CareEdge ANALYTICS & ADVISORY
A subsidiary of CARE Ratings Ltd.

Industry Report on Lab Grown Diamond Jewellery Industry in India

23rd March 2026

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1 Economic Outlook

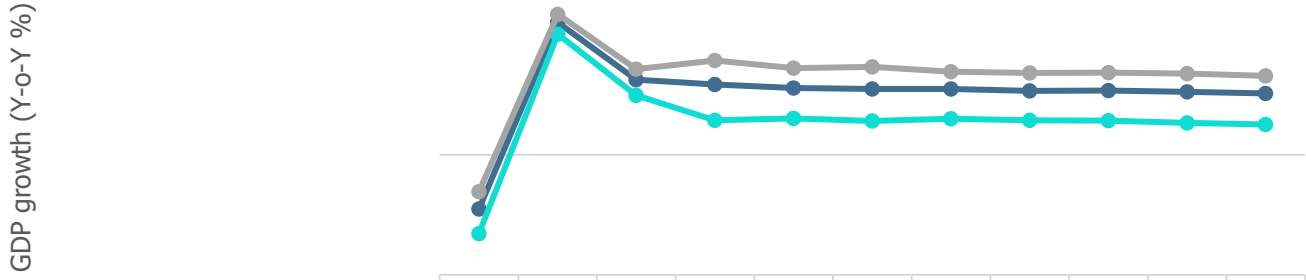
1.1 Global Economy

Global economic growth expected to sustain at ~3% in near term

Global growth forecasts are expected to remain resilient in CY26 and CY27 at 3.3% and 3.2% respectively. Tighter and changing trade policies are slowing down the momentum, but this is being balanced by strong technology and AI investment, supportive fiscal and monetary settings and resilient private sector adjustment.

Key downside risks are weaker than expected AI related investment, a renewed escalation in trade or geopolitical tensions, and higher public debt that could raise long-term interest rates and tighten financial conditions. Central banks priority will be to adjust policies, while smart fiscal planning and reforms are key to handling debt and reducing global inequalities.

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



	CY20	CY21	CY22	CY23	CY24	CY25E	CY26P	CY27P	CY28P	CY29P	CY30P
World	-2.7%	6.6%	3.8%	3.5%	3.3%	3.3%	3.3%	3.2%	3.2%	3.2%	3.1%
Advanced Economies	-3.9%	6.0%	3.0%	1.7%	1.8%	1.7%	1.8%	1.7%	1.7%	1.6%	1.5%
Emerging Market and Developing Economies	-1.8%	7.0%	4.3%	4.7%	4.3%	4.4%	4.2%	4.1%	4.1%	4.1%	4.0%

Source: IMF – World Economic Outlook, January 2026; Notes: E-Estimate, P-Projections

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

	Real GDP (Y-o-Y change in %)										
	CY20	CY21	CY22	CY23	CY24	CY25E	CY26P	CY27P	CY28P	CY29P	CY30P
India	-5.8	9.7	7.6	9.2	6.5	7.3	6.4	6.4	6.5	6.5	6.5
China	2.3	8.6	3.1	5.4	5.0	5.0	4.5	4.0	4.0	3.7	3.4
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.0	5.1	5.1	5.0	5.1	5.1
Saudi Arabia	-3.8	6.5	12.0	0.5	2.0	4.3	4.5	3.6	3.3	3.3	3.3
Middle East	-2.3	4.7	6.4	2.6	2.6	3.7	3.9	4.0	3.7	3.7	3.7
Latin America	-6.9	7.4	4.3	2.4	2.4	2.4	2.2	2.7	2.7	2.8	2.6
Brazil	-3.3	4.8	3.0	3.2	3.4	2.5	1.6	2.3	2.3	2.4	2.5
Euro Area	-6.0	6.4	3.6	0.4	0.9	1.4	1.3	1.4	1.3	1.2	1.1
United States	-2.1	6.2	2.5	2.9	2.8	2.1	2.4	2.0	2.1	1.9	1.8

Source: IMF- World Economic Outlook Database (January 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.

1.2 Indian Economic Outlook

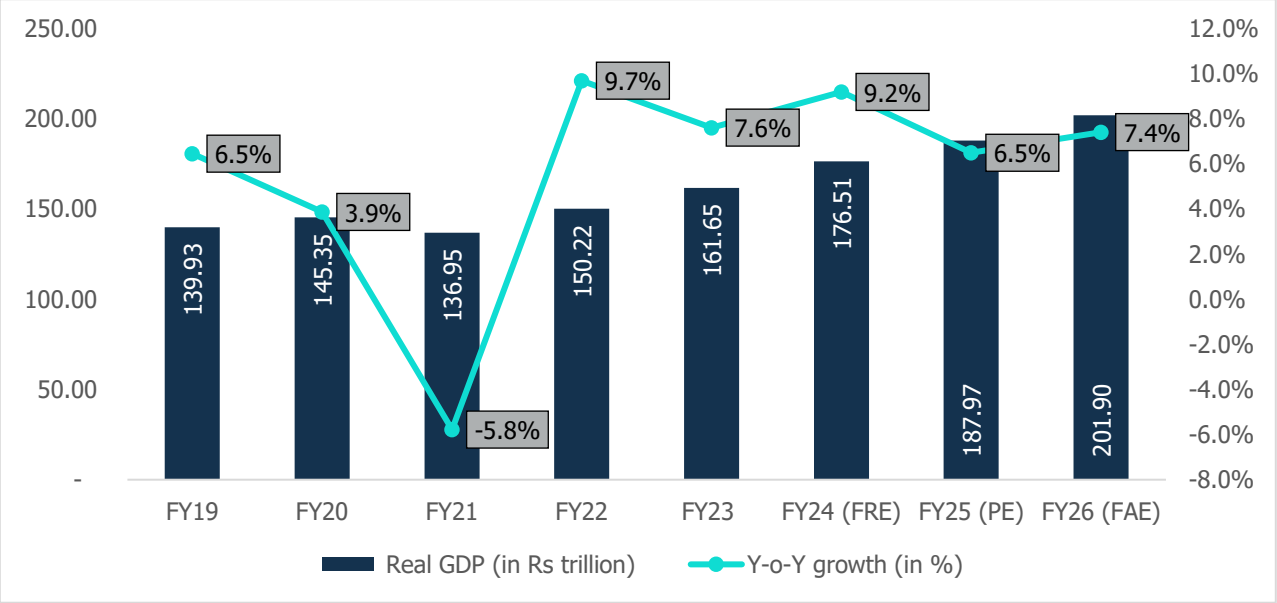
1.2.1 GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's economy continues to show rapid growth. For FY26, GDP is expected to grow by 7.4%, supported by rising rural demand, better job opportunities, and active business conditions.

In FY25, provisional estimates show a growth of 6.5% (Rs 187.97 trillion), led by robust performance in manufacturing, construction, and financial services. Consumer spending rose by 7.6%, and government spending increased by 3.8%, both contributing to the overall growth. In FY24, India's GDP grew by 9.2% (Rs 176.5 trillion), the highest in over a decade (excluding the pandemic year).

Chart 2: Trend in Real Indian GDP growth rate



Source: MOSPI, RBI.
Note: FE – Final Estimates, FRE- First Revised Estimates, PE – Provisional Estimates, FAE – First Advanced Estimates

GDP Growth Outlook (December 2025)

FY26 GDP Outlook: The RBI projects real GDP growth at 7.3% for 2025–26, driven by industrial and services sectors. The upward trajectory of growth is also due to income tax and goods and services tax (GST) rationalization, softer crude oil prices, increase of government capital expenditure, and facilitative monetary and financial conditions lower inflation rates.

However, risks from prolonged geopolitical tensions, global trade disruptions, and weather-related uncertainties remain. Taking these into account, the RBI has reaffirmed its growth projections.

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

FY26P (complete year)	Q3FY26P	Q4FY26P	Q1FY27P	Q2FY27P
7.3%	7.0%	6.5%	6.7%	6.8%

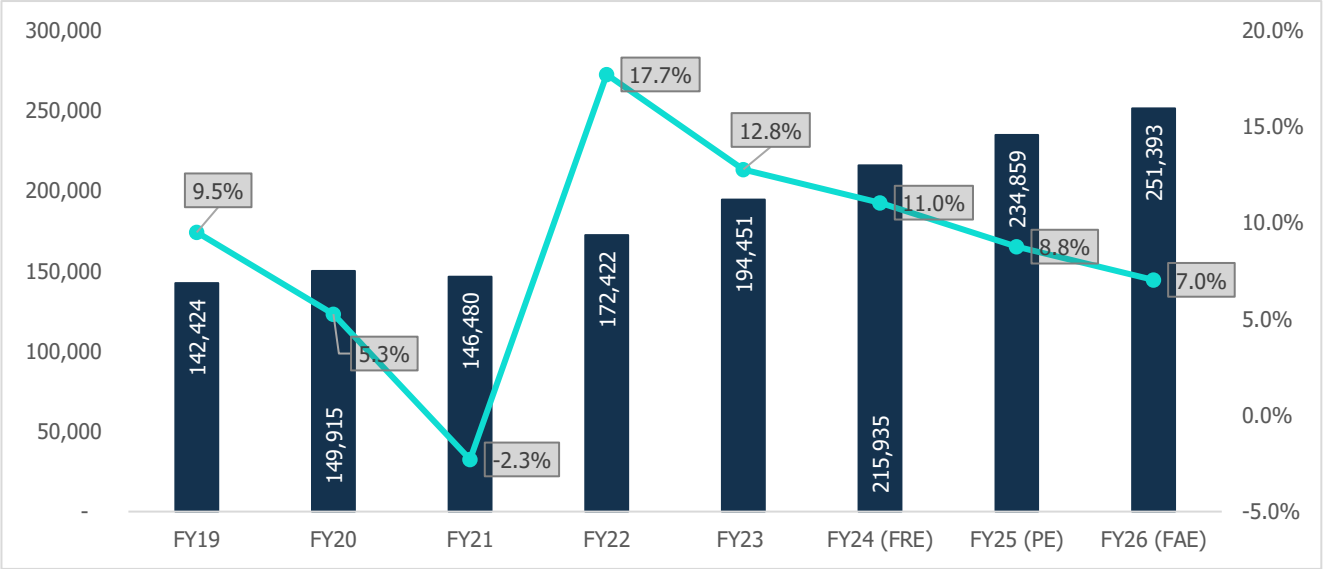
Source: Reserve Bank of India; Note: P-Projected

1.2.2 India's GDP Per Capita

India's per capita GDP has shown a consistent upward trend over the past decade, reflecting steady economic growth. 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 FY19 to FY25 (according to the estimates), the per capita GDP increased from Rs 142,424 to Rs 234,859, with an average growth rate of around 9.0% annually. In FY26, the growth is expected to be around 7.0% at Rs 251,393.

Key drivers of this growth include structural reforms, digitalization, rising domestic consumption, and increased foreign investment. However, there was a slight dip in FY20, primarily due to the economic impact of the COVID-19 pandemic. Despite this, the country has rebounded with strong growth rates in subsequent years, supported by economic recovery and continued expansion in various sectors.

Chart 3: Per capita GDP (current prices)



Source: MOSPI; Note: FRE- First Revised Estimates, PE- Provisional Estimates, FAE- First Advanced Estimates

1.2.3 Gross Value Added (GVA)

Gross Value Added (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. India's recovery in FY25 was powered by a broad-based rebound across sectors. The gap between GDP and GVA growth stood at 0.1 percentage point in FY25, with GDP growing at 7.4% and GVA at 7.3%, as per MoSPI's provisional estimates released in January 2026.

In FY26 (FAE), real GVA growth of 7.3% is primarily led by services (9.1%), with financial, real estate and professional services and public administration, defence and other services each estimated to grow 9.9%, and trade, hotels, transport, communication and broadcasting at 7.5%, indicating broad-based tertiary momentum. Industry is estimated at 6.2%, supported by a pickup in manufacturing and construction (7.0% each respectively). Agriculture and allied is estimated to grow 3.1% (moderate), against the backdrop of an above-normal southwest monsoon in 2025 (108% of LPA) which typically supports output conditions.

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

At constant Prices	FY19	FY20	FY21	FY22	FY23	FY24 (FRE)	FY25 (PE)	FY26 (FAE)
Agriculture, Forestry & Fishing	**2.1**	**6.2**	**4.1**	**4.6**	**5.1**	**2.7**	**4.6**	**3.1**
Industry	**5.3**	**-1.4**	**-0.9**	**12.2**	**2.0**	**10.8**	**5.9**	**6.2**
Mining & Quarrying	-0.9	-3.0	-8.6	6.3	2.8	3.2	2.7	-0.7
Manufacturing	5.4	-3.0	2.9	10.0	-3.0	12.3	4.5	7.0
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	10.3	11.5	8.6	5.9	2.1
Construction	6.5	1.6	-5.7	19.9	10.0	10.4	9.4	7.0
Services	**7.2**	**6.4**	**-8.2**	**9.2**	**11.3**	**9.0**	**7.2**	**9.1**
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	15.2	14.4	7.5	6.1	7.5
Financial, Real Estate & Professional Services	7.0	6.8	2.1	5.7	10.7	10.3	7.2	9.9
Public Administration, Defence and Other Services	7.5	6.6	-7.6	7.5	8.2	8.8	8.9	9.9
GVA at Basic Price	**5.8**	**3.9**	**-4.2**	**9.4**	**7.2**	**8.6**	**6.4**	**7.3**

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

1.2.4 Trends in Per capita State Domestic Product (SDP)

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

As of 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. 33,996. It has consistently been performing the poorest since FY18, growing merely at a CAGR of 4.5% from FY18 to FY25.

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

State\UT	FY18	FY19	FY20	FY21	FY22	FY23	FY24	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

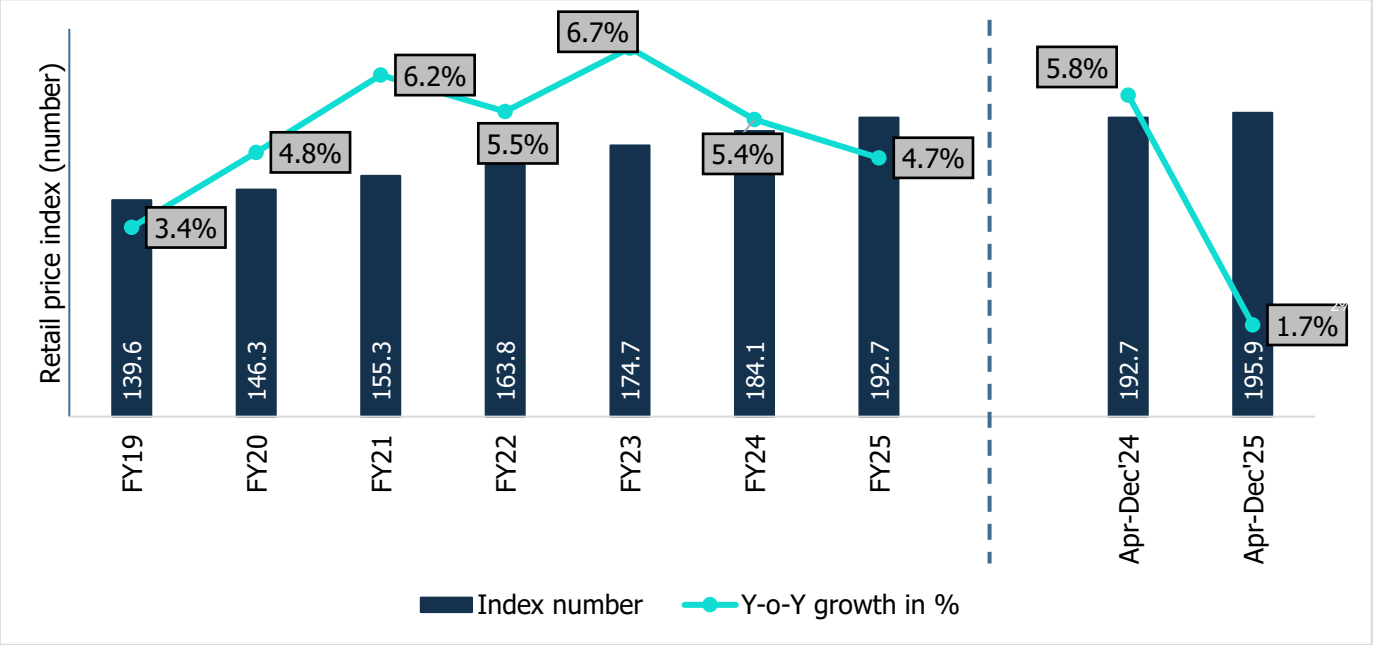
State\UT	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Tamil Nadu	1,33,029	1,41,844	1,44,845	1,43,482	1,54,269	163,205	1,78,496	1,97,747
Uttar Pradesh	41,771	42,333	43,061	39,866	45,294	48,014	51,898	55,990
Delhi	2,52,960	2,57,597	2,60,559	2,28,162	2,39,821	2,52,768	2,71,490	2,83,093

Source: MOSPI

1.2.5 Consumer Price Index

The Consumer Price Index (CPI) for April–December 2025 recorded a combined inflation rate of 1.7%, there was an increase of 62 basis points in December 2025 from November 2025 in headline inflation. The increase in headline inflation in December 2025 was driven by increase in inflation of personal care and effects, vegetables, meat and fish, egg, spices and pulses.

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

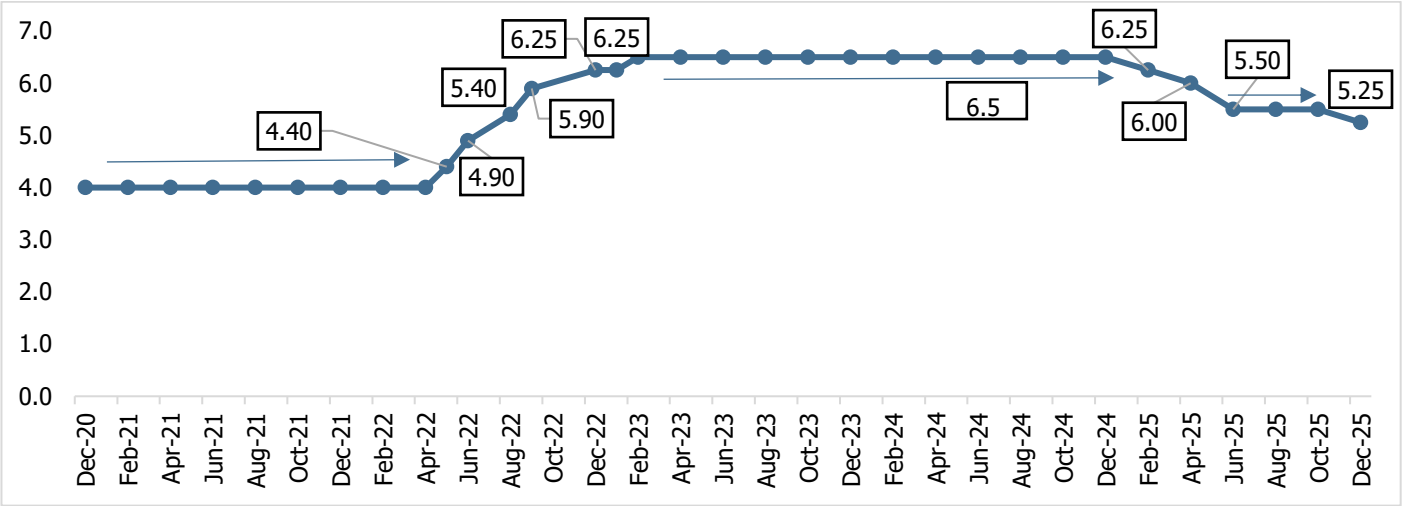


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetary policy. At the bi-monthly meeting held in December 2025, RBI projected inflation at 2.0% for FY26 with inflation during Q3FY26 at 0.6% and Q4FY26 at 2.9%, Q1FY27 at 3.9% and Q2FY27 at 4.0%.

Considering the current inflation situation, the RBI has reduced the repo rate by 25 basis points to 5.25% in the December 2025 meeting of the Monetary Policy Committee.

Chart 5: RBI historical Repo Rate



Source: RBI

The RBI maintained a 'neutral' monetary policy stance, continuing to signal confidence that India's economic growth would remain resilient, underpinned by robust private consumption and sustained expansion in fixed capital formation, while also emphasising persistent external risks. The domestic demand conditions remain supportive even as global uncertainties prevail. On trade policy, the temporary pause on US tariff increases concluded in August 2025, and higher duties on certain Indian exports have since taken effect, although bilateral trade talks continue to manage tariff-related tensions.

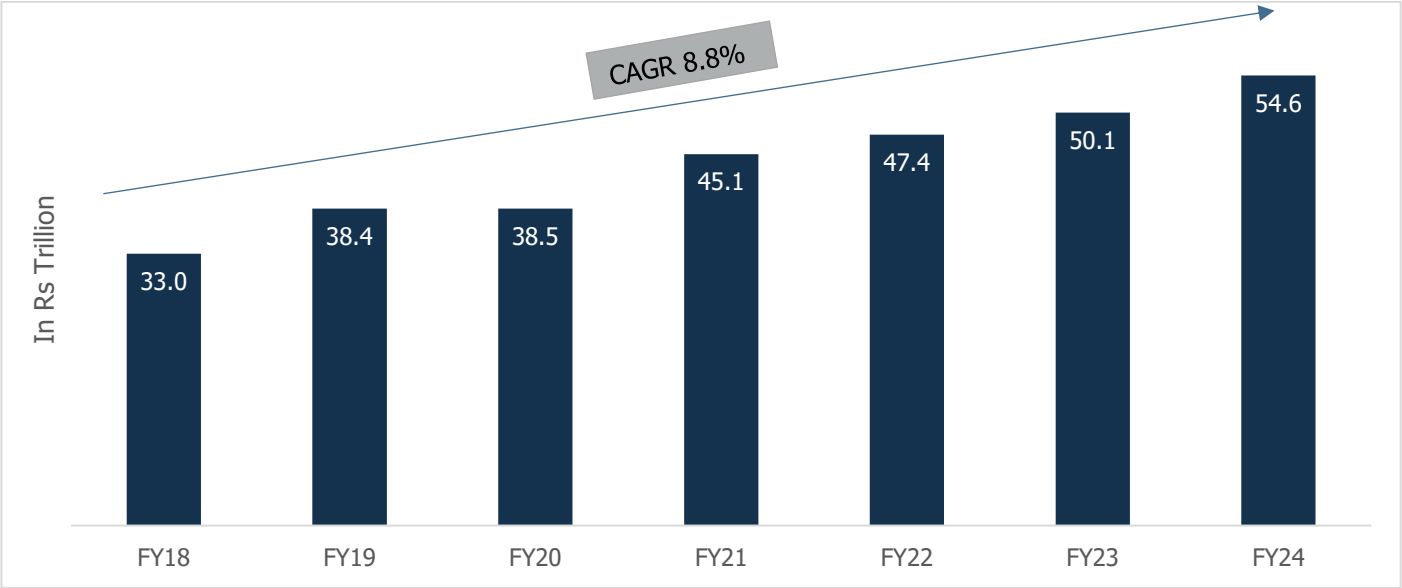
The RBI has adopted for a non-inflationary growth with the foundations of strong demand and supply with a good macroeconomic balance. The domestic growth and inflation curve require the policies to be supportive with the volatile trade conditions.

1.2.6 Trends in Household and Gross Savings

Household savings are of the household sector, measured as its excess of income over consumption and invested in financial assets and physical assets. Household savings in India have grown at an 8.8% CAGR since FY18, reaching Rs 54.6 trillion in FY24, a 9.0% y-o-y increase. A shift toward physical assets, particularly housing and gold/silver ornaments, reflects a preference for tangible investments amid high inflation and slow growth in monetary assets.

This trend is driven by heavy borrowing, especially in housing, auto, and personal loans, leading to a six-year high in household financial liabilities. Savings in mutual funds and life insurance also grew, with an 11.5% and 13.6% y-o-y increase, respectively, while investment in equities and capital market instruments rose as they offer higher returns than bank deposits.

Chart 6: Household Savings

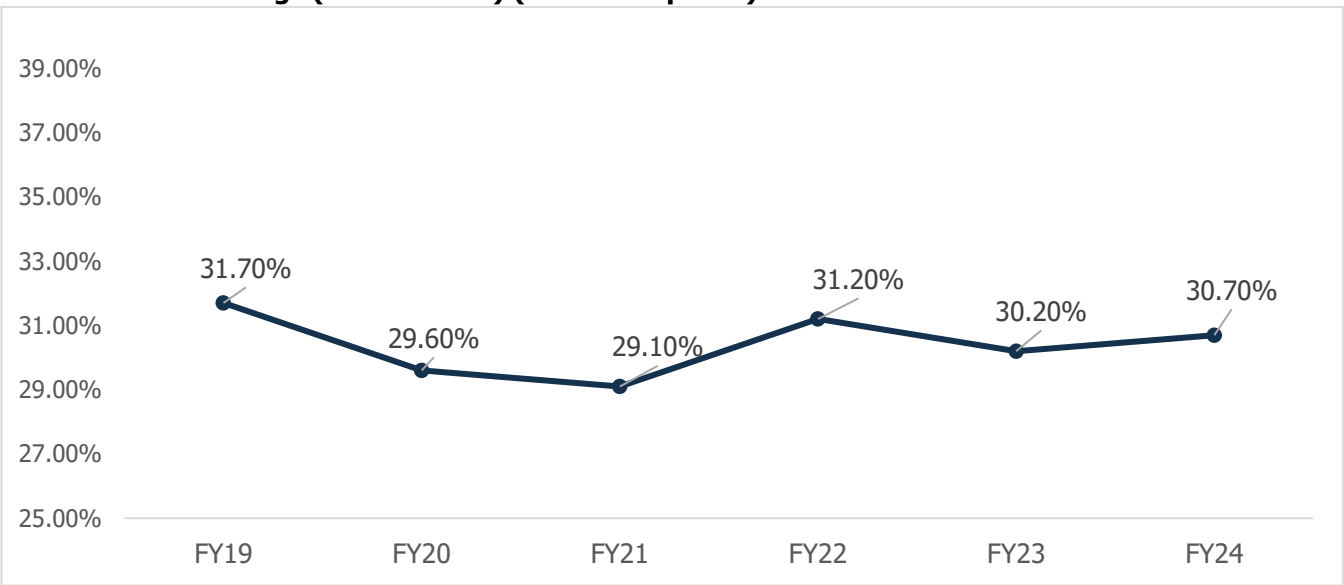


Source: MOSPI

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

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



Source: MOSPI

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

India's rural economy is becoming a significant driver of the Fast-Moving Consumer Goods (FMCG) sector's resurgence, signalling a promising turnaround in aggregate demand after a slow start to the 2024-25 financial year. The Reserve Bank of India (RBI) highlights that rising incomes and improved infrastructure are 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, characterized 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 India Meteorological Department (IMD) expects a stronger-than-usual southwest monsoon, which should improve crop production and refill water reservoirs helping boost spending in rural areas. Improvements in agriculture and rural spending are emerging as bright spots in demand conditions. The government's Budget measures, which focus on agriculture, infrastructure, and rural development, aim to increase incomes and revitalize the rural sector. These measures include transforming agricultural research, introducing new crop varieties, promoting natural farming, and enhancing digital infrastructure for agriculture. Successful implementation of these programs, coupled with proper fund allocation, is crucial for improving farm incomes and strengthening supply chains. A shift towards diversified, high-value agricultural production, along with marketing and trade reforms, is needed to foster more inclusive, environmentally friendly, and climate-resilient agriculture.

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

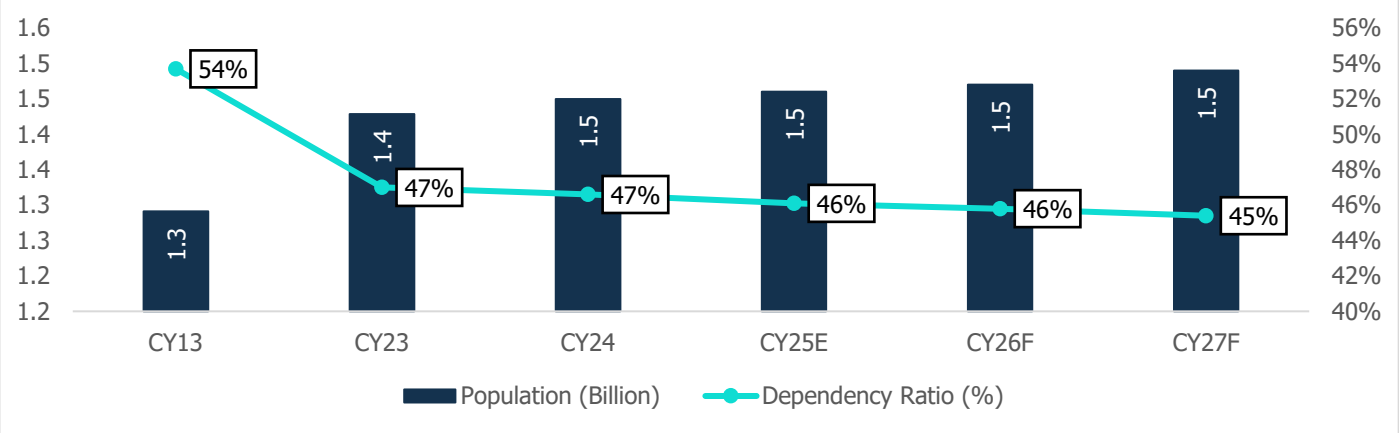
1.2.8 Overview on Key Demographic Parameters

- **Population growth and Urbanization**

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. According to the world bank, India's population in CY22 surpassed 1.42 billion, slightly higher than China's population (1.41 billion) and became the most populous country in the world.

Age Dependency Ratio is the 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. This ratio has been on a declining trend. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy. It was as high as 76% in 1983, which has reduced to 47% in CY23. However, this ratio is expected to rise again to 54% by CY36, driven by an increase in the elderly population as life expectancy improves.

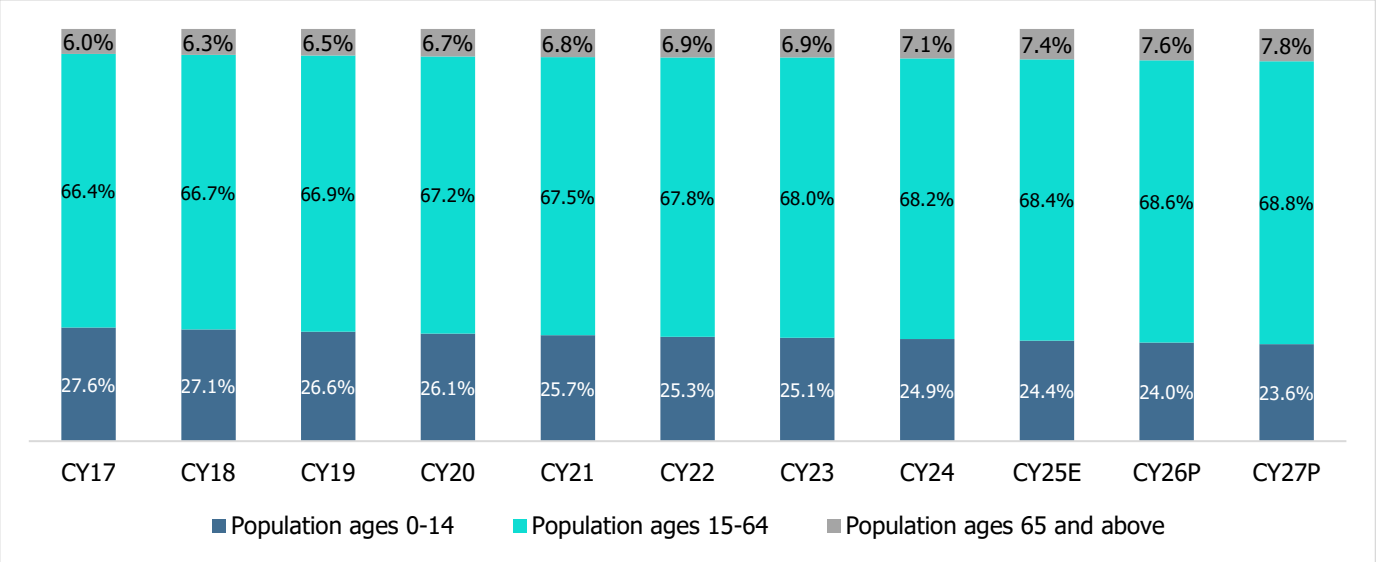
Chart 8: Trend in Population growth vis-à-vis dependency ratio in India (in Billion)



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

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

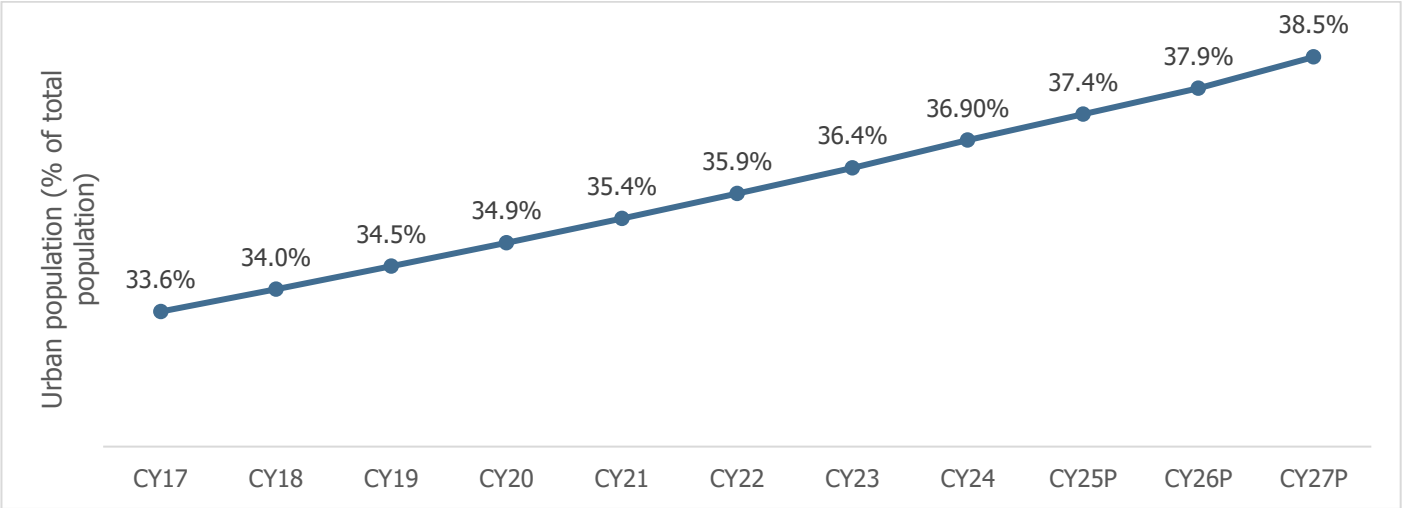
Chart 9: Age-Wise Break Up of Indian population (% of working-age population)



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

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 413 million (32% of total population) in CY13 to 519.5 million (36.4% of total population) in the year CY23. India is undergoing a significant urban transformation, with the urban population projected to rise to 40% by CY36. This shift is driven by factors such as improved living standards, increased employment opportunities in urban areas, and government initiatives aimed at urban development. This rapid urbanisation might necessitate substantial investments in infrastructure, housing, and transportation.

Chart 10: Urbanization Trend in India



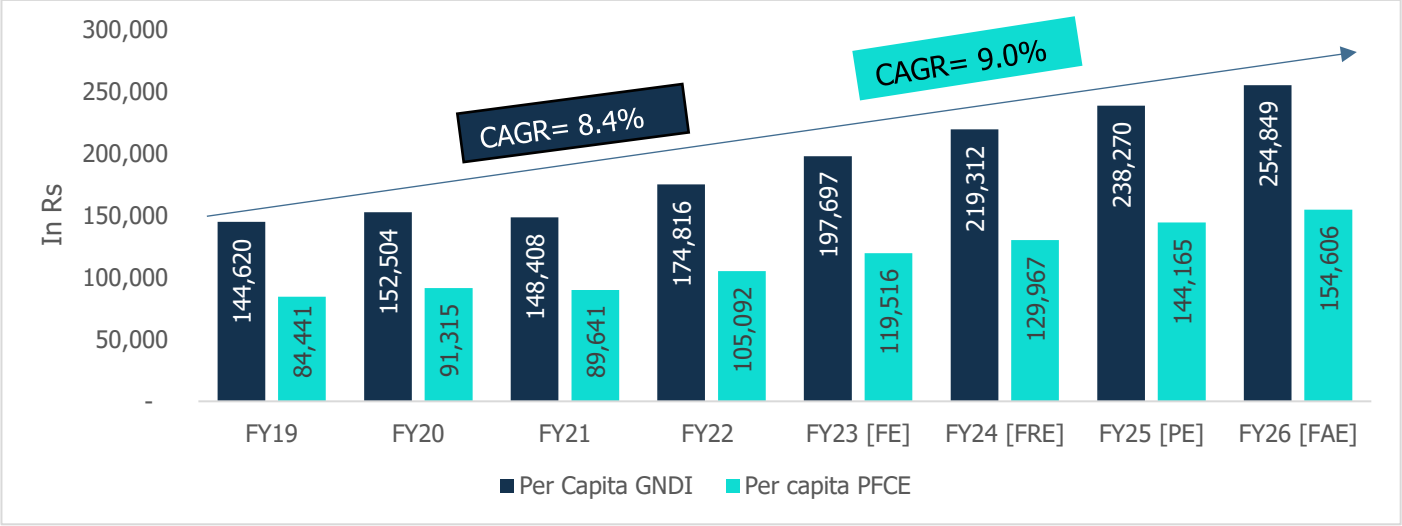
Source: World Bank Database; Note; E- Estimated, F- Forecasted

- **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 FY19 to FY25, per capita GNDI at current prices registered a CAGR of 8.4%. More disposable income drives more consumption, thereby driving economic growth.

With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Per capita Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has also showcased significant growth from FY19 to FY25 at a CAGR of 9.0%.

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



Source: MOSPI; Note: FRE – First Revised Estimates, FE – Final Estimates, PE- Provisional Estimates

1.3 Concluding Remarks

From a macroeconomic standpoint, India remains one of the most resilient large economies in a challenging global environment. The IMF forecasts GDP growth of 6.6% in CY2025, far outpacing the estimated CY25 global average of 3.2%. 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 latest phase of India–U.S. trade relations has been shaped by Washington's decision in 2025 to impose higher tariffs on select imports, including steel, aluminium, chemicals, and certain electronics. These measures form part of a wider recalibration of U.S. trade policy aimed at reducing strategic dependencies and protecting domestic manufacturing. While India was among the affected countries, the direct impact on its export performance is expected to be limited. The affected categories constitute less than 4% of India's total exports, and key sectors such as steel subject to a 50% tariff have only modest exposure to the U.S. market. With strong domestic demand from infrastructure and energy sectors, Indian steel producers are likely to absorb the impact with minimal disruption.

Conversely, sectors such as textiles and apparel may benefit indirectly, as U.S. buyers continue diversifying sourcing away from China and other high-cost Asian economies. India's competitive cost base, skilled labour availability, and expanding production capacity especially under the government's Production-Linked Incentive (PLI) scheme are positioning it as a preferred manufacturing alternative. Electronics and engineering goods have similarly seen strong investment momentum, reflected in the rapid scale-up of smartphone production and Apple's decision to expand iPhone assembly operations in India.

Despite the tariff frictions, the overall tenor of India–U.S. engagement remains constructive. During their meeting on February 13, 2025, Prime Minister Narendra Modi and President Donald Trump reaffirmed a shared goal to enhance bilateral trade from USD 200 billion to USD 500 billion by 2030. As of September 2025, the Ministry of Commerce and Industry has described ongoing negotiations as "positive and forward-looking," with both sides exploring ways to reduce duties on pharmaceuticals, auto components, and IT hardware. These developments underline a broader effort to establish a more balanced and durable trade relationship that aligns with India's manufacturing ambitions and America's supply chain resilience goals.

Beyond the U.S., India is actively broadening its export base to reduce dependency on any single market. Strengthening trade links with the European Union, ASEAN, and African economies is helping diversify risk and stabilize export earnings. Policy initiatives supporting logistics modernization, lower tariff barriers, and industrial corridor development continue to enhance India's competitiveness as a global manufacturing hub.

Domestically, 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 rationalization 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 11.21 lakh crore for capital expenditure in FY26 further reinforces the government's commitment to infrastructure-led growth. Public investment is expected to catalyse private sector activity, evidenced by rising project announcements and growing imports of capital goods. Improving rural demand, supported by healthy monsoon progress, favourable sowing conditions, and adequate reservoir levels, provides additional tailwinds for consumption and investment.

The impact of U.S. tariffs on India

The impact of U.S. tariffs on India's export trade is anticipated to be minimal. The key sectors which will have a potential impact are engineering goods, electronics, gems and jewellery, pharmaceuticals, textiles, and automobiles, among others. The affected sectors represent a small fraction of India's total exports, with key industries such as steel industry

affected by the 25% tariffs, although the impact is expected to be minimal given the volume of goods exported is less, and textiles are potentially benefiting from reduced competition.

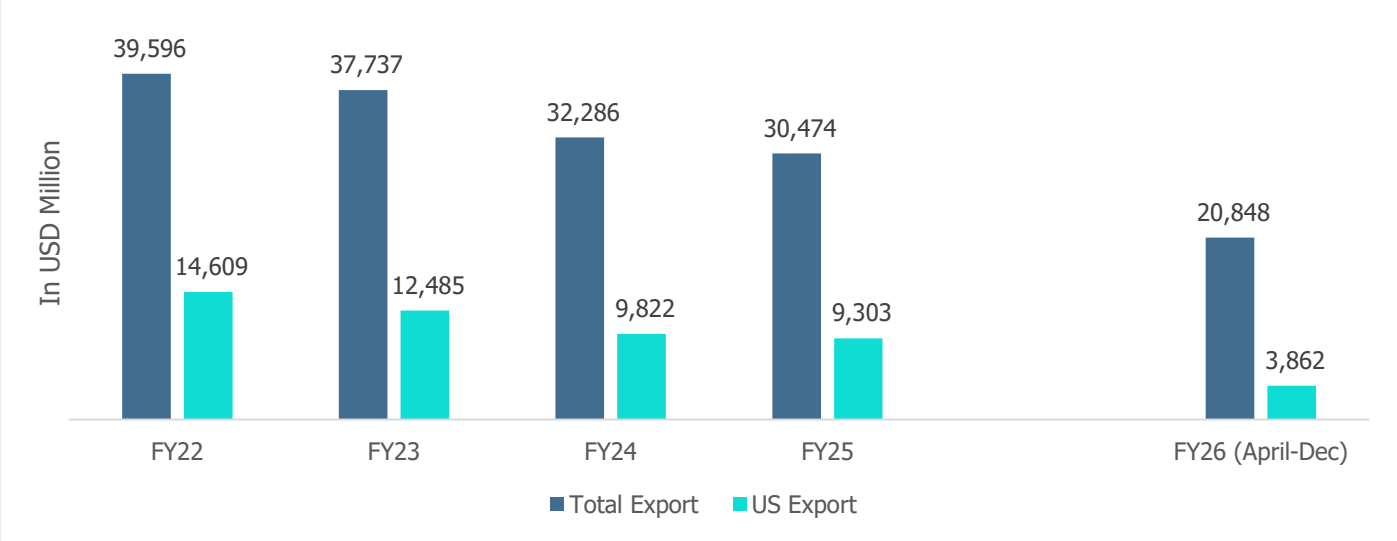
India is a largely domestic-driven economy and is relatively lesser dependent on goods that are exported to the US (at about 2% of GDP). Further, CARE's analysis suggests that the direct export loss from these higher tariffs could be limited to around 0.3-0.4% of India's GDP. Hence, the affected sectors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

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

Source: CareEdge Research

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

Trade Data between India and the USA of gems and jewellery



Source: GJEPC, CareEdge Research

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

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

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

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

2 Indian Gems and Jewellery Industry

2.1 Overview of Indian Gems & Jewellery Industry

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

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

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

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

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

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

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

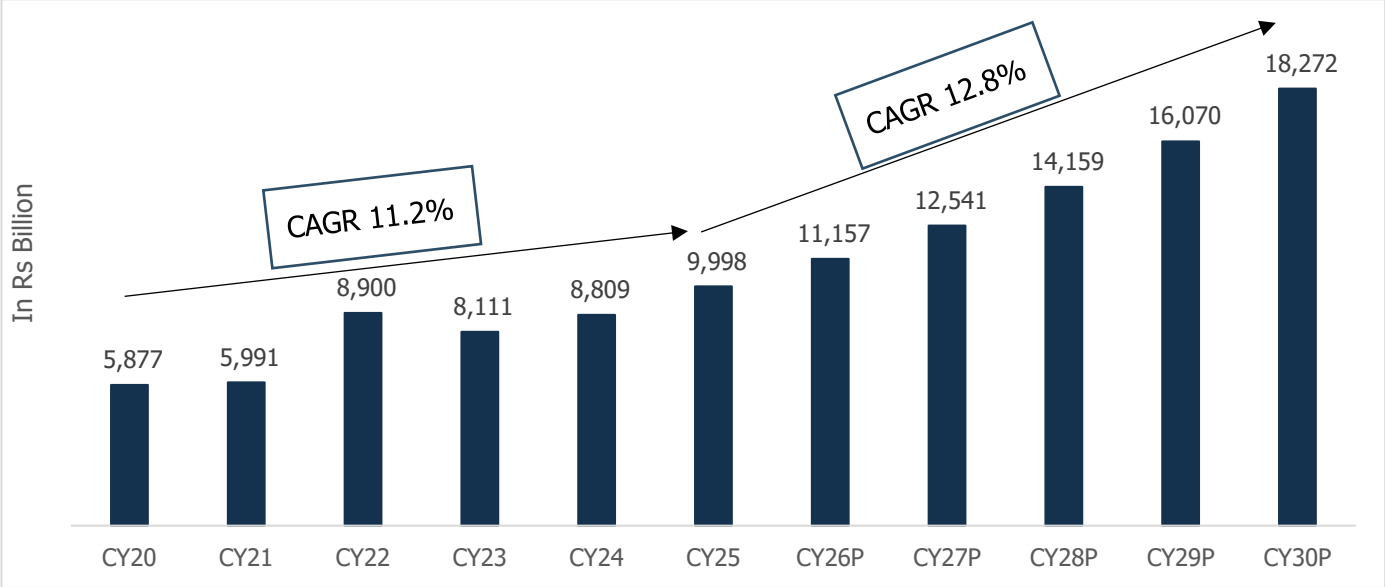
In conclusion, the Indian gems and jewellery industry continues to thrive, blending traditional strengths with evolving consumer preferences and gradual modernisation. Its ability to adapt to changes while leveraging its heritage ensures its sustained growth and competitiveness on the global stage.

2.2 Indian Gems & Jewellery Industry Market Size

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

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

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



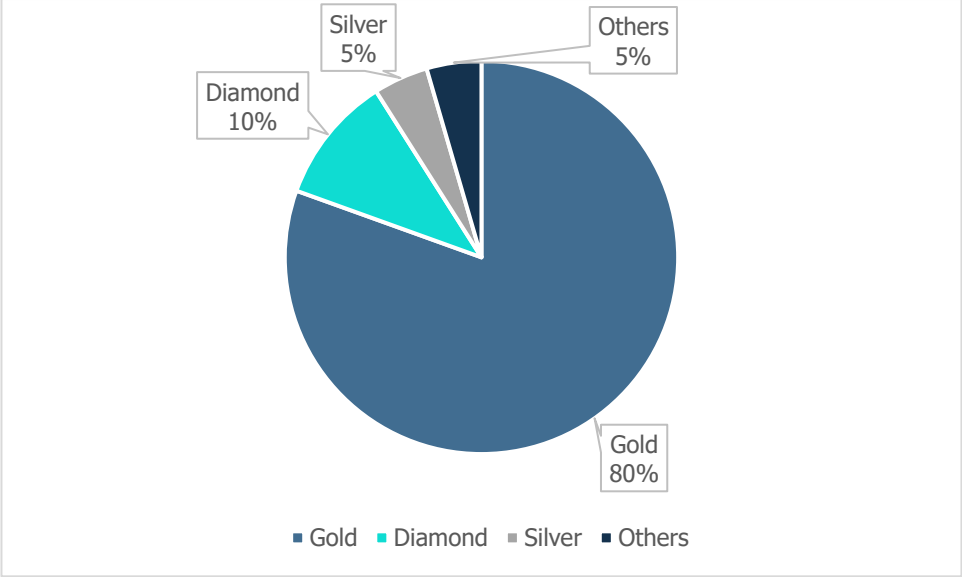
Source: IMARC Group, CareEdge Research

In CY25, the domestic gems and jewellery industry has reached at around Rs. 9,998 billion, with a CAGR of 11.2% during CY20–CY25. Further, the gems and jewellery market is expected to grow at a CAGR of 12.8% between CY25 and CY30. The long-term demand prospects for the sector are supported by a growing working population, higher disposable income, easier access to credit, and improved living standards. To cater to the changing consumer preferences and design trends, larger stores are offering more variety and a diverse range of jewellery. This continuous adaptation to consumer trends and behaviour is likely to further support the shift towards the organised jewellery segment.

2.3 Indicative Share of Indian Gems and Jewellery Industry

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

Chart 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.

3 Diamond and Diamond Studded Gold Jewellery Wholesale Market

3.1 Overview of the Diamond industry in India

India is a global leader in diamond processing, accounting for approximately 90% of the world's rough diamond cutting and polishing by volume. The country has established a highly integrated value chain centred around the midstream segment, with Surat in Gujarat emerging as the world's largest diamond processing hub. The industry benefits from low labour costs, advanced technology adoption, and a skilled workforce with decades of experience in diamond craftsmanship.

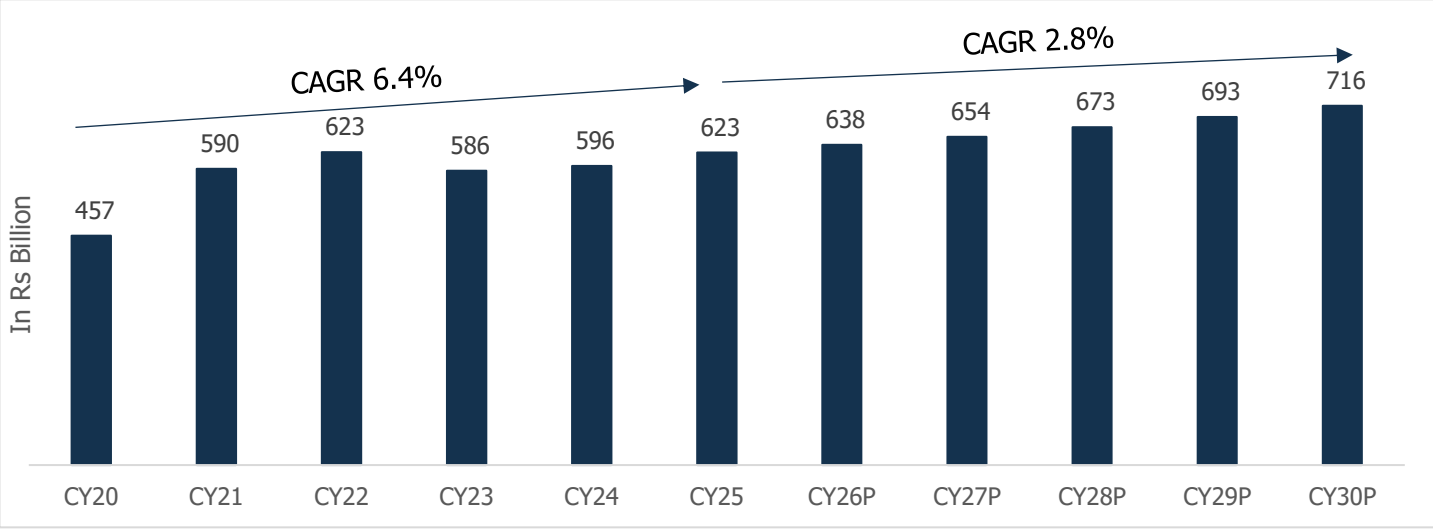
The Indian diamond industry operates across the entire value chain, encompassing the import of rough diamonds, cutting and polishing, grading and certification, and the export of finished stones. Rough diamonds are primarily sourced from international mining hubs such as Russia, Botswana, and Canada and are processed in India for re-export. Mumbai serves as the key trading and export centre, connecting Indian processors with global buyers. In FY25, the cut & polished segment contributed 47% of the overall exports in the gems & jewellery segment and the overall exports of cut & polished diamonds stood at Rs. 1,124.2 billion in FY25.

While exports remain the dominant demand driver, India's domestic diamond consumption is witnessing steady growth, supported by rising disposable incomes, increasing urbanisation, and evolving consumer preferences towards branded and lightweight diamond jewellery. Organised retail players such as Tanishq, Malabar Gold & Diamonds, and Kalyan Jewellers are expanding their product offerings and retail footprint, particularly in Tier I and Tier II cities. Additionally, the increasing acceptance of lab-grown diamonds is reshaping demand dynamics, offering consumers a cost-effective and sustainable alternative to natural stones.

The industry, however, continues to face certain challenges including volatility in rough diamond prices, dependence on imported raw materials, and growing competition from synthetic diamonds. Furthermore, compliance with international traceability and ethical sourcing standards is becoming critical for maintaining export competitiveness. Despite these headwinds, the long-term outlook for the Indian diamond industry remains stable, supported by continued investment in technology, increasing formalisation of operations, and policy support through initiatives such as the India International Bullion Exchange (IIBX) and skill development programmes under the government's 'Skill India' mission.

3.2 Market Size of the Diamond Industry in India

Chart 14: India Diamond Market Size and Growth (CY20-CY29)



Source: IMARC Group, CareEdge Research

In CY25, the Indian retail diamond jewellery market has reachec at approximately Rs 623 billion, having grown at a CAGR of 6.4% during CY20–CY25. Looking ahead, the market is expected to expand at a CAGR of 2.8% over the forecast period CY25P–CY30P. This growth is driven by rising consumer preference for branded and lightweight jewellery, increasing penetration of organised retail in Tier I and Tier II cities, and growing awareness of lab-grown diamonds. However, challenges such as price volatility in rough diamonds, global demand fluctuations, and rising competition from synthetic alternatives may moderate the pace of future expansion.

3.3 Value Chain of the Natural Diamond Studded Jewellery Industry in India

The value chain of the natural diamond studded jewellery industry in India includes several integrated stages from mining to retail distribution, involving key stakeholders and processes at each step.

Segment	Activities	Key Stakeholders
Mining/Sourcing	Import of rough diamonds	International miners, importers
Trading	Distribution of rough diamonds	Domestic traders, brokers
Cutting/Polishing	Processing to polished diamonds	Surat/Mumbai firms, artisans
Manufacturing	Jewellery creation/design	Manufacturers, designers
Wholesaling	Bulk supply to markets	Wholesalers, exporters
Retailing	Direct consumer sales	Branded chains, local jewelers, e-tailers
Certification	Quality assurance and grading	IGI, GIA, in-house labs
Logistics	Secure diamond/jewellery transit	Logistics firms

Source: CareEdge Research

Major Segments

- Mining & Sourcing: Natural diamonds are mostly imported, as India does not have significant diamond mines. The rough diamonds are imported primarily from countries like Russia, Botswana, and South Africa.
- Import & Trading: Importers and traders facilitate the entry and initial distribution of rough diamonds to Indian cutting and polishing centers, particularly in Surat and Mumbai.
- Cutting & Polishing: India is a global leader in diamond cutting and polishing. Skilled workers transform rough diamonds into polished stones suitable for jewellery making.
- Jewellery Manufacturing: Manufacturers source polished diamonds, design jewellery, and incorporate gemstones into various precious metal settings (gold, platinum). This segment is dominated by both large organized players and many small-scale artisans.
- Wholesaling: Wholesalers aggregate manufactured jewellery and supply it in bulk to retailers or export markets.

- Retailing: Jewellery enters the retail market through branded showrooms, independent jewelers, and online channels, reaching end consumers.

Supporting Components

- Certification & Appraisal: Gemological institutes (e.g., IGI, GIA) and in-house labs certify diamond authenticity, quality, and grading at various stages.
- Design & Product Development: Designers play an essential role in tracking global trends and customizing products for different market segments.
- Logistics & Supply Chain: Specialized logistics firms handle secure transport and handling of diamonds and finished jewellery products.
- Marketing & Branding: Major brands invest in consumer marketing to build trust and drive demand for diamond studded jewellery.

3.4 Trends in Trade of Cut & Polished Diamonds in India

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.

Table 4: Trend in Imports and Exports of Cut & Polished Diamonds

Cut & Polished Diamonds (Rs. in billion)	Imports	Y-o-Y growth	Exports	Y-o-Y growth
FY20	121.9	31.5%	1320.1	-20.7%
FY21	161.2	32.2%	1201.5	-9.0%
FY22	111.1	-8.9%*	1821.1	38.0%*
FY23	104.8	-5.6%	1767.2	-3.0%
FY24	158.4	51.1%	1321.3	-25.2%
FY25	102.3	-35.5%	1124.1	-14.9%
Q1FY25	25.3	9.93%	306.2	-17.1%
Q1FY26	18.7	-26.3%	242.70	-20.8%

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

The cut & polished diamond segment is an export-oriented segment in India. During FY25, the cut & polished segment contributed 47% of the overall exports in the gems & jewellery segment, and the overall exports of cut & polished diamonds stood at Rs. 1,124.1 billion in FY25, showing a 14.9% decline as compared to Rs. 1,321.3 billion in FY24. During Q1FY26, the overall exports of cut & polished diamonds stood at Rs. 242.7 billion, showing a 20.8% decline as compared to Rs. 306.2 billion in Q1FY25. Also, imports during FY25 witnessed a decline of 35.5% to Rs. 102.3 billion as compared to Rs. 158.4 billion in the previous year. Imports during Q1FY26 declined by 26.3% to Rs. 18.7 billion as compared to Rs. 25.3 billion in Q1FY25.

In terms of volume, the exports of cut & polished diamonds stood at 166.5 lakhs carat in FY25, showing a 12% decline compared to FY24. The decline in exports was on account of rising inflation in global economies, cannibalisation due to lab-grown diamonds and weak demand from China and Western countries.

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

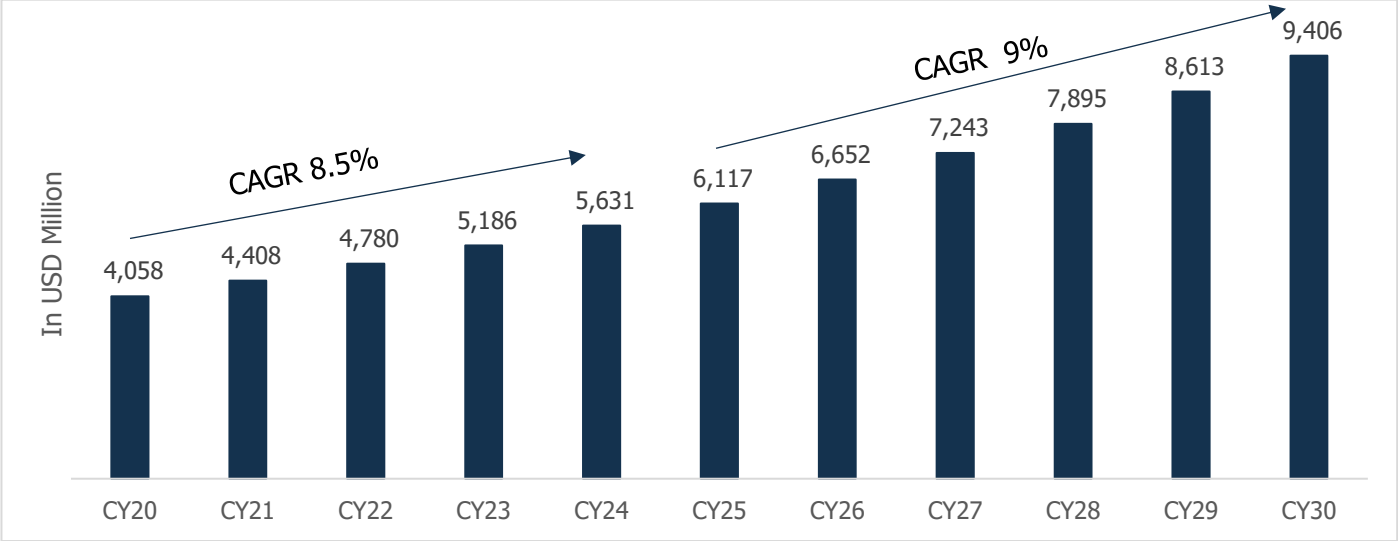
To boost the confidence of the cut and polished diamonds segment, the government announced a reduction in import duty on cut & polished diamonds in the previous budget 2022–2023 to 5% from 7.5%, which is expected to further help in strengthening the sector and retain its leadership position. Furthermore,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

4 Global Lab-Grown Diamond Jewellery Industry

The global Lab-Grown Diamond (LGD) jewellery industry has witnessed rapid expansion over the past decade, driven by affordability, technological advancements, and shifting consumer preferences toward sustainable luxury. Improvements in Chemical Vapor Deposition (CVD) and High Pressure High Temperature (HPHT) technologies have enabled large-scale production of high-quality diamonds that are chemically and physically identical to mined stones. Jewellery remains the dominant application segment, particularly engagement rings and bridal jewellery, accounting for the majority of global demand. Lab-grown diamonds are typically priced 60–80% lower than natural diamonds of comparable specifications, making premium designs more accessible to a wider consumer base.

Regionally, the United States is the largest consumption market, while India and China serve as key production hubs, with India leading in cutting and polishing. Adoption is strongest among millennials and Gen Z consumers, who prioritize value, transparency, and sustainability. The industry is increasingly characterized by omnichannel retail strategies, direct-to-consumer brands, and the entry of established jewellery chains, all of which are accelerating mainstream acceptance. Despite strong growth, the market faces challenges such as price volatility due to rising supply and ongoing debates around long-term value perception; however, overall industry outlook remains positive as LGDs continue to gain share within the global diamond jewellery market.

Chart 15: Global Lab Grown Diamond Jewellery Industry Market Size and Growth (CY20-CY30P)



Source: Custom Market Insights, CareEdge Research

4.1 Country-Wise Export Trends in Lab Grown Diamond Market

Table 5: Country-Wise Export of Lab Grown Diamond (In USD Million)

Country	FY21	FY22	FY23	FY24	FY25		FY26 (APR-DEC)
United States Of America	368.53	885.3	1047.86	809	675.9		272.87
Hongkong	128.17	179.69	247.47	204.2	207.62		245.35
United Arab Emirates	74.97	135.13	206.21	236.73	205.71		110.31
Israel	13.63	32.38	36.33	20.88	33.77		28.12
Belgium	25.24	21.82	10.79	21.71	27.23		24.53
Netherland	1.87	12.11	40.02	23.65	24.64		23.55
Thailand	3.97	9.82	10.35	15.01	15.85		22

Country	FY21	FY22	FY23	FY24	FY25		FY26 (APR-DEC)
Australia	2.92	9.07	14.45	25.35	15.36		17.69
United Kingdom	8.71	6.16	25.03	10.01	12.2		16.8
China P.Rp	1.96	5.73	3.54	3.61	11.07		11.88

Source: GJEPC, CareEdge Research

4.2 Expansion of Export Markets in the Middle East

India's Lab-Grown Diamond (LGD) industry, already a global powerhouse in manufacturing, is strategically pivoting to cultivate high-value export markets in the Middle East. This move is driven by several key regional characteristics that align perfectly with the strengths of Indian LGDs, moving beyond traditional exports to the West.

The Middle East, particularly the affluent GCC nations (UAE, Saudi Arabia, Qatar, Kuwait), represents a compelling opportunity for several reasons:

High Disposable Income and Luxury Appetite: The region has one of the highest per capita spends on luxury goods globally. There is a deeply entrenched culture of gifting and owning high-value jewelry, especially gold and diamonds, for weddings, festivals, and as status symbols.

Alignment with Evolving Consumer Values: While traditional markets value natural stones, a significant and growing segment of the younger, globally-connected Middle Eastern consumer base is increasingly drawn to sustainability, innovation, and modernity core value propositions of LGDs. This trend mirrors the global shift and opens a new avenue beyond the conventional natural diamond narrative.

Gateway Hub (UAE): The UAE, specifically Dubai, acts as a global trading and re-export hub for gold and diamonds. Its state-of-the-art infrastructure, free zones (like the Dubai Diamond Exchange), and business-friendly policies make it an ideal launchpad for Indian exporters to establish a regional presence, manage logistics, and reach a wider audience across the Middle East, Africa, and beyond.

For Indian exporters, the expansion strategy is two-pronged:

B2B Supply to Regional Jewelers: Leveraging existing trade relations, Indian manufacturers can supply certified polished LGDs and semi-finished jewelry to established Middle Eastern jewelry houses and distributors. This allows regional brands to quickly enter the LGD category with ready-made, high-quality inventory.

B2C Market Development via Branding: Forward-looking Indian LGD jewelry brands are beginning to establish a direct retail presence. This involves opening branded boutiques in high-end malls in Dubai or Abu Dhabi and developing a strong online strategy tailored to the region. Success hinges on marketing that emphasizes the scientific excellence, ethical sourcing, and contemporary design of Indian LGD jewelry, positioning it as a modern luxury choice.

In conclusion, the Middle East is not just an alternative export destination but a strategic growth frontier. By combining India's manufacturing prowess with a deep understanding of the region's luxury dynamics and evolving consumer preferences, the Indian LGD industry can successfully establish itself as a key supplier of the modern, conscious luxury that the Middle East's next generation of consumers is beginning to embrace.

4.3 India’s Strength in Value-Added Manufacturing

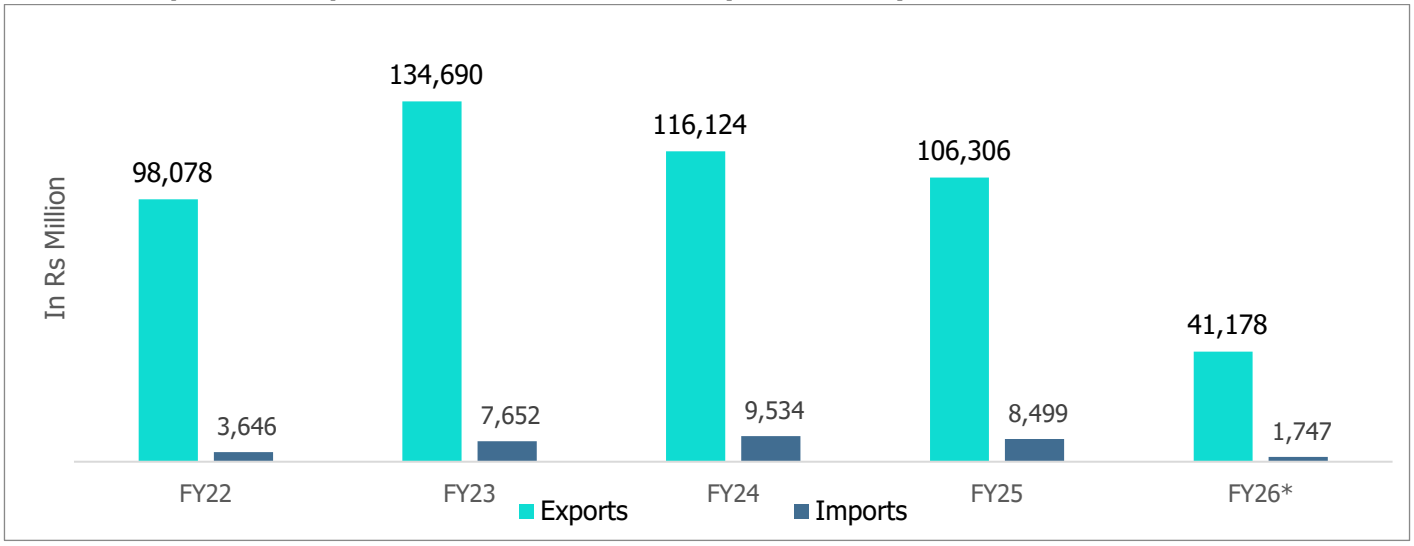
India's position as a global leader in the Lab-Grown Diamond (LGD) industry is fundamentally anchored in its unparalleled strength in value-added manufacturing. This goes far beyond basic production; it is the nation's deep-rooted expertise in the high-skill, intricate, and artisanal processes that transform a lab-grown rough stone into a finished gem, capturing a significant portion of the global value chain.

India has been the world's diamond polishing hub for decades, commanding over 90% of the global market in cutting and polishing for natural diamonds. This generational mastery of precision craftsmanship, housed in major centers like Surat and Mumbai, provides an immediate and formidable competitive advantage. The nation possesses a vast, highly skilled workforce of artisans who are expert in the complex craft of maximizing a diamond's yield, brilliance, and fire from a raw crystal. This ecosystem seamlessly translates to LGDs, allowing India to not only grow diamonds but to expertly cut, polish, grade, and certify them to the highest international standards.

This capability in value addition is a powerful strategic moat. While other countries may produce rough LGDs, India's dominance in the midstream—the value-adding stage—makes it an indispensable link in the global supply chain. It allows the country to export higher-value polished diamonds and semi-finished jewelry rather than low-margin rough stones. This integrated control, from growing to finishing, also enables greater supply chain efficiency, quality consistency, and faster turnaround times for global retailers and brands. By owning this critical part of the process, India secures its role not just as a factory, but as the essential craftsman of the global LGD market.

4.4 Export and Import Trends of LGD in India

Chart 16: Export and Imports of Lab Grown Diamond (FY22-FY26*)



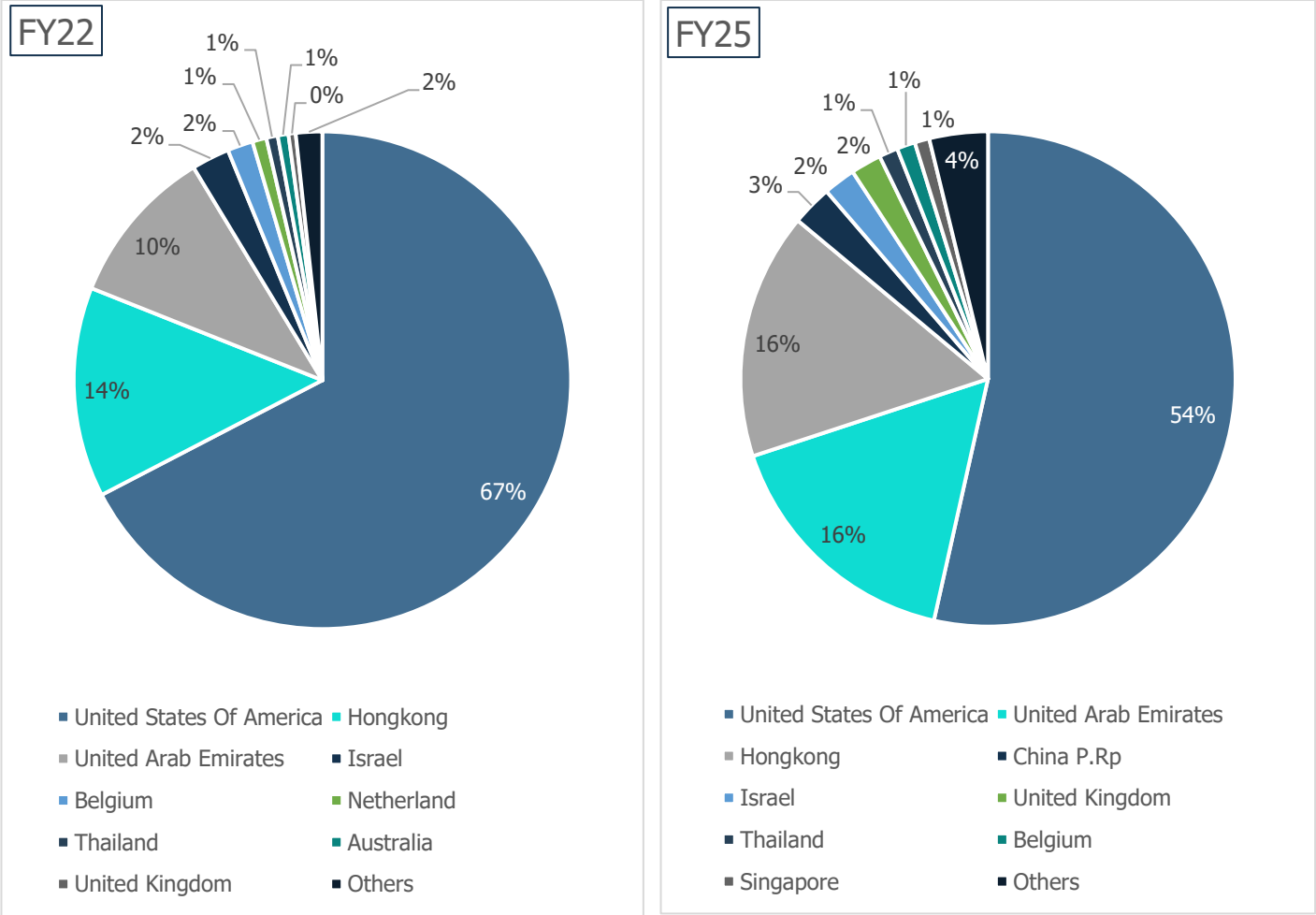
Source: GJEPC, CareEdge Research; *FY26(April-October)

The Lab-Grown Diamond (LGD) industry in India has experienced significant international trade activity in recent years. Exports of LGDs increased sharply from Rs 98,078 million in FY22 to Rs 1,34,690 million in FY23, reflecting strong global demand and the growing recognition of India as a manufacturing hub for lab-grown diamonds. Imports, while comparatively smaller, also rose from Rs 3,646 million in FY22 to Rs 7,652 million in FY23, indicating increasing domestic demand for raw LGD material for processing and manufacturing.

In FY24, exports moderated slightly to Rs 1,16,124 million, while imports continued to rise to Rs 9,534 million, driven by the need to meet higher-quality production requirements. FY25 saw exports of Rs 1,06,306 million and imports of Rs 8,499 million, reflecting a stabilisation in trade volumes amid fluctuating global demand. Early data for FY26 (April–October) suggests exports of Rs 41,178 million and imports of Rs 1,747 million, indicating seasonal trends and a continued focus on refining domestic manufacturing capacities. Overall, India remains a key player in the LGD global supply chain, with exports consistently outpacing imports.

4.5 Country-Wise Export of LGD

Chart 17: Country-Wise Export of LGD From India (In %), (FY22 Vs FY25)



Source: GJEPC, CareEdge Research

In FY22, the **United States** dominated India's lab-grown diamond (LGD) exports, accounting for **67.4%** of shipments, followed by **Hong Kong (13.7%)** and the **United Arab Emirates (10.3%)**. Other destinations, including **Israel, Belgium, Netherlands, Thailand, Australia, and the United Kingdom**, together accounted for a smaller share of exports, highlighting a strong concentration in a few key markets.

By FY25, while the US remained the largest destination, its share declined to **53.5%**, with the UAE and Hong Kong gaining a larger share (16.4% and 16.1%, respectively). This shift reflects gradual diversification of India's LGD export markets and increasing demand from regional hubs. The trend suggests that while traditional markets continue to dominate, emerging and regional markets are becoming more prominent, offering opportunities for broader global engagement

5 Profitability and Working Capital Advantages of LGD Jewellery Business Model (Qualitative)

5.1 Higher Gross Margins

The most significant financial advantage is the potential for substantially higher gross margins. In the natural diamond pipeline, a significant portion of the final retail price is locked in upstream—covering mining costs, rough diamond premiums, and the margins of multiple intermediaries (miners, traders, rough dealers). An LGD jeweller, especially one with backward integration or direct partnerships with growers, bypasses much of this. The cost of production for a rough lab-grown diamond is primarily technological (equipment, energy) and is not subject to the geological scarcity premium of mined stones. This creates a wider gap between the cost of goods sold (COGS) and the final selling price. While LGD jewelry is sold at a significant discount to natural diamonds (often 40-70% less), the reduction in COGS is even more pronounced, preserving a healthier margin percentage for the retailer. Reports by consultancies like Bain & Company have highlighted that retailers often achieve better margin structures on LGD sales compared to natural diamonds, as they capture value from a more controlled supply chain.

5.2 Lower Inventory Risk

The LGD model inherently carries lower inventory risk and capital lock-in. Natural diamond jewelry retailers must make large, upfront capital commitments to purchase inventory of finished pieces or certified stones, with money tied up for extended periods based on speculative demand. In contrast, the LGD supply chain is more responsive. Key stones for popular designs can be grown to order within weeks, allowing retailers to hold less finished goods stock and more "virtual" inventory in the form of design mock-ups or certified sample stones. Furthermore, the consistent and predictable availability of lab-grown stones (in terms of size, colour, and clarity) eliminates the "one-of-a-kind" scarcity that forces natural diamond buyers to purchase unique stones immediately for fear of losing them. This enables a "just-in-time" or made-to-order approach, drastically reducing the capital required for inventory and the risk of holding slow-moving or obsolete stock.

5.3 Design-led Inventory Flexibility

This leads directly to superior design-led inventory flexibility. The ability to source stones of specific sizes and qualities on demand liberates designers and retailers from the constraints of the natural diamond pipeline. A brand can launch a new collection based purely on contemporary design trends and consumer data, confident that the required LGDs can be procured to manufacture the pieces as orders come in. This allows for faster design cycles, more experimentation with styles, and a higher degree of personalisation (e.g., creating a specific size of solitaire for a customer request). The inventory becomes "design potential" rather than fixed physical stock. This agility not only reduces waste and markdowns but also enables brands to be more responsive to fast-changing fashion trends, a key advantage in attracting the younger "daily wear" and "self-purchase" consumer segments driving market growth.

6 Lab-Grown Diamond Jewellery Industry

6.1 Overview of the LGD Jewellery Industry in India

Lab-Grown Diamonds (LGDs) are real diamonds that are created in laboratories using advanced technological processes that replicate the natural conditions under which diamonds form beneath the earth's surface. Unlike imitation or synthetic stones such as cubic zirconia or moissanite, LGDs have the same chemical, physical, and optical properties as mined diamonds — they are made of pure carbon, have identical crystal structures, and display the same sparkle, hardness, and durability. The two main methods used to create LGDs are Chemical Vapour Deposition (CVD) and High Pressure High Temperature (HPHT). The CVD process involves placing a diamond seed in a carbon-rich chamber, where carbon atoms deposit layer by layer to form a diamond. In contrast, HPHT replicates the natural geological process by subjecting carbon to high pressure and temperature until it crystallizes into a diamond.

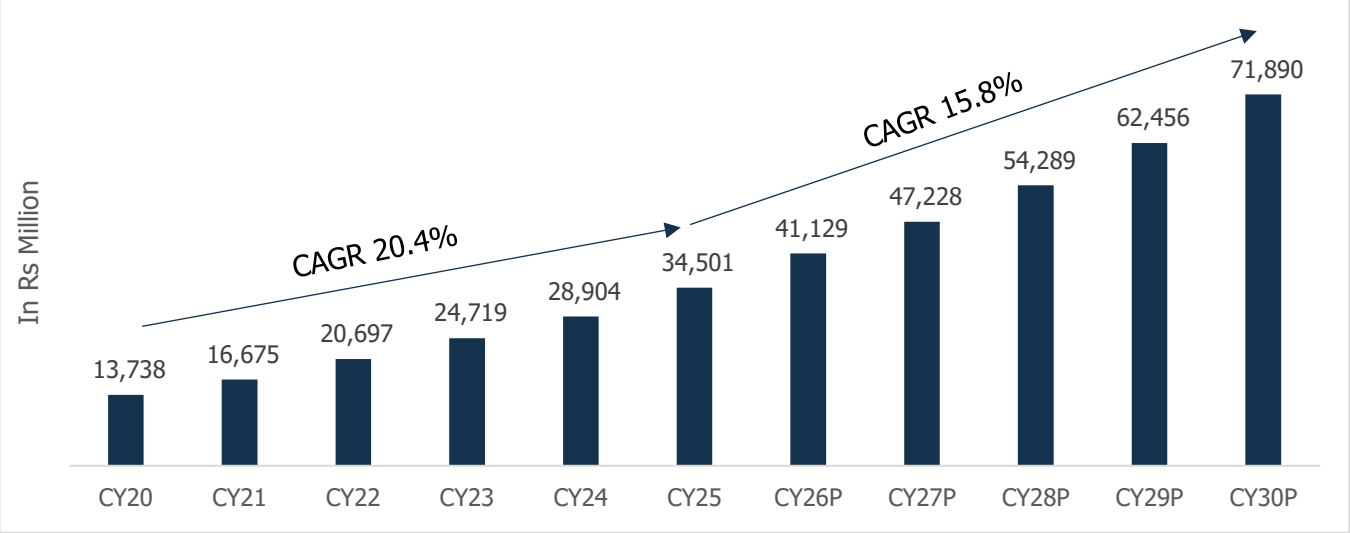
LGD Jewellery refers to ornaments such as rings, earrings, necklaces, and bracelets that are made using lab-grown diamonds instead of naturally mined ones. From a visual and structural standpoint, jewellery made with LGDs is indistinguishable from jewellery made with natural diamonds, even to trained eyes, unless examined with specialized equipment. The key difference lies in their origin — LGDs are man-made in controlled environments, whereas natural diamonds are mined from the earth after millions of years of formation. This difference makes LGD jewellery more sustainable, ethical, and affordable, as its production does not involve mining, which is often associated with environmental damage and ethical concerns related to labor practices.

The appeal of LGD jewellery has grown rapidly in recent years due to several factors. It offers significant cost savings, typically priced 30–50% lower than mined diamonds of comparable size and quality. Additionally, it aligns with the preferences of younger consumers who value sustainability, transparency, and innovation in luxury purchases. Advances in technology have also improved the quality and availability of LGDs, allowing jewellers to design intricate, high-quality pieces for engagement, gifting, and everyday wear.

Overall, Lab-Grown Diamonds and LGD Jewellery represent a technological and cultural shift in the diamond industry — combining the brilliance and authenticity of real diamonds with the benefits of ethical sourcing and affordability. As consumer acceptance rises and awareness spreads, LGDs are increasingly being recognized not as substitutes but as a modern, responsible alternative to traditional mined diamonds, redefining luxury for the new generation.

6.2 Market Size of the Lab-Grown Diamond Industry in India

Chart 18: India Lab Grown Diamond Jewellery Industry Market Size and Growth (CY20-CY30P)



Source: Custom Market Insights, CareEdge Research

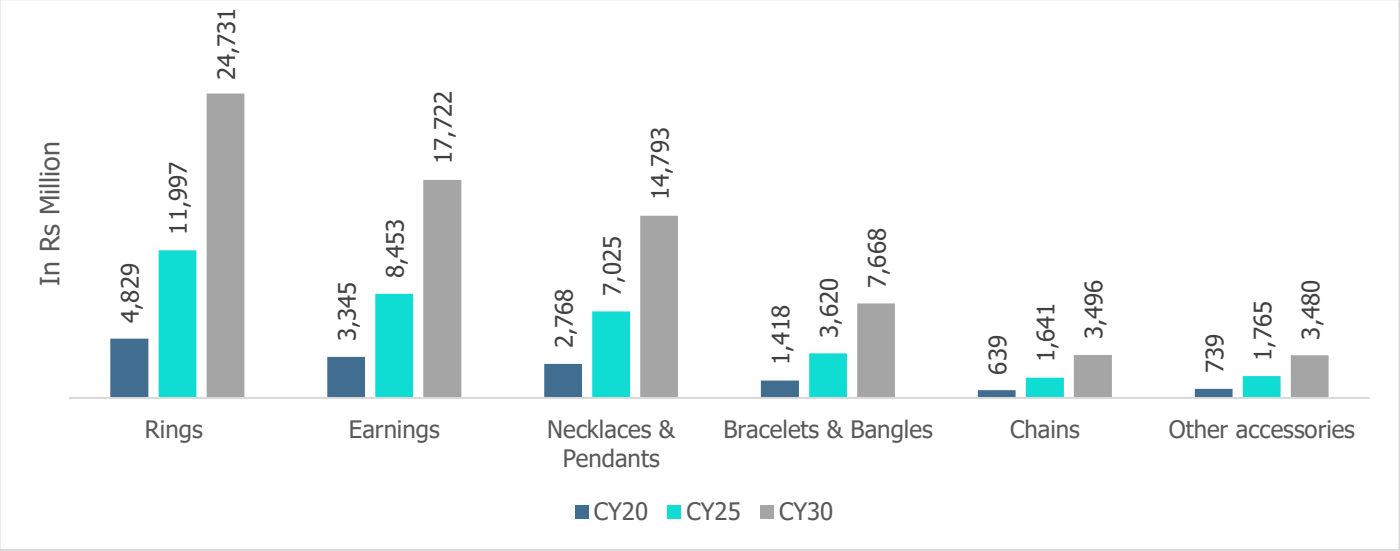
The Lab-Grown Diamond (LGD) jewellery market in India has witnessed significant growth in recent years, reflecting a shift in consumer preferences towards sustainable and affordable alternatives to natural diamonds. From Rs 13,738 million in CY20, the market expanded to Rs 34,501 million in CY25, driven by rising awareness, increasing accessibility, and growing interest among younger consumers. Lab-grown diamonds offer the same optical and physical properties as natural diamonds, but at a more competitive price point, which has further fuelled their adoption in the retail jewellery space. In addition, premium and studded jewellery segments have increasingly incorporated LGDs, enhancing their appeal to style-conscious consumers looking for ethically sourced options.

Looking ahead, the LGD jewellery market is projected to reach Rs 71,890 million by CY30, indicating a robust CAGR of 15.8% from CY25-CY30P and reflecting strong growth potential. This growth is expected to be supported by evolving consumer trends, technological advancements in LGD production, and increasing penetration across tier-2 and tier-3 cities. Moreover, the market is likely to benefit from a rising inclination towards customised designs and innovative collections, further solidifying LGDs as a mainstream choice in India's jewellery landscape. Overall, the sector presents significant opportunities for retailers, investors, and manufacturers alike.

6.3 Retail LGD Jewellery Market Segmentation of the LGD Jewellery Industry in India

6.3.1 By Product Type

Chart 19: Retail LGD Jewellery Market by Product Type (CY20-CY25-CY30P)

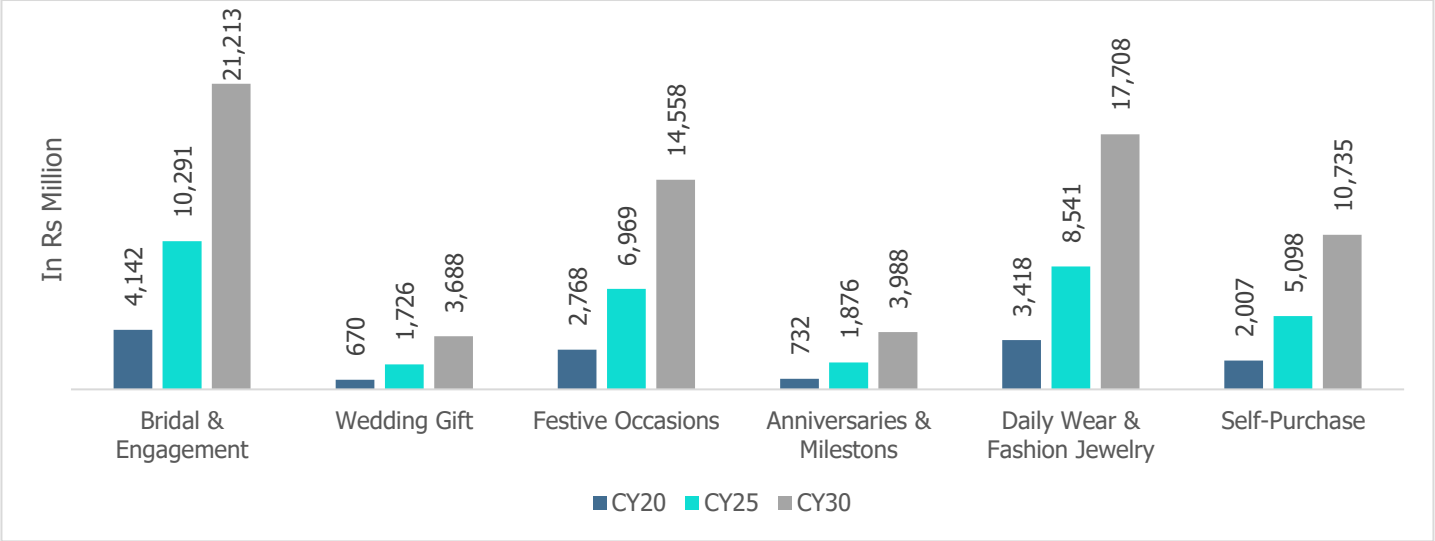


Source: Custom Market Insights, CareEdge Research

Rings are the dominant product type because they are the central purchase for engagement and bridal occasions, which are the primary drivers of the LGD market. Consumers allocate the highest budget for this symbolic and high-value item, making it the largest revenue segment.

6.3.2 By Occasion

Chart 20: Retail LGD Jewellery Market by Occasion (CY20-CY24-CY30P)

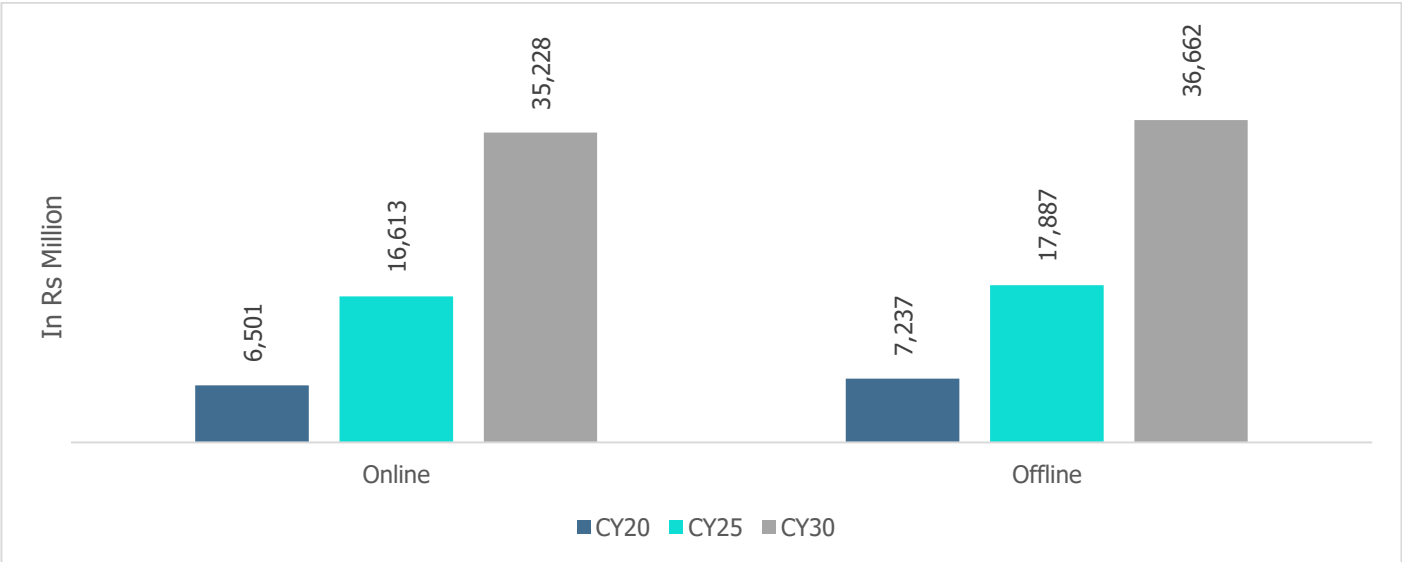


Source: Custom Market Insights, CareEdge Research

Bridal & Engagement is the dominant occasion because purchasing diamond jewelry for marriage is a deep-rooted cultural tradition in India. The LGD value proposition allowing for a larger, more impressive stone at a accessible price point is perfectly aligned with the aspirations and budget considerations of modern couples for this milestone event.

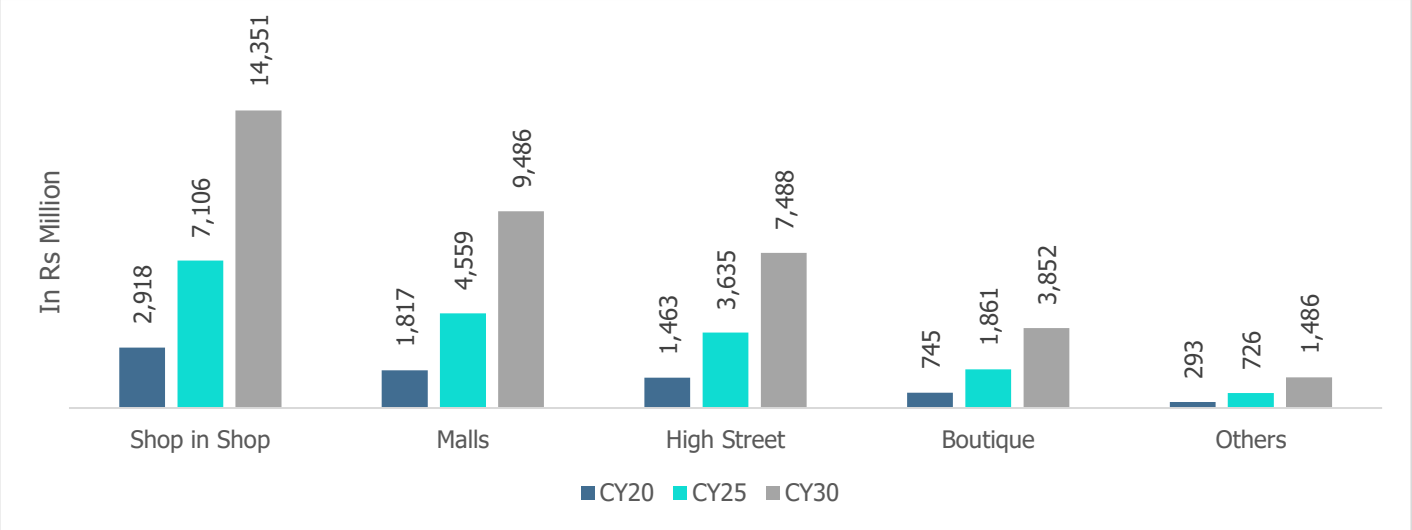
6.3.3 By Channel

Chart 21: Retail LGD Jewellery Market by Channel (CY20-CY24-CY30P)



Source: Custom Market Insights, CareEdge Research

Chart 22: Retail LGD Jewellery Market by Offline Channel (CY20-CY24-CY30P)



Source: Custom Market Insights, CareEdge Research

Despite high digital discovery, offline remains the dominant channel because final purchases, especially for high-value bridal jewelry, require physical verification, trust in certification, and in-person consultation. The tactile "see-and-touch" experience in a store is a non-negotiable step for the majority of consumers before committing to a significant jewelry purchase.

6.4 Retail Adoption & Omnichannel Expansion

6.4.1 Entry of national & regional chains

The entry of large, established national and regional jewellery chains into the Lab-Grown Diamond (LGD) segment has emerged as one of the most significant drivers of mainstream retail adoption in India. This shift goes beyond merely introducing a new product line—it acts as a strong legitimizing force that directly addresses key barriers such as consumer trust, fragmented supply, and limited awareness. For the purpose of this analysis, organized retail chains refer to jewellery players operating through more than 3–4 retail stores, typically characterized by standardized operations, branded offerings, transparent pricing, and formalized sourcing and certification practices.

Historically, the Indian diamond jewellery market has been dominated by an unorganized sector and family-run jewellers, where trust is built over generations. As a relatively new and technically complex category, LGDs initially faced skepticism regarding quality, resale value, and emotional symbolism. The participation of leading organized players has fundamentally transformed this perception.

National brands such as Tanishq (a division of Titan Company) and prominent regional chains like Malabar Gold & Diamonds and Kalyan Jewellers have accelerated category acceptance through the following mechanisms:

Credibility and Brand Trust

When an established and trusted brand such as Tanishq introduces LGD collections (including its dedicated LGD offerings), it transfers its long-standing reputation for purity, transparency, and quality assurance to the category. This endorsement signals to consumers that LGDs are a legitimate and premium jewellery option rather than a substitute or compromise.

Standardization and Consumer Education

Organized retailers bring structured pricing frameworks, standardized certification (e.g., IGI/GIA), and transparent product disclosures. They also invest in in-store training and integrated marketing campaigns to educate consumers about the scientific, ethical, and cost advantages of LGDs. This reduces information asymmetry and builds buyer confidence.

Wider Accessibility Across Geographies

With extensive showroom networks spanning Tier 1, Tier 2, and Tier 3 cities, these chains have significantly expanded the physical reach of LGD jewellery. Consumers in cities such as Coimbatore, Indore, and other emerging urban centers can now access certified LGD products through reputable retail environments, enhancing both accessibility and aspirational value.

Competitive Intensity and Category Expansion

The participation of large chains creates a structured and competitive ecosystem. It encourages pure-play LGD brands to innovate in design, pricing, and customer experience, while also prompting traditional jewellers to consider stocking LGDs to remain relevant. This collective momentum accelerates overall category awareness, retail penetration, and long-term market growth.

At the same time, a key structural feature of the jewellery retail ecosystem is the continued reliance of retailers on B2B suppliers and manufacturers. Retailers more often prefer sourcing from established B2B players as it helps reduce working capital blockage by avoiding large upfront inventory investments. In addition, B2B suppliers often extend purchase credit, improving liquidity and cash flow management for retailers. This model also eliminates the need for maintaining in-house design teams or holding extensive design inventory, as retailers can access a wide and frequently updated product catalogue. Further, outsourcing manufacturing reduces the requirement for managing karigars, production facilities, and associated operational overheads, while also minimizing inventory risk through demand-based procurement. This asset-light sourcing model is particularly relevant in the LGD segment, where design trends evolve rapidly and consumer preferences are more fashion-oriented.

However, the B2B supply chain is characterized by moderate to high entry barriers. The business is largely relationship-driven, with long-standing associations between retailers and trusted suppliers creating high switching costs. New entrants are required to establish credibility in terms of consistent quality, certification standards, and timely delivery. In addition, strong design and manufacturing capabilities, along with the ability to offer a wide and trend-aligned product portfolio, are critical differentiators. The need to maintain inventory and extend credit to retailers also results in high working capital requirements. Further, operational scale and integration across procurement, manufacturing, and distribution are essential to remain competitive in terms of pricing and service levels. These factors collectively restrict new entrants and favor established, integrated players in the B2B segment.

6.4.2 Omnichannel Expansion (Stores + Online + Social Commerce): The New Purchase Journey

The purchase journey of India's Lab-Grown Diamond (LGD) consumer is distinctly omnichannel, seamlessly integrating digital discovery with physical validation. This hybrid model is particularly well-suited for a high-value, high-involvement category where trust remains paramount, even as digitally native millennials and Gen Z drive demand.

In India, the prevailing retail model follows a "Research Online, Purchase Offline" (ROPO) or "See Online, Buy Offline" (SOBO) approach, supported by three interconnected layers.

Digital & Social Platforms as the Discovery Engine

The consumer journey typically begins on platforms such as Instagram, YouTube, and Pinterest, where aspirational content, influencer collaborations, and celebrity endorsements introduce LGD jewellery within lifestyle-driven narratives.

Brand websites and e-commerce platforms (both proprietary and marketplaces) then serve as detailed information hubs. Consumers explore:

- Technology explainers on lab-grown diamonds
- High-resolution images and 360-degree product views
- Certification details (IGI/GIA)
- Transparent pricing comparisons
- Design customization options

Social commerce tools—such as integrated "Shop Now" features and direct messaging—convert engagement into qualified leads. Digital channels therefore play a critical role in awareness generation, product education, and initial consideration.

Physical Stores as the Trust & Conversion Hub

Despite a digitally led start, final purchases—especially for high-value categories such as engagement rings—are predominantly completed offline. The physical store fulfills key functions that digital platforms cannot entirely replicate:

- Tactile verification of diamond brilliance and finish
- Face-to-face consultation with trained jewellery experts
- Customization, resizing, and personalization services
- Emotional assurance derived from a trusted retail environment

Recognizing this behavior, digitally native LGD brands such as Limelight have aggressively expanded their offline footprint across multiple cities, including Tier 2 and Tier 3 markets. Established jewellery retailers are also incorporating LGD counters within their showrooms to capture this demand.

Seamless Channel Integration as a Competitive Advantage

Success in the LGD segment depends on tight integration between online and offline touchpoints. Consumers increasingly expect:

- Real-time inventory visibility online
- Online appointment booking for in-store trials
- Access to browsing history for personalized in-store assistance
- Post-purchase engagement via WhatsApp, email, and digital support channels

This integration creates a unified brand experience, ensuring that the consumer feels supported, informed, and recognized throughout the journey.

Overall, the omnichannel model has become central to LGD retail strategy in India. Digital platforms drive awareness and informed consideration, while physical stores anchor trust and transaction—together accelerating category adoption and organized retail penetration.

6.5 Methods of Production of Lab-Grown Diamonds

Lab-grown diamonds (LGDs) are real diamonds created in controlled laboratory environments using advanced technological processes that replicate the natural conditions under which diamonds form deep within the Earth. The two

primary methods used for producing LGDs are High Pressure High Temperature (HPHT) and Chemical Vapour Deposition (CVD).

1. High Pressure High Temperature (HPHT)

- The HPHT method simulates the natural geological conditions — extremely high pressure and temperature — found deep inside the Earth's mantle where natural diamonds form.
- In this process, a small diamond "seed" is placed in a carbon source and exposed to pressures of around 5–6 GPa and temperatures above 1,400°C.
- The carbon atoms melt and begin to crystallize around the seed, forming a rough diamond.
- HPHT diamonds are often used for industrial purposes but can also produce gem-quality stones with high brilliance and purity.
- HPHT can also be used to enhance or modify the colour of both natural and lab-grown diamonds.

2. Chemical Vapour Deposition (CVD)

- The CVD method involves growing diamonds from a gas mixture in a vacuum chamber. It allows for better control over the growth environment, leading to high-quality gem-grade diamonds.
- A thin diamond seed (usually HPHT-produced) is placed in a sealed chamber filled with carbon-rich gases such as methane and hydrogen.
- The gases are ionized using microwave energy or plasma, breaking molecular bonds and allowing carbon atoms to deposit layer by layer on the seed crystal.
- The process occurs at lower pressure (20–30 Torr) and temperatures between 700–900°C.
- CVD diamonds are known for their excellent clarity, uniform growth, and ability to be produced in larger sizes compared to HPHT diamonds.

6.6 Comparison of Natural Diamond & Lab-Grown Diamond

Table 6: Natural Diamond Vs Lab-Grown Diamond

Parameter	Natural Diamond	Lab-Grown Diamond (LGD)
Origin	Formed naturally over billions of years under Earth's mantle	Created in laboratories under controlled conditions
Formation Process	High pressure and temperature deep underground	HPHT or CVD methods replicate natural conditions
Composition	Pure carbon (same atomic structure as LGD)	Pure carbon (identical atomic structure)
Physical & Optical Properties	Identical to LGD — same hardness, refractive index, and brilliance	Identical to natural diamond — indistinguishable to the naked eye
Time of Formation	Takes millions to billions of years	Takes a few weeks to a few months
Environmental Impact	Mining leads to land degradation, carbon emissions, and resource use	Eco-friendly and sustainable with lower carbon footprint
Cost	Expensive due to rarity and mining costs	30–50% cheaper due to efficient production
Certification	Certified by GIA, IGI, HRD, etc.	Certified by the same gemological labs with "Lab-Grown" label
Rarity	Naturally scarce and unique	Can be produced as per demand

Source: CareEdge Research

6.7 Overview of Diamond Grading System

Diamond Grading System is a globally recognized framework used to assess the quality, beauty, and value of a diamond. It provides an objective way to compare diamonds based on specific measurable attributes. The most widely accepted grading standard was developed by the Gemological Institute of America (GIA) and is based on the "4Cs" — Cut, Colour, Clarity, and Carat Weight.

1) Cut: The cut determines how well a diamond's facets interact with light. It directly affects the stone's brilliance, fire, and scintillation (sparkle). A well-cut diamond reflects light beautifully, appearing brighter and more vibrant. The GIA grades cut on a scale from Excellent, Very Good, Good, Fair, to Poor.
2) Colour: Diamonds are graded on their lack of colour — the less colour, the rarer and more valuable the stone. The GIA colour scale ranges from D (completely colourless) to Z (light yellow or brown). Even slight differences in colour can significantly impact a diamond's price and appearance.
3) Clarity: Clarity measures the presence of internal inclusions and external blemishes. Since no two diamonds are exactly alike, clarity helps identify and classify them. The scale ranges from Flawless (FL), Internally Flawless (IF), Very Very Slightly Included (VVS1–VVS2), Very Slightly Included (VS1–VS2), Slightly Included (SI1–SI2), to Included (I1–I3). Fewer and smaller inclusions mean higher clarity and value.
4) Carat Weight: This indicates the diamond's size and weight, where 1 carat = 0.2 grams. While larger diamonds are rarer and more valuable, two diamonds of the same carat weight can vary significantly in price depending on their cut, colour, and clarity.

In addition to the 4Cs, modern grading may also consider shape, fluorescence, and polish/symmetry, which influence a diamond's overall visual appeal.

Diamonds are graded and certified by reputed laboratories such as GIA (Gemological Institute of America), IGI (International Gemological Institute), HRD Antwerp, and AGS (American Gem Society). These certifications ensure authenticity, transparency, and standardization in the global diamond trade.

6.8 Cost Analysis

Table 7: Cost Analysis of LGD Vs Natural Diamond

Particular	Lab Grown Diamond	Natural Diamond
Shape	Round	Round
Cut	Excellent	Excellent
Color	E	E
Clarity	VS1	VS1
Carat Weight	1	1
Price	$880	$4,060

Source: CareEdge Research

Lab-grown diamonds (LGDs) are now available across almost all popular shapes and quality grades, mirroring natural diamonds in appearance and optical performance. However, their price per carat is typically 60–80% lower, depending on shape, demand, and certification. For instance, a 1-carat round LGD costs around USD 800–900, while its natural counterpart of equivalent specifications retails near USD 4,000–4,200. As carat size increases, the price gap widens—since LGDs can be grown in larger sizes more efficiently than natural diamonds can be mined.

This cost differential makes LGDs a strong choice for consumers seeking affordable luxury, ethical sourcing, and modern sustainability. In contrast, natural diamonds retain their premium due to geological rarity, emotional symbolism, and higher resale or investment value. However, as technological efficiency improves and consumer perception shifts, LGDs

are increasingly reshaping the jewellery market, particularly among millennial and Gen Z buyers, who value transparency, design flexibility, and cost efficiency over rarity alone.

6.9 SWOT Analysis

Strengths	Weaknesses
- Cost Advantage: LGDs are more affordable than natural diamonds, appealing to price-sensitive consumers.	- Perception Challenges: LGDs are sometimes seen as "less valuable" than natural diamonds.
- Sustainability: Eco-friendly production supports ethical and environmental considerations.	- Limited Retail Penetration: Many jewellery stores still have minimal LGD offerings.
- Technological Advancements: HPHT and CVD methods enable high-quality, customizable diamonds.	- Dependence on Imports: Raw materials and machinery are often imported, increasing costs.
- Consumer Awareness: Growing acceptance, especially among younger buyers.	- Limited Brand Recognition: Few established LGD brands in India.
- Flexibility & Customisation: Ability to create unique designs catering to evolving fashion trends.	- Consumer Education Required: Awareness about certification and authenticity needs improvement.
Opportunities	**Threats**
- Growing Market: Increasing adoption in Tier-2 and Tier-3 cities.	- Competition from Natural Diamonds: Strong brand loyalty may limit LGD adoption.
- Export Potential: Rising global demand positions India as a manufacturing hub.	- Regulatory & Trade Challenges: Tariffs and global trade uncertainties could impact profitability.
- Premium & Studded Jewellery: Attractive potential in high-value segments.	- Price Volatility: Fluctuations in raw material and energy costs affect margins.
- Customisation & Innovation: Opportunity to offer unique, personalised designs.	- Slow Adoption in Smaller Towns: Awareness and retail presence remain limited.
- Marketing & Brand Building: Educate consumers on sustainability and ethical advantages.	- Technological Risks: Rapidly evolving production may require continual investment.

Source: CareEdge Research

7 Regulatory Process and Framework for the LGD Market in India

Regulatory Oversight:

The Lab-Grown Diamond (LGD) industry in India is primarily governed by the Ministry of Commerce and Industry and supported by the Gem & Jewellery Export Promotion Council (GJEPC). These bodies play a key role in promoting the growth of the LGD segment, facilitating trade, and ensuring regulatory compliance across production and export activities.

Standardisation and Certification:

The Bureau of Indian Standards (BIS) has developed hallmarking and certification norms to differentiate LGDs from natural diamonds. This ensures product authenticity and consumer confidence. The guidelines define lab-grown diamonds as real diamonds created through controlled technological processes, thereby eliminating ambiguity in classification.

Grading and Quality Assessment:

Grading of LGDs is carried out by recognised international laboratories such as the International Gemological Institute (IGI), Gemological Institute of America (GIA), and Hoge Raad voor Diamant (HRD). These institutions evaluate LGDs based on the universally accepted 4Cs — cut, colour, clarity, and carat weight — ensuring uniformity and global acceptance of grading standards.

Policy Support and Incentives:

To strengthen domestic manufacturing capabilities, the Government of India has extended several benefits under the Production Linked Incentive (PLI) scheme, encouraging investment in LGD production infrastructure. This initiative aims to reduce dependence on imported machinery and raw materials, thereby supporting the "Make in India" agenda.

Export and Import Regulation:

The Directorate General of Foreign Trade (DGFT) and the GJEPC oversee the export-import processes for LGDs to maintain transparency, traceability, and compliance with global trade standards. These frameworks help position India as a trusted global supplier of lab-grown diamonds.

Consumer Protection and Awareness:

The government and industry associations are actively promoting consumer education regarding the authenticity, grading, and valuation of LGDs. This includes promoting awareness about certifications and the technological differences between natural and lab-grown diamonds.

Sustainability and Ethical Compliance:

The regulatory framework places strong emphasis on ethical sourcing, sustainable production, and responsible business practices. These efforts align India's LGD sector with international ESG (Environmental, Social, and Governance) standards, appealing to environmentally conscious consumers and investors.

Evolving Framework:

As the LGD sector expands, India's regulatory system continues to evolve, with ongoing discussions on taxation policies, trade facilitation measures, and certification standards. The focus remains on balancing industry growth with consumer protection, global competitiveness, and environmental responsibility

8 Key Demand Drivers and Opportunities for LGD Jewellery Market in India

Affordability and Wider Consumer Access:

Lab-grown diamond (LGD) jewellery is typically 60-80% more affordable than its natural counterpart, allowing a larger segment of consumers to purchase diamond jewellery. This affordability is driving strong demand from younger and first-time buyers, especially in urban and semi-urban markets.

Evolving Consumer Preferences:

Modern Indian consumers are increasingly valuing innovation, transparency, and ethical sourcing over traditional notions of rarity. LGD jewellery resonates with this mindset, as it combines luxury appeal with responsible consumption.

Growing Popularity of Everyday and Studded Jewellery:

LGD's cost advantage allows jewellers to design daily wear and studded collections that are both aspirational and accessible. The segment is witnessing rising adoption in fashion, bridal, and gifting categories.

Sustainability as a Key Selling Proposition:

The younger demographic, particularly millennials and Gen Z, are actively seeking eco-friendly luxury alternatives. LGD jewellery's minimal environmental footprint and conflict-free sourcing provide a compelling value proposition for this audience.

Technological Advancements in Design and Production:

Improved CVD and HPHT techniques enable consistent quality and variety in LGD stones, allowing designers to experiment with innovative cuts, colours, and jewellery styles, thus enhancing product differentiation.

Export Growth and Global Recognition:

India's growing capability in LGD jewellery manufacturing has positioned it as a reliable exporter to major global markets such as the US, UAE, and Europe. The demand for affordable luxury jewellery overseas is creating new export opportunities for Indian manufacturers.

Government Support and Industry Incentives:

The Government of India's initiatives — including the Production Linked Incentive (PLI) scheme and policy encouragement for domestic manufacturing — are attracting investment in LGD jewellery production, technology, and R&D.

Expansion Across Tier-2 and Tier-3 Markets:

Rising disposable incomes and changing consumer aspirations in smaller cities are broadening the demand base. The availability of LGD jewellery through omnichannel models is helping brands reach new customer segments.

Future Potential in Bridal and High-End Segments:

As acceptance grows, LGDs are making inroads into bridal and luxury jewellery categories, offering consumers larger stones and elaborate designs at accessible prices — a trend likely to accelerate with continued awareness and branding efforts.

9 Threats and Challenges for the Gems and Jewellery Industry

Perception and Value Retention Issues:

Despite increasing awareness, a significant section of consumers continues to view lab-grown diamonds as less valuable or artificial substitutes for natural diamonds. The lack of resale value and perception of lower prestige remain major psychological barriers, particularly among traditional buyers.

Competition from Natural Diamond Segment:

The strong brand legacy and emotional appeal of natural diamonds continue to dominate the luxury jewellery market. Established diamond brands invest heavily in marketing campaigns reinforcing natural diamonds' uniqueness, posing a challenge for LGDs to achieve similar desirability.

Limited Consumer Awareness and Education:

Many consumers are still unaware of the differences between natural and lab-grown diamonds or the process used to create LGDs. Misconceptions regarding authenticity, certification, and long-term value hinder market growth, particularly in Tier-2 and Tier-3 cities.

Retail Penetration and Distribution Challenges:

While online presence is growing, LGD jewellery's availability in traditional brick-and-mortar stores remains limited. Retailers are cautious in allocating display space to LGDs due to uncertain consumer demand and inventory turnover concerns.

Price Volatility and Cost Pressures:

The declining prices of LGDs globally, driven by rapid technological advancements and increased supply, may compress margins for manufacturers and retailers. Continuous innovation and product differentiation are needed to sustain profitability.

Dependence on Imported Raw Materials and Technology:

India's LGD manufacturing ecosystem still relies on imported reactors, gases, and technological components, leading to higher input costs and vulnerability to currency fluctuations or trade restrictions.

Intense Global Competition:

Countries such as China, the US, and Singapore are expanding their LGD manufacturing capabilities, creating a competitive landscape that could challenge India's position as a cost-effective production hub.

Sustainability Verification and Greenwashing Risks:

As sustainability becomes a major selling point, companies face the challenge of proving genuine environmental benefits. Inaccurate claims or lack of transparency around carbon neutrality could damage brand credibility.

10 Peer Comparision

10.1 Overview

Company Name	Overview
Nitya Gems and Jewellery Limited	Nitya Gems & Jewellery Limited is engaged in the design, manufacturing and sale of lab-grown diamond studded gold jewellery in India, operating through an integrated B2B and D2C business model. The company supplies to jewellery retailers while also undertaking omnichannel retail operations through its subsidiary, Ayaani Diamonds and Jewellery Private Limited. Its operations span the entire value chain, including procurement, design, manufacturing, quality control and distribution. The company offers a wide range of jewellery products, with a strategic focus on lightweight, affordable and fashion-driven designs, particularly in the daily wear segment.
Renaissance global Ltd.	Renaissance Global Ltd. is a leading global jewellery manufacturer and exporter, specializing in branded and licensed diamond jewellery. The company partners with international brands and retailers, particularly in the US market. It has also strengthened its presence in the lab-grown diamond segment
Golkunda diamonds & jewellery Ltd.	Golkunda Diamonds & Jewellery Ltd. is involved in the manufacturing and export of diamond jewellery, catering mainly to overseas markets. The company focuses on studded gold jewellery and supplies to retail chains and distributors
Goldiam International Ltd	Goldiam International Ltd. is a well-established exporter of diamond-studded gold jewellery with a strong presence in the US market. The company has a growing focus on lab-grown diamond jewellery alongside natural diamonds

10.2 Financial Parameters

1. Revenue (In Million)

Revenue	FY23	FY24	FY25	H1FY26
Nitya Gems and Jewellery Limited	117	537	968	885
Renaissance global Ltd.	22,366	21,071	20,810	10,767
Golkunda diamonds & jewellery Ltd.	2,334	2,305	2,524	1,504
Goldiam International Ltd	5,332	6,029	7,810	4,225

Source: Company Reports, CareEdge Research

2. EBITDA (In Million)

Revenue	FY23	FY24	FY25	H1FY26
Nitya Gems and Jewellery Limited	5	55	129	112
Renaissance global Ltd.	1,620	1,577	1,593	1,099
Golkunda diamonds & jewellery Ltd.	153	162	197	101
Goldiam International Ltd	1,038	1,143	1,595	795

Source: Company Reports, CareEdge Research

3. EBITDA Margin (In %)

Revenue	FY23	FY24	FY25	H1FY26
Nitya Gems and Jewellery Limited	4.2%	10.2%	13.3%	12.70%
Renaissance global Ltd.	7.2%	7.5%	7.7%	10.20%
Golkunda diamonds & jewellery Ltd.	6.6%	7.0%	7.8%	6.73%
Goldiam International Ltd	19.5%	19.0%	20.4%	18.81%

Source: Company Reports, CareEdge Research

4. PAT (In Million)

Revenue	FY23	FY24	FY25	H1FY26
Nitya Gems and Jewellery Limited	2	40	98	85
Renaissance global Ltd.	878	736	737	268
Golkunda diamonds & jewellery Ltd.	94	96	118	63
Goldiam International Ltd	852	909	1,171	650

Source: Company Reports, CareEdge Research

5. PAT Margin (In %)

Revenue	FY23	FY24	FY25	H1FY26
Nitya Gems and Jewellery Limited	2.1%	7.5%	10.1%	9.64%
Renaissance global Ltd.	3.9%	3.5%	3.5%	2.49%
Golkunda diamonds & jewellery Ltd.	4.0%	4.2%	4.7%	4.20%
Goldiam International Ltd	16.0%	15.1%	15.0%	15.38%

Source: Company Reports, CareEdge Research

11 Company Profile

11.1 Overview

Nitya Gems & Jewellery Limited is engaged in the design, manufacturing and sale of lab-grown diamond studded gold jewellery in India, operating through an integrated business model comprising (i) business-to-business ("B2B") manufacturing and distribution to jewellery retailers, supporting their inventory and design requirements; and (ii) business-to-consumer ("D2C") omnichannel retail operations through its subsidiary, Ayaani Diamonds and Jewellery Private Limited ("Ayaani"). The company's operations span multiple stages of the jewellery value chain, including procurement and management of raw materials, product design, manufacturing, quality control, distribution, branded retail and direct-to-consumer sales.

The company offers a diverse range of lab-grown diamond studded gold jewellery across categories such as rings, earrings, pendants, bracelets, mangalsutras, nose pins, necklaces and bangles, catering to bridal, daily wear, occasion-based, men's and customized segments. While its product portfolio spans various price points and categories, the company has a strategic focus on the lightweight, affordable diamond-studded jewellery segment, particularly within the daily wear category, including fashionable and fast-moving designs. It also undertakes the manufacture of lab-grown diamond jewellery based on specific customer requirements.

11.2 Financial Parameters (In Rs Million)

Particulars	FY23	FY24	FY25	H1FY26
Revenue	117	537	968	885
EBIDTA	5	55	129	112
EBIDTA Margins %	4.2%	10.2%	13.3%	12.70%
PAT	2	40	98	85
PAT Margins	2.1%	7.5%	10.1%	9.64%

Source: Company Reports, CareEdge Research

Nitya Gems & Jewellery Limited's revenue increased from Rs 117 million in FY23 to Rs 537 million in FY24, registering a strong Y-o-Y growth of 358.9%, and further to Rs 968 million in FY25 (Y-o-Y growth of 80.3%). Overall, the company reported a robust CAGR of ~187.6% over FY23–FY25. Furthermore, in H1FY26, revenue reached Rs 885 million.

PAT increased from Rs 2 million in FY23 to Rs 40 million in FY24, reflecting a Y-o-Y growth of 1900.0%, and further to Rs 98 million in FY25 (Y-o-Y growth of 145.0%). This resulted in a CAGR of ~600.0% over FY23–FY25, with PAT margins improving from 2.1% in FY23 to 7.5% in FY24 and 10.1% in FY25. Moreover, the company reported a PAT of Rs 85 million in H1FY26.

12 Abbreviations, KPI Definitions and Bibliography

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

Table 8: Abbreviations Table

Category	Abbreviation	Meaning
Government & Regulatory Bodies	BIS	Bureau of Indian Standards
	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 9: KPI Definitions

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

Table 10: Bibliography

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

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