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April 25, 2025

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
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Subject: Transcript of the Earnings Call held for the quarter ended March 31, 2025

Dear Sir/ Madam,

With reference to our letter dated April 14, 2025 informing you about the Earnings Conference Call for the quarter ended March 31, 2025, of International Gemmological Institute (India) Limited, held on April 21, 2025, please find attached the transcript of the aforesaid call.

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 Gemmological Institute (India) Limited

Hardik Desai

Company Secretary and Compliance Officer

Membership No.: A35491

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
Q1CY25 Earnings Conference Call”**

April 21, 2025



**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 Q1CY25 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 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: Thank you, Alaric. Good evening, everyone. I welcome you all to the earnings conference call to discuss Q1CY25 results of International Gemmological Institute (India) Limited. To discuss the results, 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 question and answer 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 the investor presentation and the 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. Thank you and over to you, sir.

Tehmasp Printer: Thank you, Sumeet. Good evening, ladies and gentlemen. I would like to welcome you all to the Q1CY25 Earnings Call. I trust that every one of you had a chance to review our financial results and investor presentations, which have been made available on both the stock exchanges and as well as our company website.

It's a pleasure to connect with you all and share insights into our business strategies and outlook. To recap, we are the largest independent accreditation and certification service provider in India with over 50% of the market share.

Globally, we are the second largest player with 33% market share. In the lab-grown sector, we are the lead with 65% of these lab-grown certified diamonds by IGI. We serve 9 out of 10 jewelry chains in India and we expect to continue to leverage this position to expand our global presence and establish IGI as a laboratory of choice to the large retailers and brands.

We are present across 10 countries globally and have 31 labs, 12 in-factory laboratory setups and 18 schools of gemology. We serve over 7,500 customers globally and are present across the jewelry value chain. Our multiple service delivery formats in the form of IGI labs, in-factory labs and mobile labs strengthen our customer relationships, driving a distinct advantage for the company.

Our schools of gemology provide us with distinct advantage as they help us drive brand awareness, expand market opportunities and new customer acquisitions. I'm happy to report that

the Company has shown strong growth momentum across all its business segments compared to the previous quarter as well as the first quarter of the last financial year. The business on a consol basis has been done exceptionally well with 15% growth in revenues and 29% growth in EBITDA compared to the previous quarter.

The growth in revenues was driven by our core segments of natural diamonds as well as lab-grown diamonds. Each recording more than 30% revenue growth in this quarter compared to the previous quarter. The jewelry segment also has registered single-digit revenue growth owing to the base effect of last quarter which witnessed a high festive demand in India.

On a year-on-year basis, the business has delivered revenue growth of 10% and EBITDA growth of 13% in Q1 2025 as when compared to Q1 2024. Reported volumes over this period grew by 27% across our business segments, natural diamonds, lab-grown diamonds, jewelry and coloured stones. We took a one-time price correction in our LGD certification services in Q2 last year corresponding to the drop in the wholesale prices of the lab-grown diamonds.

Post that, certification prices have stabilised over the last three quarters. Going forward, we are expecting robust demand to continue both across natural diamonds as well as lab-grown diamonds. Further, with demand for jewelry certification is also on the rise, we expect the jewelry segment to drive a significant proportion of growth in the quarters to come.

Finally, with increasing adoption of lab-grown diamond jewelry in India, we expect the revenue from this segment also to increase significantly in the future. With the industry evolving at a rapid pace and certification being a key enabler of consumer trust, IGI is focused on strengthening its leadership position by expanding its presence, embracing innovations and enhancing the overall customer experience.

As demand for both natural as well as lab-grown continues to grow, IGI is strategically positioning itself to capture the immense opportunities which lie ahead. We are rapidly ramping up our people and laboratory infrastructure to support this volume growth. In Q1 2025 itself, India business has recruited over 130 gemologists, this virtually represents around 14% of our overall employee strength, to cater to the exponential volume growth. This is part of our broader strategy to remain agile, responsive to the evolving needs of our partners.

The Company is also embarking on a digital transformation initiative as we seek to enhance the quality of our service as well as reduce the turnaround time of our services. Overall, we are confident of maintaining the growth momentum and delivering revenue and EBITDA growth this year in line with our historical performance.

In terms of industry outlook, we have started 2025 against a backdrop of significant dynamic global developments. On a macroeconomic front, trade policy changes including the recent imposition of tariffs by the United States are being closely watched and evaluated by the diamond and jewelry industry. The 90-day pause has provided the industry time to evaluate the impact of the potential tariffs and identify strategies in the evolving landscape.

The India-US FTA is also being closely followed and we are assessing the impact of these changes in our business. We remain committed to enabling growth for our partners and delivering long-term value to all our stakeholders.

With that, I now invite our CFO, Mr. Eashwar Iyer, to take you through the financials and operational performance for the quarter. Over to Eashwar.

Eashwar Iyer:

Thank you, Tehmasp, and good evening, everyone, and thanks for joining today's conference call. We are delighted, as always, to have each of you with us. As many of you would know, our Company follows a January to December reporting cycle and we are excited to present the results for the first quarter of the calendar year 2025.

I will start my update with the performance update versus the previous quarter, which is quarter 4, 2024. I am happy to report that the group consolidated business has maintained a strong growth momentum in quarter 1, 2025. In terms of revenue, certification income for the current quarter stood at INR297 crores, growing at 20% compared to the previous quarter.

This was primarily driven by strong revenue growth across all our core segments, namely 37% growth in natural diamonds, 35% in lab-grown diamonds, 16% growth in lab-grown jewelry and 14% growth in gemstones. Total revenue from operations for the quarter stood at INR305 crores, registering a growth of 15% versus the previous quarter.

In terms of reported volumes, during the quarter we delivered 3.12 million reports compared to 2.77 million reports in quarter 4, 2024, registering a growth of 13%. Driven by strong revenue performance, continued cost optimisation and restructuring in some of the other global offices, we have delivered a PAT of INR141 crores, marking a growth of 24% compared to the previous quarter. PAT margins have also expanded by 330 basis points to 46.2 for the quarter.

EBITDA stood at INR196 crores, reflecting a growth of 29% compared to the previous quarter. EBITDA margins stood at 64.2%, which is an improvement by 680 basis points over the previous quarter. Coming to the year-on-year update on a consolidated group performance, I am happy to report that the group consolidated business has also maintained strong growth momentum in quarter 1, 2025.

During the quarter, we delivered 3.12 million reports compared to 2.47 million reports at the same time last year, marking a robust year-on-year growth of 27%. In terms of revenue from certification business, the income stood at INR297 crores, growing at 11%. This was driven by strong growth across all our key segments, be it Lab-grown Diamonds growing 9%, ND Jewelry growing 21%, LGD Jewelry 87% and Gemstones growing 16%.

This revenue growth also reflects a one-time pricing correction in our Lab-grown Diamonds certification services that was affected in quarter 2, 2024, post which the certification prices have remained stable over the last three quarters.

Revenue from operations for the quarter stood at INR305 crores, registering a growth of 10% year-on-year. Driven by strong revenue performance, continued cost optimization and restructuring in some of the global offices, we have delivered a PAT of INR141 crores, marking a year-on-year growth of 12%. PAT margins have also expanded by around 80 basis points and stands at 46.2% for the quarter.

EBITDA stood at INR196 crores, reflecting a year-on-year growth of 13%. EBITDA margins at 64%, representing a 180 basis points improvement over the same time last year. Looking ahead, the Company is actively ramping up infrastructure to support volume growth and we remain confident to delivering a very strong performance for 2025.

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

Moderator: Thank you sir. We will now begin with the question and answer session. The first question comes from the line of Jay Doshi from Kotak. Please go ahead.

Jay Doshi: Hi, thanks for the opportunity and thanks for reinstating segmental disclosures. Could you provide some guidance or outlook on what are revenue growth as well as EBITDA margin for CY '25 for both consolidated and stand-alone businesses?

Eashwar Iyer: Okay. Hi, Jay. This is Eashwar. As I had mentioned, our revenues on a year-on-year basis have moved from 2.47 million reports to 3.12 million reports, registering a 27% growth. Overall revenues from operations have grown 10%. And as we have discussed in the past, this is post the pricing correction that we did sometime in April-May of 2024, consequent to the correction of the lab-grown prices that we had seen from the last quarter of 2023 extending up to the quarter 1 of 2024. So from that standpoint, the Company is now cycling the price correction that happened as far as the LGD certification prices are concerned.

And again, if you were to refer to the sequential growth that was indicated during the call, the gap between the revenue growth and the volume growth should now subside as we now start cycling the pricing correction that happened last year. From that context, I think we should therefore expect to grow between 15% and 20% from a revenue standpoint in this financial year at the consolidated level. And the same performance, therefore -- Yes, sorry.

Jay Doshi: Sure. Please continue. Please complete.

Eashwar Iyer: So I am saying that was the view from a consolidated standpoint and I think it will more or less mirror in terms of what the India business will therefore perform. With India representing over 75% of the group's revenues, I think the performance in India will therefore mirror the consolidated group performance as well.

Jay Doshi: Sure. And could you provide some color or outlook on margin guidance, EBITDA margin, consolidated level?

Eashwar Iyer: Yes. See, I think we delivered around 57% PAT margins last year for the full year 2024. The quarter 1 performance has seen substantial improvements in margins. While the Company is continuing to invest significantly in terms of building up or ramping up capabilities from a people and a laboratory expansion standpoint, we are confident that with the volume throughput that is coming through, we should therefore improve on whatever we delivered last year. So anything between 57 and 64 is what we think we will deliver from a PAT margin standpoint for the full year this year.

Jay Doshi: Perfect. That's helpful. A couple of associated questions. One is, if the mix of jewelry increases significantly in certification volumes going forward, does it have any implications on profitability? Because we understand that realizations for jewelry certification is much lower, but we are not sure how EBITDA margin is for jewelry certification.

Eashwar Iyer: See, Jay, I think over the last four quarters, if I were to look at the quarter 1 of 2024, the total jewelry business as a percentage mix was around 23%-24%. That 24% is actually now moved up to around 28%. And despite all of that, you've seen the improvement from a margin standpoint. But having said that, this trend is of importance for all of us to understand, because most of this increase in the revenue mix is driven by lab-grown jewelry segment.

As more and more consumers in India start participating in the lab-grown jewelry segment, I think this is a massive potential for the organization to therefore accelerate its growth in the forthcoming years. So that is the big plus that we are seeing as a trend within our organization in terms of more consumers coming into the fray as far as lab-grown jewelry is concerned. So, despite the 4%-5% mix improvement on jewelry, the margins have obviously continued to remain strong.

Jay Doshi: Understood. One final one, you mentioned that certification prices have been stable over the past three quarters. Can you give us some color on realization for LGD -- sorry, my question is related to LGD, realizations over the past three quarters, because there are two things we often sort of hear when we talk to people in the industry. One is full certification versus minimum certification. What are the trends? And second is, stone size, average caratage, you know, whether it is going up on average per certificate for LGD. So broadly, if you can give us some color on this trend over the last three-four quarters.

Tehmasp Printer: So, where LG is concerned, right now the wholesale price of lab-grown diamonds have stabilized, and as well as our certification price is also stable. What happens is, earlier we used to certify 30-pointers. Today, we are certifying 2-carat-plus. So, the size of the diamond has obviously increased. So, whereby with the size of the diamond, we base our pricing on the unit weight of the diamond. So, that is why the realization from certifying a larger diamond is better than certifying a smaller diamond. That's one.

Having said that, with the advent of LG jewelry certification, you know, LG jewelry is also taking -- growing up very rapidly, and all the smaller diamonds which were not certified gets cluster certification in a jewelry-mounted piece. So, again, certification of the smaller diamonds

also are being done in case of by certification of jewelry piece. So, these are the two things that we feel that will ramp up the revenues in the LG sector.

Jay Doshi: Understood. Just when you certify stones, are there two sort of different brackets where full certification and minimal certification at a stone level for loose stones?

Tehmasp Printer: No. See, what happens is we have different formats. We have a full diamond report, we have a dossier report, we have a credit card report. The analysis remains the same. Only the format in which it is displayed to the end consumer or to the retailer is different. It depends on their convenience. Some prefer the credit card format, some prefer the smaller diamond format, some prefer the full scale report. It depends on an individual retailer preference. So, we cater to all of these demands and we certify accordingly. But however, having said that, the analysis remains the same.

Jay Doshi: Understood. So, pricing remains the same, which is linked to the carat and the size of the diamond and not the format?

Tehmasp Printer: Yes. The pricing is more linked to the size of the diamond, the weight of the diamond rather. And yes, it is like that.

Jay Doshi: Sure. Thank you so much. I'll get back in the queue.

Tehmasp Printer: Thank you.

Moderator: Thank you. The next question comes from the line of Anand Shah from Axis Capital. Please go ahead.

Anand Shah: Yes. Hi. Thanks for the opportunity. Just a few questions. So, firstly, I mean, while it's early days, but because of all these tariff changes, any indication you can give on any disruption you've seen or are likely to see maybe in the next three to six months? And does this China tariff angle in any way sort of benefit you?

Tehmasp Printer: See, the tariff is a big disruptor globally. There is no doubt about that. And it is something that we will have to accept and adopt. We have been given a 90-day lead period to find different innovation solutions. And 10% would probably become a norm where the tariffs are concerned. Now, from an IGI perspective, almost 50% of what we certify is for domestic consumption.

And the same thing, it's like India-to-India. So the tariff is not a factor here. As well as China contributes 10% to the overall IGI revenues. And in China also, it is again China-to-China. So, I mean, almost 60%, you know, in the overall mix is consumed domestically. Okay, having said that, and then when you take the lab-grown, and we are the leading factors in lab-grown, a tariff of 10% and we are a service organization, we are not a product organization.

So tariff on services are correspondingly impacting less. And the value of the lab-grown in the wholesale level is low. And probably the incremental cost to the retailer, and finally to the

consumer would be I think distributed between the manufacturer, the retailer, and the end consumer. So I think it will be driven through all the three, I mean, some may take, the manufacturer may take a more portion of the hit. But it will be between these three. You understand what I'm saying? And that way, we will encounter the tariff challenge that we have in the current state.

Anand Shah: Got it. Very clear. But I mean, in the near term, is there any disruption at all like my Q2 may get impacted because of uncertainties? Are you seeing any...?

Eashwar Iyer: We haven't seen anything as of now.

Tehmasp Printer: We haven't seen, in fact, our numbers are increasing.

Anand Shah: Got it. My second question was on this LGD jewelry. So this is pure play LGD jewelry growing in India, right?

Tehmasp Printer: Yeah. See, what happens is 95% of the diamonds are cut and polished in India. India is the main manufacturing hub of the world. You understand? So all that is done in India.

Anand Shah: Yes. No, I'm saying, I mean, we are seeing this sort of a significant growth pickup as you've been highlighting as well in the lab-grown jewelry now. So this is your lab-grown jewelry certification is all India-led lab-grown jewelry, right? This is end consumption in India?

Tehmasp Printer: You're correct to assume that.

Anand Shah: Got it. And it would be fair to say that lab-grown jewelry certification will be higher ASP than the normal studded jewelry certification.

Eashwar Iyer: Again, that depends on the size of the stone.

Tehmasp Printer: Depends on the size of the carriage of the jewelry piece, you know.

Anand Shah: Okay. Got it. And one more follow-up question I had was if I look at your international numbers, right? I mean, we look at console minus stand-alone to deduce the subsidiary numbers. There again, margins consistently have improved. I mean, even this quarter, if I see now, it's gone up from 13%-14% EBITDA margin to almost 20%. So what kind of margin are you now seeing in Belgium and Netherlands entities? And where should we project? I mean, Netherlands has already gone to 25% plus. Belgium, of course, had slipped into losses and is starting to recover. So some guidance on the trajectory on where these two entities should stabilise in margins?

Eashwar Iyer: Yes. Again, Anand, I think as we have discussed in the past, there is significant strategic interventions that we have made in each of our key geographies across the globe. Okay. Early days, but, you know, the initial first quarter trends are extremely positive and gives us a lot of confidence that, this should progress in the strategic direction that we have set them up for.

- Anand Shah:** Got it. But now these kind of 15-20% EBITDA margin, both Netherlands and Belgium sort of combined, that is sort of sustainable.
- Eashwar Iyer:** That's right.
- Anand Shah:** Got it broadly. Okay. Yes, I mean, these are the broader questions for me. Thank you. And one last thing, I mean, on disclosures, I mean, thanks for this segmental. Is it at all possible to share the CY24 numbers similarly, I mean, for the full year, the CY24 that you reported?
- Eashwar Iyer:** We can consider that, Anand. We'll come back.
- Anand Shah:** Okay, sure. Thank you.
- Moderator:** Thank you. Participants, please restrict yourselves to two questions. For any more questions, you may re-join the queue. The next question comes from the line of Harit Kapoor from Investec. Please go ahead.
- Harit Kapoor:** Yes, hi. Good evening. So, just two questions. So, you know, historically, last few years, we've seen the natural diamond jewelry business in India not grow at a very fast pace. But, you know, you started to see a pickup there as well. So, is that just broadly indicative of the market context right now where natural diamond jewelry growth has picked up in the Indian market? Is that the way to think about it?
- Tehmasp Printer:** See when jewelry certification is concerned, lab-grown is gaining traction. So, when you, I mean, I'm not saying it's all due to lab-grown. Some of it is due to the natural jewelry certification. And quite a lot is also due to lab-grown jewelry segment.
- Harit Kapoor:** Yes, I get that, Tehmasp. Just that this quarter, you've seen on the standalone business, even the natural diamond jewelry growth has been, on a year-over-year basis, actually has been quite strong. So, I just wanted to kind of get, is there a base of issue or are we just seeing now pretty good growth on the natural diamond jewelry certification side as well, which was a little bit subdued in the past? Lab-grown jewelry, obviously, is a new kind of segment for you over the last two years?
- Eashwar Iyer:** No, I think if you look at it, be it natural diamond or natural, which is natural diamond loose or natural diamond jewelry, the momentum in India has been continuing quarter-on-quarter. So, again, and there is an orchestrated strategy at play in terms of wanting to get into the natural diamond segment at a faster scale than what we have done in the past. So, there is adequate resourcing that is going towards, therefore, making some of these growth numbers happen.
- Harit Kapoor:** Understood Eashwar Very clear. The second question was on just to understand seasonality in your business on the revenue side a little bit. So, obviously, last quarter was a high-base quarter where you did about INR20 crores. You've grown on that as well. So, should we assume, in general, that Q1'25 will be a higher revenue quarter in general given that you have higher growth in US and good festive, etcetera?

Is that the way to think about it or it typically should, you know, Q1 last year was very high and for this year, next four quarters, it will not be, there will not be too much seasonality. How do we kind of think about the revenue seasonality going into this year and onwards?

Eashwar Iyer:

Yes, part of it, part of what you say is true, but there are a couple of other aspects that we must just keep it in mind. That if you were to look at it from a volume standpoint, and I am just talking based on the data that I have for the last four quarters, from a volume standpoint, we seem to have a flat seasonality across quarters. What is at play, obviously, is the slightly changing dynamics of mix across each of these segments because if you recollect the discussion that we had during the quarter four call, we had mentioned that the jewelry mix was pretty high, given the fact that it was a Diwali festive quarter, right?

And that's some of the exchange that you are seeing if you look at the growth from the previous quarter, the mix of jewelry obviously has settled down to its normal levels and the quarter one is again driven by the loose stone, both natural as well as lab-grown. So, you must just keep in mind that there could be a few tweaks on the mix across these segments as we get along to each other quarter. But from a total volume standpoint, we seem to be running a flat seasonal business across quarters.

Harit Kapoor:

Right. And the last thing was, if you think about tariff and just to propose a hypothetical, if towards the end of the three-month window, is there a likelihood that industry pushes more cut-polished into US just to get away from that 10% tariff, which in turn just up-fronts your revenue a little bit. Is there a possibility that that could happen or is it too early to say?

Eashwar Iyer:

See, it is too early to say because obviously we are keeping an eye on even from the India-US FTA that is being proposed. And the industry body here has a good sounding board with the ministry, etcetera. Because we must not forget that the gems and jewelry export business is a very large part of the India export turnover. So, I think we will just keep an eye out for it. Let's see how this pans out.

Harit Kapoor:

Got it. Those are my questions. Thanks. All the best.

Eashwar Iyer:

Thank you.

Moderator:

The next question comes from the line of Sheela Rathi from Morgan Stanley. Please go ahead.

Sheela Rathi:

Yes. Thanks for taking my question. Hi, Tehmasp. Hi, Eashwar.

Tehmasp Printer:

Hi, Sheela.

Sheela Rathi:

So, my question was actually a follow-up to Harit's question on seasonality. Just want to understand how the seasonality differs between India and when we look at the consolidated revenues. Because if you look at the natural diamond growth, revenue growth, segmental growth this quarter for India is 51%, whereas in the US it's about 1%. And likewise in LGD in India's case we are down 19%, whereas for US we are up about 88% on the jewelry side.

Just want to understand how should we think of -- Eashwar, you talked about that last quarter in India's case was high on the jewelry side, natural diamond jewelry side. So, just want to understand how should we think about the first half in India on a mixed point of view, as well as the first half on a consolidated basis, how the mix will be and vis-a-vis how the second half could be?

Eashwar Iyer:

Okay. I think what we can safely assume, and again, the industry trends are evolving because the lab-grown jewelry segment is just coming into play. But I think quarter two should mirror quarter one from a mixed standpoint. Be it the consolidated business or from the India standalone standpoint. And, obviously, quarter four, obviously, we should therefore expect a larger chunk going into the jewelry mix.

But, again, Sheela, I think at the moment we are also looking at some of these trends and with lab-grown jewelry really starting to take off, which is, as you mentioned, close to 100% growth that has the potential to slightly skew the mix over what we have seen in the last four quarters of last year. But Q2 should basically mirror Q1.

Tehmasp Printer:

And to add to what Eashwar is saying, lab-grown acceptance in the West, say US, is much more than the rest of the world. Most of the lab grown have been exported to the US and that is why you see a ramp-up in certification for lab grown in the US. And India is, like, more or less stable. But when you are saying 80%, what did you say? 88%. Yes, but that is all lab-grown jewelry.

You understand? And lab-grown jewelry acceptance is much more in the US. The US was the first continent to adopt lab grown. And, of course, IGI was the first certifying body to adopt lab grown. So that is why we have the leadership status here.

Sheela Rathi:

Understood. Thank you. My second and final question is just on the international piece. If you could just give us more...

Tehmasp Printer:

Sorry? Hello, Sheela. Are you there?

Eashwar Iyer:

I think, let her get back on the queue. I think we can...

Sheela Rathi:

Yes, can you hear me? Can you hear me?

Eashwar Iyer:

Yes, Yes. Sheela.

Sheela Rathi:

Okay. Yes, so Eashwar the question is around the international growth for us. And we understand that Netherlands, for us, is doing better than Belgium. So if you could just give more granular details around what is driving the growth in the Netherlands business?

Eashwar Iyer:

See, as I mentioned, we have the countries of China, Dubai, Israel, Thailand, Hong Kong, as part of the Netherlands group. And we are seeing significant traction, both in the China as well

as the Dubai business. And that is what is driving the overall business from a Netherlands perspective.

Sheela Rathi: Okay. Understood. All right. Thank you.

Moderator: Thank you. The next question comes from the line of Gopal Nawandhar from SBI Life Insurance. Please go ahead.

Gopal Nawandhar: Yes. Thanks a lot for the opportunity. And thanks a lot for the detailed disclosures in the presentation, which will help us to analyze your company better. So my question was on this quarter, we are seeing improvement in the overall average realized price quarter-on-quarter. Is this 839 the sustainable number for this year, or it will again change based on the revenue mix?

Eashwar Iyer: Yes, Gopal, as I mentioned, there are as we said, the overall seasonality from a total volume standpoint is consistent across quarters. But what you should probably anticipate for is a little bit of mixed variance that can happen across each of these quarters. So 889 to just draw context versus the previous quarter, if it is -- sorry, 889 was the performance for quarter four and, it's 950 this quarter is driven by the fact that the mix of natural diamond loose stones as well as lab grown loose stones have actually increased versus the previous quarter.

And as I mentioned earlier, the quarter four mix on jewelry was higher versus quarter one of this year driven by the fact that it was a festive Diwali quarter. So those aspects of seasonality within the overall mix or the overall revenue is something that you should keep in mind.

Gopal Nawandhar: Okay. And so is this quarter, the Q1 mix, is a right representation of last calendar year? Or it will be significantly different in terms of mix India?

Easwar Iyer: See, these details are covered in the presentation as well, but for the interest of everybody, I'll just read it out. In quarter one of 2024, we had close to 73% of the mix from a revenue standpoint coming from the loose stone segment. That has moved down to 70%. So corresponding that 3%, 4% increase has happened in jewelry driven by lab grown jewelry. So that is the trend that we are talking about, in terms of the lab grown jewelry starting to accelerate its growth -- across both India, as well as the consolidated performance.

Gopal Nawandhar: Okay. And sir, lastly is it a right assumption to make that India growth will be faster than consolidated growth?

Eashwar Iyer: Yes, at the moment we are seeing India growth to be faster than the consolidated growth, given the fact that all of the lab grown that is grown, a majority of that is getting cut and polished here in India. So from that context, we must expect the India performance or the India business to grow faster than the other territories or the other geographies.

Gopal Nawandhar: And, when we say that the volume growth should mirror the revenue growth from, say -- from next, say three quarters perspective, this you are saying largely on the LGD side, not on the overall company side?

- Eashwar Iyer:** Yes, the LGD is also a big component of the overall revenue mix. And what we are saying is because of the pricing correction that we did in quarter one and quarter two of last year, we will start cycling that pricing come May and June of this year. Now, from that context is why we are saying that the revenue performance should therefore match the volume performance, which for the first quarter at least is lagging, because of the pricing that we are cycling.
- Gopal Nawandhar:** Sure. Thanks a lot for answering my question.
- Moderator:** Thank you. The next question comes from the line of Aliasgar Shakir from Motilal Oswal Financial Services Limited. Please go ahead.
- Aliasgar Shakir:** Yes, thanks for the opportunity. The question is actually on the tariffs. So my understanding is that some of the studied manufacturers have been indicating in the last few weeks, there is some kind of a stalemate with the retailers in the US towards this tariff increase. And therefore, there is some softness in demand from the US. So just want to understand, if you are observing any softness in business due to the tariffs in the near term?
- Eashwar Iyer:** See, at the moment, at least as far as the firstly 2, 3 weeks of April goes, we haven't seen any, indication to the contrary versus what our performance has been for quarter one. So again, it's been the normal stuff that we've been running.
- Aliasgar Shakir:** Okay. All right. You got it. This is quite useful. The other question is, on the volumes. So given that we have seen very good volume in Q1, the only reason why the revenue impact was because of the onetime correction in prices that you have taken. So now that that is behind us and in the base, should we expect this strong volume to translate into revenue growth in the coming quarters?
- Eashwar Iyer:** Yes.
- Aliasgar Shakir:** Hello.
- Eashwar Iyer:** Yes. Yes. We should expect that.
- Aliasgar Shakir:** Got it. All right. Yes. Those are my questions. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Ashutosh Garud from Ambit Wealth PMS. Please go ahead.
- Ashutosh Garud:** I just wanted to check why did we take the - why did we get the realization at a pricing change we did two, three quarters back, why did it happen A? And second, why would, I mean, will there be another round of pricing cuts, let's say, a few quarters down the line. So just your thoughts on that and why did that kind of price change you had to do two, three quarters back and why wouldn't it happen again?
- Eashwar Iyer:** Okay. I think from an industry context - the industry has seen a pricing correction as far as lab grown diamonds were concerned. This pricing correction started sometime in quarter 4 of 2023

and extended till quarter 1, 2024. Now, so that is the reason why we had to take the pricing correction in April, May to sink in with the market realities as far as lab grown certification prices are concerned.

Now, if you were to look at our document which is our DRHP. We had actually done a bit of industry analysis to understand what could be the potential downside as far as pricing for lab grown diamonds are concerned. And with the heavy capex and the opex model that these guys, the manufacturers operate with at the \$170, \$200 of wholesale prices for lab grown stones. We estimated that their ROIs is in the 8% to 10% range.

So that gives us confidence for the fact that there is not much elbow room now available for them to therefore drop prices further. And over the last three quarters, we are seeing a lot of stability on pricing as far as lab grown stones are concerned and correspondingly the certification charges that we charge. So I think basis that I don't expect any major correction to therefore happen as far as lab grown diamonds are concerned.

Ashutosh Garud: So, it would be safe to assume that from Q3 onwards, your volume growth and revenue growth would mirror each other overall basis?

Eashwar Iyer: That's right.

Ashutosh Garud: Okay. Thanks.

Moderator: Thank you. The next question comes from the line of Chintan Sheth from Girik Capital. Please go ahead.

Chintan Sheth: Yes. Hi. Thank you for the opportunity. You are audible?

Tehmasp Printer: Yes, you are Chintan.

Chintan Sheth: Yes. Thank you for the opportunity and great set of numbers, congrats to the management. On, on the ramp up part you mentioned about on the resource addition and the infrastructure capability improvement. If you can guide us in terms of how should one look at opex impact as well as capex impact in our balance sheet for the year or a couple of years and any update on the ad spend because if you look at sequentially our opex has been flat.

You did mention about your international rationalization, of course, but if you can help us understand or segregate the marketing spend, how it has been incurred over this quarter and what is the accrued benefit we can expect to the rationalization in a strategy which we are executing currently in the international businesses?

Tehmasp Printer: Chintan, what we are seeing is rapid growth in the volume. Now, take care of the volume. We have already taken steps. Like I said, mentioned earlier I think in my commentary that we have 130 gemologist which we have recruited and we are training. So that this takes care. I mean, it's

an operational cost which we have to take and the capex is minimal. You understand? It doesn't really affect much on the opex and capex. We are just beefing up our capacities and our ability.

So our expertise remains the same. Our trust factor remains the same. And at the same time, if we are able to handle the volumes, it's the better turnaround times are given to the customer. And thereby we have given a better service to our customer and your better turnaround time means translate into money and more volume. So we are taking all that into account to see that we continue our leadership status in the lab-grown sector.

Chintan Sheth: Okay. And so the cost structure right now which we have seen in Q1, on an absolute basis do you feel that there will be hardly any inflationary - apart from the inflationary impact, there will be hardly a major increase one can expect. It will be steady state in the Q1 run rate on an absolute basis in a dollar business.

Eashwar Iyer: See, Chintan, we will continue to do what is right for the business because as we speak, recruitment on people, etcetera is continuing because the paramount importance for us as an organization is to ensure five star customer service. So, that we have to recruit people to meet our customer expectations and also to meet the volume growth and the turnaround times, etcetera. We will continue to invest in the business. So that and as I mentioned, that is continuing as we speak.

Chintan Sheth: Got it. And on the revenue front, if I may on the volume growth, which we have seen this quarter 26% on group level. At India level, we have seen growth of 22% again. So, what we are seeing in terms of 15%, 20% growth bearing the first half impact due to the pricing, we are very confident about delivering about 20% plus growth on the volume side. That is what one can expect given the optimism we have on the volume front?

Eashwar Iyer: Yes, that continues to be the endeavor of the company to meet its strategic objectives for the next three to five years.

Chintan Sheth: Got it. I will join back the queue and thank you and all the very best.

Tehmasp Printer: Thank you.

Moderator: Thank you so much. Ladies and gentlemen, in the interest of time that would be the last question for today. I would now like to hand the conference over to the management for the closing comments.

Eashwar Iyer: Okay, so thanks everyone for the call. And obviously, we just have an hour for these calls and if any of you all have further questions, please reach out to us and we shall be happy to answer any of your questions and give your proper clarifications, etcetera. So, thanks for taking the time and it's been a pleasure talking to each of you all. Thank you very much.

Tehmasp Printer: Thank you, everybody.



International Gemmological Institute India Limited
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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.