

India Gold Sector Analysis

Unlocking Value in a \$65 Billion Market | Strategic Analysis & Deal Opportunities



IIM Capital Advisor

Premier Technology Investment Banking Boutique
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Executive Summary

Investment Thesis: Strategic Opportunity in Cultural & Digital Convergence

Core Investment Thesis:

India's gold sector represents a unique convergence of 5,000 years of cultural demand creating defensive characteristics with modern digital transformation driving explosive growth in new segments. The \$65.3 billion market offers multiple entry points across the value chain with differentiated risk-return profiles.

\$6.5B

2024 Deal Volume

10.1%

Weighted CAGR

Market Fundamentals

\$65.3B

Total Addressable Market

- 803 tonnes annual consumption
- Second largest consumer globally
- 99% import dependency creating strategic vulnerability

Deal Pipeline Strength

\$490M

Annual IB Revenue Opportunity

- 68 transactions in 2024
- \$6.52B transaction value
- 85% deal success rate in strategic M&A

Digital Revolution

45% CAGR

Digital Gold Platform Growth

- \$1.2B current market size
- 70% adoption expected by 2030
- ₹100 minimum investment democratizing access

Strategic Priorities


25-35% IRR

Target Returns for Digital Plays

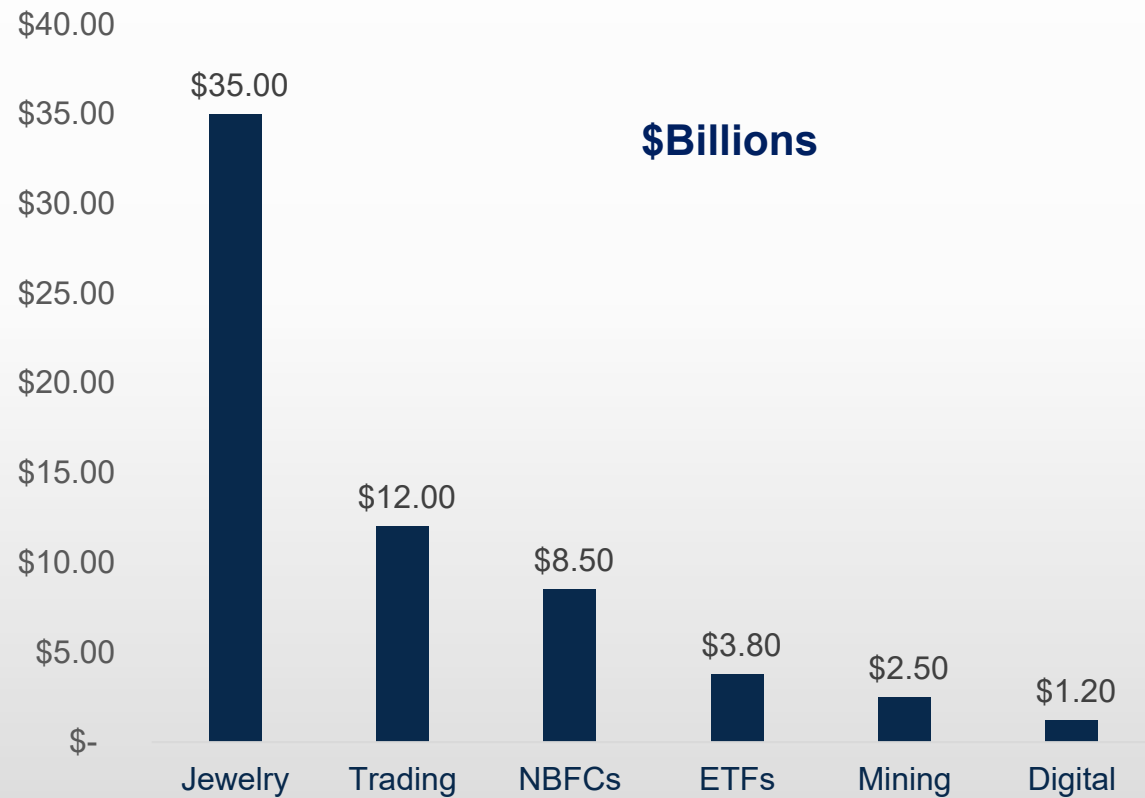
- Platform consolidation opportunities
- Retail roll-up strategies
- Mining infrastructure development

Market Segmentation & Opportunity Analysis

\$65.3 Billion TAM with Differentiated Growth Profiles

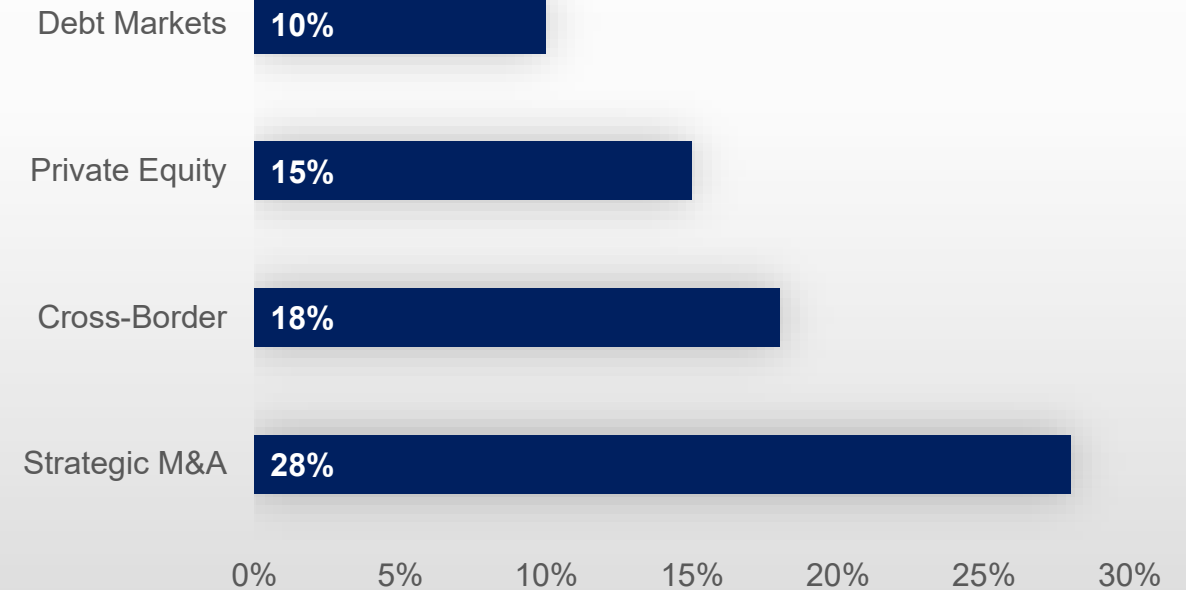
SEGMENT	MARKET SIZE	GROWTH RATE	VALUATION MULTIPLE	INVESTMENT BANKING OPPORTUNITY
Jewelry Retail	\$35.0B	8% CAGR	15.2x P/E	Consolidation plays, IPO pipeline building
Precious Metals Trading	\$12.0B	6% CAGR	12.5x P/E	Cross-border M&A, supply chain finance
Gold Financing NBFCs	\$8.5B	12% CAGR	16.8x P/E	PE buyouts, debt restructuring
Gold ETF Providers	\$3.8B	18% CAGR	25.0x P/E	Asset management consolidation
Gold Mining	\$2.5B	15% CAGR	18.5x P/E	Project finance, mining IPOs
Digital Gold Platforms	\$1.2B	 45% CAGR	45.0x P/E	Venture funding, strategic exits
Gold Technology/Fintech	\$0.8B	 35% CAGR	55.0x P/E	Innovation investments, partnerships

Market Size & Growth Rate Analysis



Historical Investment Banking Deal Landscape

\$6.52 Billion Transaction Volume Across 68 Deals in 2024





Deal Thesis: Strategic consolidation in jewelry retail (15 deals, \$1.85B) indicates market maturation. Digital platforms attracting growth capital at premium valuations (45x P/E) suggests early-stage opportunity. Cross-border activity limited by regulatory complexity presents advisory opportunity.



TRANSACTION TYPE	AVERAGE DEAL SIZE	TIMELINE	KEY DRIVERS	IB FEE RATE
Strategic Acquisitions	\$123.3M	8 months	Market consolidation, scale economics	1.5%
Cross-Border M&A	\$300.0M	15 months	International expansion, technology transfer	2.0%
Growth Equity	\$122.5M	6 months	Digital transformation, expansion capital	3.8%
IPOs (Pipeline)	\$250.0M	12 months	Public market access, brand building	4.5%

Valuation Framework & Multiple Analysis

Premium Valuations for Technology-Enabled Business Models

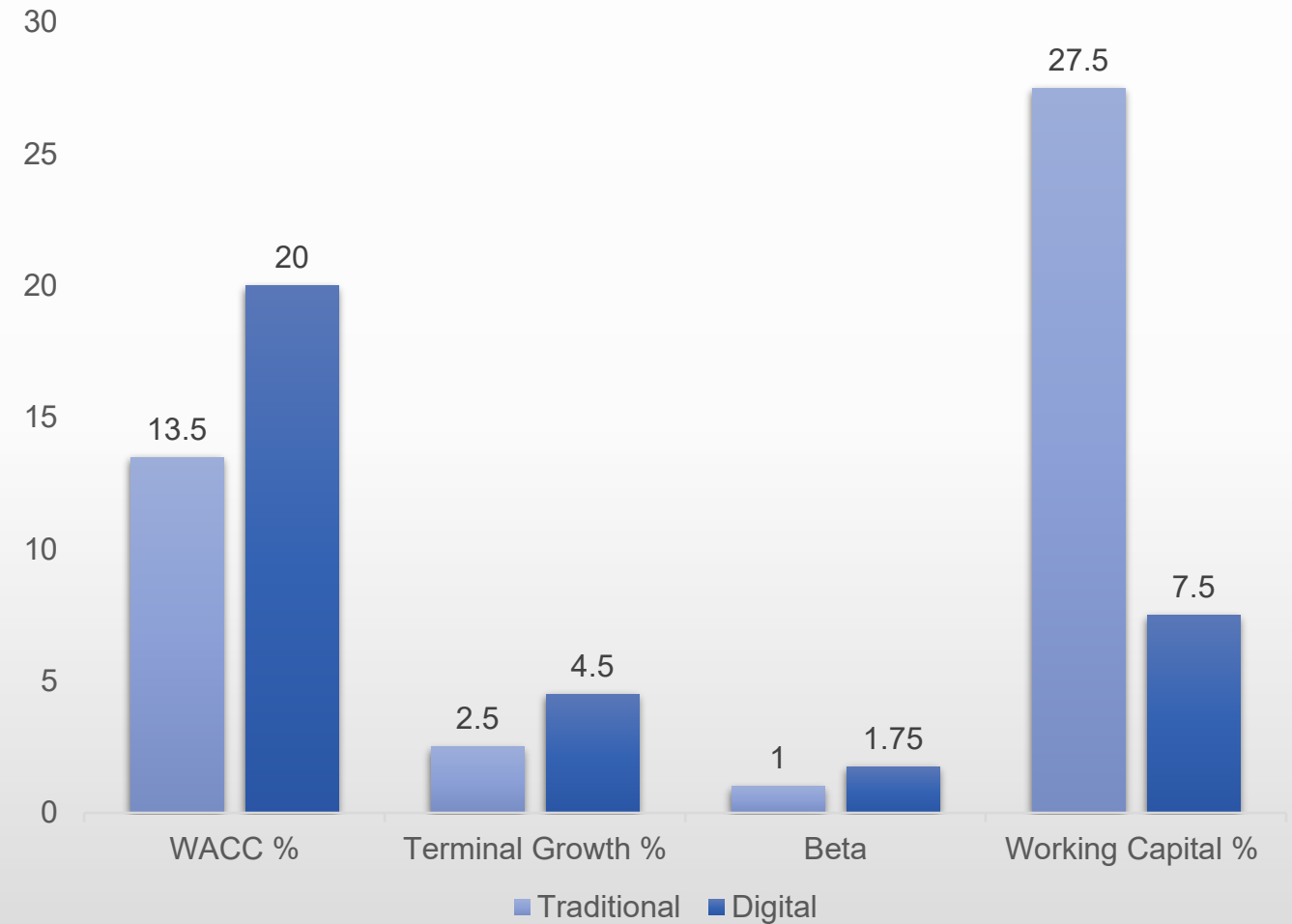
Segment	P/E Multiple	EV/EBITDA	EV/Sales	Premium Driver
Gold Technology	55.0x	35.0x	8.5x	Scalability, disruption potential
Digital Platforms	45.0x	25.0x	6.0x	Asset-light model, network effects
Gold Mining	18.5x	12.5x	2.8x	Resource scarcity, import substitution
Gold NBFCs	16.8x	11.8x	2.5x	Financial leverage, rural penetration
Organized Retail	15.2x	8.5x	1.8x	Brand value, trust premium
Segment	P/E Multiple	EV/EBITDA	EV/Sales	Premium Driver
Gold Technology	55.0x	35.0x	8.5x	Scalability, disruption potential

DCF Assumptions - Traditional

- WACC: 12-15%
- Terminal Growth: 2-3%
- Beta: 0.8-1.2
- Working Capital: 25-30% of sales

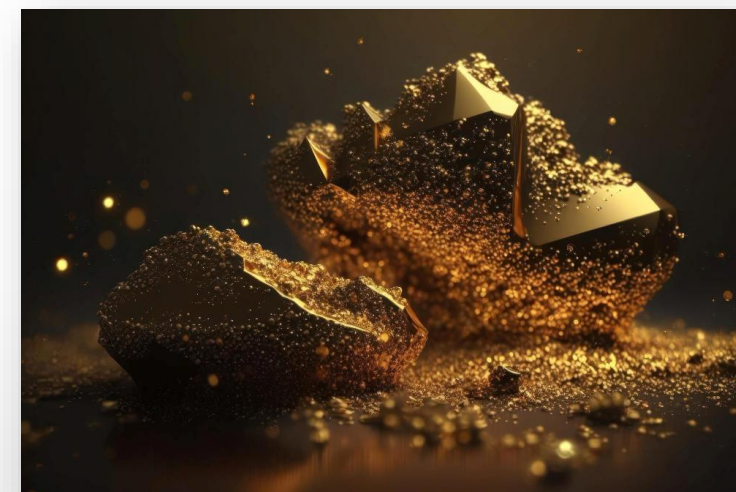
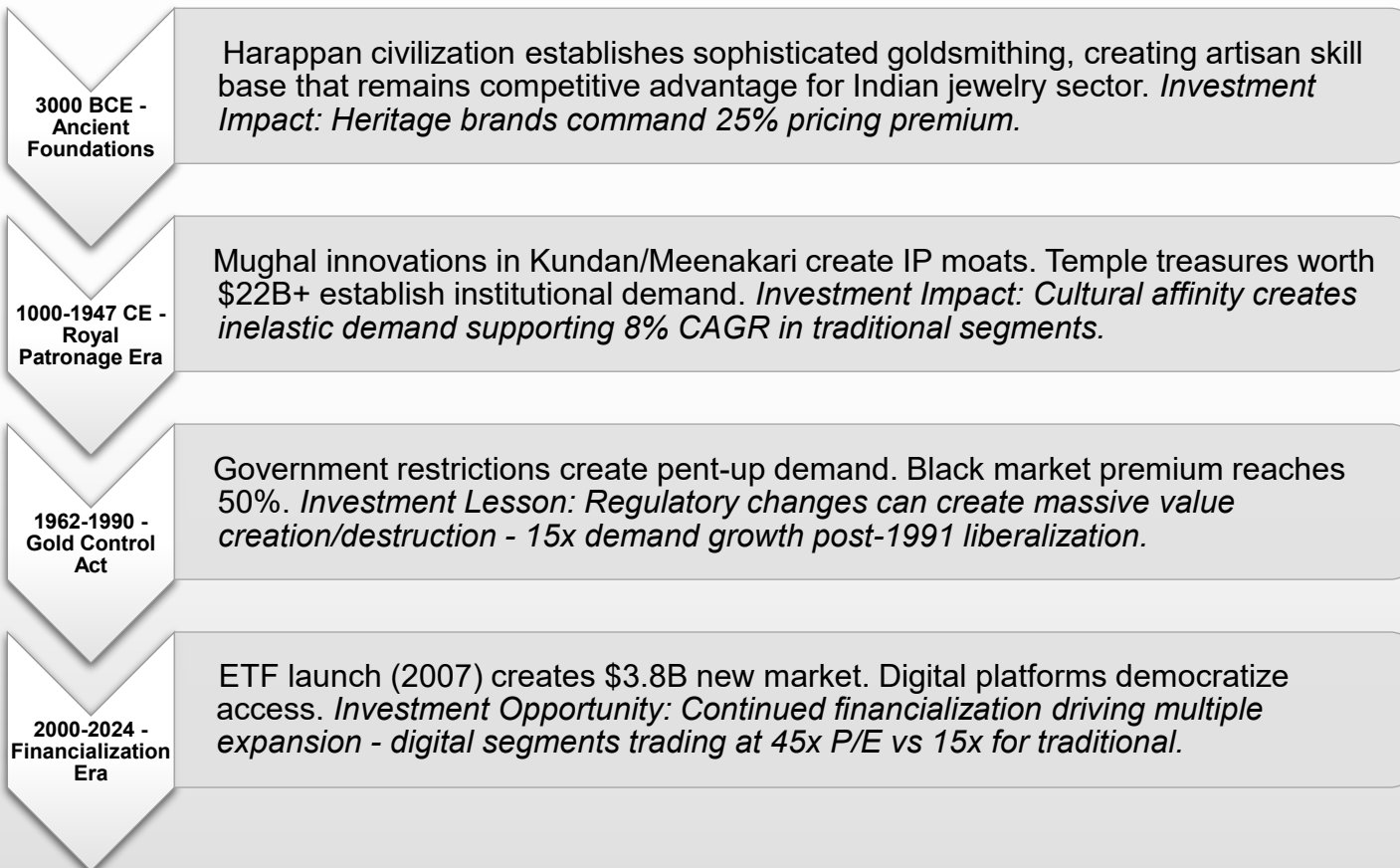
DCF Assumptions – Digital

- WACC: 18-22%
- Terminal Growth: 4-5%
- Beta: 1.5-2.0
- Working Capital: 5-10% of sales



Historical Context: Building Competitive Moats

5,000 Years of Cultural Capital Creating Investment Opportunities



Key Investment Insight: Historical analysis reveals that major value creation moments coincided with regulatory liberalization and technology adoption. Current digital transformation represents the third major inflection point, with early movers capturing disproportionate value.

Digital Revolution: Fintech Disruption Analysis

\$1.2B Market Growing at 45% CAGR - The Next Unicorn Factory

DIGITAL PLATFORM	USP	USER BASE	FUNDING STAGE	VALUATION RANGE
PayMe India	UPI integration leader	10M+	Series C	\$400-500M
Augmont Gold	B2B platform, 50k retailers	B2B	Series B	\$200-300M
SafeGold	White-label solutions	B2B2C	Growth Stage	\$150-250M
MMTC-PAMP	Government backing	5M+	Mature	\$300-400M

Market Democratization

₹100

Minimum Investment vs ₹50,000 Traditional
500x reduction in entry barrier expanding TAM from 50M to 500M potential customers

Technology Stack Evolution

Blockchain: 35% adoption by 2027
AI Analytics: 55% adoption by 2027
IoT Mining: 20% adoption by 2027
Smart Jewelry: 40% adoption by 2027

Risk-Adjusted Return Expectations

Structured Approach to Sector-Specific Risks

Critical Risk

Regulatory Changes

Score: 08/10

Import duty fluctuations, GST changes
impact margins

IB Opportunity: Policy advisory services

Critical Risk

Price Volatility

Score: 09/10

28% price increase in 2025, affecting demand
elasticity

IB Opportunity: Structured products, derivatives

Critical Risk

Import Dependency (99%)

Score: 10/10

Mitigation: Domestic mining project finance,
strategic reserves, hedging instruments

IB Opportunity: \$1.8B mining infrastructure finance

Medium Risk

Currency Fluctuation

Score: 06/10

INR depreciation affects import
costs

IB Opportunity: FX hedging solutions

Medium Risk

Technology Disruption

Score: 05/10

Digital platforms disrupting traditional
retail

IB Opportunity: Digital transformation advisory

Low Risk

Liquidity Risk

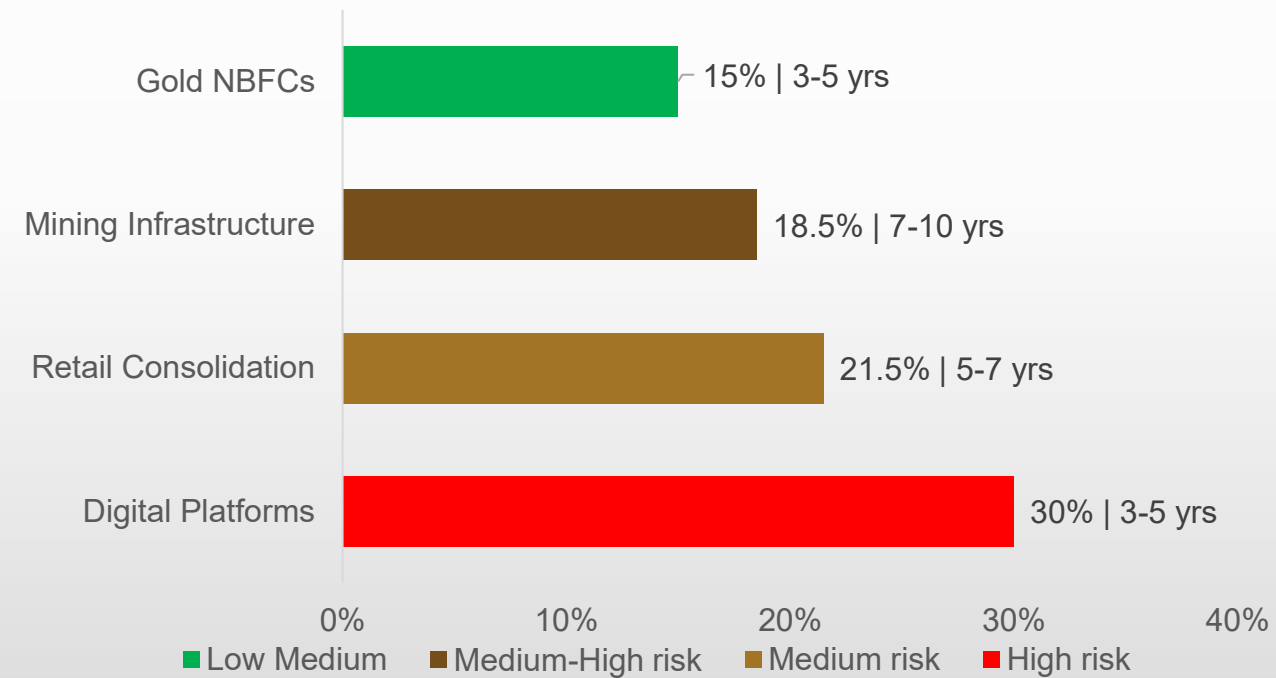
Score: 02/10

Gold's inherent liquidity provides natural
hedge

IB Opportunity: Working capital optimization

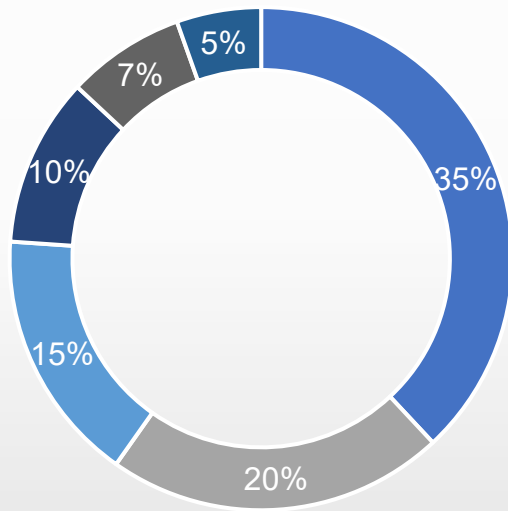
Risk-Adjusted Return Expectations

INVESTMENT CATEGORY	RISK LEVEL	EXPECTED IRR	HOLDING PERIOD
Digital Platforms	High	25-35%	3-5 years
Retail Consolidation	Medium	18-25%	5-7 years
Mining Infrastructure	Medium-High	15-22%	7-10 years
Gold NBFCs	Low-Medium	12-18%	3-5 years

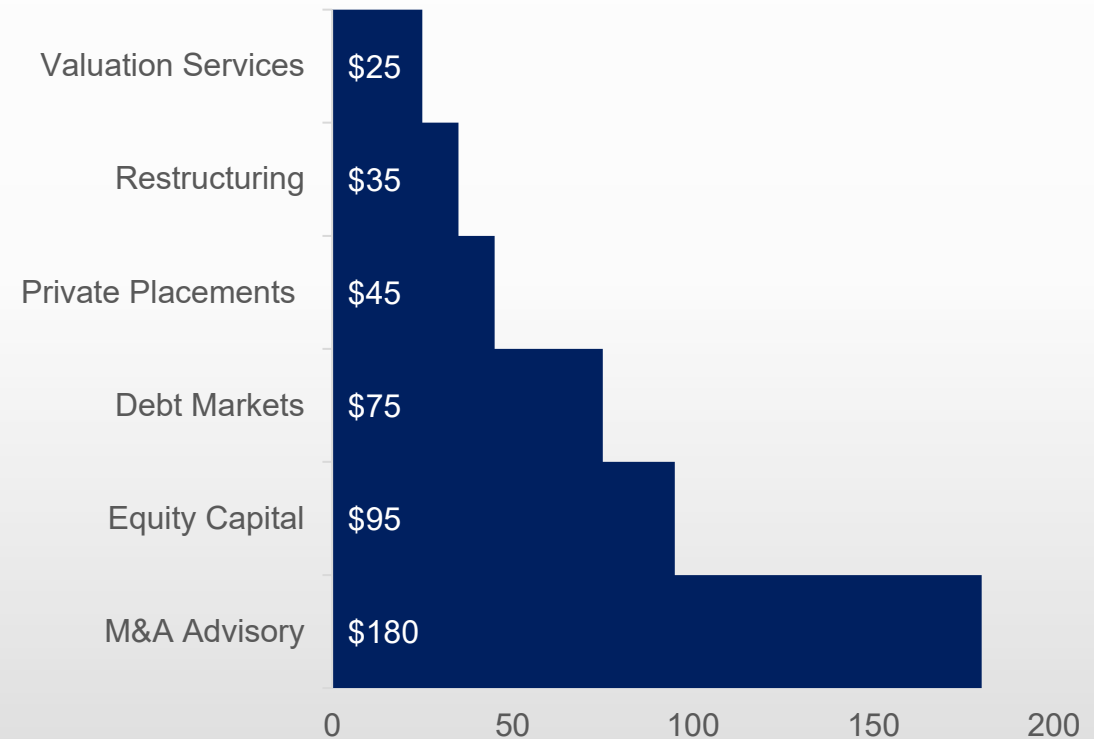


Investment Banking Revenue Model

\$490 Million Annual Revenue Opportunity



■ M&A Advisory ■ Equity Capital ■ Debt Markets
■ Private Placements ■ Restructuring ■ Valuation Services



Product Stack Comparison (SGB - ETF - Digital)



Feature	Sovereign Gold Bond (SGB)	Gold ETF	Digital Gold
Issuer/Regulator	Government of India via RBI; market-linked redemption with sovereign backing	Mutual fund/AMC; SEBI-regulated exchange-traded fund	Private platforms (e.g., MMTC-PAMP partners); largely outside SEBI/RBI regulation today
Return Components	Gold price change + fixed 2.5% annual coupon, paid semi-annually	Tracks domestic gold price net of expense ratio	Tracks platform's quoted 24K price; often includes platform spread/storage fee
Tenor/Liquidity	8-year maturity; early redemption windows from year 5; secondary market trading thin	T+2 liquidity on exchanges during market hours; creation/redemption by market maker	On-platform buy/sell; instant, but dependent on platform uptime and vault arrangements
Costs	No management fee; no making/storage charges	Expense ratio typically ~0.2%–0.6% (example 0.32%)	Platform spread, storage/insurance fees may apply; disclosures vary
Taxation (capital gains)	Redemption at maturity fully tax-exempt; premature sale taxed per holding period; interest 2.5% is taxable as income	STCG taxed at slab; post-Apr-2025 LTCG at 12.5% without indexation	Taxed as capital gains per holding period; no special exemptions; treatment depends on platform records
Minimum Investment	Typically 1 gram; online discount often available	1 unit (~1 gram equivalent) plus brokerage and STT as applicable	Very low (fractional grams, ₹100–₹500 typical)
Counterparty/Security	Sovereign credit risk; demat/RBI records; no purity/storage risk	Regulated custodian holds 99.5–99.9% pure bars; audited	Platform/vault counterparty risk; cyber and reconciliation risks; SEBI warns advisers against recommending
Best For	Long-term core allocation seeking tax-efficient gold with income; low cost, patience to hold 8 years	Tactical allocation, SIPs, rebalancing, intraday/liquid needs with transparent pricing	Micro purchases, gifting, instant conversions to coins/ jewellery where user accepts platform risk

Strategic Investment Recommendations

Actionable Priorities for Superior Risk-Adjusted Returns

Priority 1: Digital Gold Platform Consolidation

- Market Leaders: Target Series B/C funding rounds
- Valuation Range: 20-30x revenue multiples
- Strategic Rationale: Winner-takes-all market dynamics
- IB Services: M&A advisory, growth capital raising

Priority 2: Jewelry Retail Roll-up Strategy

- Target: Regional players with strong brand presence
- Valuation Range: 12-18x EBITDA multiples
- Strategic Rationale: Scale economics, brand building
- IB Services: Buy-side advisory, debt financing

Priority 3: Mining & Processing Infrastructure

- Focus: Domestic production capacity building
- Investment Size: \$100-500 million project sizes
- Strategic Rationale: Import substitution, policy support
- IB Services: Project finance, environmental advisory

Priority 4: Technology Enablement Across Value Chain

- Segments: Supply chain, retail, finance
- Investment Themes: Blockchain, AI, IoT adoption
- Strategic Rationale: Efficiency gains, transparency
- IB Services: Technology M&A, partnership structuring

Expected Returns by Strategy:

- Digital Platforms: 25-35% IRR (high growth, high risk)
- Retail Consolidation: 18-25% IRR (steady growth, medium risk)
- Mining Projects: 15-22% IRR (long-term, infrastructure returns)
- Technology Investments: 20-30% IRR (innovation premium)

The Golden Opportunity - Where Culture Meets Capital Markets

Market Fundamentals

- **Demand Resilience:** 803 tonnes annual consumption despite price increases
- **Cultural Moat:** 25% of household savings in gold
- **Growth Visibility:** 10.1% CAGR across segments
- **Scale Opportunity:** \$65.3B TAM with fragmented market

Investment Catalysts

- **Digital Revolution:** 45% CAGR in platform segment
- **Consolidation:** Top 5 players <15% market share
- **Policy Support:** Atmanirbhar Bharat initiatives
- **Capital Markets:** 8-10 IPOs in pipeline

INVESTMENT THEME	CONVICTION LEVEL	TIME HORIZON	EXPECTED RETURN	RISK LEVEL
Digital Platforms	Very High	3-5 years	25-35% IRR	High
Retail Consolidation	High	5-7 years	18-25% IRR	Medium
Mining Development	Medium	7-10 years	15-22% IRR	Medium-High
Gold NBFCs	Medium	3-5 years	12-18% IRR	Low-Medium

Immediate Opportunities for Capital Deployment

Week 1-2: Deal Origination

- Screen top 5 digital gold platforms for Series B/C opportunities
- Identify 3-4 regional jewelry chains for roll-up strategy
- Engage with government on mining infrastructure projects

Quarter 1: Execution

- Close 1-2 growth equity investments
- Launch M&A process for retail consolidation
- Structure debt facilities for NBFCs



Month 1: Due Diligence

- Technology assessment of digital platforms
- Financial analysis of consolidation targets
- Regulatory review for cross-border opportunities

Year 1: Value Creation

- IPO preparation for market leaders
- International expansion advisory
- ESG framework implementation

\$490M

Revenue Opportunity

Annual IB revenue potential across all service lines

\$6.5B+

Deal Pipeline

Expected transaction volume with 85% success rate in strategic deals

Detailed Market Metrics & Valuation Comparables



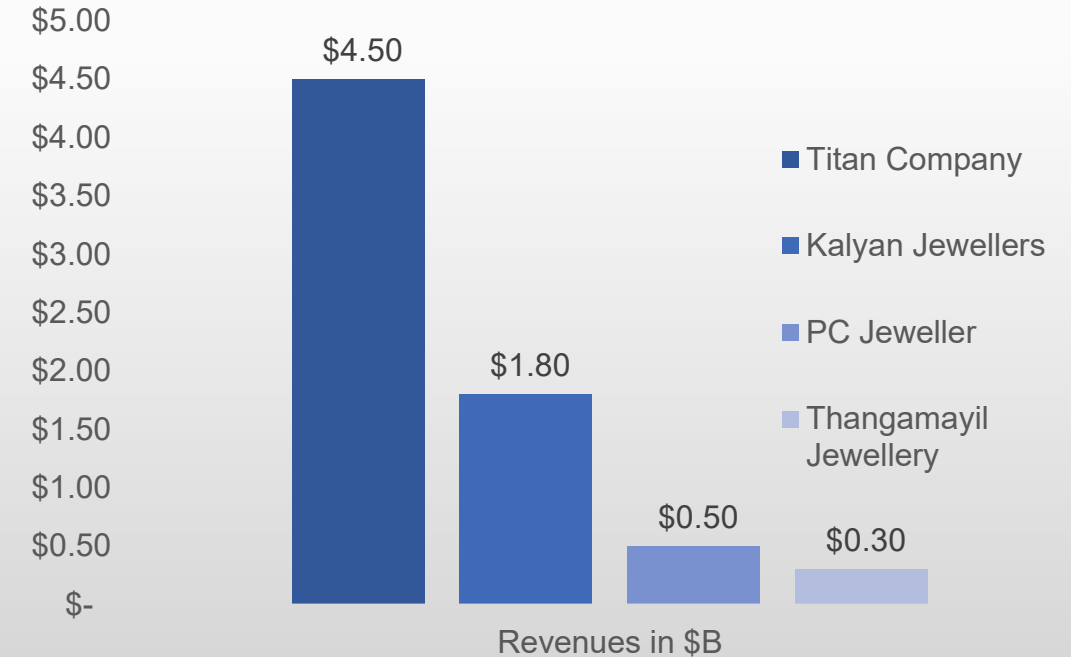
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COMPANIES	MARKET CAP	REVENUE	EBITDA MARGIN	P/E
Titan Company	\$25.0B	\$4.5B	12.5%	15.2x
Kalyan Jewellers	\$3.2B	\$1.8B	8.5%	18.5x
PC Jeweller	\$0.8B	\$0.5B	6.2%	12.5x
Thangamayil Jewellery	\$0.4B	\$0.3B	5.8%	14.2x



THANK YOU !

Pratyush Prasad
Vice President, Investment Banking



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