kotak neo

Dated: 4 August 2026

International Gemmological Institute (IGIL) - ADD

Company Update

Current Market Price (CMP)	Fair Value (FV)
Rs.365	**Rs.410**

Rationale:

- LGD wholesale prices have remained stable over the past two years; smaller stones have seen some price hikes in H1CY26.
- LGD growers are looking to double capacity over the next three years, as they expect LGD demand to remain robust.
- IGI has ramped up marketing initiatives in India (B2C) and the US (retailer-led)
- Management reiterated 15%/20% revenue/EBITDA growth which includes currency tailwinds.
- We raise estimates by 2% & revise FV to Rs410 (Vs Rs400), based on 22x Sep28E PE.

Positives:

- The prices of 1 carat and below LGDs have actually gone up over the past six months.
- Management highlighted that large manufacturers have started adding fresh capacity for the first time in the last 3-4 years.
- Management expects the global certification volumes to see 17-19% CAGR from 3.3-3.8 cr to 7.5-8 cr certificates over CY25-30.
- IGI captures 65-75% share of LGD market globally.
- We expect ND/LGD/jewelry certification revenues to see 7.8%/10.8%/18% CAGRs over FY27-29E.

Negatives:

- Key risks include (1) LGD price pressure, mitigated by volume-linked revenue; (2) customer concentration, (3) self-certification by large retailers, etc.

(EBITDA: Earnings before Interest, tax, Depreciation and Amortization, CAGR: Compound annual growth rate, PE: Price to Earnings, EPS: Earnings Per Share, LGD: Lab Grown Diamond, ND: Natural Diamond, B2C: Business to Consumer)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY – We expect the stock to deliver more than 15% returns over the next 12 months

ADD – We expect the stock to deliver 5% - 15% returns over the next 12 months

REDUCE – We expect the stock to deliver -5% - +5% returns over the next 12 months

SELL – We expect the stock to deliver < -5% returns over the next 12 months

NR – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

SUBSCRIBE – We advise investor to subscribe to the IPO.

RS – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

NA – **Not Available or Not Applicable.** The information is not available for display or is not applicable

NM – **Not Meaningful.** The information is not meaningful and is therefore excluded.

NOTE – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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