**ECON PBL 2018**

**Title:** Capital Investment in Gems & Jewellery Industry in India

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**Section:** S3 **Group Number:** 6

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**Executive Summary**

**Introduction to Project:** My part of the project was to determine the Capital Investment of Gems & Jewellery Industry in India and to compare the cash flow from investing activities of the firms. I have chosen firms like Malabar Gold and Diamonds, Rajesh Exports Limited, PC Jewellers, Gitanjali Gems, Tribhovandas Bhimji Zaveri, and Tara Jewels to calculate the capital investment and to determine whether the cash flow from investing activities are affecting total income of the firms.

**Learning Objectives:**

* Yearly analysis of Cumulative FDI Inflow
* Yearly analysis of Trend in Working Capital Cycle
* Yearly analysis of Investment Demand of Jewellery, and Gold Bars and Coins
* To compare the cash flow from investing activities and total income of selected firms
* To calculate the values of regression and correlation.

**Main Results:**

1. The investments on Gems and Jewellery Sector has been increasing gradually as there are most positive incomes in the outputs of this sector. Indian government is also taking many initiatives like Make in India etc.
2. The total income of Malabar Gold and Diamonds is not affected by the cash flow from investing activities as the company is not investing much but then also their total income is increasing due to increase in their sales.
3. Rajesh Exports Limited has a total income, which is much larger than the cash flow from investing activities as they are increasing their sales by selling products in wholesale and producing higher quality products and thus, increasing customer loyalty. Therefore, the cash flow from investing activities has a little effect on total income.
4. The total income of PC Jewellers is affected to some extent by cash flow from investing activities as PC Jewellers spends more on other factors that increase their total income as compared to amount spent on investing activities.
5. Gitanjali Gems is an International company and has a well-settled and expanded business all over the world that even though there is lesser cash flow from investing activities, their total income increases continuously.
6. Tribhovandas Bhimji Zaveri has an increase on total income but it is not much dependent on cash flow from investing activities as the company is increasing their sales by spending more on other expenses such as advertisement expenses and communication expenses, thus increasing total income.
7. The total income of Tara Jewels is dependent on the cash flow from investing activities but to only some extent as it depends more on employment and other affecting factors.

**Conclusion:** The income brought in by Gems and Jewellery Industry are varying directly with the investments. Therefore, investment is a function of productivity.

Also, with every fiscal year, the investment increases, therefore sustaining and contributing to the growth of the company.