TRANSFORMING INDIA'S GEMS & JEWELLERY INDUSTRY

A STRUCTURAL ANALYSIS OF CONSUMER BEHAVIOUR, STARTUP DISRUPTION, AND INVESTMENT FLOWS IN INDIA'S JEWELLERY SECTOR

Hyderabad Angels
Value Beyond Capital

INTRODUCTION

From the treasure vaults of ancient empires to modern luxury boutiques, gems and jewellery have maintained a timeless place in human aspiration. Over centuries, the industry has evolved from a symbol of royal power and cultural prestige into a global market built around precious stones, fine metals, and luxury craftsmanship.

Unlike most industries, jewellery carries a dual identity — it is both a luxury product and a financial asset, a fashion statement and a store of value. This unique combination gives the sector a resilience few industries can match. Today, as traditional craftsmanship merges with modern technology and changing consumer preferences, the industry continues to reinvent itself while preserving its legacy.

The industry is now entering a structural transformation phase driven by technology, changing consumer behaviour, and organised retail expansion.

SCOPE

The gems and jewellery industry spans a broad value chain, covering mining and sourcing, cutting and polishing, manufacturing, branding, and retail. Its product portfolio includes natural and lab-grown diamonds, coloured gemstones, and jewellery across gold, silver, and platinum.

The sector caters to a highly diverse customer base — from everyday consumers and bridal buyers to collectors and investors — across different income groups, cultures, and geographies. Beyond commerce, the industry intersects with luxury, fashion, technology, and finance, making it one of the most dynamic and globally relevant sectors.

THE STRUCTURAL TRANSFORMATION OF INDIA'S JEWELLERY INDUSTRY

A market-wide regime shift — from gold savings vehicle to branded consumer lifestyle category

TRADITIONAL INDUSTRY → EMERGING INDUSTRY

Gold as a savings instrument

Gold functioned primarily as a household savings instrument.

Lifestyle & self-expression

Jewellery is evolving from an asset into a lifestyle statement.

Unorganised, fragmented retail

Fragmented family jewellers dominated nearly four-fifths of the market.

Branded, BIS-hallmarked organised retail

Branded retailers now account for ~38–40% of India's jewellery market.

Natural diamonds: aspirational luxury

Purchases remained occasion-led and investment-oriented

Lab-grown diamonds: accessible & ethical

LGD exports up 8x since FY21

WHO BENEFITS MOST?

Digitally native D2C brands benefit disproportionately — they align with high-frequency, identity-led consumption. Unlike incumbents (Tanishq, Kalyan), D2C startups can launch a Rs.799 silver ring without brand dilution, execute fast product drops in weeks, and build repeat-purchase habit with lifestyle buyers purchasing 6x a year — compounding CLV incumbents cannot match.

WHY IS THIS TRANSITION HAPPENING?

1.Rise of alternative savings products

SIPs, mutual funds, insurance & digital savings products matured — jewellery lost relevance as a primary wealthpreservation vehicle. Consumers shifted from asset buyers to aesthetic buyers.

2.Social-media-driven consumption

Purchase journeys now begin on Instagram. Intent forms when a creator wears a tagged piece — the brand explored before any store is considered. Unorganised jewellers have no digital presence.

3.Hallmarking + organised retail trust

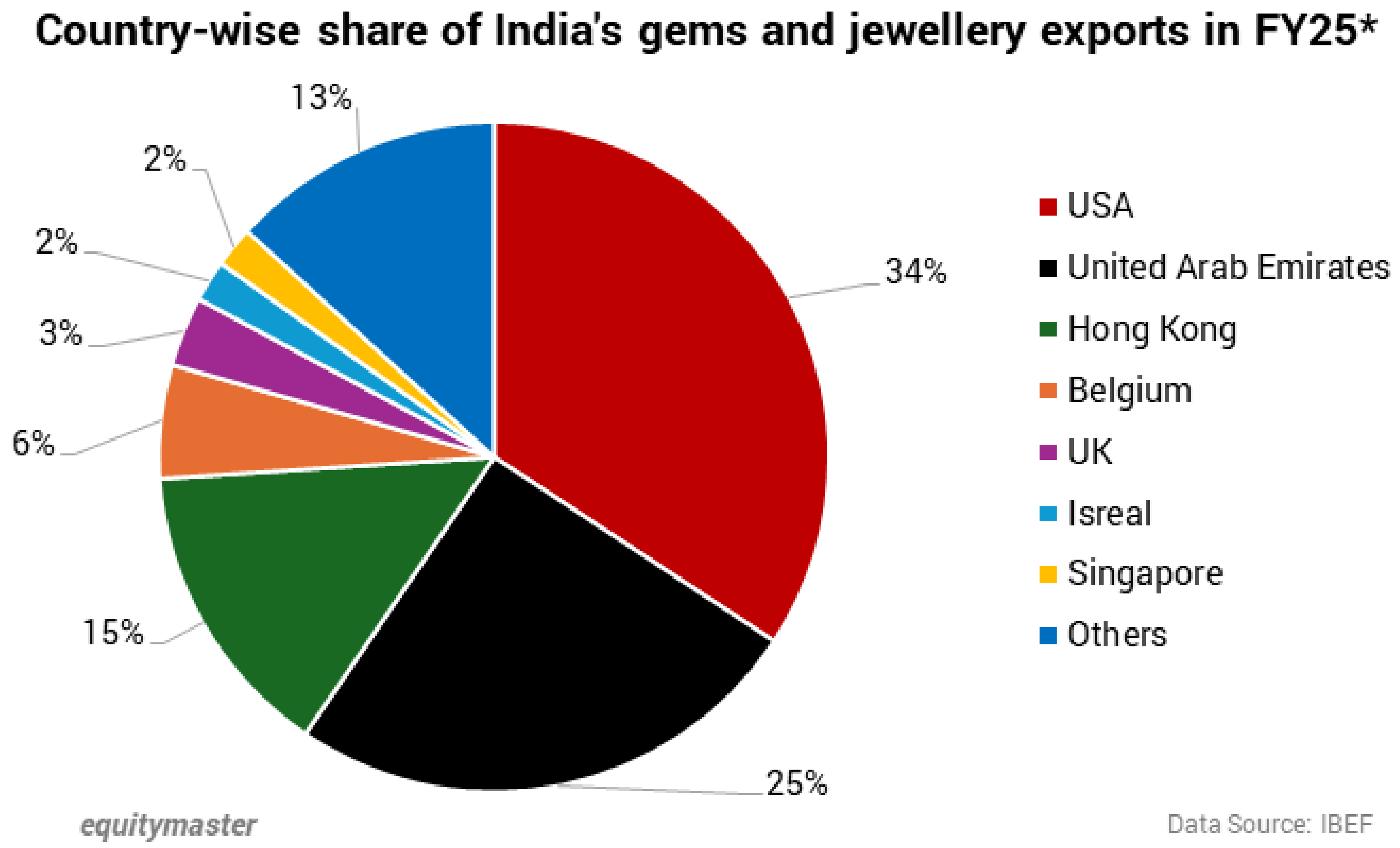
Mandatory BIS hallmarking (incl. 9-carat gold from July 2025) and GST compliance are shifting buyer trust toward certified, branded retailers — and away from the unorganised sector.

Sources: GJEPC | IBEF | IMARC | Technavio

INDUSTRY OVERVIEW

One of India's most culturally rooted and globally significant industries, spanning the full value chain from rough stone processing to retail — driven by deep domestic demand and strong export orientation.

7%	5M+	$28.5B	$19.6B	90%
Contribution to India's GDP	People Employed	India Exports in FY25	India Imports in FY25	Worlds's Diamonds Processed in India



Source:Equitymaster

Why India matters?

- India processes nearly 90% of the world's diamonds by volume.
- India is one of the largest jewellery manufacturing hubs globally.
- The industry benefits from a highly skilled artisan workforce.
- Gems and jewellery remain among India's leading export sectors.

Key Hubs in India

Surat
Diamond Processing

Jaipur
Colored Gemstones

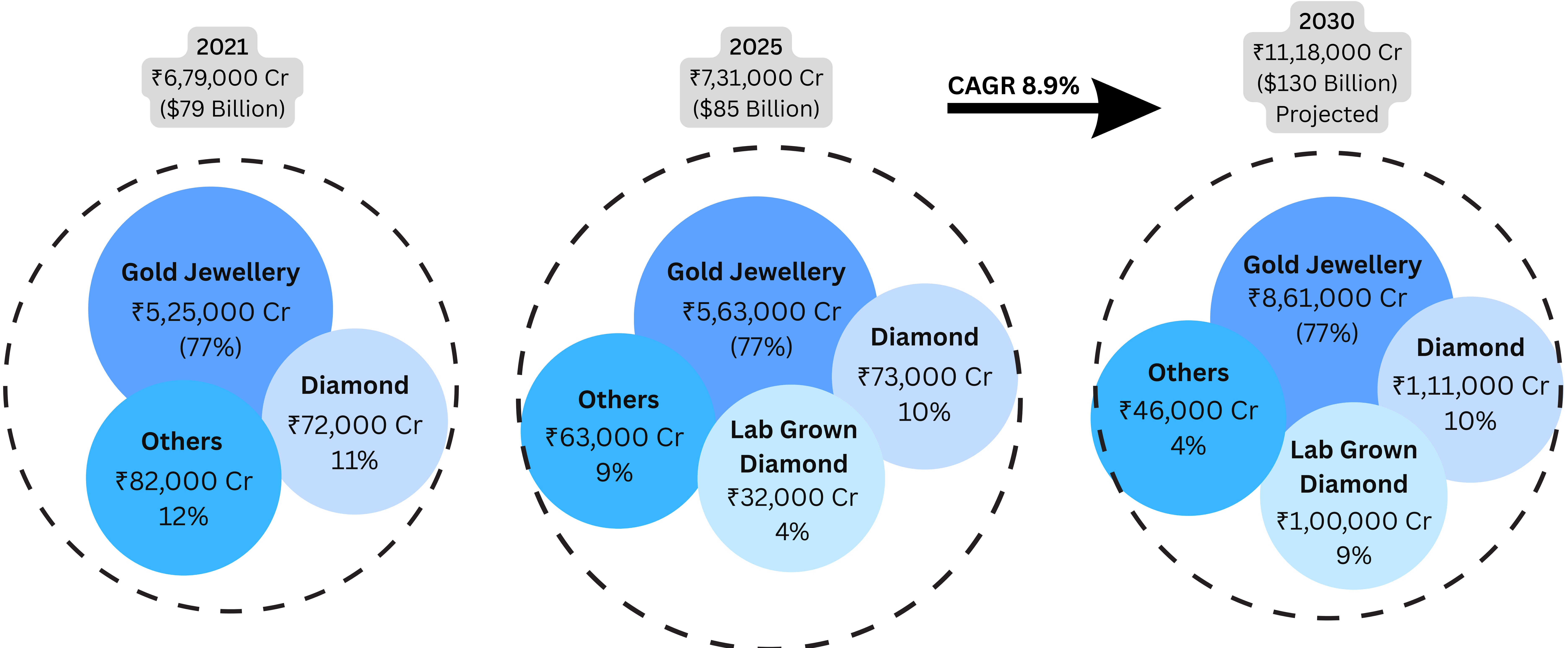
Mumbai
Trading and Exports

Hyderabad
Pearls

Source: IBEF, GJEPC, Industry Reports

MARKET SIZE AND POTENTIAL

As per the IBEF reports, India's Gems and Jewellery market is projected to grow at a CAGR of 8.9% to reach $130 Billion by 2030 .This robust growth is driven by rising disposable incomes of the middle class, the growing adoption of digital retail platforms and, increasing demand for branded and certified jewellery. This is the corner stone of the India economy, contributing 7% to the national GDP.



MARKET SEGMENTS

PRODUCT TYPE

- Gold jewellery is the largest product segment, with India being the second largest gold jewellery consumer in the world.
- Cut and polished diamonds lead on the export side, accounting for 46.60% of total gems and jewellery exports in FY25, followed by gold jewellery at 39.30% and lab-grown diamonds at 4.40%.
- Silver jewellery, coloured gemstones, and platinum make up the remaining export share, with each segment benefiting from recent customs duty reductions announced in Union Budgets 2024 and 2025-26.

Source:IBEF

CONSUMER END-USE

- Bridal and wedding demand remains the primary driver of jewellery consumption in India, supported by strong festive demand during occasions such as Dhanteras, Akshaya Tritiya, and Diwali.
- Gold jewellery continues to serve both as an adornment and a store of value, driving consistent demand across income groups.
- Additionally, the rising popularity of lightweight and contemporary designs is accelerating growth in the fashion and daily-wear jewellery segment.

DISTRIBUTION CHANNEL

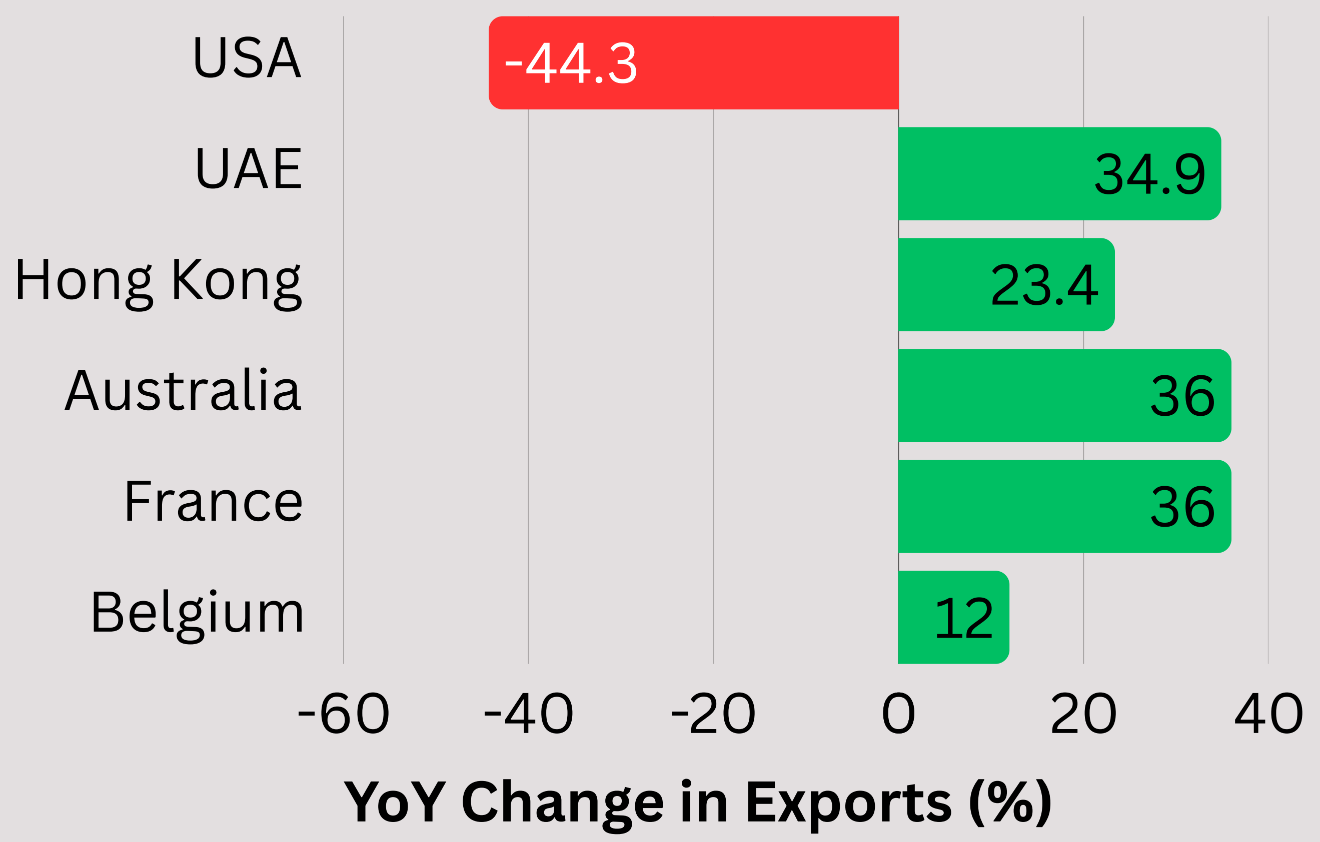
- Offline retail continues to dominate the Indian jewellery market due to strong consumer preference for physical evaluation of high-value purchases.
- However, organised retail is steadily expanding through branded and hallmarked formats, while online and direct-to-consumer channels are gaining traction with virtual try-on technology and digital-first brands. India's gems and jewellery exports reached USD 28.5 billion in FY25, with the US, UK, UAE, and Middle East remaining key export markets.

CONSUMER AND MARKET TRENDS

Sources: GJEPC| IBEF| IMARC| Technavio

MARKET TRENDS

Export market shift — key destinations (Apr–Nov FY26)



India's exports to the US weakened as higher import duties and soft consumer spending reduced India's price competitiveness compared to countries like Vietnam and Bangladesh. In response, Indian exporters increased focus on markets such as United Arab Emirates and Australia through trade partnerships, while exports also grew in France, Hong Kong, and Belgium due to rising demand and changing global trade patterns.

KEY CONSUMER TRENDS

Lab-grown diamond surge

Demand for sustainable and affordable jewellery is increasing in India. Limelight Diamonds raised ₹250 crore and aims to reach 200 stores by 2027, while Surat is becoming a major lab-grown diamond hub.

E-commerce & digital-first

Virtual try-ons, AI recommendations, and D2C brands are changing jewellery shopping. Sabyasachi launched on Tata CLiQ Luxury, while Angara entered India with a digital-first approach in 2024.

Millennial & Gen Z demand

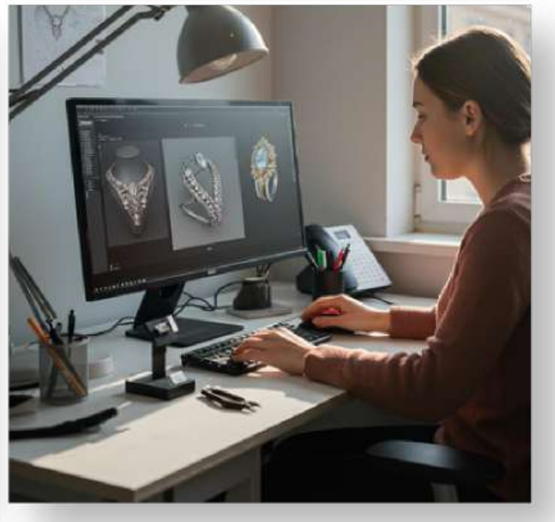
Lightweight and everyday-wear jewellery is gaining popularity as gold prices rise. PNG Jewellers launched the "Litestyle" sub-brand to attract budget-conscious buyers.

Certification & hallmarking

Mandatory hallmarking for 9-carat gold was introduced in July 2025, increasing demand for certified jewellery. This is accelerating the shift from unorganised sellers to organised jewellery retailers.

RISE OF JEWELLERY STARTUPS IN INDIA

India's gem and jewellery market, valued at $85 billion, is projected to reach $130 billion by 2030 (GJEPC). What was once a sector dominated by local, unorganised jewellers is now being transformed by a new wave of digital-first startups. The unorganised market has already shrunk from 80% to 65%, making room for branded, technology-driven players to grow.



The shift is largely consumer-driven. Gen Z and millennials are treating jewellery as everyday fashion rather than a long-term investment, fuelling demand for lightweight, customisable, and affordable designs. E-commerce and social media have become primary sales channels, with online jewellery sales expected to hit $10 billion by 2030 at nearly 20% annual growth.

Jewellery startups are differentiating themselves through technology-driven experiences such as AI-based personalisation, virtual try-ons, and customised 3D designs. Lab-grown diamonds (LGDs) have also emerged as a fast-growing segment due to their affordability and sustainability advantages over mined diamonds. Strong policy support and rising consumer adoption during 2025–26 have further accelerated growth in the LGD market.

Source: GJEPC (Gem & Jewellery Export Promotion Council)

ECOSYSTEM MILESTONE: JEWELSTART INCUBATOR (JAN 2026)

India’s jewellery industry is rapidly evolving from a traditional, gold-focused market into a modern, technology-driven ecosystem powered by startups, lab-grown diamonds, and direct-to-consumer brands. To support this shift, GJEPC launched **JewelStart** at IIJS Bharat Signature 2026 in Mumbai — India’s first dedicated incubation and acceleration platform for gems, jewellery, and allied startups.

The programme runs two cohorts annually, supporting 10–12 startups per batch, with a target of incubating 200+ startups over five years. It focuses on high-growth segments such as lab-grown diamonds, AI, sustainability, logistics, and fashion jewellery. Through grants, mentorship, and market access, JewelStart connects startups with investors, industry leaders, export guidance, and GJEPC trade platforms like IIJS.

GJEPC has also partnered with institutions and investors including IIT Bombay’s SINE, NID Ahmedabad, ICICI Bank, IndusInd Bank, and Inflection Point Ventures to strengthen startup funding, incubation, and industry collaboration. While the first cohort is still being rolled out, startups in areas such as lab-grown diamonds, jewellery-tech, AI, and sustainable manufacturing are expected to be among the key beneficiaries.

Source:https://gjepc.org/solitaire/jewelstart-indias-1st-gj-start-up-incubator-to-help-gjepc-build-for-the-future/

STARTUP CATEGORIES

Sources: Indian Retailer|Entrackr/Fintrackr|VCCircle|Business Standard|
The Economic Times|Inc42|GJEPC|Bain & Company|Statista

D2C JEWELLERY

India's jewellery industry is witnessing rapid growth in digital-first and D2C brands, driven by changing consumer preferences and rising online adoption. Startups such as GIVA and Palmonas are leading this trend. GIVA reported FY25 revenue of ₹518 crore with 89% annual growth, while Palmonas raised $40 million in Series B funding in 2026, highlighting strong investor interest in modern jewellery startups.

LAB-GROWN DIAMONDS (LGD)

India's lab-grown diamond (LGD) sector is growing rapidly, driven by demand for affordable and sustainable diamond alternatives. Startups such as Aukera, Lucira, and Jewelbox are leading this space. Aukera raised $15 million in 2025 and expanded to 13 stores, while Lucira and Jewelbox secured early-stage funding, reflecting strong investor interest in the segment.

JEWELLERY TECH

Technology-first startups are transforming how jewellery is designed, discovered, and sold in India through SaaS platforms, AI, and AR-based solutions. Companies such as GoldSetu and Eternz are leading this shift. GoldSetu provides end-to-end B2B solutions with a large jewellery inventory network, while Eternz uses AI for personalisation and recommendations, reporting strong growth and investor backing in recent funding rounds.

DIGITAL GOLD

Digital gold startups are making gold investment more accessible in India through app-based platforms that allow purchases starting from as low as ₹1. Companies such as Jar, Augmont, and Gullak are driving this trend. Jar's jewellery brand Nek, launched in 2024, has crossed a ₹100 crore annual revenue run rate, while digital gold sales have grown significantly, highlighting strong adoption of digital savings and investment models.

LEADING STARTUP PLAYERS

Layer 1 — Segment players (compete for the customer's wallet)

Palmonas
Demi-fine (silver & gold-fill). ₹500–₹5K D2C brand; bridges fashion & fine segments

GIVA
Silver to fine bridge. ₹1K–₹20KOmnichannel; 200+ stores, celebrity-led brand

BlueStone
First listed D2C fine jewelry brand 275+ stores; tech-first model capturing young buyers

Ivana / Aukera / Limelight
LGD fine jewellery, ₹10K–₹2L
Lab-grown credibility meets luxury aesthetics

Fiona / Firefly / Solitario
Pure-play LGD specialists
Solitaire & bridal focus; price disruption

Layer 2 — Infrastructure & distribution (enable segment players)

Eternz
D2C marketplace & discover
Aggregates 50+ brands; buyer trust

GoldSetu
B2B supply-chain fintech
Gold leasing & inventory credit

Diamonds on Call
Wholesale LGD platform
Virtual inventory; B2B stone sourcing

Layer 3 — Incumbents being disrupted

Tanishq
Market Leader with +45,000 Cr Sales
Most trusted brand in India

Kalyan
Pan-India retail giant
Traditional; losing young buyers

PC Jeweller
Diamonds and Gold Retail
Debt-heavy, credibility is hit

IMPACT OF GEOPOLITICAL DEVELOPMENTS ON INDIAN GEMS & JEWELLERY STARTUPS

Sources: GJEPC| IBEF|Al Jazeera|Business Standard

US Tariffs

60% drop in diamond exports

Cut & polished diamond exports to the US fell from \$3.64B to \$1.45B in under a year as tariffs hit 25–50%.

On startups: SMEs lacked the capital to absorb steep costs — order cancellations, frozen cash flows, stalled growth. Kama Jewelry reported long-standing US buyers cancelling orders.

Middle East conflict

\$2B of exports at risk

Dubai handles \$8.3B of India's jewellery exports and is the primary raw material import corridor — flight cancellations brought trade to a halt.

On startups: Rough diamond and gemstone supplies blocked. Higher freight and insurance costs hit thin startup margins hardest, with no alternate sourcing in place.

Modi's gold advisory

Immediate domestic demand shock

On May 11, 2026, PM Modi urged Indians to stop buying gold to protect forex reserves (\$71.98B gold import bill). Titan fell 5%, Kalyan Jewellers fell 8% in a single session.

On startups: Metro showrooms saw an immediate dip in walk-ins. Gold-dependent D2C brands face demand suppression and a possible formal duty hike on gold imports.

INVESTMENT LANDSCAPE

Market Opportunity

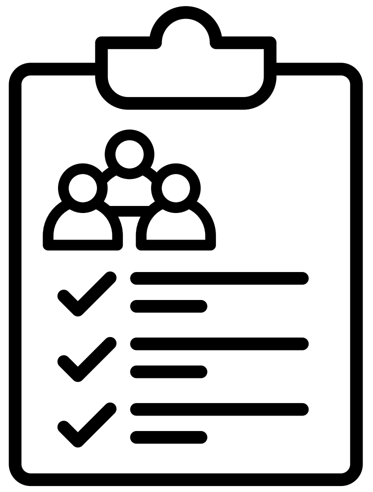
India's gems and jewellery industry is entering a strong growth phase, with the market valued at nearly US$85 billion in 2025 and projected to reach around US$130 billion by 2030. The sector contributes close to 7% to India's GDP and supports almost 5 million jobs, highlighting its importance as one of the country's largest and most influential consumer industries.

Capital Flows & Investment Climate

Investor confidence in India's gems and jewellery sector continues to strengthen, supported by cumulative FDI inflows of over US$1.47 billion under the 100% automatic investment route. Domestic investment activity has also accelerated, with gold ETF assets surpassing US$11.8 billion and the RBI purchasing 57.5 tonnes of gold in FY25 — one of its highest annual acquisitions in recent years. In addition, major industry players such as Malabar Gold & Diamonds are expanding aggressively, including a ₹1,000 crore manufacturing investment in Hyderabad, reflecting growing long-term confidence in the sector.

Policy Tailwinds & Structural Enablers

Government policy support is strengthening growth across India's gems and jewellery sector. Budget 2025–26 reduced customs duty on jewellery from 25% to 20%, lowered diamond duty to 5%, and eliminated duties on coloured gemstones, improving cost efficiency and margins across the value chain. Additional support through AEO status enables faster cargo clearance and lower bank guarantee requirements, while trade agreements with the UAE, Australia, and the UK are expanding access to key global jewellery markets.



RECENT FUNDING HIGHLIGHTS

VENTURE CAPITAL & PRIVATE EQUITY FUNDING

Name	What They Do	Round	Round Amount	Key Investors	Pre-Money Valuaion	Post-Money Valuation	Revenue Multiple
Dholakia Lab Grown Diamond	Manufacturer of lab grown diamonds and finished diamond jewelry pieces	Series C (April 2026)	$84.6Million (April 2026)	ICICI Venture, Abakkus Asset Manager,Amal Parikh	Not Disclosed	Not Disclosed	Not Disclosed
GIVA	Online retailer of gold, lab-grown diamond, and silver jewellery	Series C	$11.1 Million (February 2026)	Premji Invest, Kenro Capital, and Titan Capital	$451 Million	$462 Million	4.1x
Palmonas	Online retailer of demifine jewellery crafted with gold and silver	Series B	$40 Million (January 2026)	Xponentia Capital and Vertex Growth Fund	$163 Million	$203 Million	17.0x
Salty	Online retailer of fashion accessories	Series A	$3.35 Million (January 2026)	MG Investment, Anicut Capital, All In Capital, and JK Group	$17.7 Million	$21 Million	1.6x
Aukera	Online retailer of lab-grown diamond jewellery	Series B	$15Million (June,2025)	Fireside Ventures, Sparrow Capital, Prath Ventures, Alteria Capital, Peak XV Partners	$44.9 Million	$59.9 Million	4.4x

Source: Tracxn

RECENT FUNDING HIGHLIGHTS

Name	What They Do	Round	Round Amount	Key Investors	Pre-Money Valuaion	Post-Money Valuation	Revenue Multiple
Ethera	Retailer of consciously crafted diamond jewellery	Seed Round	$2.75M (February 2026)	Bluestone	Not Disclosed	Not Disclosed	Not Disclosed
Goyaz	Provider of premium silver jewellery	Series A	$14.7 Million (October 2025)	Norwest	$71.8M	$86.5M	6.3x
AMAMA	Internet-first brand of handcrafted fast-fashion jewelry for women.	Series A	$1 Million (July 2025)	Mistry Ventures	Not Disclosed	$3.62M	Not Disclosed

Investment Trend Analysis

India's jewellery sector is entering a clear institutionalisation phase. Capital is concentrating around branded, digital-first businesses — particularly lab-grown diamond platforms like Aukera and GIVA, where investor conviction reflects a permanent consumer shift, not a pricing trend. D2C and omnichannel brands are being funded on repeat-purchase economics rather than occasion-driven volume, while the demi-fine segment is attracting venture capital precisely because purchase frequency is structurally higher. The overall direction is unambiguous: organised, certified, and digitally distributed businesses are being repriced as consumer platforms — and investors who recognise that early will have the most defensible positions in what is becoming one of India's most capital-efficient consumer categories.

EMERGING INVESTMENT THEMES IN INDIA'S JEWELLERY INDUSTRY (2026)

Lab-Grown Diamonds (LGD) – Institutional Capital Shifting Towards Organised Players

India's lab-grown diamond (LGD) sector is emerging as a high-growth category within the jewellery market, driven by rising consumer acceptance, affordability, and the expansion of organised branded retail. The category is also benefiting from India's growing strength in CVD-based diamond manufacturing and shifting consumer preferences toward design-led and lifestyle-oriented jewellery purchases.

This evolving market has attracted increasing institutional and venture capital interest toward organised, technology-led, and digitally native LGD brands. Investors are viewing the segment not only as a trend-driven category, but as a long-term opportunity within affordable luxury and branded jewellery retail.

Recent funding activity reflects this momentum. Dholakia Lab Grown Diamond raised nearly $85 million in a Series C round led by ICICI Venture and Abakkus Asset Manager, signalling confidence in India's scaling LGD ecosystem. Similarly, Aukera secured Series B funding to support retail expansion and premium positioning, while emerging brands such as Ethera are entering the market with sustainability-focused and digital-first business models.

However, adoption remains segmented. Younger urban consumers are increasingly driving LGD demand through value-conscious and aesthetic consumption, while older and resale-oriented buyers continue to prioritise wealth preservation and heirloom value. As a result, LGD is evolving not as a replacement for natural diamonds, but as a parallel and rapidly expanding category within India's jewellery industry.

Sources: Tracxn (2025–26) | Moneycontrol | Economic Times Retail | Inc42

THE CONSUMER SHIFT DRIVING LGD GROWTH

The decline of the unorganised jeweller is not primarily a trust failure, but a shift in consumer purpose. Historically, jewellery functioned as both adornment and financial security for middle-class households. As SIPs, mutual funds, insurance, and digital savings products matured, jewellery lost relevance as a primary wealth-preservation instrument. This transformed the consumer from an asset buyer into an aesthetic buyer seeking design variety, brand identity, and trend responsiveness — areas where unorganised jewellers lacked differentiation.

The most significant behavioural shift is visible among upper middle-income households (₹1.2–2.5 lakh monthly income). Rising disposable income has not increased willingness to pay for natural diamonds; instead, it has intensified scrutiny of their pricing logic. Younger urban consumers increasingly view the premium attached to geological origin as unjustified, particularly when lab-grown diamonds offer identical physical and certified characteristics at substantially lower prices. This is not a trade-down driven by affordability, but a rejection of a pricing structure perceived as outdated.

However, adoption remains uneven. Tier 2 consumers and buyers above 40 continue to evaluate jewellery through the lens of resale value, heirloom transferability, and long-term wealth retention. Since lab-grown diamonds currently lack mature resale infrastructure, this cohort remains hesitant — rationally so.

The market is therefore experiencing two simultaneous transitions: the upper middle class exiting the natural diamond pricing structure, and the aspirational middle class entering fine jewellery for the first time through affordable lab-grown offerings. Both shifts are being captured disproportionately by D2C brands that recognised earlier that jewellery is increasingly being purchased as a lifestyle and identity product rather than a financial asset.

EMERGING INVESTMENT THEMES IN INDIA'S JEWELLERY INDUSTRY (2026)

D2C Jewellery Startups – Formalisation Driving Venture Capital Interest

India's D2C jewellery segment is undergoing rapid formalisation as consumers increasingly shift from unorganised jewellers toward branded, digital-first platforms. Demand for lightweight, everyday, and fashion-oriented jewellery among millennials and Gen-Z consumers is driving strong growth across online and omnichannel jewellery brands. Investors are particularly favouring startups with high repeat purchase behaviour, scalable customer acquisition models, and strong brand recall.

Recent funding rounds indicate growing investor confidence in organised jewellery retail. GIVA raised fresh capital in its Series C round to accelerate offline expansion and strengthen its lab-grown diamond portfolio, reflecting increasing demand for affordable luxury jewellery. Palmonas, backed by strategic and institutional investors, has gained traction in the demi-fine jewellery category through celebrity-led branding and digital distribution. Startups such as Goyaz and AMAMA are also attracting investor attention within the premium silver and handcrafted fashion jewellery segments, respectively, highlighting diversification within India's organised D2C jewellery ecosystem.

The broader investment thesis remains centred around market formalisation, omnichannel scalability, and rising consumer preference for certified and branded jewellery products. With organised players continuing to gain share in a traditionally fragmented market, the segment is emerging as one of the more capital-efficient consumer categories within India's retail startup ecosystem.

Sources: Tracxn (2025–26) | Moneycontrol | The Ken | Outlook Business | Inc42

WHY CONSUMERS ARE CHOOSING D2C STARTUPS — AND NOT THE LARGE PLAYERS

India's jewellery formalisation is not organised beating unorganised. It is specifically startups beating everyone — and that distinction is where the investment insight sits.

The unorganised jeweller loses before competition begins. The millennial's purchase journey starts on Instagram, not the high street. Intent forms when a creator they follow wears a tagged piece — the brand explored in minutes, the decision shaped before any store is considered. The local jeweller has no content, no influencer presence, no digital catalogue. They are not losing at point of sale. They are absent at point of desire.

The large players — Tanishq, Malabar, Kalyan — cannot fill this gap either. Tanishq cannot launch a ₹799 silver ring without signalling to the bride's family spending ₹4 lakhs that the brand has moved downmarket. Malabar and Kalyan's franchise networks create immediate pricing conflicts the moment a digitally-acquired consumer walks in expecting online prices. Their staff is incentivised for high-ticket bridal conversion, not a ₹2,000 impulse purchase driven by a reel. Their inventory cycles run months ahead with no mechanism for the fast product drops D2C brands execute in weeks. Their data infrastructure is built around wedding registries — not a lifestyle buyer purchasing six times a year.

The D2C startup already lives inside this ecosystem — and every quarter the large player spends protecting their core, the startup deepens brand recall, repeat purchase habit, and customer lifetime value that becomes structurally harder to displace.

KEY RISKS AND CHALLENGES

CYCLICAL RISKS

- **Tariff & Trade Policy:** 50% US tariff reduced Indian jewellery export competitiveness; exports fell 43.8% in Apr–Nov 2025.
- **Gold Price Volatility:** Gold touched ₹1.5L per 10g, reducing middle-class demand and pressuring retailer margins.
- **Geopolitical Disruptions:** Russia sanctions and weak China demand disrupted diamond supply chains and lowered prices.
- **Industry Impact:** Export-focused players face pressure, while domestic retail brands remain relatively insulated.

STRUCTURAL RISKS

- **LGD Price Compression:** Falling lab-grown diamond prices reduce profitability for manufacturers.
- **Export Concentration Risk:** Heavy reliance on US/UAE markets creates revenue vulnerability.
- **Unorganised Competition:** 62–64% of the domestic market is still controlled by local jewellers.
- **Formalisation Trend:** GST and hallmarking are gradually shifting demand toward organised brands.

STARTUP & OPERATIONAL RISKS

- High customer acquisition costs (CAC) make profitability difficult for D2C jewellery startups.
- Jewellery businesses require large inventory investments due to rising gold prices.
- Retail expansion increases working capital and operational complexity.
- Investors focus on inventory turns, margins, repeat customers, and store productivity.

FUTURE OUTLOOK

India's gems and jewellery industry is unlikely to remain a gold-led and occasion-driven market over the next decade. The research indicates that the industry is undergoing a structural transition in which value creation is gradually shifting from inventory ownership toward brand identity, consumer attention, and digital distribution. Jewellery is increasingly being purchased as a lifestyle and self-expression product rather than purely as a financial asset or store of wealth.

This shift is being driven largely by changing consumer behaviour among millennials and Gen Z consumers. As SIPs, mutual funds, insurance products, and digital savings platforms become more accessible, jewellery is gradually losing relevance as a primary wealth-preservation instrument among urban households. This transition from "asset buyers" to "aesthetic buyers" is increasing demand for lightweight, trend-responsive, and everyday-wear jewellery categories, creating favourable conditions for digitally native D2C brands.

Consumer discovery patterns are also reshaping industry competition. Purchase intent is increasingly being formed through Instagram, influencer-led content, and digital fashion ecosystems before any offline interaction occurs. This structurally favours D2C brands capable of faster product cycles, creator-led marketing, and digitally acquired customer relationships, while reducing the traditional advantage of local jewellers and large offline retailers.

The rise of lab-grown diamonds appears to be expanding the jewellery buyer base rather than simply replacing natural diamonds. Younger consumers are increasingly questioning the pricing premium attached to natural diamonds, while affordable LGD offerings are enabling aspirational consumers to enter the fine jewellery category for the first time. At the same time, organised retail is expected to continue gaining market share as hallmarking regulations, GST compliance, and pricing transparency weaken the operating advantages historically enjoyed by fragmented local jewellers.

The more significant long-term implication is that value creation in India's jewellery industry is likely to shift away from businesses built primarily around inventory ownership toward those capable of owning consumer attention, repeat-purchase behaviour, and digital brand recall. As jewellery purchasing becomes increasingly driven by lifestyle consumption rather than wealth preservation, consumers are placing greater importance on design relevance, accessibility, and brand identity over gold weight alone. This structurally favours digitally native and omnichannel brands that can respond faster to trends, build stronger consumer engagement, and maintain higher purchase frequency among younger buyers.