

Gold Loan Market in India 2018

ICRA Management Consulting Services (IMaCS)
Research and Analytics



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Excerpts from the Report

India continues to be one of the largest consumer markets for gold and is estimated to hold around 12.9 per cent of total World Gold stock in FY18 up from 11.7 per cent in FY12. The Gold Loan Market in India in the last couple of years has consolidated after a subdued period of growth during FY13-15. There were two major macro-economic events in the last 2 years namely the Demonetization of Nov 2016 and the GST roll out from 1st July 2017 but other than the short-term volatility immediately preceding and post these events there hasn't been any major impact on the demand for Gold Loan.

A look at the growth in Market size reveals that the Gold Loan market grew marginally during FY 17 to Rs. 1450 Billion from a level of Rs 1400 Billion in FY 16. Most Gold Loan lenders, irrespective of their category, took a cautious approach to volatility in gold prices and focussed their energies on consolidating their operations and resolving accumulated bad debts in their gold loans portfolio. The year FY17 started with optimism and some of the specialised gold loan NBFCs could register growth during the first two quarters. However, demonetization during the third quarter took the sheen away.

The IMaCS Gold Report looks at the various aspects of the Gold Loan Market in India, including the impact of Key players, Regulatory stance, Demand, Prices, FinTechs etc. The Report analyses the role of technology in widening the customer/borrower base. The Report concludes with internal estimates of future growth and market size in the coming year.

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