferences. There is a noticeable increase in demand for jewellery styles inspired by international fashion, such as Italian or Middle Eastern designs. This trend is particularly strong in metro cities, where consumers are more exposed to global fashion trends.
- **Focus on 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

- **Organised Segment**

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

- **Unorganised Segment**

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

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

4.1 FDI Norms and Import Duty

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.

Import Duty

The import of gold, diamonds, and gemstones into India is governed by the Customs Act, 1962 and notifications issued by the Central Board of Indirect Taxes and Customs (CBIC). The import duty structure has been rationalized in recent years with the objective of promoting domestic jewellery manufacturing, reducing smuggling, and enhancing export competitiveness.

Diamonds:

Rough diamonds are exempt from customs duty and are imported at zero percent duty, reflecting India's position as a global hub for diamond cutting and polishing.

Cut and polished diamonds attract a customs duty of 5%, applicable to commercial imports.

Gemstones:

Rough coloured gemstones (such as rubies, emeralds, sapphires, and semi-precious stones) are subject to a nominal customs duty of 0.5%.

Cut and polished coloured gemstones may attract higher duties as notified under the customs tariff.

4.2 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.

4.3 Gold Imports by the RBI

Given that gold is thought to be a reliable inflation safeguard and that global inflation is on the rise, central banks have become a major source of gold demand. The RBI purchases gold frequently for its reserves 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.

4.4 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 7: 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

4.5 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.

4.6 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.

4.7 Hallmarking of Jewellery in India

Bureau of Indian Standards (BIS) introduced the hallmarking scheme under the BIS Act, Rules and Regulations for jewellery in India in 2000 and the same was made mandatory with effect from June 2021. From July 1, 2021, all gold jewellery products 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.

4.8 Jewellery Parks

Jewellery parks are integrated industrial parks, which provide access to facilities under one roof, including manufacturing units, commercial areas, residences for industrial workers, commercial support services, and an exhibition centre. Multiple state governments promote the setting up of jewellery parks to encourage the gems and jewellery sector, which is currently 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.

4.9 KYC Compliance

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

Regulatory Framework:

- The Reserve Bank of India (RBI), the Ministry of Finance, and the Financial Intelligence Unit (FIU) oversee KYC regulations in the jewellery sector.
- Under the Prevention of Money Laundering Act (PMLA), 2002, dealers in precious metals and stones (DPMS) are required to perform KYC and Customer Due Diligence (CDD) primarily for cash transactions above Rs. 10 lakh.

  Recent Clarification:
- RBI clarified that low-risk individual customers can continue normal banking transactions even if periodic KYC is overdue.
- Such customers have up to one year from the due date or till 30 June 2026 (whichever is later) to complete KYC.

  Transaction Limits:

- For cash transactions above Rs. 2 lakh, KYC requirements under the Income Tax Act, 1961 (Section 269TH) will apply, as cash transactions above this limit are not allowed. However, transactions below this threshold do not require KYC.
- Only cash transactions above Rs. 10 lakhs necessitate KYC compliance, per FATF recommendations.

Customer Identification:

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

Record-Keeping and Monitoring:

- Jewellers must maintain records of all transactions, particularly those above Rs. 2 lakh and ensure compliance with anti-money laundering (AML) guidelines by monitoring suspicious activities.

Training and Risk Management:

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

4.10 CEPA

A Comprehensive Economic Partnership Agreement (CEPA) is a type of trade agreement aimed at deepening economic ties between countries. Unlike a traditional Free Trade Agreement (FTA), which primarily focuses on reducing tariffs on goods, a CEPA covers a wider scope of economic activities, including:

- Trade in Goods: Reduces or eliminates tariffs on a broad range of products to facilitate trade.
- Trade-in Services: Enhances market access for services, such as financial services, telecommunications, and professional services.
- Investment: Set rules for protecting and promoting investments between the partnering countries.
- Intellectual Property Rights (IPR): Establishes protections for patents, trademarks, and copyrights.
- Other Economic Cooperation: This may include areas such as dispute resolution, e-commerce, government procurement, and regulatory collaboration.

The goal of CEPA is to go beyond simple tariff reductions to foster a more comprehensive economic relationship. By improving market access, reducing non-tariff barriers, and creating frameworks for cooperation, CEPAs aim to increase trade and investment flows, support economic growth, and deepen strategic ties.

India-UAE CEPA

The India-UAE CEPA, signed in February 2022 and effective from May 1, 2022, is a significant agreement designed to boost economic relations between India and the United Arab Emirates. This pact is expected to elevate bilateral trade to over USD 100 billion within five years.

- Tariff Reductions: The agreement provides preferential access to over 90% of Indian goods exported to the UAE, particularly in key sectors like textiles, gems and jewellery, electronics, and agriculture. Similarly, UAE exports to India, such as petroleum products, metals, and chemicals, also benefit from reduced tariffs.
- Gold and Silver Imports: To control large imports of gold and silver at reduced duties under the India-UAE CEPA, the government lowered import duties on gold and silver from 15 % to 6 %.
- Enhanced Services Trade: CEPA includes provisions for the services sector, allowing easier market access for various Indian service industries like IT, healthcare, education, and finance. This agreement provides opportunities for Indian professionals and businesses to expand in the UAE market.
- Investment Framework: CEPA establishes a framework for strong investment protections and enhanced investor confidence, which is anticipated to drive greater foreign direct investment (FDI) in both countries. Key sectors expected to benefit include real estate, renewable energy, and manufacturing.

 India-UAE CEPA completed 3 years in February 2025.

Bilateral trade nearly doubled:

- From USD 43.3 bn (FY21) → USD 83.7 bn (FY24)
- FY25 (till Jan): USD 80.5 bn
- Non-oil trade crossed USD 57.8 bn, over 50% of total trade.

Focus on SMEs and Startups: The agreement supports collaboration between small and medium enterprises (SMEs) and startups in both countries, fostering innovation, job creation, and new business opportunities.

- Employment and Skilled Labor Mobility: The agreement facilitates improved access for Indian professionals and skilled workers in the UAE, benefiting India's large diaspora and supporting job mobility.
- Dispute Resolution and Intellectual Property Protection: The CEPA includes mechanisms for resolving trade disputes and protecting intellectual property, adding a layer of security for businesses operating in each other's markets.

The India-UAE CEPA is part of India's strategy to expand trade relations in the Middle East and gives Indian businesses easier access to other Gulf Cooperation Council (GCC) markets through the UAE. For the UAE, it further establishes its role as a trade hub and supports its goals of diversifying the economy beyond oil.

4.11 TRQ

A Tariff Rate Quota (TRQ) is a trade policy mechanism that allows a set quantity of a product to be imported at a lower tariff rate. Once this quota is met, any imports above this quantity are subject to a higher tariff. This approach is often used to balance the need for imports with the protection of domestic industries, particularly in sectors sensitive to international competition.

- Quota Limit: A specified quantity of goods can be imported at a reduced tariff rate.
- Tariff Structure: Imports within the quota face lower tariffs, while imports beyond the quota are taxed at a higher rate, creating a cost barrier that protects domestic industries.
- Usage: TRQs are commonly applied to agriculture, raw materials, and other sensitive sectors where balancing local production with import needs is essential.

TRQs help countries manage the availability and cost of imports while supporting local producers by limiting the amount of foreign goods entering the market at lower tariffs.

TRQ in India's Gems and Jewellery Industry

In India, TRQs are particularly relevant in the gems and jewellery industry, where they regulate the import of raw materials and certain finished products. The country is a leading player in gemstone processing, jewellery manufacturing, and diamond cutting, all of which rely heavily on imported raw materials like gold, rough diamonds, and gemstones.

- Gold Imports: India has a TRQ on gold imports, allowing a certain amount to be imported at a reduced customs duty. This helps the industry access necessary raw materials while limiting excessive dependency on imports, which could impact the trade balance and currency reserves. Adjustments to the TRQ on gold imports are made based on market conditions and international gold prices.
- Raw Material Access for Manufacturing: TRQs on raw materials like rough diamonds are part of trade agreements, such as the India-UAE CEPA. This allows duty-free or reduced-tariff imports of essential materials for jewellery production, reducing costs for Indian manufacturers. As a result, Indian-made jewellery has become more competitive in global markets.
- Protection Against Finished Jewellery Imports: For certain finished jewellery items, TRQs impose higher tariffs on imports beyond a certain volume, helping protect the domestic industry from an influx of imported jewellery that could undermine local manufacturers.
- Boosting Exports: TRQs allow duty-free or low-tariff imports of raw materials used for jewellery manufacturing specifically aimed at exports. By reducing costs, TRQs help make Indian jewellery more attractive in international markets.

TRQs in India's gems and jewellery industry help balance the need for raw materials with local market protection, ensuring that manufacturers remain competitive while shielding the sector from an oversupply of imported finished jewellery.

4.12 One Nation One Rate

The "One Nation One Gold Rate" policy seeks to establish a unified pricing system for gold across all of India, aiming to standardize the gold price nationwide. The initiative is designed to eliminate the price variations that currently exist between different regions, which are often caused by factors such as local taxes, transportation expenses, and varying profit margins set by local jewellers. Under this policy, the same gold rate would apply to all jewellery stores across India, ensuring equal pricing for consumers regardless of location.

By implementing a single, nationwide gold price, the policy aims to create a more level playing field for everyone in the gold market. This includes gold dealers, manufacturers, and consumers alike. Standardizing the price helps promote fairness by preventing regional price manipulation and boosting consumer trust in the market. It also enhances transparency, as buyers can be confident that they are paying the same price for gold, whether they are shopping in a large city or a smaller town. This transparency is crucial for fostering a fairer trade environment, reducing the risk of price exploitation by unscrupulous vendors.

For the broader economy, the policy is expected to reduce the impact of regional price disparities, making the gold market more competitive and stable. It helps ensure that prices are not artificially inflated in certain areas due to local factors, such as excessive margins or taxes.

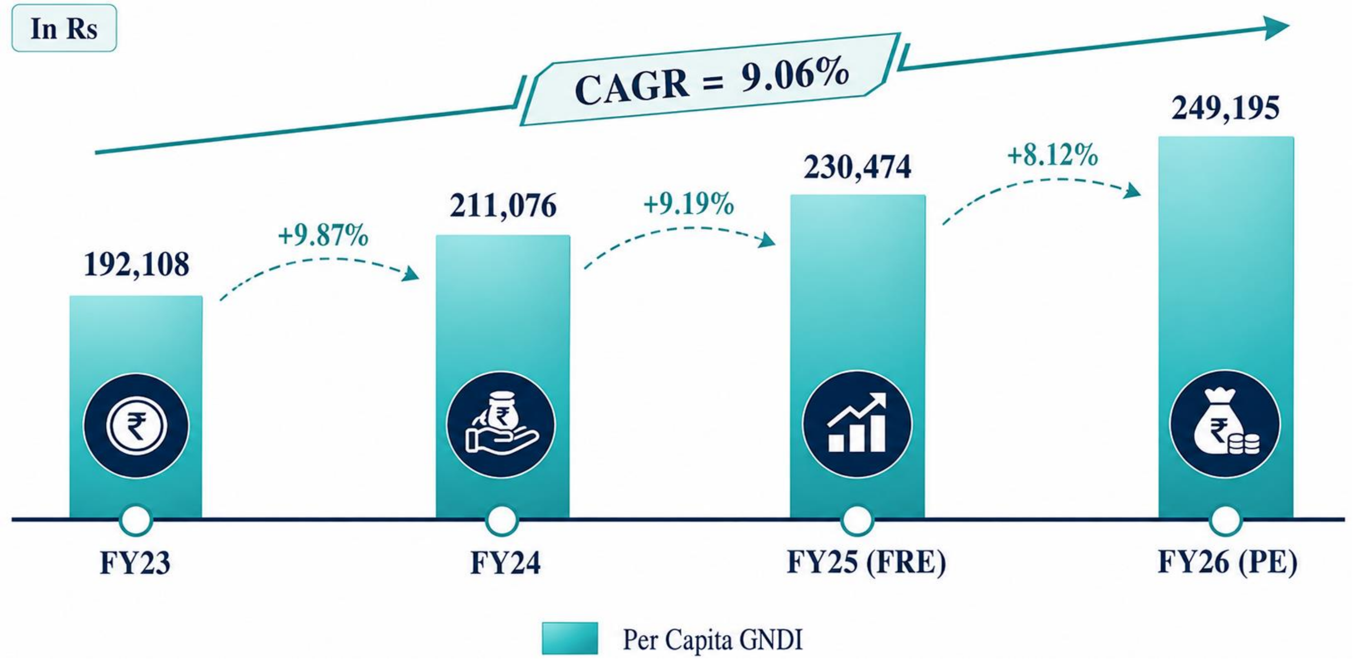
While the policy is likely to improve fairness in pricing, it may also lead to an increase in demand for gold in regions where prices were previously higher. As consumers in these areas now have access to gold at lower, standardized prices, there could be a slight surge in gold consumption across the country. However, this increased demand could also have a stabilizing effect on the market, as the more consistent pricing structure makes it harder for any single player to manipulate prices, leading to a healthier, more predictable gold market overall.

5 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.

Chart 33: Trend of Per Capita Gross National Disposable Income (Current Price)



Source: CMIE, CareEdge Research

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

Exposure to Global Trends:

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

Preference for Branded Jewellery:

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

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

Easy availability of Gold Loan:

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

A trusted source of gold and innovative designs:

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

Increase in Savings and Disposable Income

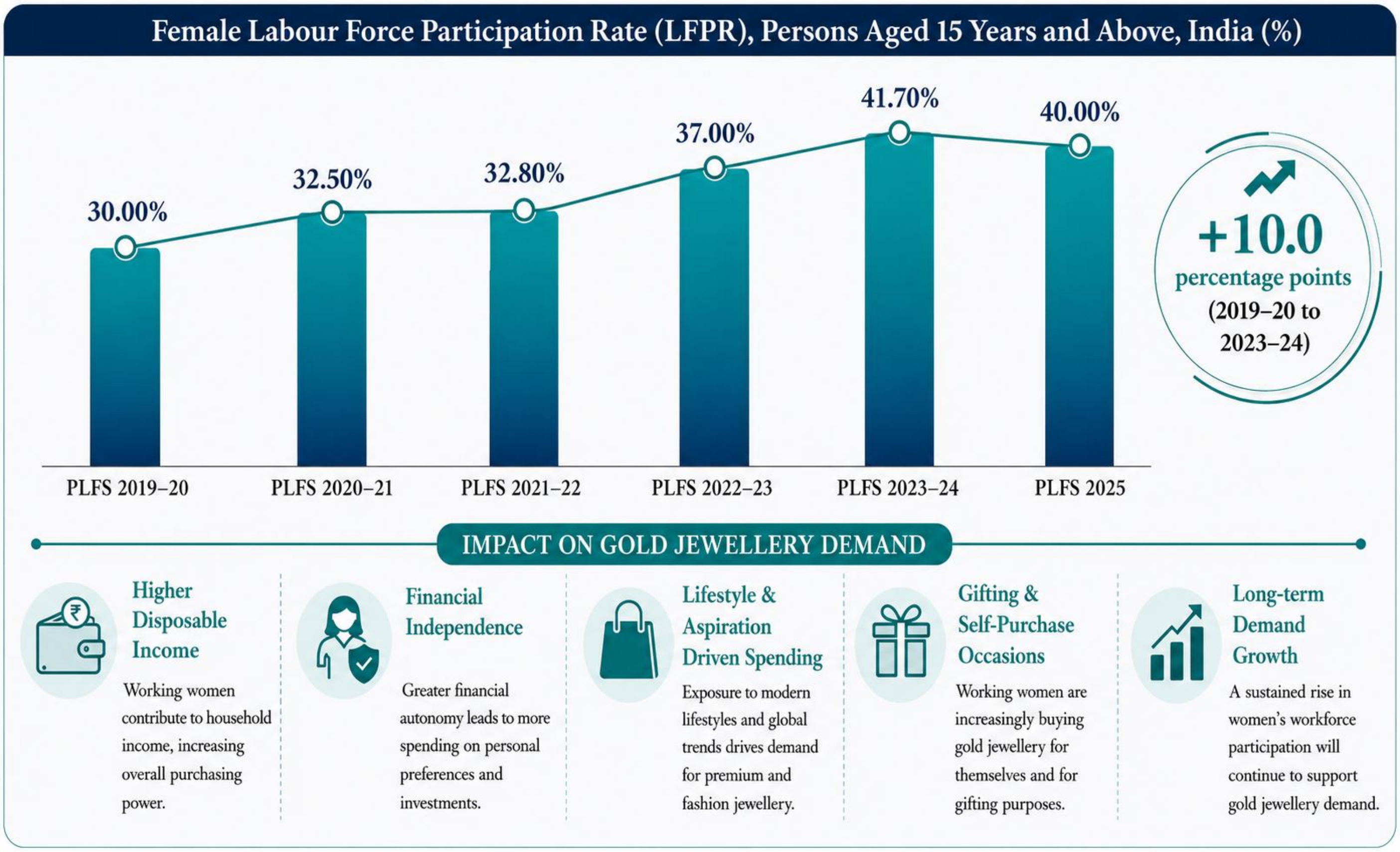
Rising household incomes, improving financial inclusion and growth in the middle-income population have significantly supported demand for gold jewellery in India. Increasing disposable incomes have led consumers to allocate a greater share of discretionary spending toward lifestyle and aspirational purchases, including jewellery. Additionally, gold jewellery continues to be perceived as both a consumption product and a store of value, particularly during weddings, festivals and family-related occasions. Growth in salaried employment, urbanization and economic development across Tier II and Tier III cities has further expanded the consumer base for organized jewellery retailers.

Increasing Number of Working Women

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

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

Chart 34: Female Labour Force Participation Rate (LFPR), Persons Aged 15 Years and Above, India (%)



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

Transparency in Pricing and Product Quality

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

Enhanced Retail Store Experience

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

Exposure to Gold Savings Schemes

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

6 Threats and Challenges for the Retail Gems and Jewellery Industry

1. Shortage of Skilled Labour

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

2. Short-Lived Fashion and Design Preferences

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

3. Dependency on Imports for Raw Materials

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

4. Impact of Global Slowdown

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

5. Working Capital Strain Due to High Gold Prices

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

7 Competitive Landscape

Motisons Jewellers Ltd, DP Jewellers Ltd and PNG Jewellers Ltd, and Radhika Jeweltech Ltd have been considered for the peer comparison of Kataria Dhulchand Pannalal Jewellers limited.

Table 8: Overview

Company Name	Overview
Kataria Dhulchand Pannalal Jewellers limited	Kataria Dhulchand Pannalal Jewellers limited is a family-owned jewellery retailer headquartered in Ratlam, Madhya Pradesh. The company offers an extensive portfolio of gold, diamond, silver, and platinum jewellery catering to bridal, festive, and daily wear requirements. It has established a presence across Central India through its retail showrooms.
Radhika Jeweltech Ltd	Radhika Jeweltech Limited is engaged in the manufacture and retail of gold, diamond, platinum, and customized jewellery. The Company offers a diverse range of jewellery products, including necklaces, rings, earrings, bangles, bracelets, and pendants, catering to wedding, festive, and everyday wear requirements. Operating under the "Radhika Jewellers" brand, the Company combines in-house manufacturing capabilities with retail operations to serve customers across various jewellery segments.
D.P. Abhushan Ltd	D.P. Abhushan Ltd. is a Ratlam-based jewellery retailer and manufacturer with a legacy dating back to 1940. The company operates in the manufacturing, retail, and trading of jewellery. It offers a wide range of jewellery including gold, diamond, platinum, and silver jewellery, along with solitaire collections and corporate gifting products such as gold and silver coins, electroform idols, and gift vouchers.
PNG Jewellers Ltd	PNG Jewellers Ltd., also known as P N Gadgil Jewellers, is a Pune-based jewellery retailer with origins tracing back to 1832, making it one of India's oldest jewellery brands. The company offers an extensive portfolio of gold, diamond, silver, and platinum jewellery, catering to weddings, festive occasions, and everyday wear. Its product range includes traditional Maharashtrian designs as well as contemporary collections sold under the flagship "PNG" brand. PNG Jewellers operates through a large network of branded retail showrooms across Maharashtra and other Indian states, supported by online sales channels. The company emphasizes design-led retailing, working closely with skilled artisans while also procuring jewellery from third-party manufacturers and vendors to maintain product diversity and volume.
Motisons Jewellers Ltd	Motisons Jewellers Ltd. is a Jaipur-based jewellery retailer founded in 1997 and later converted into a public company in 2011. It operates four showrooms in Jaipur. The company offers gold, diamond, Kundan, silver, and platinum jewellery, as well as coins, utensils, and other handcrafted artifacts. Motisons works with local artisans in Jaipur and sources much of its jewellery from third-party suppliers.

Source: Company Websites/Reports, CareEdge Research

Table 9: Operational Parameters

Company Name	Geographic coverage by state	Revenue per square feet (in million)	Number of Stores (As on FY25)	Average Revenue Per Store (In Rs Million) (FY25)
Kataria Dhulchand Pannalal Jewellers limited	1	0.23	2	1,602.32
Radhika Jeweltech Ltd	1	NA	1	5,877.87
D.P. Abhushan Ltd	2	0.80	10	3,310.79
PNG Jewellers Ltd	3*	0.46	53	1,439.73

Company Name	Geographic coverage by state	Revenue per square feet (in million)	Number of Stores (As on FY25)	Average Revenue Per Store (In Rs Million) (FY25)
Motisons Jewellers Ltd	1	N/A	3	1,540.37

Source: Company Websites/Reports, CareEdge Research; *-PNG Jewellers has one store in USA

7.1 Financial Benchmarking

Table 10: Financial Parameters

FY24	Kataria Jewellers Ltd	Radhika Jeweltech Ltd	D.P. Abhushan Ltd	P N Gadgil Jewellers Ltd	Motisons Jewellers Ltd
Net Sales (Rs. Millions)	1,529.27	5,440.65	23,399.60	60,319.97	4,167.63
EBITDA (Rs. Millions)	75.59	700.93	1,001.84	2,683.27	633.41
EBITDA Margin	4.94%	12.88%	4.28%	4.45%	15.20%
Net Profit (Rs. Millions)	23.58	495.27	618.62	1,541.87	322.31
Net Profit Margin	1.54%	9.10%	2.64%	2.56%	7.73%
Total Debt (Rs. Millions)	489.40	508.60	1,604.10	3,740.97	1,088.52
Debt -to- Equity	0.88	0.19	0.67	0.68	0.33
Current Ratio	1.92	6.70	1.72	1.56	3.37
Return on Capital Employed (ROCE)	7.27%	21.99%	23.78%	27.13%	14.12%
Return on Equity (ROE)	4.36%	20.62%	29.47%	32.39%	13.85%
Return on Assets (ROA)	2.17%	17.08%	13.07%	12.30%	7.94%
Net Working Capital Days	116	176	32	26	286
Inventory Turnover Days	201	213	67	50	398

Source: Company Websites/Reports, CareEdge Research

Table 11: Financial Parameters

FY25	Kataria Jewellers Ltd	Radhika Jeweltech Ltd	D.P. Abhushan Ltd	P N Gadgil Jewellers Ltd	Motisons Jewellers Ltd
Net Sales (Rs. Millions)	3,204.64	5,877.87	33,107.90	76,305.49	4,621.12
EBITDA (Rs. Millions)	244.25	892.24	1,729.72	3,404.55	694.54
EBITDA Margin	7.62%	15.18%	5.22%	4.46%	15.03%
Net Profit (Rs. Millions)	131.11	601.18	1,126.96	2,148.78	431.71
Net Profit Margin	4.09%	10.23%	3.40%	2.82%	9.34%
Total Debt (Rs. Millions)	733.43	428.40	1,649.68	7,998.46	711.43
Debt -to- Equity	1.07	0.13	0.41	0.51	0.17
Current Ratio	1.83	8.30	1.84	1.81	5.77
Return on Capital Employed (ROCE)	16.31%	24.02%	29.08%	13.96%	14.07%
Return on Equity (ROE)	21.17%	20.46%	35.06%	20.27%	11.64%
Return on Assets (ROA)	10.10%	17.25%	16.40%	9.40%	8.78%
Net Working Capital Days	71	199	38	57	327

FY25	Kataria Jewellers Ltd	Radhika Jeweltech Ltd	D.P. Abhushan Ltd	P N Gadgil Jewellers Ltd	Motisons Jewellers Ltd
Inventory Turnover Days	139	253	71	77	437

Source: Company Websites/Reports, CareEdge Research

Table 12: Financial Parameters

FY26	Kataria Jewellers Ltd	Radhika Jeweltech Ltd	D.P. Abhushan Ltd	P N Gadgil Jewellers Ltd	Motisons Jewellers Ltd
Net Sales (Rs. Millions)	4,778.67	6,391.39	40,651.28	106,407.38	4,895.45
EBITDA (Rs. Millions)	689.79	1,038.84	3,044.75	6,029.48	869.90
EBITDA Margin	14.43%	16.25%	7.49%	5.67%	17.77%
Net Profit (Rs. Millions)	445.50	747.90	2,118.40	4,010.37	637.07
Net Profit Margin	9.32%	11.70%	5.21%	3.77%	13.01%
Total Debt (Rs. Millions)	957.62	581.44	2,873.81	15,500.64	376.53
Debt -to- Equity	0.57	0.15	0.45	0.79	0.08
Current Ratio	2.48	6.33	2.14	1.53	8.67
Return on Capital Employed (ROCE)	25.32%	22.58%	32.52%	17.95%	16.98%
Return on Equity (ROE)	37.44%	20.76%	40.87%	22.66%	13.96%
Return on Assets (ROA)	20.64%	17.47%	21.40%	9.97%	11.79%
Net Working Capital Days	120	226	50	52	372
Inventory Turnover Days	171	300	86	109	491

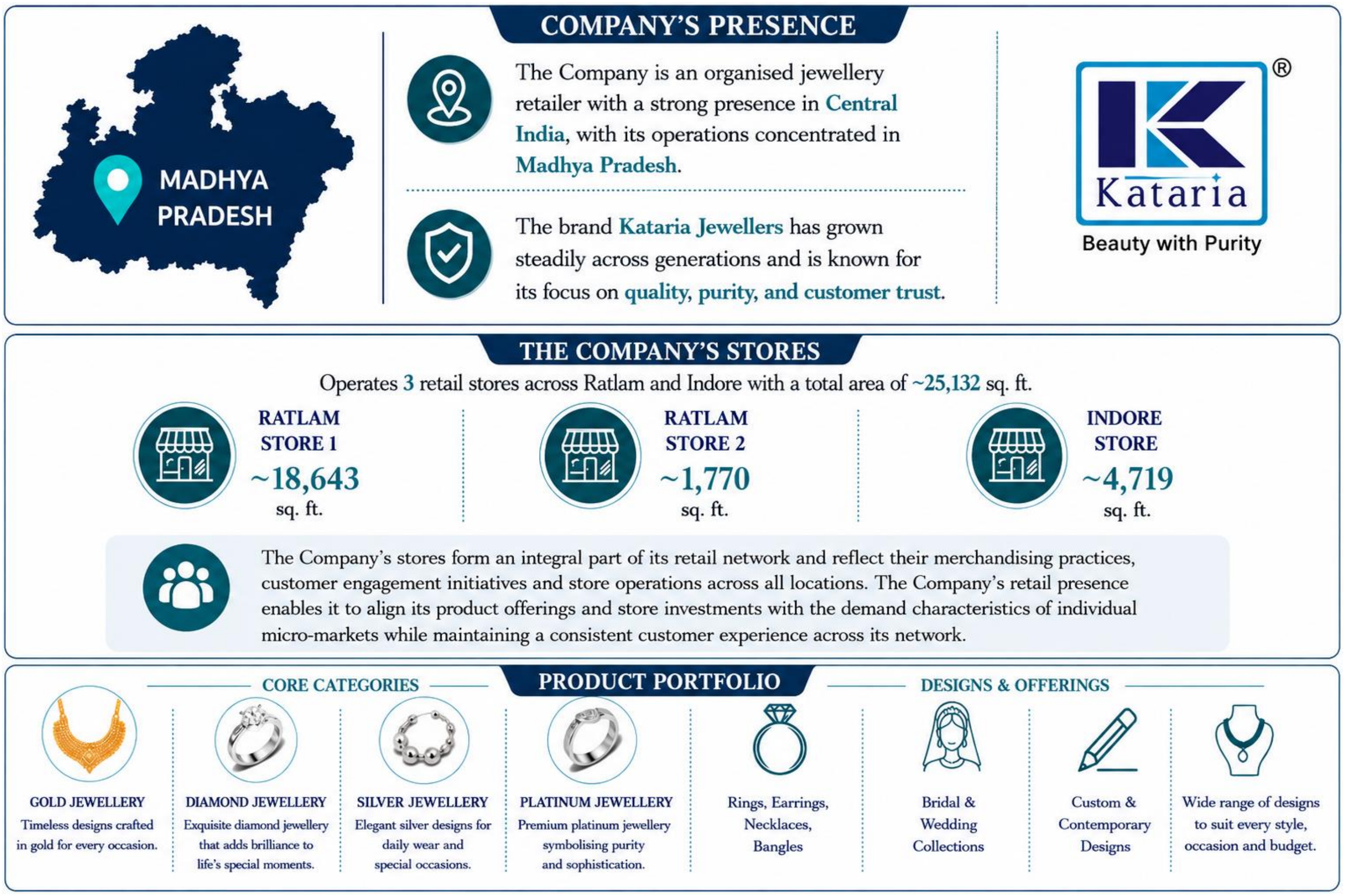
Source: Company Websites/Reports, CareEdge Research

8 Business Profile

8.1 Overview

The Company is a jewellery retailer engaged in sale of a broad portfolio of jewellery products made from precious metals such as gold, platinum, and silver, incorporating precious and semi-precious stones, including diamonds (including polki (uncut) diamonds). Its product portfolio caters to a diverse customer base across multiple price points, ranging from entry-level offerings to premium jewellery collections.

Chart 35: Business Overview



The history of the business can be traced back to when their promoter family, led by the late Dhulchand Kataria, who commenced operations in the retail jewellery trade. The brand Kataria Jewellers has grown steadily across generations and is known for its focus on quality, purity, and customer trust.

The Company's business exhibits seasonality that is typical of the Indian retail jewellery industry, with a significant proportion of revenue generated during the second half of the financial year. Demand is influenced by key festive and wedding-related occasions, including Akshaya Tritiya, which is associated with increased purchases of gold jewellery, bullion, and coins; the summer wedding season, particularly across Tier-2 and Tier-3 markets; Dhanteras and Diwali, during which sales volumes and bullion purchases generally witness an uptick; and the winter wedding season, which contributes meaningfully to bridal jewellery demand.

The Company's customer base spans various age groups and income segments across Central India and primarily comprises bridal and wedding customers, festive and gifting buyers, as well as daily-wear and investment-oriented customers from Tier-2 and Tier-3 cities and surrounding towns of Madhya Pradesh.

8.2 Financials

Chart 36: Financial Performance

PARAMETERS	FY24	FY25	FY26
Net Sales (Rs. Millions)	1,529.27	3,204.64	4,778.67
EBITDA (Rs. Millions)	75.59	244.25	689.79
EBITDA Margin	4.94%	7.62%	14.43%
Net Profit (Rs. Millions)	23.58	131.11	445.50
Net Profit Margin	1.54%	4.09%	9.32%
Total Debt (Rs. Millions)	489.40	733.43	957.62
Debt-to-Equity	0.88	1.07	0.57
Current Ratio	1.92	1.83	2.48
Return on Capital Employed (ROCE)	7.27%	16.31%	25.32%
Return on Equity (ROE)	4.36%	21.17%	37.44%
Return on Assets (ROA)	2.17%	10.10%	20.64%
Net Working Capital Days	116	71	120
Inventory Turnover Days	201	139	171

PERFORMANCE AT A GLANCE

3.1x Growth in Net Sales

9.5x Growth in EBITDA

18.9x Growth in Net Profit

950 bps Improvement in EBITDA Margin

33.08 pp Improvement in ROE

Source: Company Reports, CareEdge Research

The company's net sales increased at a CAGR of 76.77% during FY24–FY26, while EBITDA and net profit recorded CAGRs of 202.08% and 334.66%, respectively, resulting in expansion of EBITDS and net profit margins. Return ratios, including ROCE, ROE and ROA, improved during the period, reflecting higher earnings relative to capital employed, equity and assets. Although total debt increased, the debt-to-equity ratio declined to 0.57x in FY26 due to a relatively higher increase in shareholders' funds. Working capital and inventory days remained volatile, reflecting the inventory-intensive nature of the jewellery retail business.

9 Abbreviations, KPI Definitions and Bibliography

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

Table 13: 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 14: 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

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Centre for Monitoring Indian Economy (CMIE)
EMIS Professional Database
World Gold Council (WGC)
Ministry of Finance
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