



# IGI



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## INTERNATIONAL GEMMOLOGICAL INSTITUTE (INDIA) LIMITED

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CIN : L46591MH1999PLC118476

February 2, 2026

To,

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

**BSE Scrip Code:** 544311

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block G

Bandra Kurla Complex

Bandra (East), Mumbai - 400 051

**NSE Symbol:** IGIIL

**Subject: Transcript of the Earnings Call held for the quarter and twelve months ended December 31, 2025**

Dear Sir/ Madam,

The Company had intimated, vide its letter dated January 21, 2026, regarding the Earnings Conference Call of International Gemmological Institute (India) Limited for the quarter and twelve months ended December 31, 2025. The conference call was held on January 27, 2026 and the transcript of the call is hereby enclosed.

This intimation will be made available on the Company's website at [www.igi.org](http://www.igi.org).

This is for your information and record.

Thanking you,

Yours faithfully,

**For International Gemmological Institute (India) Limited**

**Eashwar Iyer**

**Chief Financial Officer**

Encl: a/a

THE GLOBAL CERTIFICATION AUTHORITY

Formerly known as International Gemmological Institute (India) Private Limited

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“International Gemmological Institute India Limited  
Q4 & 12 months 2025 Earnings Conference Call”

January 27, 2026



**IGI**



**MANAGEMENT:**      **MR. TEHMASP PRINTER – MANAGING DIRECTOR AND CHIEF  
EXECUTIVE OFFICER – INTERNATIONAL GEMMOLOGICAL INSTITUTE  
(INDIA) LIMITED**  
**MR. EASHWAR IYER – CHIEF FINANCIAL OFFICER –  
INTERNATIONAL GEMMOLOGICAL INSTITUTE (INDIA) LIMITED**

**MODERATOR:**      **MR. SUMEET KHAITAN – MUFG INTIME**

**Moderator:**

Ladies and gentlemen, good day and welcome to the Q4 and 12 months 2025 Earnings Conference Call of International Gemmological Institute (India) Limited hosted by MUFG Intime. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Please note that the conference is being recorded. I now hand the conference over to Mr. Sumeet Khaitan from MUFG Intime. Thank you and over to you, sir.

**Sumeet Khaitan:**

Good evening, everyone. I welcome you all to the earnings conference call to discuss Q4 and 12 months 2025 results of International Gemmological Institute (India) Limited. To discuss the result, we have from the management Mr. Tehmasp Printer, MD and CEO and Mr. Eashwar Iyer, CFO. They will take you through the results and the business performance after which we will proceed for Q&A session.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to investor presentation and other filings that can be found on the company's website.

With this, I now hand over the call to the management for their opening remarks. Over to you, sir.

**Tehmasp Printer:**

Thank you, Sumeet. Good evening, ladies and gentlemen. I would like to welcome you all to the Q4 and the 12-month 2025 earnings call. I trust that everyone has had a chance to review our financial results and investor presentations, which has been made available on both the stock exchanges as well as our company website.

It's a pleasure to connect with you all and share insights into our business strategy and outlook. While the company is presenting the 12-month financial update, it may be noted that the company is moving its reporting year from the current Jan to December cycle to April to March cycle.

Accordingly, the company shall report the financial results for a 15-month period ending March 2026 in line with the regulatory requirements. The company has had an excellent 12-month Jan to December 2025. Despite some macroeconomics headwinds, the company has seen exceptional performance across all its segments, natural diamond loose stones, lab-grown diamonds loose stones, natural diamond jewellery, lab-grown jewellery.

The growth in the natural diamond segment has been led by increased penetration and market share in this segment. On the lab-grown loose segment, the robust growth of the last two years continues in 2025 as well, and the volume growth is in excess of 21%. This segment has seen stability in pricing over the last 18 months and the evolving landscape resultant of grading

principles adopted by the other players in the certification industry, IGI, is confident of further penetrating into this segment.

The underlying demand for the lab-grown diamonds continues to be strong and the large manufacturers are making significant additions to their capacity as the industry expects to double the caratage in the next three years. We remain confident of repeating the volume and revenue performance in this segment in the financial year 2026. While the momentum of natural diamond jewellery has continued over the past 12 months, we are continuing to see exponential growth in the lab-grown sector jewellery.

Over the past 12 to 15 months, we have seen many new players entering the retail space for the lab-grown jewellery with retail showrooms now over 1,000 across the country. We believe this industry is in its nascent stage and with the adoption of lab-grown jewellery amongst the Indian consumers, this segment is poised to accelerate growth in the near future. All the evolving changes further reinforces the need for independent third-party certification in addition to the 4 C's of grading and the need to identify the origin assumes greater significance for the end consumer.

IGI is an independent third-party certifying body will play the lead in creating this consumer awareness as part of the strategy IGI initiated in its first reach out to the consumer program by co-sponsoring Women's World Cup and you can expect greater brand building exercises over the next 12 to 18 months. I am happy to report that the company has shown strong growth momentum across all its business segments.

In Q4 of 2025, as compared to Q4 of 2024, the business on a consol basis has done exceptionally well with a 21% growth in revenue from operations and 26% growth in EBITDA with 3.21 million reports in fourth quarter of 2025. The company has delivered a strong volume growth of 11% over the previous year. The business has seen strong revenue growth across its segments. Lab-grown sector is growing at 35% and the natural diamond is growing at 45% versus the previous year.

For the 12-month period ending December 2025, our volumes grew by an impressive 21% with a robust performance across all the business segments, natural diamonds, lab-grown diamonds, jewellery, and color stones. The revenue from the operations increased from INR1,053 crores in calendar year 2024 to INR1,229 crores in 2025, reflecting a healthy 17% growth. Equally encouraging, our EBITDA rose from INR600 crores to INR737 crores, making it a strong increase of 23%.

With the strong fourth quarter performance, the company exceeded the guidance provided at the beginning of the year 2025. We remain committed to enabling growth for our partners, delivering long-term value to all our stakeholders.

And with that, I now invite our CFO, Mr. Eashwar Iyer, to take you through the financial and operational performance for the quarter.

**Eashwar Iyer:**

Thank you, Tehmasp, and good evening, everybody. Thank you for taking the time for joining us on the call today. We are delighted to have you all. As many of you know, the company follows a Jan to December reporting cycle, and we are excited to present the results for quarter 4 as well as the 12-month period for 2025.

I start my conversation with an update for quarter 4 results before providing an update on the 12-month performance. On the consolidated group performance level, I'm happy to report that the group consolidated business has maintained strong growth momentum in quarter 4 '25.

In terms of revenue, certification income for the current quarter stood at INR305 crores, growing on a yearly basis at 23%, supported by strong volume growth of 11%. This was primarily driven by strong revenue growth across all segments, namely 45% growth in natural diamonds, 35% growth in lab-grown diamond loose stones.

Revenue from operations for the quarter stood at INR320 crores, registering a year-on-year growth of 21%. Driven by strong revenue performance, we delivered a PAT of INR135 crores, growing 18% compared to the previous year. PAT margins stood at 42.1% for the quarter. EBITDA reported at INR191 crores, reflecting a growth of 26% compared to the previous year. EBITDA margin stood at 59.9%.

The India business has seen a very strong quarter 4 performance. While revenues grew 12%, certification revenues grew at 33%, driven by very strong growth in ND loose stones of 53% and LGD loose stones, which grew at 47%, which has resulted in a 19% improvement on the ASP.

Coming to the 12-month update on the consolidated group performance level, we have delivered 12.81 million reports compared to 10.57 million reports in the same period, marking a robust year-on-year growth of 21%. In terms of revenue, certification income stood at INR1,188 crores, growing at 18%. This was driven by strong growth across our key segments. LGD has grown at 22%, ND at 20%, and LGD Jewelry grew at 22%.

Driven by strong revenue performance, we delivered a PAT of INR532 crores for the 12-month period, growing at 24%. PAT margins stood at 43.3%, which is up 270 basis points year-on-year. EBITDA reported at INR737 crores, reflecting a year-on-year growth of 23%. EBITDA margin stood at 59.9%, up 300 basis points year-on-year. The company has ended the 12-month period with an extremely strong quarter 4 performance, thus delivering above the guidance provided at the beginning of the year.

With that, I conclude my remarks and open the floor for any further questions. Thank you, everybody.

**Moderator:**

Thank you very much. We'll now begin the question-and-answer session. The first question is from the line of Sucrit D Patil from Eyesight Fintrade Private Limited. Please go ahead.

**Sucrit D Patil:**

Good evening to the team. I have two forward questions. My first question is to Mr. Printer. With increasing complexity in global jewellery markets, including adoption of lab-grown diamonds, higher consumer focus on traceability and evolving retail requirements, how is IGI positioning its certification and value-added services to remain relevant and indispensable across the industry?

Additionally, how do you see demand evolving across natural versus lab-grown segments and what tactical priorities will shape IGI's growth and differentiation over the next coming quarters? That's my first question. I'll ask my second question after this. Thank you.

**Tehmasp Printer:**

Thanks, Sucrit. IGI is in a very dominant position because we believe that as a third party independent certification body, which certifies diamonds, the most important factor in today's date, apart from the 4C's, of course, is the identification of the origin. So just take it like this that if you want to buy a natural diamond, certified by IGI becomes a real factor.

Why? Because you want to know it is not a lab-grown diamond. If you want to buy a lab-grown diamond, certification becomes imperatively because you want to know that it is not a piece of glass. So, at every stage, IGI certification is the most relevant feature in the purchase of your diamonds and diamond jewelry. We firmly believe that our certification makes lab-grown diamonds a diamond. That is what the aspiration of a customer is.

Every customer aspires to have a diamond. And today, IGI is giving that option to the buyer, which is now what I call it as a modern luxury, not even an affordable luxury. Of course, it is more viable to the pockets of the millennials and the Gen Zs. But it is a modern luxury, which everyone aspires to have a diamond. And when it is certified by IGI, giving you the four Cs of the diamond, giving you the origin, it becomes conducive for purchase.

So, all over the world, we've seen and the US has taken the lead in adopting lab-grown diamonds. IGI has taken the lead in adopting the certification of lab-grown diamonds because we believe that we certify diamonds and give you the origin. So that is the main stay of IGI, that we are a third-party independent certification body.

**Sucrit D Patil:**

Thank you. My second question is to Mr. Iyer. As IGI continues to scale its operation amid fluctuations in diamond volumes, pricing cycles, and geographic mix, how are you thinking about margin sustainability and cost efficiency while investing in technology, capacity, and talent? Further, can you elaborate on the capital allocation philosophy and cash flow priorities as the business balances growth opportunities with financial discipline? Thank you.

**Eashwar Iyer:**

Okay. I think you've asked too many questions at the same time. Let me just try to answer this one at a time.

On the margin side, I think what we've been articulating over the last three quarters, I think India is where majority of the cutting and polishing happens. So, from that context, because of our position in India for the last 26 years, we have established a strong connection with the

manufacturers and the retailers here, which is enabling us to therefore ride on the brand salience that IGI gets to the table.

Having said that, with strong revenue performance over the last three - four years and also '25, I think we also have a business model which provides great operating leverage. And you will see that consistently there has been an improvement in the EBITDA margin or the PAT margin that the company has been delivering over the last eight quarters. So, this year, we ended the year with around 60% EBITDA margin versus 57% that we delivered for the 12-month period of 2024. Again, that brings out the operating leverage that this business works at.

Speaking on the cost and the capacity, etc., that you asked about, I think that is an ongoing activity within the organization. In terms of building up capacities, and for us, capacity is basically building a good bench of graders. We did a recruitment of close to 200 people at the beginning of 2025. And as we speak, there is another round of large recruitment that is happening because we are seeing an exponential growth on the volume front as we ended the year.

So that is a continuum for the company. We continue to remain focused on providing the best customer experience driven by improved turnaround times, etc. That is one of our key metrics from a customer experience standpoint. And to that extent, as and when we need to add workforce to provide a differentiated service for our customers, we will continue to do that.

**Sucrit D Patil:** Thank you for the guidance and I wish the entire team best of luck for the next quarter.

**Moderator:** Thank you. Our next question is from the line of Harit Kapoor from Investec. Please go ahead.

**Harit Kapoor:** Hi, good evening. Since I have a few, the first one was, you know, if you could just explain a little bit more in detail as to in this particular quarter, and even actually even in Q3, we saw very sharp growth in natural diamond lose. 29% and now 45% India is even higher. And lab also has seen an acceleration.

So, whether it's festive, it's the US New Year, Christmas, whether its pipeline filling for Valentine's Day. If you could just give us a sense on what's happened this quarter, because 40%-50% growth in natural diamond is something we're not used to seeing.

**Tehmasp Printer:** Very good. See, in natural diamonds, what is happening is, there is lab grown diamonds and natural diamonds. Now people are also certifying more of natural to ensure that it is not lab grown. So, both the diamonds are actually complementary to each other. And we are sitting in the middle. We certify the origin as well as the 4Cs. So, I agree that we have seen a very good increase in the certification of natural diamonds about 45%.

And that all comes from that everybody wants to know the value of the money that they are paying. And they have to ensure that it is not a lab grown. Initially, in yesteryear's lab grown didn't exist or it not as much as in this quantum. So, people were certifying. But today,

certification of natural diamonds becomes imperatively because you want to be sure that it is not a lab grown.

**Eashwar Iyer:**

Add to what Mr. Printer just mentioned. I think strategic priorities for IGI is also to find ways and means to improve its market share in natural diamond. I think over the last 12 months, there has been a significant effort that's gone in, in terms of improving our penetration and you know, dealing with a larger customer base in terms of attracting them to IGI for certification services. So, I think there is some of those factors at play as well, which is enabling us to deliver very strong results from an ND standpoint as well.

**Harit Kapoor:**

And given Eashwar that the ND shares are relatively lower compared to lab, is this, I mean, not 45%, but is this a trend that lab that natural grows in line or ahead of the overall certification revenue, at least in the CY '26? Because why I'm asking is because it has a material impact on the realization.

**Eashwar Iyer:**

Of course, of course. No, see, I think it's one of the strategies that is articulated by the organization in terms of how are we therefore going to leverage the strength of LGD in the natural diamond segment as well.

So, from that context, the teams are committed to, providing this vertical, the necessary impetus that is required to gain that sort of traction. I understand that from an ASP standpoint with high realization of ND, diamond, etcetera. But yes, we continue to remain focused on all segments. And of course, ND is an important component of our revenue mix.

**Tehmasp Printer:**

And just to add to what Eashwar is saying, see, there are different consumers. The old age consumers who predominantly want to buy natural diamonds, they have to be very sure that it is a natural diamond, that is one segment. And the millennials and the Gen Zs, who now can afford to buy diamonds instead of crystals and trinkets, they also want to, what to say, get it certified to know that it is not a piece of glass.

So, overall, what is happening is the diamond consuming market is fast increasing because of the millennials and the Gen Zs. Now, there will come a point in time when the Gen Zs can afford natural, they will be going to buy natural. So, both the diamonds are complementary to each other and IGI is sitting in the bank middle of this consumer market.

**Harit Kapoor:**

Thanks for this. Also, on this one follow-up on this part, could you just highlight also this 45% growth in consolidated and then looking consolidated because that is the best way to look at it on the natural diamond side. Is there any specific country where we have seen a noticeable market share gain?

India, we are already very strong in natural diamond market shares, but is it India market? Is it US where we have a low share in the last two quarters? Anything you can highlight in terms of countries where this market share gain is visible with the retailers of that region?



**Eashwar Iyer:** See, Harit, India has grown 53%. So, obviously, the focus of attention for us remains in India at the moment. As we have articulated in the last call, we got a fresh leadership inducted into the US team and that then becomes our critical strategic priority for 2026. So, yes, at the moment most of the market share is, from the India market, but yes, our focus continues to remain on larger geographies as well.

**Harit Kapoor:** Great. And just on the lab bit, so if you look at again, last three quarters, growth rates have been fairly strong. Would you attribute, I mean, I know Tehmasp mentioned this in the opening remarks, but are you seeing a perceivable kind of shift from your competitor who has changed the grading structure in terms of clients from that competitor to yourself over the last, say, three, four months, given that you do a much more detailed kind of grading still? So, I mean, are you seeing that shift already kind of play out?

**Tehmasp Printer:** Yes, in a way, there is a shift. The thing is, we are an independent grading laboratory. So, we don't carry any biases against any gemstone. We are neutral to all gemstones and diamonds. And it is our prerogative and our philosophy to give the grading to the diamond, give transparency to the consumer. And so, from that past aspect, we continue to grade the lab grown diamond also on the 4C's method.

Having said that, because the competitor is just grading it not as 4C's, they initially to start off with had quite a little market share, which is also now coming to us. And more-and-more awareness is being created about lab grown and more and more companies are getting into lab grown. And, of course, they naturally opt for a certification body, which is independent and giving the 4C's and the origin. So, then IGI is sitting on a very good wicket.

**Harit Kapoor:** Thanks, Tehmasp. The other things are two more. One was, if I just look at consolidate minus standalone, which gives you a reflection of Belgium and Netherlands, there is a very sharp EBITDA growth, seems like opex is also lower this quarter. And even for the full year, calendar year to calendar year, EBITDAs have grown reasonably well, largely opex reduction driven.

So, I know this is, I do not want to look at revenue because revenue can get booked in India as well. But just from an opex standpoint there, even this quarter for the full year, could you just enumerate some of the things you have done to kind of make a cost structure in Belgium and Netherlands?

**Eashwar Iyer:** See, again, Harit, there has been a concerted effort at least to rationalize costs in the US. Because while we are trying to cut down some of the, for lack of a better word, wasteful expenses that we incurred in the US, I think we just want to redeploy that in terms of building greater organizational capability and strength.

So, we will, that is the reason there has been a reallocation of resources. So, we are trying to cut down on some of the unnecessary spends there. And while we have not actioned in terms of fresh recruitment, etc., but there is going to be a lot of effort that goes over the next 2-3 months in terms of building up a strong sales organization in the US.

So, what you are seeing today is more about getting the cost structures right, so that we are able to then reinvest those resources for what we think is of strategic importance.

**Harit Kapoor:** Got it. And this one last question, if I may, was that, if you obviously this year has been an excellent year, growth rates have exceeded expectations and congratulations on that. Going into, kind of next year, any thoughts on what kind of, broad revenue run rates or EBITDA run rates we can see, you have the best view there. So, just wanted to get a broad sense from you. That is my last question?

**Eashwar Iyer:** Yes, I think early days for us in '26, but structurally, I think some of the key trends that we are seeing is obviously, Tehmasp has mentioned about, explosion of the retail chain as far as lab grown jewelry is concerned.

Added to that, we are also hearing significant capacity additions that is happening at the lab grower manufacturers end. So, from that standpoint, I think the tailwinds in this continue to be extremely strong, and of course, we will endeavor to repeat what we have done in '25. So, that is where I will leave it. But again, at least the tailwinds are pretty strong as we speak.

**Harit Kapoor:** Great. Thank you very much for your time. Wish you all the best.

**Tehmasp Printer:** Thank you.

**Moderator:** Thank you. Our next question is from the line of Arihant from Bowhead. Please go ahead.

**Arihant:** Yes. Hi, sir. Thanks for taking my question. I just wanted to know, like, there was a jump in debtors from year-to-year, like around 15.5% of sales in CY '24 to 19%. So, I just wanted to know what is leading to the jump in distributors.

**Eashwar Iyer:** Yes. Okay. Arihant, I think we have articulated this in the past as well. We have a 60-day credit period for some of the large lab growers. Obviously, with scaled-up volume, I think that is why you see a slight increase in AR. But again, they remain within the credit terms that we have placed for these organizations.

**Arihant:** Okay. So then, there has been also been growth in other financial assets, which has increased from INR13 crores to INR188 crores

**Eashwar Iyer:** The financial assets were basically FD and bank balances, Arihant. I think if you look at the schedule, I think we will place that out. It is already there, so you can just have a look. All of that is just basically cash, which is in bank, in FD, or, yes, it is basically FDs.

**Arihant:** Okay. And, sir, the 1.8 crores ESOP shares which were granted, I just wanted to know when they will rest?

**Eashwar Iyer:** See, there is a vesting condition, which is articulated in our DRHP document as well. I think, have a look at it. It vests over 5 years, with 60% vesting after 3 years, and so on and so forth.

But there are a lot of conditions and gate conditions, which have to be met before some of these options vest. So, those details are available on the website. Have a look at it. In case you still have clarifications, please reach out to us. We will clarify it for you.

**Arihant:** Okay. Thank you.

**Moderator:** Thank you. Our next question is from the line of Smith Gala from RSPN Ventures. Please go ahead.

**Smith Gala:** Yes. Thank you for the opportunity and congratulations on a good set of numbers. My first question will be depending on, as you mentioned on the call earlier, that we are also doing a mass hiring. We have been able to achieve the 3.2 million volumes with the manpower, which we have right now, and we are hiring. We have started hiring. So, with the new hiring, till what volumes will the new hiring be able to take us to?

**Eashwar Iyer:** This is an evolving Smith. I think, basically, we have our own internal targets, etcetera basis, which we -- turnaround times...

**Moderator:** You are not clearly audible...

**Eashwar Iyer:** Smith what I was saying is -- while recruitment is -- obviously supports the volume and revenue growth. One of the other aspects which we also like to monitor and keep a tab on, is the turnaround times that we are providing to our customers. So, it is a combination of various factors which determine how many people we recruit. So, it is always in terms of optimizing both the customer experience and also supporting. So, our plans for recruitment are driven by these two factors.

**Smith Gala:** Okay. And for the past, leaving this quarter out, we had achieved volume growth in excess of 20%. Now, in this quarter, we have near about achieved 11%. So, for the next year, do we expect the volume growth around that 15%-20% range or you expect it to come down and the ARR, which has gone up 11% Y-o-Y to continue?

**Eashwar Iyer:** See, again, if you look -- if you put this in perspective, the quarter for this year is cycling a Diwali quarter of 24. That is the reason why you see a suppressed volume growth. But because of the mixed shift towards ND lab-grown loose stones, it is giving me an additional 11% ASP, culminating in a 23% certification growth at the revenue level.

I think that has to be seen in conjunction. So, the overall growth for the year has been at 21% from a volume standpoint and around 18% from a certification standpoint. And as I mentioned earlier, I think the company will endeavor to repeat this performance, considering that there are strong tailwinds in the industry.

**Moderator:** Our next question is from the line of Shrenik Mehta from IndoAlps Wealth.

- Shrenik Mehta:** So, the question I had was probably something that might have been asked in the last few minutes. We haven't seen any impact of the US tariffs on the performance of the company. I'm still wondering how that is happening, why there is no impact, because a lot of reduction in the actual exports to the US has really happened. So, if you can throw some light on what is really helping us here. Is it that our market share is too small or what is really ensuring that there is very little impact on the US tariffs?
- Tehmasp Printer:** There are two parts on the US tariff. One is most of -- quite a majority of our sales is in the domestic market. There is no impact of tariff at all. And the other aspect is people have now maneuvered how to use the tariff and continue to grow. People are looking also; I mean manufacturers are looking at different countries and all such things. So, they're looking into different markets.
- So, what has happened is, overall, the certification in the market keeps on growing. When the tariffs move away, there will be new markets to cover. So, in short, it will be a good process. Everything has an upside for it. And I think tariff also has an upside for it.
- Shrenik Mehta:** **Thank you very much**
- Moderator:** Our next question is from the line of Rahul Jha from Bay Capital.
- Rahul Jha:** Thank you for the opportunity. I wanted to ask what has been the pricing trend in the lab-grown diamonds? We have been seeing some decline over the last two years. But what has been the recent experience on the demand side, as well as pricing?
- Eashwar Iyer:** See, Rahul, I think we've articulated this in the last two calls at least. The pricing on lab-grown has been extremely stable since May, June of 2024. So, consequent to that, I don't think there has been any structural correction as far as the certification component or the certification pricing for lab-grown is concerned. So, it has been pretty stable.
- Rahul Jha:** I am not asking about the certification pricing. I am asking about the actual lab-grown diamond pricing at the wholesale as well as retail levels?
- Eashwar Iyer:** Yes. So, I am also talking of the diamonds. I am not talking about the certification. Because of that stability in the diamond pricing, our pricing also remains stable.
- Shrenik Mehta:** **Thank you**
- Moderator:** Thank you. Our next question is from the line of Aaditya Agrawal from Finavenue. Please go ahead.
- Aaditya Agrawal:** Good evening, sir. Am I audible?
- Moderator:** Yes.
- Tehmasp Printer:** Yes. Loud and clear.

**Aaditya Agrawal:**

Yes. Sir, I just wanted to know like I mean, from the monopoly point of view, we have the largest market share in the world. So, can any different agency be able to acquire a large portion of market share from us in near future? So, this was the first doubt that we have. And the second, just to add on this is like, do we expect that if lab-grown diamond pricing crashes really, I mean, since supply is increasing every year.

And let's say a INR20,000 carat price is there right now, if it reaches to a level of, let's say, 10,000 or 12,000 in two to three years, so will the consumer have a different mindset that do we require a lab certification? I mean, since prices are already going down. So, in the price of 10,000 -- INR500 for test INR500 or INR800. So, will it make sense? So, just two questions. Would love to know your insight about it?

**Eashwar Iyer:**

Aaditya I think there are two aspects here. One is the pricing at the wholesale level and one is the pricing at the retail level. And as we mentioned, there's been significant stability over the last 18 months, 20 months as far as the lab-grown diamond at the wholesale level has been. And I think we've articulated this in the last couple of calls as well.

At the current pricing, the returns that the lab growers are currently making is in the 8% to 10% range is our estimate. And therefore, that provides them with no great elbow room to further drop prices. So, that is stand out over the last 12 months. We can actually see the pricing trends on lab-grown diamonds.

Having said that, the retail pricing works very differently from the wholesale price. Prices at the retail level are significantly higher and it's the power of the certificate that enables the retailer to sell a lab-grown at a particular price. I think Tehmasp mentioned that at the beginning of the call in terms of the certificate actually therefore providing a background to actually certify this as a diamond.

So, that's a critical component in terms of what the certification does to a piece of a rock which finally gets certified as a diamond. So, these are wider aspects that need to be considered before you get into – getting into a discussion around the need for certification, etcetera. We remain confident that the need for certification is far more relevant today than ever before.

**Tehmasp Printer:**

Just to add to what Eashwar says the need for certification is absolutely essential and that also a third-party certification, not your self-certification. So, what happens is when you want to buy a natural, you want to know it is not a lab-grown. When you want to buy a lab-grown, you definitely want to know it is not a piece of glass. Even like you said, even if it goes to 10,000, a piece of glass is at 100 bucks, INR100. So, you see the relativity. You have to get it IGI certified.

**Aaditya Agrawal:**

And sir, any further agency, can it take market share from us? I mean, what is the entry barrier that stays our market position?

- Tehmasp Printer:** The most important factor here is trust. And trust is not something that you can acquire in a small brief time. We have 50 years of legacy plus 50 years of expertise plus 50 years of expert gemologist that we have over the last many decades. So, all in all, the entry barrier is extremely high. If you see, there are today only two labs of repute. One is IGI, the other is GIA and then there are 10,000 other laboratories. But to be authenticated by a reputed laboratory is a must and that is where IGI comes in.
- Aaditya Agrawal:** Okay. Thank you so much, sir. And sir, how do we plan to use the operating free cash flow that we are generating year-on-year, I mean, in the near future, either in capex or distribution to shareholders?
- Eashwar Iyer:** Again, in line with what we have been articulating over the last so many quarters. I think there will be a combination of dividend. And also, we are holding some money in the bank because we are also continuously evaluating M&A options. So, it will be a combination of both, either acquisition of some company or in the form of payout in form of dividends. I think that is the way the capital then get allocated over a period of time.
- Aaditya Agrawal:** Thank you so much, sir. Thank you.
- Moderator:** Thank you. Our next question is from the line of Sunil Jain from Nirmal Bang Securities Private Limited. Please go ahead.
- Sunil Jain:** Yes, congrats on a good set of numbers, sir. LGD revenue has grown by 34%, whereas overall volume has grown by 11%. So, a bit confusing means you said that because of the seasonality, the volume growth is lower. So, was there a substantial increase in the price also realization specifically for LGD?
- Eashwar Iyer:** No, no. Sunil, see, I think the LGD price is driven by the fact that a significant mix of the business in this quarter was towards the lab-grown and natural diamond versus a large component of this in quarter 4 last year, which was towards jewellery because that was a Diwali quarter. So, that is the reason why you see a volume growth because the realization on jewellery is much lower than the realization on lab-grown and natural diamond loose stones.
- So, that is why 11% volume growth is translating to a 23% overall certification growth or a 30% -odd lab-grown revenue growth. So, that is the reason why you are seeing a lower volume growth because normally the jewellery is a volume business with low realizations, whereas natural diamond loose stone jewelries, lab-grown loose stones are a higher ASP or a higher price realization, higher certificate realization components of our business.
- Sunil Jain:** Because jewellery has too many diamonds and that need to be there, the realization comes as a common and which is lower.
- Eashwar Iyer:** That's right.
- Sunil Jain:** That is why we are seeing lower volume growth?

- Eashwar Iyer:** That's right.
- Sunil Jain:** Okay, okay, fine. If we see LGD, your volume growth will be in line with what you are doing?
- Eashwar Iyer:** Sorry, Sunil, I did not get that.
- Sunil Jain:** So, LGD revenue growth is 34% and if the realizations are year-on-year up by almost around 10%, so maybe 20% plus LGD volume growth will be there.
- Eashwar Iyer:** That is right.
- Sunil Jain:** Okay. And any planning to take any price increase in LGD?
- Eashwar Iyer:** At the moment, there are no considerations in terms of changing the price structure.
- Sunil Jain:** Okay. Great, sir. Thank you very much.
- Moderator:** Thank you. Our next question is from the line of Pradyumna Choudhary from JM Financial Group Investments. Please go ahead.
- Pradyumna Choudhary:** Yes. Hi, sir. Just one question as a follow-up to previous participant. You spoke about pricing for jewellery being lower than a pricing for loose diamonds on a per report basis. So, could you please explain the same? Why is the pricing in jewellery lower compared to what we see for loose diamonds?
- Tehmasp Printer:** Where loose diamonds is concerned, we give you the exact grades and we take each loose diamond and put it through 14 parameters. Now, when you come to jewellery, there is a cluster of diamonds, small ones, of even colour and even clarity. And it is all mounted. So, when you pick up a piece which has, say, 100 diamonds, you are reviewing 100 diamonds at a stretch, at one shot. Also, that we give you split grades.
- We don't give you exact VVS1, VVS2. We give you VVS. So, it's a split grade and the grading goes much faster. And from that perspective, the jewellery and also the value of the smaller diamonds is much less. So, taking all these into account, jewellery certification prices is lower than the loose stone prices.
- Pradyumna Choudhary:** All right. So, and when you talk about pricing per report, it means that you are pricing either a loose diamond or an entire jewellery. That's right, right?
- Tehmasp Printer:** Yes. Yes.
- Pradyumna Choudhary:** Understood. All right. Thank you.
- Moderator:** Thank you. Our next question is from the line of Angad Katdare from Sameeksha Capital. Please go ahead.

**Angad Katdare:** Thank you for the opportunity and congrats, sir, for the great set of numbers. Just one question from my end, sir. In India, the largest organised retailer has launched its own LGD brand. And we have found out that they are not giving the IGI certified certification. They are giving their own certification.

How do you see this as a precedent evolving over the next couple of years, where maybe as more organised retailers market share in LGD, this similar trend may or may not continue? What's your thoughts? What's your thought on this?

**Tehmasp Printer:** Okay. It's a very good question. See, what has happened is this is the first time that a large retailer has ventured specifically and openly into the LG market, into the LG market. Okay. Now, initially, they are, I think, in the testing phases. And they have, they are grading the 4Cs. They are saying that this is the quality of the diamond that we are going to sell.

And they are doing market research currently, as I believe. We are already in touch with, we are in conversation with these, with this company. And most important, what you have to understand is that a third-party independent certification is the most important aspect when you are buying a certificate.

So, I believe in the long run, in future, in very short future, we will know which way this company will go. As per our thoughts, we are there to give you a third-party independent certification. This is communicated to the company, and we will see how it goes.

**Angad Katdare:** So, thank you, sir. I will get back in the queue.

**Tehmasp Printer:** Yes.

**Moderator:** Thank you. Our next question is from the line of Naitik from NV ALPHA. Please go ahead.

**Naitik:** Hi, sir. Thanks for taking my question and congratulations on a very good set of numbers. Sir, my first question is, you know, just wanted to understand, do our realization for certificate now stabilize around the 950 levels that we have? Or how do you see these trending over the next few years?

**Eashwar Iyer:** I think we maintained a consistent ASP over the last four, five quarters, Naitik. I think, as we mentioned earlier, structurally, there has been no change at the industry level as far as the pricing of natural diamond or lab-grown diamonds are concerned. And therefore, we do not anticipate any structural change to our pricing model as well.

**Naitik:** Got it. And, sir, in terms of revenue mix between, say, loose diamonds, both ND and LGD, versus jewellery, do you see, how do you see the contribution changing? You know, does it remain same if I look at it year-over-year basis and changes quarterly basis festive, or how is it? Are you expected to change?



- Eashwar Iyer:** Actually, overall, from a 12-month standpoint, I think there's been a couple of percentage point shift towards natural diamond and lab-grown. And then, yes. So, see, again, going back to what we mentioned earlier, I think the trend in terms of significant capacity additions in lab-grown, the loose stones is continuing.
- So, I think that growth will continue to accelerate, coupled with the fact that lab-grown jewellery is an emerging trend within the Indian consumer space. So, I guess these two segments will continue to see robust growth. And then, strategically, I think it's important for IGI as an organization to improve its penetration and market share from a natural diamond segment as well. So, we will continue to stay focused on each of these segments for the foreseeable future.
- Naitik:** Sorry, I'll just repeat my question. So, what I'm trying to ask is, between loose diamonds and jewelry because we are seeing...
- Eashwar Iyer:** We do not anticipate to change as far as, because if you look at it from a 12-month standpoint, it's just a plus 1% or 2% movement here or there, so, that will continue. I think, because we are seeing strength across all segments, be it lab-grown jewelry or be it natural diamond loose or lab-grown jewelry. So, I don't think there's going to be a dramatic shift from that standpoint.
- Naitik:** Got it. So, my last question is, what is the cash on books we have as of date or as of December end?
- Eashwar Iyer:** I think it's around INR860 crores of cash across the group.
- Naitik:** Got it. That's it from my side. Thank you.
- Moderator:** Thank you. Our next question is from the line of Varun Singh from Alpha Accurate Advisors. Please go ahead.
- Varun Singh:** Yes, thank you. Am I audible?
- Tehmasp Printer:** Yes.
- Varun Singh:** Sure. So, my first question is, as you called out that the lab-grown diamond prices are stable now. So, I just wanted to understand that, do you think that the lab-grown diamond prices can go up also, if not down, given the return-on-investment constraint with the LGD manufacturers are facing? I mean, please share some insights on this part of how to understand the lab-grown diamond price trajectory in future.
- Tehmasp Printer:** Every seller wishes that it goes up. But what happens? I mean, be realistic. I mean, the price is stable. So, it's more important that you know, stability is in the market and then we continue to grow.

- Varun Singh:** So, in that case, how to assume about realization that we are deriving from the lab-grown certificates? Like how that should be growing, average realization assuming everything is constant?
- Eashwar Iyer:** I think, Varun, I think we've articulated this. I think, and again, Mr. Printer just mentioned it. I think we're seeing a lot of consistency as far as pricing on lab-grown moonstones are concerned over the last five, six quarters. So, I think the trend will continue the way it is. And yes, so again, we've been in the 900-950 range as far as ASP is concerned. So, I think nothing structural, we don't foresee any structural changes here.
- Varun Singh:** So, technically, like for the model purpose, is it safe to assume same realization over next two, three years? Or should we assume maybe 4%-5% decline in average realization when we are doing some math with regards to how we wish to grow the volume in the segment?
- Eashwar Iyer:** Varun, see, it will be very difficult for us to comment on the model assumptions that you take. But again, from an industry standpoint, we just, as we said earlier, structurally, we are not seeing any significant change as far as the pricing is concerned.
- Varun Singh:** Okay, sure. Thank you very much. Wish you all the best sir.
- Moderator:** Thank you. In the interest of time that this was the last question, I now hand the conference over to the management for their closing comments.
- Eashwar Iyer:** Thanks, everybody, for taking the time. I am presuming that there have been still a few people who have not been able to place their questions during this call. Please reach out to us individually and we can address some of these queries on a one-on-one basis. So, thanks once again for your time. We appreciate it. Thank you once again.
- Tehmasp Printer:** Thank you very much.
- Moderator:** Thank you. On behalf of International Gemmological Institute (India) Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.