CERTIFICATE ON KEY PERFORMANCE INDICATORS (KPIs)

Date: December 06, 2024

To,

The Board of Directors
International Gemmological Institute (India) Limited
702, 7th Floor, The Capital
Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Maharashtra, India

Axis Capital Limited
1st floor, Axis House,
P.B. Marg, Worli, Mumbai- 400025
Maharashtra, India

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C – 27
"G" Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

Morgan Stanley India Company Private Limited
Division 18F, Tower 2,
One World Center, Senapati Bapat Marg,
Lower Parel, Mumbai, 400013
Maharashtra, India

SBI Capital Markets Limited
Unit No. 1501, 15th floor, A & B Wing,
Parinee Crescenzo Building,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051,
Maharashtra, India

*(Axis Capital Limited, Kotak Mahindra Capital Company Limited, Morgan Stanley India Company Private Limited, SBI Capital Markets Limited and any other book running lead managers which may be appointed in relation to the Offer are collectively referred to as the "***Book Running Lead Managers***")*

Dear Sir, Madam,

Re: Proposed initial public offering of equity shares of face value ₹ 2 each (the "Equity Shares", and such offering, the "Offer") of International Gemmological Institute (India) Limited (the "Company")

We, S K Patodia & Associates LLP, independent Chartered Accountants have been requested by the Company to verify and certify and to perform certain procedures agreed with the Company and enumerated below with respect to the operational and financial key performance indicators including business metrics and financial performance of the Company ("**KPIs**") as on respective dates and for the respective period mentioned against each annexure (the "**Periods**"), set forth in the accompanying schedules.

We have examined the (a) restated financial information of the Company for the calendar years ended December 31, 2021, December 31, 2022, December 31, 2023, nine months period ended September 30, 2023 and the nine months period ended September 30, 2024 ("**Restated Financial Information**"); (b) books of accounts; (c) relevant records and registers of the Company; (d) annual results/ annual reports of listed peer companies; (e) resolution of the audit committee dated August 22, 2024 approving the KPIs.

The KPIs of the Company for the nine months period ended September 30, 2023 and the nine months period ended September 30, 2024 and calendar year ended December 31, 2023, December 31, 2022 and December 31, 2021 as set out in **Annexure A** have been verified by us in accordance with the procedures set out in **Annexure B** and found to be correct. The agreed-upon-procedures and data provided for the KPIs and the definitions and assumptions in relation to these KPIs have been mentioned in **Annexure B**. A statement for the comparison of the KPIs with the listed peers of the Company, to the extent available, has been set out in **Annexure C**.

The Management has confirmed that the KPIs, as set out in **Annexure A,** are the relevant KPIs that have been disclosed to earlier investors at any point of time during the three years' period prior to the date of the Red Herring Prospectus. Further, the management has confirmed that the listed peers set out in **Annexure C** are the only listed peers of the Company as on the date of this certificate.

Accordingly, based on our review of the above-mentioned documents presented to us, we hereby certify and confirm that as of the date of this certificate, the information set forth is true, fair, correct, accurate and not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision. We further confirm that we have not been engaged or interested in the formation or promotion of management of the Company.

Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "*Engagements to Perform Agreed-upon Procedures regarding Financial Information*" ("**(SRS) 4400**") and the "Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents" each issued by the Institute of Chartered Accountants of India ("**ICAI**"). SRS 4400 is generally adopted to perform agreed upon procedures regarding financial information. However, this standard can also be used as a guide to perform agreed upon procedures regarding non-financial information. We have conducted our examination in accordance with the applicable guidance note issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and accordingly, we confirm that we have complied with such Code of Ethics issued by the ICAI. We have also complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We hereby consent to, and have no objection to, the inclusion of our name S K Patodia & Associates LLP, and this report or any extract thereof in (i) red herring prospectus proposed to be filed with the Registrar of Companies, Maharashtra at Mumbai ("**RoC**") and thereafter with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"); (ii) prospectus proposed to be filed with the RoC and thereafter with SEBI and the Stock Exchanges; and (iii) any other documents or materials prepared in relation to the Offer (collectively referred to as the "**Offer Documents**").

This certificate is issued for the sole purpose of the Offer, and can be used, in full or part, for inclusion in the Offer Documents, and for submission of this certificate as may be necessary, to any regulatory/statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and its accordance with the applicable law.

We confirm that the information above is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the Book Running Lead Managers and the Company until the Equity Shares allotted/transferred in the Offer commence trading on the Stock Exchanges. In the absence of any such communication from [us/me], the Company, the Book Running Lead Managers and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and accurate.

This certificate may be relied upon by the Book Running Lead Managers and the legal advisors appointed with respect to Offer for documenting and conducting their due-diligence and due-enquiry of the affairs of the Company in connection with the Offer. Accordingly, we consent to this certificate and its contents (in whole or in part) being presented and/or utilised for the purpose of any defence that the Book Running Lead Managers may wish to advance before any statutory/regulatory authority in connection with the Offer and/or the Offer Documents.

We also consent to the inclusion of this certificate as a part of "*Material Contracts and Documents for Inspection*" in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date or any other period as may be required.

All capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the Offer Documents, as applicable.

Yours faithfully,

For S K Patodia and Associates LLP
Chartered Accountants
ICAI Firm's Registration No.: 112723W/W100962

DHIRAJ RAJENDRA LALPURIA
Digitally signed by DHIRAJ RAJENDRA LALPURIA
Date: 2024.12.06 11:56:45 +05'30'

Dhiraj Lalpuria
Partner
Membership No.: 146268
Peer Review Certificate No. 014150
UDIN: 24146268BKCTIY4636

Place: Mumbai
Date: December 06, 2024

Encl: As above

Cc:

Domestic Legal Counsel to the Company

Cyril Amarchand Mangaldas
3rd floor, Prestige Falcon Towers
19, Brunton Road
Off M.G. Road
Bengaluru – 560 025
Karnataka, India

Domestic Legal Counsel to the Book Running Lead Managers for the Offer

Shardul Amarchand Mangaldas & Co.
24th Floor, Express Towers
Nariman Point
Mumbai – 400 021
Maharashtra, India

International Legal Counsel to the Book Running Lead Managers for the Offer

White & Case LLP
88 Market Street #41-01
CapitaSpring, Singapore 048948

Annexure A

Sr. No.	Particulars	Unit	As of and for the nine-months period ended September 30, 2024 (Consolidated)	As of and for the nine-months period ended September 30, 2023 (Consolidated)	As of and for the Calendar Year ended		
					December 31, 2023 (Consolidated)	December 31, 2022 (Consolidated)	December 31, 2021 (Standalone)
1.	Revenue from Operations of the Pre-Acquisition Group	(₹) in million	5,963.56	4,537.89	6,385.28	4,909.94	3,646.91
2.	Revenue Growth (Y-o-Y) of the Pre-Acquisition Group	%	31.42	N.A.	30.05	34.63	N.A.
3.	Segmental Revenue by service line of the Pre-Acquisition Group						
A	- Certification services	₹ in millions	5,856.58	4,410.59	6,206.82	4,777.44	3,574.30
B	- Educational courses	₹ in millions	36.99	45.42	53.59	38.73	24.71
C	- Others	₹ in millions	70.00	81.87	124.87	93.77	47.90
4.	EBITDA of the Pre-Acquisition Group	₹ in millions	4,291.82	3,213.16	4,501.18	3,351.82	2,406.48
5.	EBITDA Y-o-Y growth of the Pre-Acquisition Group	%	33.57	N.A.	34.29	39.28	N.A.
6.	EBITDA Margin% of the Pre-Acquisition Group	%	71.97	70.81	70.49	68.27	65.99
7.	Profit after tax of the Pre-Acquisition Group	₹ in millions	3,260.60	2,386.95	3,247.38	2,417.58	1,715.30
8.	Profit after tax margin of the Pre-Acquisition Group	%	54.68	52.60	50.86	49.24	47.03

Sr. No.	Particulars	Unit	As of and for the nine-months period ended September 30, 2024 (Consolidated)	As of and for the nine-months period ended September 30, 2023 (Consolidated)	As of and for the Calendar Year ended		
					December 31, 2023 (Consolidated)	December 31, 2022 (Consolidated)	December 31, 2021 (Standalone)
9.	Return on equity of the Pre-Acquisition Group	%	56.59*	60.50*	76.58	83.13	74.39
10.	Return on capital employed of the Pre-Acquisition Group	%	62.19*	64.54*	80.96	87.09	86.79
11.	Net working capital of the Pre-Acquisition Group	₹ in millions	4,150.05	2,791.48	2,968.30	2,371.30	1,486.81
12.	Number of IGI laboratories of the Pre-Acquisition Group	Number	20	20	20	19	16
13.	Number of schools of the Pre-Acquisition Group	Number	9	9	9	8	8
14.	Number of reports per year by the Pre-Acquisition Group	Number in millions	6.86	5.17	7.21	5.87	4.29
15.	Number of employees of the Pre-Acquisition Group	Number	843	697	727	542	498

***Not annualized**

1) *Revenue from Operations of the Pre-Acquisition Group means the revenue from operations as appearing in the Restated Financial Information.*
2) *Revenue Growth (Y-o-Y) of the Pre-Acquisition Group is calculated as a percentage of revenue from operations of the relevant period/year minus revenue from operations of the preceding period/year, divided by revenue from operations of the preceding period/year.*
3) *Segmental Revenue by service line of the Pre-Acquisition Group means the revenue from operations as per Note 24 to the Restated Financial Information. Other revenue comprises of sale of products, advertisement and show income and commission income (exports).*
4) *EBITDA is calculated as restated profit / (loss) for the period / year, plus finance costs, total taxes, and depreciation and amortisation expense less other income.*
5) *EBITDA growth Y-o-Y (%) is calculated as a percentage of EBITDA of the relevant period/year minus EBITDA of the preceding period/year, divided by revenue from operations of the preceding period/year.*
6) *EBITDA margin (%) is calculated as EBITDA divided by revenue from operations.*

7) Profit after tax means restated profit / (loss) for the period/year as appearing in the Restated Financial Information.
8) Profit after tax margin refers to the percentage margin derived by dividing profit after tax by revenue from operations.
9) Return on equity (RoE)(%) refers to restated profit after tax divided by average total equity for the year/period. Restated profit after tax means restated profit / (loss) for the period/year as appearing in the Restated Financial Information. Average total equity is the sum of opening and closing total equity divided by two.
10) Return on capital employed (RoCE)(%) is calculated as EBITDA less depreciation and amortisation / capital employed. Capital employed is calculated as total equity plus total borrowings plus total lease liabilities and deferred tax liabilities(net).
11) Net working capital refers to the total current assets minus the total current liabilities.
12) Refers to the number of IGI laboratories located in the branches of the Pre-Acquisition Group as at period/year end, excluding in-factory laboratory set-ups and mobile laboratory set-ups.
13) Refers to the number of IGI Schools of Gemology of the Pre-Acquisition Group as at end of the period/ year.
14) Refers to the number of certification reports issued by the Pre-Acquisition Group for the period/ year.
15) Refers to the number of employees on the payroll of the Pre-Acquisition Group as at end of the period/ year.

Annexure B

Sr. No.	KPIs	Description
1	Revenue from Operations of the Pre-Acquisition Group	Revenue from operations represents the scale of our business as well as provides information regarding our overall financial performance
2	Revenue Growth (Y-o-Y) of the Pre-Acquisition Group	Growth in Revenue from operations provides information regarding the growth of the business for the respective period.
3	Segmental Revenue by service line of the Pre-Acquisition Group	Segmental revenue by service line helps us to track the level and growth of business from each of the service line and identify service lines which require specific attention
A.	- Certification services	It helps to track the level and growth of the business from certification of diamonds, jewelry and colored stones
B.	- Educational courses	It helps to track the level and growth of the business from offering educational courses in gemology, diamond grading, jewelry design and related subjects.
C.	- Others	It helps to track the level and growth of the business from advertisement income, sale of D-check machines and commission income on exports.
4	EBITDA of the Pre-Acquisition Group	EBITDA is an indicator of the operational profitability and financial performance of our business.
5	EBITDA Y-o-Y growth of the Pre-Acquisition Group	Growth in EBITDA provides information regarding the growth in the operational profitability of the business for the respective period.
6	EBITDA Margin% of the Pre-Acquisition Group	EBITDA margin indicates the percentage of revenue that translates into EBITDA, which helps us assess profitability and margin profile. It's preferred over other margin calculations because it focuses solely on operational performance, excluding non-operating factors
7	Profit after tax of the Pre-Acquisition Group	Restated profit after tax is an indicator of the overall profitability and financial performance of the business.
8	Profit after tax margin of the Pre-Acquisition Group	PAT margin is an indicator of the overall profitability and financial performance of the business as a percentage to the revenue from operations.
9	Return on equity of the Pre-Acquisition Group	RoE provides how efficiently our Company generates profits from the shareholders' funds.
10	Return on capital employed of the Pre-Acquisition Group	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

Sr. No.	KPIs	Description
11	Net working capital	Net working capital indicates the operating liquidity of our Company and its ability to meet short-term obligations
12	Number of IGI laboratories of the Pre-Acquisition Group	Number of labs helps us to track the infrastructural capabilities of our Company to provide certification services
13	Number of schools of the Pre-Acquisition Group	Tracking the number of schools run by the Pre-Acquisition Group helps us to promote IGI brand, raise awareness about the need for certification and upskill industry professionals.
14	Number of reports per year by the Pre-Acquisition Group	Number of reports helps us to track the year-on-year volume in terms of the number of certification services provided during the period/year.
15	Number of employees of the Pre-Acquisition Group	Number of employees helps us to track the operational capabilities of our Company to provide

Procedures performed for the key performance indicators set forth above:

(i) obtained the list of Promoters, members of the Promoter Group, Selling Shareholder and Shareholder(s) having the right to nominate director(s) as defined under SEBI ICDR Regulations from the management of the Company for the purpose of calculation of price per share;

(ii) compared the date of acquisition / sale / transfer; number of equity shares; and acquisition / issue cost per equity share in respect of each of these persons/entities, with the Register of members, minutes of the meetings of the board of directors of the Company , minutes of annual general meeting and extra-ordinary general meetings, relevant statutory registers including share allotment and share transfer registers, Form 2 (Return of Allotment) pursuant to Section 75(1) of the Companies Act, 1956, as amended (for allotments since inception to March 31, 2014) and Form PAS-3 pursuant to Section 39(4) of the Companies Act, 2013, as amended, and Rule 12 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (for allotments since April 1, 2014) along with extracts of relevant board and shareholder resolutions, Form SH-7 pursuant to Section 64(1) of the Companies Act, 2013, as amended and Rule 15 of the Companies (Share Capital and Debenture Rules), 2014, confirmation from the Company for monies received from the selling shareholders , bank account statements, relevant filings with the Reserve Bank of India, demat transfer statements, share transfer forms, delivery instruction slips, any other forms filed with any regulatory authority in this regard and other documents presented to us;

(iii) verified the details of primary issuance made by the Company relevant allotment forms, statutory registers of the Company filed with the Registrar of Companies;

(iv) computed weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(v) verified the details of secondary acquisition / sale / transfer in respect of Promoters, members of the Promoter Group, Selling Shareholder and Shareholder(s) having the right to nominate director(s) from share transfer forms, demat transfer statements, depository instruction slips and other documents and accounts as may be deemed relevant;

(vi) computed weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in company Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this certificate, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(vii) relied on the confirmation provided by Promoters, members of the Promoter Group, Selling Shareholder and Shareholder(s) having the right to nominate director(s); and

(viii) relied on the details confirmation provided by the Company viz. details of vested employee stock options as on particular dates.

Annexure C

A comparison of the KPIs, once identified, with those of the listed peers, once identified, to be included here. The period of coverage for the comparison with the listed peers will be last three calendar years , the nine months period ended September 30, 2023 and the September 30, 2024 stub period and the source of the KPIs of the listed peers will be peer group public filings

NIL