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### Issue Offer

**Fresh Issue of 35,371,703 equity shares up to INR 14,750 Mn and OFS of 65,947,242 shares by Promoters group taking the total issue size at INR 42,250 Mn.**

#### Issue Summary

Price Band INR	397-417
Face Value INR	2
Implied Market Cap INR Mn.	180208.5
Market Lot	35
Issue Opens on	Dec 13, 2024
Issue Close on	Dec 17, 2024
No. of share pre-issue	39,67,83,045
No. of share post issue	43,21,54,748
Listing	NSE, BSE

#### Issue Break-up %

QIB Portion	≤ 75
Retail Portion	≥ 10
NII Portion	≥ 15

#### Registrar

KFin Technologies Limited

#### Book Running Lead Managers

Axis Capital Limited  
SBI Capital Markets Limited  
Kotak Mahindra Capital Company Limited  
Morgan Stanley India Company Private Limited

#### Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	100%	76.55%
Public & Others	0%	23.45%

#### Objects of the issue

- Payment of the purchase consideration for the acquisition of IGI Belgium Group and IGI Netherlands Group from their promoters.
- General corporate purposes.

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Founded in February 1999, International Gemmological Institute (India) Limited is a globally recognized organization specializing in certifying and grading diamonds, gemstones, and jewelry. IGI provides independent grading reports that assess stones based on internationally recognized standards, detailing characteristics such as color, cut, clarity, carat weight, fluorescence, and symmetry. The company also evaluates the quality and authenticity of colored stones like rubies, sapphires, and emeralds, and offers comprehensive reports on finished jewelry, considering factors like stone quality, craftsmanship, and overall value. Additionally, IGI offers educational programs and degrees in gemology, diamond grading, jewelry design, and related subjects. As of September 30, 2024, IGI operates 31 laboratories globally, with a network spanning 10 countries. Also they have 20 laboratories and 9 schools under its Pre-Acquisition Group.

#### Investment Rationale:

**Competitive Strengths of the Post-Acquisition Group:** IGI is the world's second-largest independent provider of diamond and jewelry certifications, with a 33% global market share and 50% market share in India. Its strong global presence, industry-first innovations, and ISO-accredited laboratories reinforce its leadership. IGI's strategic partnerships, brand equity, and ability to offer mobile and in-laboratory certification services position it well to benefit from the growing demand in the certification industry.

**Strong Growth Potential in the Global Jewelry Certification Market:** The global jewelry market, valued at INR 26,600 bn (US\$320 bn) in 2023, is projected to grow at a 3-6% CAGR through 2028, driving increased demand for certification services. Key factors include rising consumer awareness, growth in laboratory-grown diamond sales (expected to rise from 70% certified in 2023 to 85% by 2028), and the shift toward organized retail. As jewelry becomes a more valuable asset, especially in second-hand markets, the need for certification to ensure authenticity and prevent fraud is set to grow, presenting significant opportunities in the certification sector.

**Expanding Global Laboratory Network:** To meet rising demand, IGI is strategically expanding its global laboratory network, focusing on key markets like India, China, and the U.S. Their low capital expenditure model enables rapid growth while maintaining financial agility. A new 214,159 sq. ft. facility in Surat, India, set to open in 2025, will position them to capitalize on the fast-growing laboratory-grown diamond market, reinforcing their leadership in certification services.

**Leveraging Education to Build Trust and Transparency:** IGI uses education to foster customer loyalty and develop future talent. Through their Schools of Gemology, they educate consumers on grading, ethical sourcing, and authenticity, driving demand for IGI-certified products. They also train aspiring gemologists, creating a skilled workforce. Their expansion includes more educational programs, new schools, and digital platforms to reach a global audience.

#### Valuation and View:

IGI is the second-largest independent certification provider globally for diamonds and jewelry, with a leading position in the rapidly growing laboratory-grown diamond sector, holding a 65% market share. Leveraging a strong global presence and extensive laboratory network in key markets like India, the U.S., and China, IGI continues to innovate, including certifying post-growth treatments. With a focus on education and awareness, IGI strengthens customer trust and loyalty, positioning itself to lead the certification industry as demand for laboratory-grown diamonds expands.

**At the upper band of INR 417, the issue is valued at a P/E ratio of 41x, based on a annualized Sept 24 EPS of INR 10.06. We are recommending a "Subscribe" for this issue.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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