



IGI



Issue Opens - December 13, 2024 to December 17, 2024

Price Band
₹397 to ₹417

Face Value
₹2 per share

Issue Size
₹4,225 Cr

Lot Size
35 Shares

Issue Type
Book Built

Issue Size

101,318,944 shares / ₹4,225 Cr

Fresh Issue

35,371,702 shares / ₹1,475 Cr

Offer for Sale

65,947,242 shares / ₹2,750 Cr

Basis of Allotment

Wednesday, December 18, 2024

Initiation of Refunds

Thursday, December 19, 2024

Credit of Shares to Demat

Thursday, December 19, 2024

IGI IPO Listing Day

Friday, December 20, 2024

research@ganeshstock.com

Objects of The Offer



The company proposes to utilize the Net Proceeds towards funding the following objects :

1. Payment of the purchase consideration for the acquisition of IGI Belgium Group and IGI Netherlands Group from the Promoter; and
2. General corporate purposes.

Brief profile of the Directors

Bimal Tanna serves as the Non-Executive Chairman and Independent Director of the company. He holds a bachelor's degree in commerce from the University of Bombay and is a member of the Institute of Chartered Accountants of India (ICAI). He was associated with PricewaterhouseCoopers (PwC) entities in India from 2002 until his retirement in 2023, where he served as a partner. Before this, he worked with Price Waterhouse & Affiliate Firms from 1998 and was also designated as a partner in 2000.

Tehmasp Nariman Printer, the Managing Director and CEO, holds a bachelor's degree in physics from the University of Mumbai and has completed the 'LEAP: Strategic Management Programme for Senior Professionals' at IIM Kozhikode. He is an associate member of the Gem & Jewellery Export Promotion Council and has been part of the company since 1999, starting as a general manager.

Mukesh Mehta, a Non-Executive (Nominee) Director, holds a master's degree in commerce from the University of Mumbai, is a qualified Chartered Accountant (ICAI), and a CFA (USA). He is a Senior Managing Director in the private equity group at Blackstone Advisors India Private Limited, bringing over 18 years of private equity experience. Previously, he worked with Carlyle India Investment Advisors, Citicorp Finance.

Prateek Roongta is a Non-Executive (Nominee) Director of the Company. He holds a post-graduate diploma in management from IIM, Ahmedabad. He is also a qualified CA and CS. He is the managing director within the portfolio operations group at Blackstone Advisors India Private Limited and has more than 23 years of experience in portfolio management. He has previously worked at Boston Consulting Group (India) Private Limited, True North Managers LLP (formerly known as India Value Fund Advisors Private Limited) and A. T. Kearney Consulting (India) Private Limited



About The Company

The Group's primary business is the provision of services related to the certification and accreditation of natural diamonds, laboratory-grown diamonds, studded jewelry and colored stones as well as the offering of educational programs. The Group is part of the International Gemmological Institute ("IGI") group, and is responsible for the operation of the business under the "IGI" brand exclusively in India and Türkiye. IGI is one of the established reputed certifiers in the global market,

Key Business Operations

The key services/offerings of the Pre-Acquisition Group are as follows:

- Comprehensive diamond grading, including issuing reports assessing the 4Cs (cut, color, clarity, and carat weight) of natural and laboratory-grown diamonds, along with additional information such as fluorescence and symmetry. We also provide screening and sorting services, if required by our customers.
- Evaluating the quality and authenticity of colored stones, including rubies, sapphires, emeralds, and other precious and semi-precious stones, and issuing grading reports detailing their characteristics.
- Grading and assessment of finished jewelry pieces, including assessing the quality of diamonds, colored stones, craftsmanship, such as mounting and symmetry, and overall value.
- Conducting educational programs and courses in gemology, diamond grading, jewelry design, and related subjects for professionals and enthusiasts in the diamonds, studded jewelry and colored stones industry. Our certification and accreditation business benefits from a foundation in education offered through our gemology education institution, the IGI Schools of Gemology, where we leverage educating the industry on the importance of diamonds, studded jewelry and colored stones certifications and the terminology used in the industry as a precursor to demand for our certification business

Statement of Profit and Loss



(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	For the 9 months Ending	
	30th Sep 2024	30th Sep 2023
Income		
Revenue from operations	5,963.57	4,537.88
Other income	231.35	54.37
Total income	6,194.92	4,592.25
Expenses		
Purchase of stock-in-trade	32.86	35.02
Change in inventories of stock-in-trade	(6.94)	(7.20)
Employee benefits expenses	840.60	708.88
Finance costs	17.81	18.57
Depreciation and amortization expenses	108.64	99.27
Other expenses	805.23	588.02
Total expenses	1,798.20	1,442.56
Restated Profit before tax	4,396.72	3,149.69
Tax expense:		
- Current tax	(1,112.84)	(765.86)
- Adjustment of tax relating to earlier periods	(12.36)	-
- Deferred tax	(10.92)	3.11
Total tax expense	(1,136.12)	(762.75)
Restated Profit for the period / year	3,260.60	2,386.94
Restated Total Comprehensive Income		
Owners of the Company	3,241.70	2,232.39
Non-controlling interests	-	-
	3,241.70	2,232.39
Restated Earnings per share (in INR) of		
Basic	8.22	6.02
Diluted	8.22	6.02

Strengths



- **Global Leader in Diamond Certification** : IGI is the second-largest independent certification provider globally, with a 33% market share, and leads India with a 50% share in diamond, jewelry, and colored stone certifications
- **Leader in Lab-Grown Diamond Certification** : As the first to certify lab-grown diamonds in 2005, IGI holds a 65% market share (CY2023). With labs in India, the U.S., and the PRC, IGI leverages innovation and strong customer ties to lead this fast-growing industry.
- **Comprehensive Certification and Value-Added Services:** IGI offers a full range of certification, grading, and accreditation services for natural and lab-grown diamonds, studded jewelry, and colored stones. Its value-added offerings include diamond screening, sorting, audit services, gemology training, and co-branded marketing support.
- **Education Initiatives to Build Awareness and Partnerships:** Through IGI Schools of Gemology, tailored courses and e-learning programs in seven languages educate industry professionals, institutions, and individuals. These initiatives strengthen IGI's brand and deepen customer relationships by providing customized training solutions.

Threats

- The Net Proceeds from the Fresh Issue will fund Proposed Acquisitions, enabling IGI to manage its global business operations. However, challenges in administering a geographically dispersed business may impact operational efficiencies and results.
- The Promoter acquired 100% of the Company's equity in May 2023. Although experienced in providing capital and strategic support, the Promoter lacks significant industry experience, which may impact future performance consistency.
- The Group derived a significant portion of our revenue from our top 15 customers, and any inability to retain our key customers or attract new customers and expand our customer network, could negatively affect our business and results of operations.

Valuation and Outlook



International Gemmological Institute (India) Ltd. IPO is expected to be priced between ₹397 to ₹417 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of 38x.

There are no listed companies in India or abroad with a directly comparable business model or scale to this company.

After the proposed acquisition of its international group, the company will become an undisputed leader in the gems certification business across the globe and is growing consistently in financial metrics, including robust results for the nine months ending September 2024. Further, a rise in disposable income for the working class is expected to lead to a rise in demand for gems and jewellery.

We rate "**APPLY**" to this IPO both for Listing gains and Long term Wealth Creation.

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