



Gems & Jewelry Industry

Working Capital Management & Financing Guide

Industry Overview – 2024 Metrics



Market Size

₹8.4 Lakh Cr (\$101 Bn)

Growing at a projected 8.9% CAGR.



GDP & Exports

7% GDP Contribution

15.7% of India's total merchandise exports.



Global Ranking

#1 in Diamond Processing

14 out of 15 diamonds globally are cut in India.

Key Insight: India is the world's largest center for diamond cutting and the second-largest consumer of gold, driven heavily by the wedding segment (~50% demand).

Operational Process Timeline



Sourcing & Design



15-30 Days

Procurement, CAD modeling & prototypes.

Casting & Molding



5-10 Days

Wax tree formation & precious metal casting.

Filing & Setting



10-20 Days

Manual filing & high-precision stone setting.

Finishing & Certification



5-10 Days

Polishing, BIS Hallmarking & GIA/IGI Lab QC.

Key Resources & Strategic Inputs

High-Value Materials

Gold Bullion (24K/22K), rough diamonds, and precious gemstones (Rubies, Emeralds, Sapphires).

Technology Assets

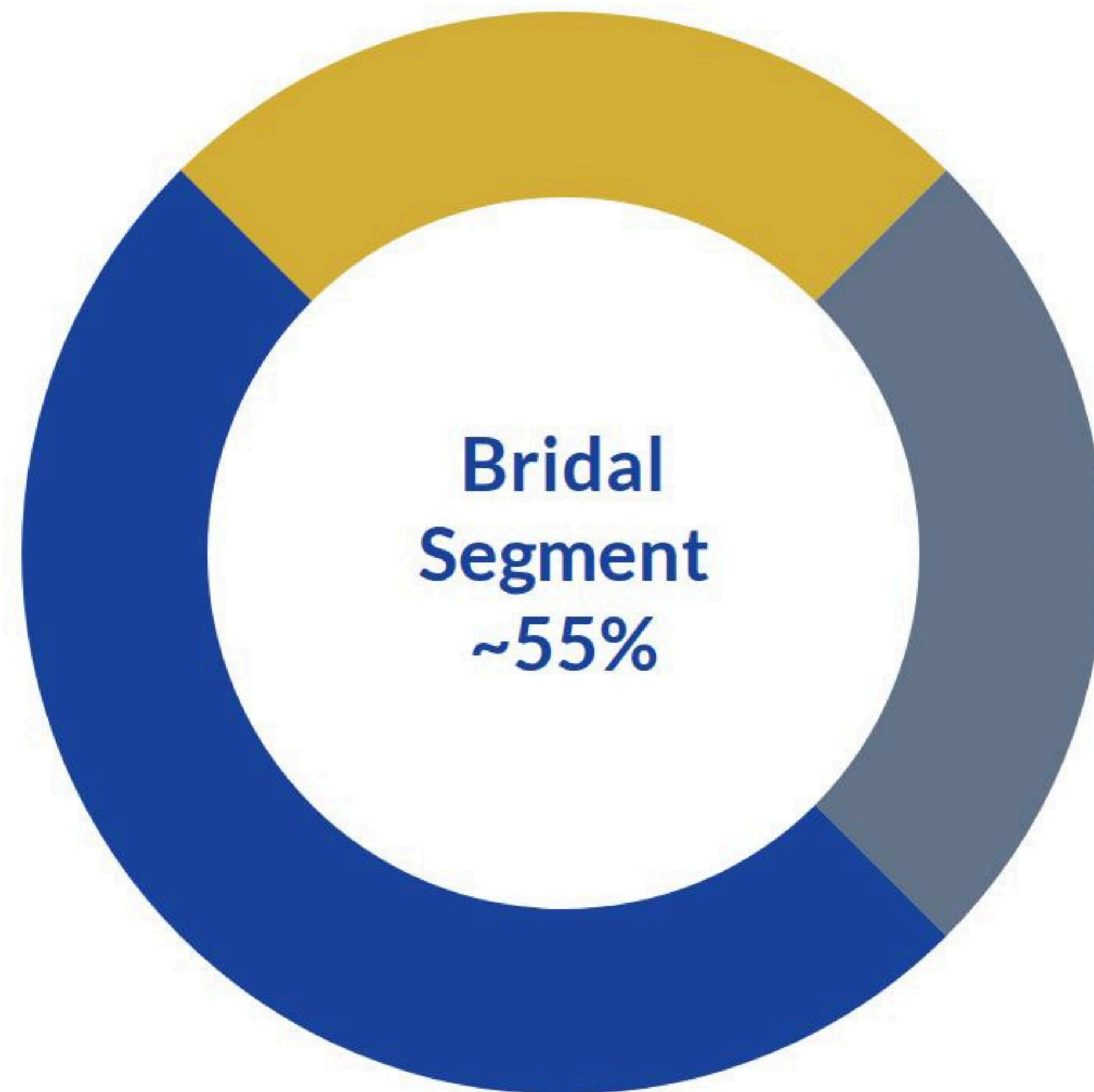
CAD/CAM software, 3D printers, laser soldering machines, and automated casting furnaces.

Human Capital

Skilled "Karigars" (artisans), gemologists, and certified quality auditors.

 **Security & Logistics:** High-security vaults, specialized armored transport, and transit insurance are non-negotiable.

Revenue Streams & Service Deliverables



-  Bridal Jewelry: High-ticket wedding sets.
-  Investment: Gold coins, bars, and digital gold.
-  Daily Wear: Lightweight chains and earrings.
-  Emerging: Lab-Grown Diamonds (LGD).

The Working Capital Liquidity Gap



160

DAY CASH GAP

-  Inventory Days: 90–150 Days (stock on shelf is actual money).
-  Accounts Payable: 7–15 Days (bullion requires immediate payment).
-  Accounts Receivable: 30–90 Days (shorter retail, longer B2B).

Current Asset Composition



Inventory (70-80%)

Precious metal and diamonds held in stores or production units.

WIP (10-15%)

Metals currently in casting, setting, or certification phases.

Receivables (5-10%)

Amounts due from B2B partners and e-commerce settlements.

Common Financial Mistakes



- ✘ **Poor Inventory Tracking:** Errors in gross vs. net weight leading to massive financial leaks.
- ✘ **Ignoring Price Volatility:** Failing to hedge against gold price spikes (can drop demand by 20%).
- ✘ **Loose Scrap Management:** High wastage during melting and exchange without audits.
- ✘ **Mixing Wealth:** Using jewelry stock as a personal safety net rather than a liquid asset.

Standard Working Capital Benchmarks



Component	Industry Standard
Inventory (Raw + Finished)	90 - 150 Days
Domestic Receivables	30 - 60 Days
Export Receivables	60 - 120 Days
Accounts Payable (Bullion)	7 - 15 Days
Net Cash Gap	110 - 160 Days

Customer Credit & Payment Terms



Retail & E-comm

Immediate to 30 Days

Cash, Cards, or Platform settlements.



Wholesale Dealers

60-90 Days

Backed by Post-Dated Cheques (PDC).



Export Clients

90-120 Days

Letters of Credit (LC) or SBLC preferred.

Recommendation: Use Gold Metal Loans (GML) to reduce interest burden on held inventory.

Industry Threats & Challenges



- ⚠️ **Import Duties:** Changes in gold duty affect price competitiveness significantly.
- ⚠️ **Regulatory Scrutiny:** Strict PMLA and KYC norms for high-value transactions.
- ⚠️ **Synthetic Mixing:** Risk of undisclosed lab-grown diamonds hurting brand trust.
- ⚠️ **Consumer Shift:** Younger generations moving toward "Experiential Spending."

How Terkar Capital Can Help

WC Loans

Unsecured working capital up to ₹5 Cr for seasonal spikes.

GML Assistance

Procure gold from banks at lower interest rates to preserve margins.

Bill Discounting

Immediate liquidity against B2B sales to large retail chains.

Structured Debt

₹50 Cr+ for large-scale manufacturing expansion.

CGTMSE

Collateral-free funding for MSME jewelry units.

Partner with Terkar Capital

Empowering Gems & Jewelry Companies with Smart Working Capital Solutions.



Head Office, Pune and PCMC

101, 102, 103, Castle Eleganza, Dr. Ketkar Road, Erandavane, Pune. Maharashtra 411004.



Corporate Office, Mumbai

The Capital, Level 3, B-Wing, Plot C – 70, G Block, BKC, Bandra (E), Mumbai-400051, India.