INTERNATIONAL GEMOLOGICAL INSTITUTE LIMITED

Registered Office:
702, The Capital, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Tel: +91 22 4035 2550
Email: india@igi.org
CIN : L46591MH1999PLC118476

TC - 6078

Responsible Jewellery Council
Certified Member
0000 1013

July 27, 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: IGIL

Subject: Transcript of the Earnings Call held for the quarter and year ended June 30, 2026

Dear Sir/Madam,

The Company had intimated, vide its letter dated July 20, 2026, regarding the Earnings Conference Call of International Gemological Institute Limited for the quarter ended June 30, 2026. The conference call was held on July 23, 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.

This is for your information and record.

Thanking you,

Yours faithfully,
For International Gemological Institute Limited
NITIKA SUNNY NIRMAL
Digitally signed by NITIKA SUNNY NIRMAL
Date: 2026.07.27 14:49:28 +05'30'
Nitika Dalmia
Company Secretary and Compliance Officer

Encl: a/a

"International Gemological Institute Limited
Q1 FY27 Earnings Conference Call"
July 23, 2026

MANAGEMENT: **MR. TEHMASP PRINTER – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – INTERNATIONAL GEMOLOGICAL INSTITUTE LIMITED**
MR. EASHWAR IYER – CHIEF FINANCIAL OFFICER – INTERNATIONAL GEMOLOGICAL INSTITUTE LIMITED
MS. NATASHA KEDIA -- HEAD OF INVESTOR RELATIONS AND PUBLIC RELATIONS – INTERNATIONAL GEMOLOGICAL INSTITUTE LIMITED

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

Moderator: Ladies and gentlemen, good day and welcome to the Q1, FY27 earnings conference call of International Gemological Institute 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 touchtone phone. Please note that this 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: Yes, good evening everyone. I welcome you all to the earnings conference call to discuss Q1 FY27 results of International Gemological Institute Limited. To discuss the results, we have from the management, Mr. Tehmasp Printer, MD and CEO, Mr. Eashwar Iyer, CFO, and Ms. Natasha Kedia, Head of Investor Relations and Public Relations.

They will take you through the results and business performance, post which we'll proceed for Q&A session. Before we proceed with the call, I would like to mention that some of the statements made in the today's call may be forward-looking in nature and may involve risk 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, and thank you for joining us today for the IGI's first quarter FY27 earnings call. I trust you have had the opportunity to review our financial results and investor presentations, both which are available on the stock exchanges as well as our website. We have begun FY27 on a strong note, delivering Q1 revenue growth at 23% and an EBITDA growth of 29% year-on-year.

This performance reflects the enduring strength of our core franchise and the disciplined execution of our growth strategy. Our momentum this quarter was broad-based, led by LGD Loose Stones, LGD Jewelery, and increasingly our by Coloured Stone Gemstones and other certification. Demand for LGD certifications remain healthy, supported by incremental growth capacity coming online.

This structural expansion in supply, coupled with the rising consumer acceptance, continues to widen the addressable market for independent certification. At the same time, natural diamonds remain our strategic priority. We are working to gain market share in natural diamond loose stones, winning new customers and growing our share of wallet with existing ones. Consumer preference is ever evolving rapidly. Consumers today are increasingly guided by contemporary design, everyday utility, self-expression and transparency, trends that are reshaping the jewelery industry globally.

As we have consistently maintained, the rise of the lab-grown diamonds does not dilute the case of certification. In fact, it reinforces it in the larger markets where more participants' trust and commercial confidence becomes more valuable and not less. We firmly believe that an IGI certificate that makes a lab-grown diamond a diamond. At its core, IGI's value proposition rests on two enduring pillars. The first one is trust, which is very important. As an independent third party, we verify a stone's origin, its defining characteristics, that is the 4Cs, cut, colour, clarity and carat, and increasingly its traceability, provenance, etcetera.

As consumer and trade place increasing importance on transparency and authenticity, independent certification becomes ever more critical. The second value is commercial value. Independent certification establishes a standardized objective assessment of a stone's quality, enabling efficient price discovery, facilitating trade across the entire value chain, giving manufacturers, retailers and consumers alike the confidence to transact.

As you know, earlier this year, we acquired American Gemological Laboratories, AGL, a leader in gemstone certification in the US. The consolidation of AGL is now beginning to contribute to our performance and reinforces our position as one of the few scaled global certification players spanning natural and lab-grown diamonds, jewelery and now coloured stone gemstones. Coloured stones expand our total addressable market and opens a new avenue of growth beyond diamonds, with meaningful opportunity to cross-sell and to extend AGL's presence into new geographies.

Alongside the core business, we continue to invest in building the IGI brand and deepening consumer awareness and embedding artificial intelligence and machine learning across our operations to enhance service qualities, improve turnaround times and drive greater efficiency. I'm also pleased to share that we have been strengthening our leadership bench with the addition of senior leaders across various functions.

Most recently, we have Mr. Manu Sharma joining us as the Chief Operating Officer, who brings over 20 years of leadership experience in retail luxury and brand management and business growth. He has served the group as a Group Vice President at Reliance Brands Limited, where he led a premium portfolio of global brands, drove strategic partnerships and headed major expansion initiatives.

In conclusion, we believe IGI is exceptionally well-positioned to capitalize on these opportunities and continue delivering sustainable long-term growth given our strong global footprint, diversified segment presence, trusted brands and expanding capabilities. With that, I now like to invite our CFO, Mr. Eashwar Iyer, to take you through the financial performance for the quarter and the year gone by. Thank you.

Eashwar Iyer: Thank you, Tehmasp, and thanks everyone for taking the time. It's a pleasure to have you guys again on board for our quarterly investor call. As mentioned in the last con-call, I would like to highlight that the company has transitioned its financial reporting structure from a calendar year to a financial year ending March. I will start with an update for the quarter. I'm talking of the consolidated group performance for the quarter.

Certification revenue for the quarter stood at INR 3,598 million, growing at 23% year-on-year, supported by strong volume growth of 17% on a year-on-year basis. This was primarily driven by strong revenue growth across all our core segments, namely LGD, which has grown at 25%, LGD Jewellery, which clocked 44%, and Gemstones and other certification growing over 200%, the latter reflecting the consolidation of AGL. Total revenue from operations for the quarter stood at 3,708 million, registering a growth of 23%.

During the quarter, ND Loose Stones grew 6% year-on-year and ND Jewelery saw a growth of 2% year-on-year. The audience will appreciate that the natural diamond vertical is a key strategic pillar and we continue to put efforts to gain market share in the ND Loose segment through new customer acquisitions and increased share of the wallet from existing customers. Work is underway to leverage the strength that IGI has in India, in the Indian domestic market.

While we continue to focus on this vertical, we remain confident of the full-year trajectory with LGD segment continuing to provide the volume impetus. This quarter has also seen a strong performance from our subsidiaries. The investments in the US organizations are starting to see some traction. We also commenced operations in Italy through our Belgium subsidiary as we continue to explore geographical expansion. This combined with strong growth in the subsidiaries under the Netherlands holding company has enabled to deliver growth mirroring the growth in India.

The AGL acquisition led to an incremental 3% revenue growth, with the base business delivering 20% revenue growth for this quarter. Reported volumes stood at 3.56 million reports, compared to 3.03 million reports for quarter one ‘26, growing 17%. ASP for the quarter reported at 1,010 or INR1,010, registering a 5% improvement versus previous year, with AGL consolidation giving 3% gains and the base business ASP growing 2%.

EBITDA reported at INR 2,238 million, reflecting a growth of 29% compared to the previous year. The AGL acquisition also contributed an incremental 2% growth to the EBITDA. EBITDA margins for the quarter stood at 60.4%, an improvement of 270 basis points year-on-year. The sequential decline on EBITDA was largely due to the seasonally strong fourth quarter resulting in improved operating leverage in that quarter.

Therefore, the current quarter's margin is a more representative indicator of the sustainable run rate of the business. With the planned investments in brand building, marketing and organizational capabilities, the company remains confident of sustaining EBITDA margins for financial year 27, with operating leverage expected to support margins as volumes scale. The DNA setup, step up is reflective of the incremental capex consistent with volume and business scale-up, with finance cost increasing as a result of increased rental payouts on additional office spaces that have been taken to support the business requirements.

The company continues to be debt-free. Consequently, PAT reported at INR 1,657 million, growing 31% compared to previous year. PAT margins were at 44.7%, an improvement of 260 basis points over the previous year. Coming to the India standalone results for the quarter, in terms of revenue, certification income for the period stood at INR 2,792 million, growing at 22%, supported by strong volume growth of 21%. This was primarily driven by strong revenue growth across our core segments, be it LGD growing at 30%, LGD Jewellery at 38%, and Gemstones which grew at 135%.

Total revenue from operations for the quarter stood at INR 2,862 million, registering a growth of 22%. ASP for the quarter reported at 870 versus 861 for the previous year quarter, as pricing continues to be stable. EBITDA reported at INR 1,970 million, reflecting a growth of 15% compared to the previous year. EBITDA margins stood at 68.8%. While the EBITDA margins are lower versus previous year, the group EBITDA as stated earlier improved 270 basis points.

The audience will appreciate that as our geographies scale up on retail engagement and influence markets to push for IGI certified stones in India, there is a commission payout that is made from the India organization to other geographies, which is reflected in the increase in other expenses. Additionally, the quarter saw the impact of discretionary brand and marketing spends resultant of the IPL sponsorship, which is largely front-loaded, and investments on headcount.

As the discretionary spends moderate, we expect the EBITDA margins to stabilize in the 70% range. Consequently, the strength of one IGI, where the manufacturing of -- manufacturing strength of India combined with the retail engagements in the other geographies, has enabled the group EBITDA margins to expand versus previous year. Consequently, PAT reported at **INR** 1,546 million, growing 12% compared to the previous year. PAT margins stood at 54% for the quarter.

Again, the India standalone margins need to be seen in conjunction with the consolidated results in line with the narrative on the EBITDA.

Overall, we have started 2027 with a very strong first quarter performance. We remain confident to deliver the 15% revenue growth and 20% EBITDA growth guidance that we had provided earlier. With that, I conclude my remarks and open the floor for any further questions. Thank you, everybody.

Moderator: Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Harish Advani from Axis Capital. Please proceed.

Harish Advani: Hi, thank you for the opportunity and congrats on a great set of results. My first question was on the comment on the LGD production capacity expanding. So as more growers come in, more jewellery retailers come in, how do we see the pricing per report shaping up over the years to come? Is there a pressure that with higher volume we may need to forgo some pricing? That would be my first question.

Tehmasp Printer: See the -- what happens is the LGD Jewelery as well as LGD Stones is gaining wide increase in the consumer demand. So growers look at this growing demand and that is basically because of the affordability. The affordability of LGD satisfies the desires of all the different consumers who couldn't afford natural, so now they are into the diamond segment and the increase in the consumer base of LGD is fast increasing. And that is the reason why growers are increasingly increasing their growing capacity and polishing capacity.

So understand one thing, certification becomes central to LGD stone -- certification, stones, diamonds. IGI certificate for lab-grown diamonds makes a lab-grown diamond a diamond. Otherwise, without certification, it can be considered just as a piece of glass. So this is the most central importance point of IGI certification. So here what we look at is the consumer demand which is fast expanding and we increase our capabilities in certifying huge quantities, larger quantities, increasing quantities, and that is where our strength remains.

So what we have to do is keep pace with the demand and keep on increasingly certify the LG stones, diamonds, which come into play. And this is for the confidence building for the consumers. So it is basically, certification is an essential part. Whatever is the price, the price determines the expansion of the consumer market. But we as a certifying independent certifying body, we specify the origin of the diamond and the 4Cs, and that gives consumer confidence. So we are in the business of giving consumer confidence and trust to buy a diamond. Harish?

Moderator: Hello? It seems like Harish's line has been disconnected. We'll just move further with the next question. We take the next question from the line of Harit Kapoor from Investec. Please proceed.

Harit Kapoor: Yes hi, good evening. This is Harit here. So just a few things from my end. One was, you know, on AGL, if you could just give us slightly medium to long-term thought process on this business given the fact that it's been largely a US business and what are the opportunities here to expand, you know, geographically the business from a revenue standpoint, given the fact that it's also, you know, very high seems like a very high realization business as well, fairly accretive to the international business. So just some colour on this would be great. That's my first question.

Tehmasp Printer: So Harit, our acquisition of AGL is a strategic move towards expanding into the gemstone industry. You know, we have always been in the diamond industry, but we are also now making inroads into the coloured stone segment. Okay? So AGL is very well recognized and appreciated in the US, which is the main buyers for coloured stones. And with the acquisition of AGL, we acquired the coloured stone expertise and AGL gets a global platform to go to.

We are expanded globally, so we will take AGL globally. At the same time, we will increase our expertise in coloured gemstones, which we need, and we need something other than diamonds also. So today we have a plethora of gemstones within our reach and we have the expertise and we plan to expand into the coloured stone segment.

Harit Kapoor: Tehmasp, is there a is there a kind of geographical expansion outside the US thought process also, like large markets of gemstones which are not kind of tapped by you yet?

Tehmasp Printer: Of course. See what happens is the gemstones is a very regional aspect where, you know, gemstones come from Colombia, from Tanzania, from various other places. But the main consumer is in the US for the very high-end gemstones. So what we plan to do is extend the AGL capabilities as a collection window as well as mobile laboratories functioning, say to start with, we would start in Jaipur, you know, and then extend it to other geographies wherever the relevance is.

So we want to bring AGL to the to the global market and expand its expertise across the globe. And that is the main intention of our acquisition because we didn't have the coloured stone expertise, now we do have the coloured stone expertise and we also have the global reach. So we will extend AGL to the global reach.

Harit Kapoor: Got it. Got it. The second question was on the ND loose bit, you know, in the international or the international numbers, which is like a consolidated minus standalone, you do see ND loose growth for the last three quarters actually now being in double digits at 20%, 17% and 12%. I'm just trying to understand, you know, with all these initiatives that we are seeing that you guys are doing on the ND loose side that you spoke about, the US business is also doing well.

Do we see a further acceleration possible in ND loose here, given that it has the multiple impact of even on realization? So just some -- because in India you're already strong, so just outside this wanted to get a sense on that.

Tehmasp Printer: So Harit, definitely that is our main strategic point that, you know, we want to increase our shareholding, share market share in the natural diamonds. India we are already well very well covered and we have the highest market share in India. And globally we are fast increasing. All the increase that you see is from the global side. In the sense what happens is with the certification of lab-grown diamonds, and these are the new consumers who are coming into the market, these consumers are getting more and more exposed to IGI certification internationally, especially in the US.

So the consumption of natural diamonds certified by IGI is also on the uptick. You understand? So actually lab-grown diamonds is giving a full new consumer base which is fast increasing and this consumer base also like to upgrade themselves and then get into natural diamonds and they are already exposed to IGI certification. So naturally they will be exposed to, I mean they will prefer to have an IGI certified natural diamond.

Harit Kapoor: Got it. Last couple of questions. One was, you know, Eashwar, this 15% growth that you are expecting, you know, sorry, your guidance for is that 15% plus, is that including the AGL, you know, acquisition? And the second question was within that was also could you just explain this commission payout in standalone to subsidiaries? I didn't get that exactly.

Eashwar Iyer: So this -- the AGL piece, I think from a guidance standpoint, yes, we can expect an additional couple of percentage points contribution coming in from AGL. We're talking of a 15% on the base business. So we can probably expect some additional flow through because of the AGL acquisition, Harit.

Harit Kapoor: And the commission payout. Yes.

Eashwar Iyer: And to the second point. Yes.

Tehmasp Printer: See Harit, the thing is we have our geographical locations in various in all over the globe. While the main certification happens at the manufacturing end, which is India, the demand comes from across the globe. Now take for instance our office in US, in New York. They have a dual function. One is that they have a full-fledged certification -- I mean laboratory, which can certify all the diamonds or gemstones when it comes from the US territory.

However, the retailer and the chain stores in the US, they have specific demands. So my US office works as a marketing office. So they are in touch with the retailer abroad or in for that matter in Europe or in the Middle East wherever, and they give us the information of the requirements of that particular chain store. And we certify diamonds according to their needs.

So obviously the leads have come from these countries and then we while we do all the work here, we also give them a commission for bringing these customers to us. So that is the reason why we give the commissions to the geographies which have given us information and given us leads to certify in India.

Harit Kapoor: Got it. Got it. That's all for me. Thank you. Wish you all the best. Thank you.

Tehmasp Printer: Thank you.

Moderator: Thank you. We take the next question from the line of Pallavi from Sameeksha. Please proceed.

Pallavi: Thank you for taking my question. Am I audible?

Tehmasp Printer: Yes, Pallavi.

Pallavi: Right. So just wanted to understand in terms of you mentioned about the marketing spend for IPL. So and that been that being front-loaded. So, you know, how much would that be if you could quantify that? And my second question would be in terms of the number of employees, you know, I think there's reference to an addition in that number. So what was the addition to the number of employees?

Tehmasp Printer: See, we are now getting into our marketing aspects to the consumer. So IPL has been our first major endorsement or sponsorship where we have got a lot of viewership. And we actually tied up with Gujarat Titans, who was a radical horse, they came up to the finals. But fine, I mean, you know, they played a beautiful game and they also promoted IGI on their on their apparel. So we gain a lot of traction from them. And we're continuing to do such modest marketing activity to the consumer.

Most of our activities in the past have been B2B from business-to-business, you know, but now we are also looking into the consumer sector. The employee increase, see what happens is, you know, with the expanding number of certification that we need to do, we need to hire skilled or technical personnel in our evaluation model and of course in the process department. So what happens is we cannot increase the turnaround time. We have to shorten the turnaround time. We have to give a good service.

And that is the reason why we had to increase we have to increase the staff strength, plus we are also making inroads into AI and machine learning. You know, so all our data is also being fed into an AI model and machine learning is happening. So we're trying to optimize the workforce that we have today into giving a better service to our customers.

Pallavi: Right, sir. Would it be possible to quantify like how much is this marketing spend? Is it done?

Tehmasp Printer: Eashwar, can you please give her the details?

Eashwar Iyer: Yes, I think in I think we would have spent around just under 5 crores for the quarter in terms of the marketing spends around the sponsorship events etcetera. And obviously to what Tehmasp mentioned and referencing to whatever he mentioned during the call, we've also making significant investments from leadership capability across the organization. So a combination of those two have obviously had the impact in this quarter. But again, as Tehmasp mentioned, these are all for the long haul as we build greater credibility for the IGI brand through our engagements with the consumers etcetera.

Pallavi: Right, sir. I agree completely on this, you know, the long-term investment aspect of this. Thank you so much. I'll get back in the queue.

Moderator: Thank you. We take the next question from the line of Shravan Vohra from Morgan Stanley. Please proceed.

Shravan Vohra: Yep, hi. Good evening. Thanks for the opportunity. I just wanted to check first on the average realization per report. We've seen fourth consecutive quarter of improvement. How should we look at this number for the full year, like how would mix play a factor into the realization? Could you just elaborate a bit on that?

Eashwar Iyer: Hi, Shravan, good to hear from you. I think see, we've been maintaining this narrative over the last couple of years in terms of stability on pricing and that continues to hold on as we speak. We also talked about a few percentage points improvement. I think out of the 5% improvement that you're seeing, a 2% or 3% improvement is thanks to the AGL acquisition.

The balance 2% is the base business improvement. So it's more driven by the mix shift for the quarter. Underlying pricing has remained, you know, consistent or constant since the last time we did a correction, which was April-May of 2024 on natural pricing on LGD. Otherwise, things have been stable for us.

Shravan Vohra: Got it. Thanks for that, Eashwar. Just touching on the EBITDA margin bit, while you touched on it while making your opening comments, we've seen a like a deceleration this quarter Y-o-Y, but for the full year, did you speak about maintaining it at around 70%? Just correct me if I got it wrong.

Eashwar Iyer: Yes, that 70% was for the India business. At the consolidation at a consolidated group results, we are at around 60, 64 right? 64 -- 60% this quarter, after delivering a 61% for the full year last year. So we should be able to probably hold or probably improve because with the 15% revenue growth, we expect EBITDA to grow faster at the group level, which actually happened during this quarter. That trend should continue over the next three quarters. So hopefully with the operating leverage that we get on this business, EBITDA margin should probably improve by 100 basis points at least by the end of the year.

Shravan Vohra: Right. Got that. And just one final question on the international bit. While you spoke about how the US business has improved and your Italy and all your initiatives in international markets, but even the EBITDA margin has seen a very sharp improvement in that business. So could you just talk about what's driving the improvement in EBITDA?

Eashwar Iyer: Yes, I think see, that's the point that Tehmasp was making in terms of, you know, a lot of customer leads now coming in from these geographies, consequent to which, you know, there's a commission payout that's happening to some of these geographies. I think as the business scales up there and again, it's again contingent on the capability that we built in the US business, the capability that we built in Dubai and China etcetera, which is enabling us to therefore reach out to large many more retailers out in those markets.

And with the brand salience that IGI has created over the last few years, I think a combination of all these factors is enabling us to therefore see, you know, get into these territories at a much quicker rate than what we are actually expected at the beginning of this year. So all of those have come into play in this quarter. We hope that momentum continues for the balance of the year as well. And again, it's very simple it's very simple, Shravan. I think the operating leverage that is relevant for India also applies for the other geographies. You know, so if you're able to gain traction there, it just flows down into the bottom line.

Shravan Vohra: Yes, perfect. Thanks a lot, Eashwar.

Moderator: Thank you. We take the next question from the line of Aliasgar Shakir from Motilal Oswal Mutual Fund. Please proceed.

Aliasgar Shakir: Yes, hi. Yes, hi, Tehmasp and Eashwar. Fantastic set of results. Am I audible?

Tehmasp Printer: Yes, Aliasgar.

Aliasgar Shakir: Okay. So, you know, just a -- first follow-up on this realization that the previous participant was also asking. Just wanted to understand this bit a little better. Now, you know, you have said in the past that when there is any kind of scale volume that you get from vendors, you know, there are, you know, some price negotiation that they do. But honestly, in the last three quarters, you know, we have seen very steady improvement in realization. So can you explain how much mix is playing a role in this and, you know, given the fact of how the mix changes, how much of the blended realization benefit you see because of, you know, the mix situation?

Eashwar Iyer: See, Ali, I think there was a couple of percentage points that from a mix standpoint that we saw improvement in LGD, obviously consequent to what Tehmasp also mentioned in terms of expansion of capacity at the grower ends. So I think at the consol level, obviously it remained more or less constant at 58% this quarter versus the previous quarter. On a standalone basis, again, we've seen a couple of percentage points improvement from LGD segment.

I think that's driven, you know, the realization improvement for the for the group. We'll let's see how that pans out for the balance of the year because we also are expecting this natural diamond jewelery to, you know, start showing some traction. We had a decline in quarter four and we're seeing some growth, I think a it's a very small 2% growth in ND jewelery. I think as the mix pans out and again, we get into the Diwali quarters etcetera., I think that mix play we are aware of, you know, last two years we've seen that it's impacting the -- the realization.

But I think the broader point here is, Ali, that the volumes continue to be strong. The growers are expanding capacity and with the with the brand salience that IGI has, I think we'll have to therefore ride the bandwagon on the volume to ensure that we are able to deliver strong revenue growths as well, together with, you know, EBITDA margins or EBITDA growth and EBITDA margin improvement.

I think that is the overarching strategic imperative or the navigation that the organization therefore has to do over the as volume scales up and building that capability again from an organization standpoint in terms of people count etcetera. So all of that work is going on. So the good news is obviously volumes have been extremely strong and we hope to see that for the future for the immediate quarters as well.

Aliasgar Shakir: Got it. So just to understand this, you know, clearly, your average blended certification price, okay, compared to that, I mean, the LGD and natural diamond certification price is higher than the blended price? Is that understanding correct?

Eashwar Iyer: Sorry, come again, Ali?

Aliasgar Shakir: I'm saying that within the four-five category of certification that you do, the natural diamond and the LGD certificate price is higher than the blended price? I mean, I'm assuming the jewellery would be making lower for you, so I mean, what drives the realization? I was just trying to understand that.

Eashwar Iyer: Again, see, natural diamonds obviously the realization will be higher than LGD for sure. Again, see, the -- you also have to keep in mind that natural diamond the stones that come to us are the lower carat weight stones. So the realization obviously is also dependent on the carat size. It's not just, you know, and obviously LGD obviously comes with higher caratage because, you know, that's the way the business has obviously evolved. So the effective realization for both the natural diamond and lab-grown diamond will effectively be the same because of the change because of the carats per -- the carats per report.

Aliasgar Shakir: Got it. So the realization is getting driven by not the mix, you're saying?

Eashwar Iyer: The mix, see, if there is a significant increase in the jewelery mix, in that quarter we have seen in the past, right, Ali, we have a small dip in realization.

Aliasgar Shakir: Exactly. And then this quarter if I see your LGD mix and your, you know, has increased, but still actually the realization is improving. That's the reason why I was persisting on this point.

Eashwar Iyer: Yes, it again mix depends on the carat that come into the -- into our reports. So on an average basis, I think probably there's a slight improvement in the caratage as well. So that's probably driving this improvement.

Aliasgar Shakir: Understood. Got it. So basically the concern that this pricing could be, you know, weak realization per report, now that, you know, despite whatever the pricing being, this can be stable. We don't worry the pricing coming down, right?

Eashwar Iyer: Yes, Ali, see, again, from a wholesale standpoint, this pricing has remained stable in the last two years between the 80 to 120 range, right, per carat. I think that that financial -- or that commercial model has probably been settled and these guys are anyway adding significant more capacity which obviously.

Aliasgar Shakir: See, I think, sorry to interrupt, but Eashwar, I think you're talking in terms of price per carat, but actually what you report is realization per report.

Eashwar Iyer: I'm talking when I'm talking price per report only, I'm saying the caratage that comes in per report, that can probably move a little bit here or there. But we always report on a per report basis, but I'm -- the underlying the underlying realization is driven by the carat weight is the point I was making, Ali.

Aliasgar Shakir: Got it.

Tehmasp Printer: Ali, what happens is in the natural diamonds, we do a certification of more pointers, that is below a carat. And while in the lab-grown, we do certification of more than a carat and actually more than two carats. So the size makes the difference. That is what Eashwar was trying to convey.

Aliasgar Shakir: Got it. Got it. Got it. So concluding point is that therefore realization should benefit because of the higher caratage of the LGD pricing. Got it. Okay.

Tehmasp Printer: Yes. That is correct.

Aliasgar Shakir: Understood. And just last question is on the guidance. So you have a guidance of 15% revenue growth, 20% EBITDA growth, but, you know, last three-four quarters, you know, you have done much better. So with this quarter, I mean, this year starting with a, you know, 23%, 24% growth in revenue, you know, I mean, if you're guiding 15% growth, then is that conservative or that means there is scope for this, you know, upgrade of numbers because obviously you're starting with a much higher base?

Eashwar Iyer: Yes, of course, Ali, we all hope for the best and obviously we remain confident looking at how the how this is panning out. But yes, early days, it's just the first quarter, so we'll continue to hold our guidance at 15% revenue and 20% EBITDA for the moment.

Aliasgar Shakir: Understood. Okay. Very clear. Thank you. Thank you so much for the explanation.

Moderator: Thank you. We take the next question from the line of Mansi Zaveri from Old Bridge AMC. Please proceed.

Mansi Zaveri: Hi, am I audible?

Tehmasp Printer: Mansi, can't hear you.

Eashwar Iyer: Not too clear.

Mansi Zaveri: Hello? How about now?

Tehmasp Printer: No, it's very low.

Mansi Zaveri: Just give me a second.

Moderator: Mansi, I would request you I would request you to please re-join the queue. We'll just proceed with the next question till then. We take the next question from the line of Pallavi from Sameeksha. Please proceed.

Pallavi: I just wanted to understand turnaround time. My checks on the ground was showing an elongated time. And so what is the, you know, by when can we have this turnaround time fixed and what would it be in India right now?

Tehmasp Printer: Pallavi, what was your actual question? The TAT you're talking about? Turnaround time of our -- so that depends on the volumes. That depends on the volumes. So we've increased our capacity in technical side as well as on a process side, plus we use AI to keep the turnaround time as minimal as is possible. So does that answer your question? I didn't quite get.

Pallavi: I mean, so what do we target in terms of the turnaround time, right? So let's say it's in India only…

Tehmasp Printer: No, so turnaround time, a decent turnaround time of two to three days is acceptable. And that is what we strive to do. Did you hear that, Pallavi?

Moderator: Sir, do you want me to unmute her?

Management: Yes, I don't know. I mean, we answered the question, so you can go to the next person.

Moderator: Okay, sir. No problem. We take the next question from the line of Shrenik Mehta from IndoAlps Wealth. Please proceed.

Shrenik Mehta: Hi, congratulations for a great set of numbers. Two quick questions. One, you're saying the ROI for these LGD manufacturers is down to 6 to 10%. At what stage do you think this would become a point of negotiation for the services that you're providing to them? It's already below the cost of their capital, so are they not going to push you hard for a lower cost, lower price?

Eashwar Iyer: Shrenik, our reading of that margin structure is in the 10-12% range, which is what we've been articulating over the last five-six quarters. I think the concept of negotiation is never-ending, but I think the more relevant point for us is to understand where the underlying price is actually moving. And that has remained stable in the 80-120 range over the last couple of years. So, yes, so I you know, so our reading is a little different from what you're telling us and that's remained stable for like two years now.

Shrenik Mehta: Okay. That's good to hear. But the 6 to 10% ROCE for the growers is something that is there in your presentation. The second question was about the additional other cost that you mentioned in the beginning of the call. What if you remove that other cost, which is the commission that you paid to the subsidiaries for the performance, then what would be the actual EBITDA and the PAT growth for the Indian subsidiary?

Eashwar Iyer: See, I think, Shrenik, and this is something that we have been articulating in the past, the manufacturing strength of India provides us with an EBITDA margin of whatever 70-74% over the last couple of years. That cannot be seen in isolation because we are still dependent on the retailer in the other geographies to push IGI into the international markets.

I think the strength of one we call it the one IGI model within our organization, the strength of India's manufacturing capability or certifying capability coupled with the retail strength of the other markets is what makes IGI strong. So I will request that everybody looks at the consolidated EBITDA margins and not see this business in isolation because they are interdependencies there which provides us the leverage or the strength as a group as a total.

So eliminating, you know, these are just mathematical exercises, but we need to understand the business model and that's what Tehmasp mentioned in the earlier in terms of, you know, what is at play. And that is our focus because the capability that we're talking of building in the US or in Belgium etcetera. is driven by that singular purpose of having a larger retail outreach so that, you know, people are actually coming to IGI.

Shrenik Mehta: All right. So what we should really look at is the incremental EBITDA that you could generate on a consolidated basis?

Eashwar Iyer: At the consol level, absolutely.

Shrenik Mehta: Okay. Thank you so much.

Tehmasp Printer: At the consol level, yes.

Moderator: Thank you. We take the next question from the line of Anand Shah from Axis Capital. Please proceed.

Anand Shah: Yes, hi, team. Just one question. You've been indicating this incremental capacity additions that are happening on the lab-grown diamond side for manufacturing. I mean, any numbers you can share on what is the current capacity or capacity addition plans for growers? I mean, any numbers so we can get that color as to what capacity growth is sort of happening?

Eashwar Iyer: Yes, hi, Anand. Good to hear you. Yes, Anand, again, I think we've discussed this in the past, I think the previous call as well. I think when you speak to the growers, they're talking of doubling their capacity over the next three, sorry, capacity is the wrong word, doubling their business over the next three years.

I think it's in from that context that people are starting to add capacity. We do obviously track the number of machines etcetera, but at a very, very macro level, these guys are talking of doubling their business in three years. And consequent to that is why you see volume propelling thanks to the capacity additions that's been happening there.

Anand Shah: Got it. So it's basically the number of machines effectively sort of doubling. Got it. And as markets, I mean, India is assuming is still nascent and growing well, but is China also emerging as a big market for lab-grown diamonds now?

Tehmasp Printer: Yes, China is also a market for lab-grown diamonds and that certification happens from our Shanghai and Shenzhen office. So yes, it plays a significant role even in the China market.

Anand Shah: Got it. But I mean, just last part, I mean, just trying to get a sense that this doubling of capacity from growers, you of course would be communicating with them. So where is their optimism coming from? Is it still more US-led or it is a wider adoption across geographies or is India-China which is exploding? You know, just some geographic sense on the LGD adoption.

Tehmasp Printer: Mainly it is US-led, but increasingly from India also. You know, so what is happening is apart from the loose stone certification, we are increasing in our lab-grown jewelry business. So that is increasing very, very fast. And this is taking place even in the Indian continent.

Anand Shah: Okay. Okay. Okay. No, got it. That's all I wanted to know. Thanks a lot.

Tehmasp Printer: Thank you.

Moderator: Thank you. We take the next question from the line of Yog Rajani from Omega Portfolio Advisors. Please proceed.

Yog Rajani: Hi, thank you for taking my question. My first question was in terms of the manufacturing side of it. So how concentrated is our client base when it comes to manufacturers of lab-grown diamonds?

Tehmasp Printer: Most -- 95% of all diamonds polished, cut, grown is from India. India has the biggest pool of polishers of the world. So you can grow your diamond -- especially a lab-grown diamond anywhere in the world, but you have to send it to India for polishing because we have the largest capacity of polishers globally. So that's why it's a known fact that 95% of all diamonds cut and polished are from India.

Yog Rajani: My reason for the question is I wanted to understand how concentrated is our customer base, if you could highlight any points regarding that?

Eashwar Iyer: Yes. Okay. I think obviously, yes, see, there are obviously large players in the lab-grown segment. We have close to around 12 people or 14 people today at last count in terms of doing probably 80% of the total stones that get grown in India as far as lab-grown is concerned. So obviously from that context, these 8-10 guys probably will contribute close to 40%, 50% of our revenues.

Yog Rajani: Okay. That's great. Second question is, so I this is my understanding, India manufacturing is largely CVD-based, whereas China would be majorly HPHT-based. So given that India is growing as a market, like in terms of manufacturing, do we see an increase in caratage over time for the lab-grown diamonds that we will be certifying?

Tehmasp Printer: Of course. See what happens is HPHT is a earlier technology, CVD is the latest technology and India has taken lead in the CVD factor. We see CVD growers making larger diamonds than ever before. You know, last year we certified a diamond of 75 carats, one single stone, which is a huge diamond. So you know, I mean, these guys are increasing the sizes and increasing their quality also because, you know, they are in the higher end of the spectrum of the 4Cs. And yes, this is the way the market is growing.

Yog Rajani: Okay. So that's great. So I believe that would increase our average realizations over time as well. And on top of that, I also wanted to understand because the what to say customer base is so concentrated, what is the negotiating power that they have that we might have to adjust to?

Tehmasp Printer: See what happens is it is concentrated within say 10-12 large growers where lab-grown is concerned. Okay. But they all have to be reliant on IGI certification. See because without IGI certification, the lab-grown diamond is a piece of glass, let me put it this way, you know, because it needs some authenticity and IGI gives the authenticity to a lab-grown diamond.

Yog Rajani: Okay. Fair. And with the increase in manufacturing, is there actually a...

Moderator: Sorry to interrupt, Mr Yog. I would request you to join back the queue as there are several participants waiting for their turn.

Yog Rajani: All right. Thank you.

Moderator: Thank you so much. We take the next question from the line of Nitin Jain from Fair Value Equity Advisors. Please proceed.

Nitin Jain: Yes, thank you for the opportunity and congratulations on a very good quarter. So my first question is how exactly are we leveraging AI in our business? I mean, how does it help us? Is it revenue growth or operational efficiency? Where exactly are we leveraging AI?

Tehmasp Printer: See, we leverage AI in efficiency. Turnaround time is the biggest factor which everyone looks at. So we do AI and ML to decrease our processing time and give a shorter TAT to our customers. So that is the main reason why we use AI.

Nitin Jain: Right. And does that does the shorter turnaround time help us improve our realizations or how does it help actually? Or do more volume?

Tehmasp Printer: No, it's all about volume, right? So it's all about customer experience. We feel that all of this translates into a better realization, better experience working with IGI and therefore better business. I think obviously this is all this is all cyclical.

Nitin Jain: Right, sir. Thank you. That's clear. And my second question is on one of the slides in the presentation, the you have mentioned the CAGR for the number of reports you have done in the last three years and the revenue. So there is a decent amount of 6-7% gap in terms of the report CAGR as well as the revenue CAGR. So if you could elaborate what is leading to this gap of 6-7%?

Eashwar Iyer: Yes, I think this is obviously dated back to 24-25 when we took the pricing correction on on LGD, right? So we had a 25% price drop on LGD realization in April, May, June of 2024. And consequent to that pricing correction in quarter one and quarter two, I okay, Jan to March quarter and April to June quarters of 25, we were obviously striking a higher realization.

And if you were to look at those numbers at that point in time, the revenue growth was around 20% and -- the volume growth was 20% and the revenue growth was around 10%. So that is the context in which you are you have to read this CAGR. And post that, obviously the pricing has remained stable and the last four-five quarters, you know, has been the revenue growth is mirroring the volume growth as well.

Nitin Jain: Okay. That's very helpful. Thank you so much.

Tehmasp Printer: Thank you.

Moderator: We take the next question from the line of Rohan Picha from Dexter Capital. Please proceed.

Rohan Picha: Yes, hi. So I just wanted to ask, can we get the carats graded in each category and the certifications in each category?

Eashwar Iyer: You need to be a little louder, please.

Tehmasp Printer: Rohan, we couldn't hear you properly.

Rohan Picha: Can you hear me now? Hello?

Tehmasp Printer: It's a little low, but we can try.

Rohan Picha: So I was asking, can we get the carats graded and the certifications done in each category?

Eashwar Iyer: I didn't understand this question. Sorry.

Rohan Picha: So the amount of carats graded in each category, that is ND, ND loose...

Eashwar Iyer: Oh, I think again, see, we don't provide this information for obviously competitive reasons. We are the only company listed in this space and these are important to -- for obviously competitive reasons. So I don't think we'll be able to provide that that sort of detailing.

Rohan Picha: Okay. Okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, we take that as the last question for the day and would now like to hand the conference over to the management for closing comments. Over to you, sir.

Eashwar Iyer: Okay. Thanks everyone for taking the time. We really appreciate the time that you give us. Obviously, we've had a few more people wanting to ask certain questions, but we are obviously available at any time for you to seek questions and for us to provide you with some updates. So please reach out to us. Sorry for having to cut out, but we are running out of time. Thanks everyone for the time.

Moderator: Thank you. On behalf of International Gemological Institute Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.