

January 3 2017

The Manager – Listing
National Stock Exchange of India Ltd
Mumbai

The Manager – Listing
Bombay Stock Exchange of India Ltd
Mumbai

Sub: Intimation of Schedule of Analyst/Investor Meet.

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, this is to inform you that the company had conducted the following meetings with investors/analysts as per details specified hereunder:

| Name of Analysts/Investors | Place of Meeting |
|---------------------------------------|------------------|
| Jefferies India Private Limited | Mumbai |
| | |
| Elysium Investment Advisors LLP | Mumbai |
| | |
| J M Financial Investment Managers Ltd | Mumbai |
| | |
| NVS Brokerage Private Ltd | Mumbai |

The Company has also distributed the attached Corporate Presentation for the aforesaid meetings.

Kindly take the same on record

Thank You

For Lypsa Gems and Jewellery Ltd



Jeeyan Patwa
CFO and Director, Lypsa Gems and Jewellery Ltd.



LYPSA GEMS & JEWELLERY LIMITED.

CIN: L28990GJ1995PLC028270

Regd. Office : Wing A 2nd Block 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi – Pirojpur Road, Chhapi, Vadgam, Banaskantha, Gujarat – 385210, India.

Corp. Office : Mehta Mahal, 2nd floor, North Side, Opp. Roxy Cinema, 15th Mathew Road, Opera house, Mumbai -400004
Tel. : +91 22 2367 9792 | Email : info@lypsa.in

Lypsa Gems & Jewellery Limited

Result Update Presentation
Q2 & H1 FY17



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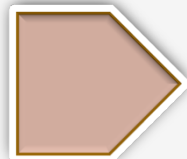
➤ **Management Comment**



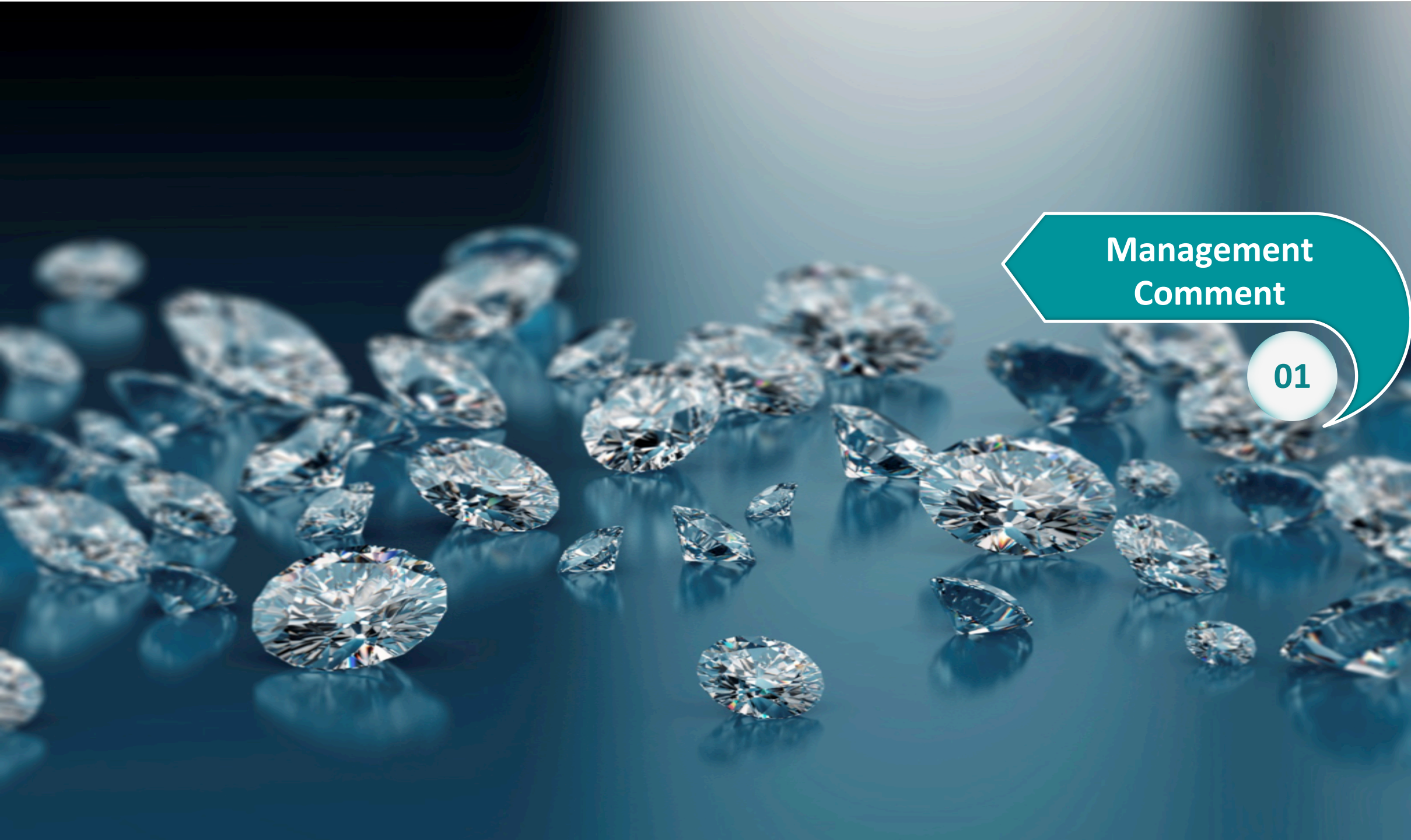
➤ **Q2 & H1 FY17 Financial Performance**



➤ **Annual Financial Performance**



➤ **Company Overview**



Management Comment

01

Commenting on the results, Mr. Jeeyan Patwa, CFO, Lypsa Gems and Jewellery Limited said :

"I am happy to inform you that in line with our strategy we have continued to focus on profitable growth .

We are consciously moving away from the low margin cutting and polishing business to the higher margin rough trading and jewellery business. We aspire to build a complete jewellery retail platform to provide beautiful affordable diamond jewellery to not only the Indian woman but to women across the globe.

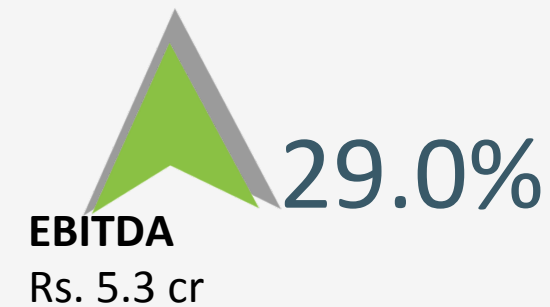
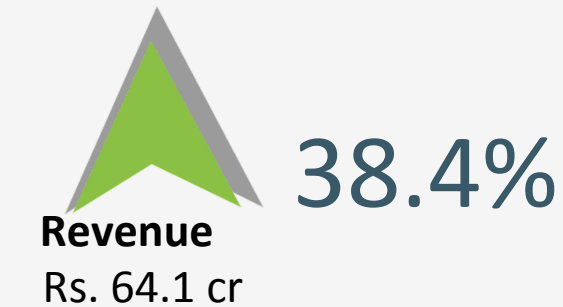
We are building efficiencies across the entire diamond value chain in order to provide a competitive market offering and yet make good margins. Complete integration along with over four decades of industry experience will enable us to not only grow revenue but most importantly, focus on profitable growth and generate maximum value for our shareholders."



Q2 & H1 FY17
Highlights

02

Consolidated Financial Highlights – Q2 FY17 vs. Q1 FY17

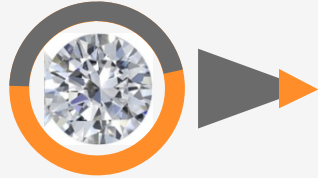


Shift in focus from low margin cutting and polishing business to higher margin rough trading and jewellery business

Quarterly Consolidated Profitability Highlights

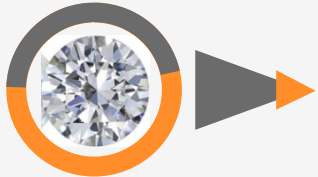


| Rs. Crores | Q2 FY17 | Q1 FY17 | QoQ % |
|-------------------------------------|-------------|-------------|-----------------|
| Total Income from Operations | 64.1 | 46.3 | 38.4% |
| Raw Materials | 58.5 | 41.5 | |
| Employee Cost | 0.2 | 0.4 | |
| Other Cost | 0.2 | 0.3 | |
| Total Expenditure | 58.8 | 42.2 | |
| EBITDA | 5.3 | 4.1 | 29.0% |
| EBIDTA margin (%) | 8.2% | 8.8% | (60 bps) |
| Interest | 0.7 | 0.6 | |
| Depreciation | 0.1 | 0.1 | |
| Other Income | 0.1 | 0.1 | |
| Profit Before Tax | 4.6 | 3.5 | |
| Tax | 0.0 | 0.0 | |
| Profit After Tax | 4.6 | 3.5 | 32.1% |
| PAT Margin (%) | 7.1% | 7.5% | (40 bps) |



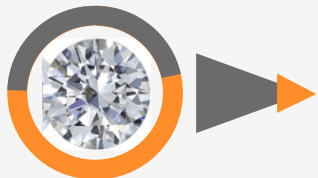
Tie up with Jewelsouk.com

- E-Commerce arm of Gitanjali Group to sell Diamond studded jewellery under “Lypsa Atelier”
- Plans to start with ~150 SKU’s in price range of Rs. 7,500 to Rs. 35,000



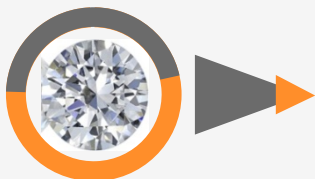
Formation of 100% subsidiary

- The board approved formation of 100% subsidiary Company in Antwerp, Belgium



Debt reduction by 25%

- Repaid Rs. 75 million
- One of the few listed diamond company in India to initiate debt repayment



New order

- Bagged new order worth Rs. 325 mn from UAE based customers
- Supply diamond studded jewellery over 12 months period

Consolidated Financial Highlights – H1 FY17



Revenue
Rs.110.4 cr

(61.4)%



EBITDA Margin
8.5%

360 bps



PAT Margin
7.3%

320 bps

Improvement in margins on account of shift from cutting and polishing to rough trading and jewellery business

Half Yearly Consolidated Profitability Highlights



| Rs. Crores | H1 FY17 | H1 FY16 | YoY % |
|-------------------------------------|--------------|--------------|----------------|
| Total Income from Operations | 110.4 | 286.4 | -61.4% |
| Raw Materials | 100.0 | 266.5 | |
| Employee Cost | 0.6 | 1.9 | |
| Other Cost | 0.4 | 3.8 | |
| Total Expenditure | 101.0 | 272.2 | |
| EBITDA | 9.4 | 14.1 | -33.6% |
| EBIDTA Margin (%) | 8.5% | 4.9% | 360 bps |
| Interest | 1.3 | 1.9 | |
| Depreciation | 0.2 | 0.2 | |
| Other Income | 0.2 | 0.3 | |
| Profit Before Tax | 8.1 | 12.2 | |
| Tax | 0.0 | 0.6 | |
| Profit After Tax | 8.1 | 11.7 | -31.1% |
| PAT Margin (%) | 7.3% | 4.1% | 320 bps |

Half Yearly Consolidated Balance Sheet Highlights



| Rs. Crores | Sep-16 | Sep-15 |
|---|--------------|--------------|
| Shareholder's Funds | 80.5 | 65.2 |
| Share capital | 21.1 | 21.1 |
| Reserves & Surplus | 59.4 | 44.1 |
| Non-current liabilities | 0.3 | 0.3 |
| Long term borrowings | 0.0 | 0.0 |
| Defer Tax liabilities | 0.3 | 0.3 |
| Other Long-Term liabilities | 0.0 | 0.0 |
| Long-Term Provisions | 0.0 | 0.0 |
| Current liabilities | 364.0 | 315.9 |
| Short Term Borrowings | 25.9 | 33.3 |
| Trade Payables | 336.7 | 280.5 |
| Other Current liabilities | 1.3 | 0.9 |
| Short-term provisions | 0.2 | 1.2 |
| Total Equities & Liabilities | 444.8 | 381.4 |

| Rs. Crores | Sep-16 | Sep-15 |
|-----------------------------|--------------|--------------|
| Non-current assets | 5.9 | 7.3 |
| Fixed assets | 5.7 | 6.1 |
| Non-current Investments | 0.1 | 0.2 |
| Long-term loans & advances | 0.1 | 1.0 |
| Other non-current assets | 0.0 | 0.0 |
| Current assets | 438.9 | 374.1 |
| Current investments | 0.2 | 0.2 |
| Inventories | 53.5 | 45.9 |
| Trade receivables | 380.9 | 320.5 |
| Cash & Cash equivalents | 3.6 | 6.7 |
| Short-term loans & Advances | 0.7 | 0.8 |
| Other Current Assets | 0.0 | 0.0 |
| Total Assets | 444.8 | 381.4 |



**Annual
Financial Highlights**

03

Consolidated Financial Highlights – FY16



Revenue
Rs.477.0 cr

(19)%



EBITDA Margin
4.7%

80 bps



PAT Margin
3.9%

90 bps



EPS
Rs. 8.9

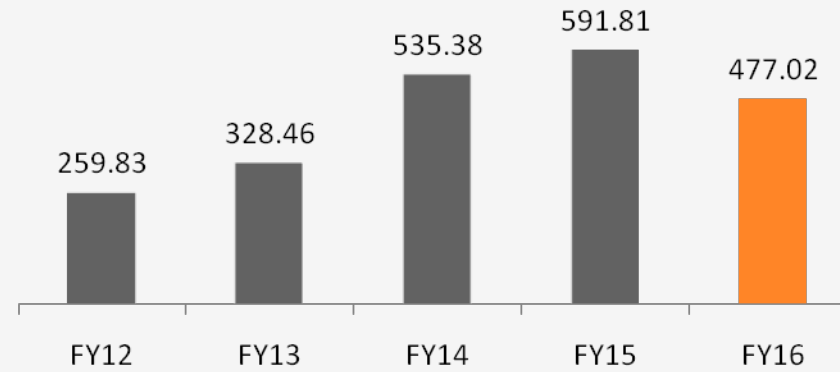
4.5%

Strong focus on increasing margins & operational efficiencies

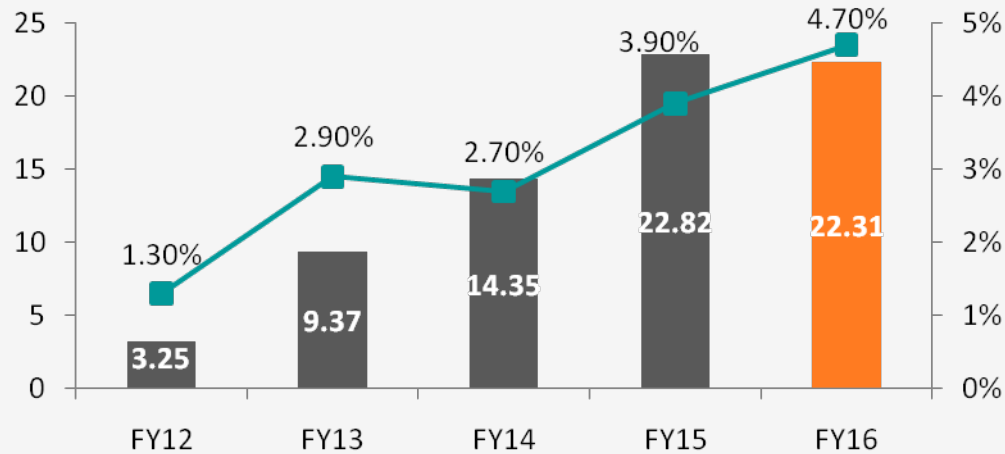
Consolidated Financial Highlights - FY16



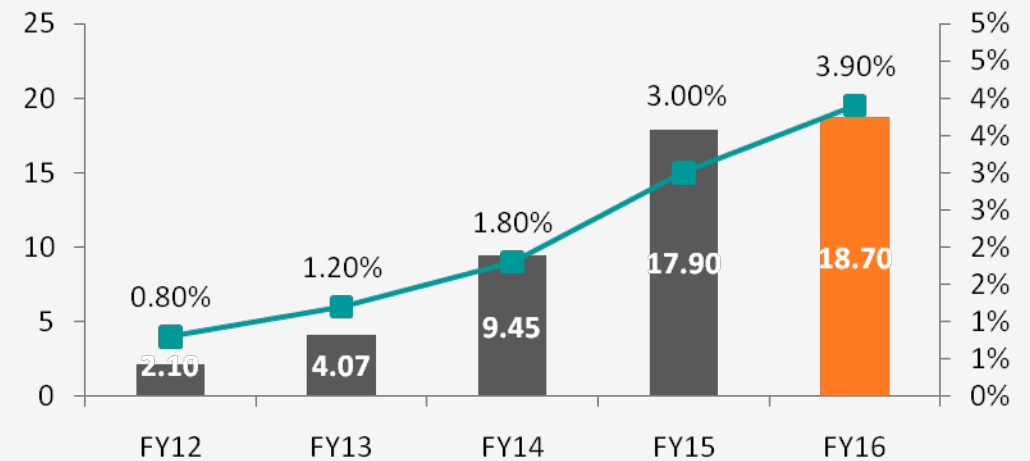
Revenue (Rs. Crore)



EBITDA (Rs. Crore) / Margin (%)



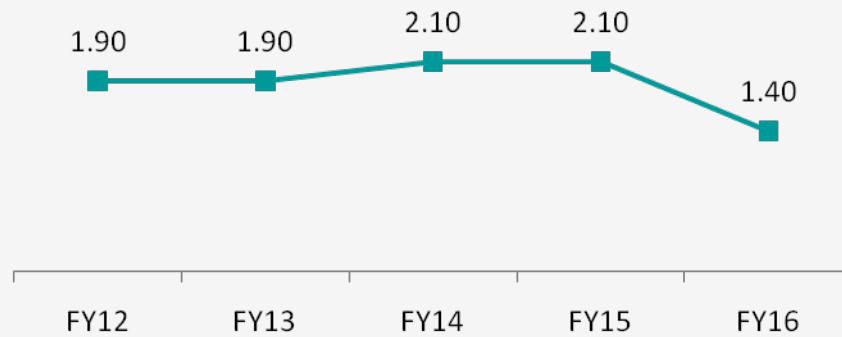
PAT (Rs. Crore) / Margin (%)



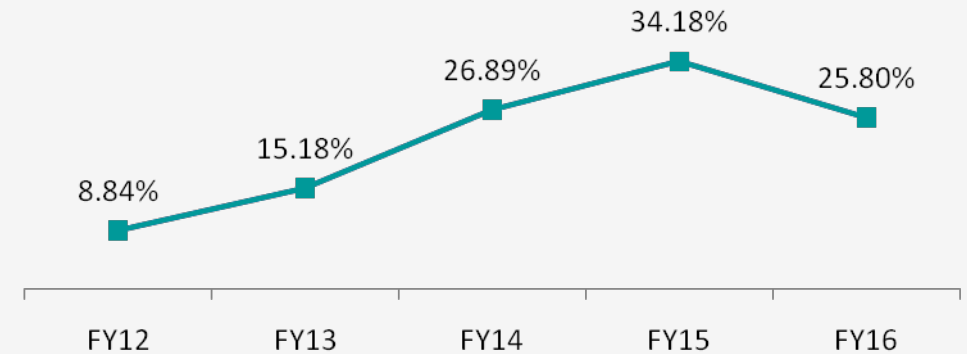
Key Return Ratios



Total Asset Turnover (x)



RoE (%)



Despite challenging environment, Company registered strong ROE

Consolidated Profitability Highlights



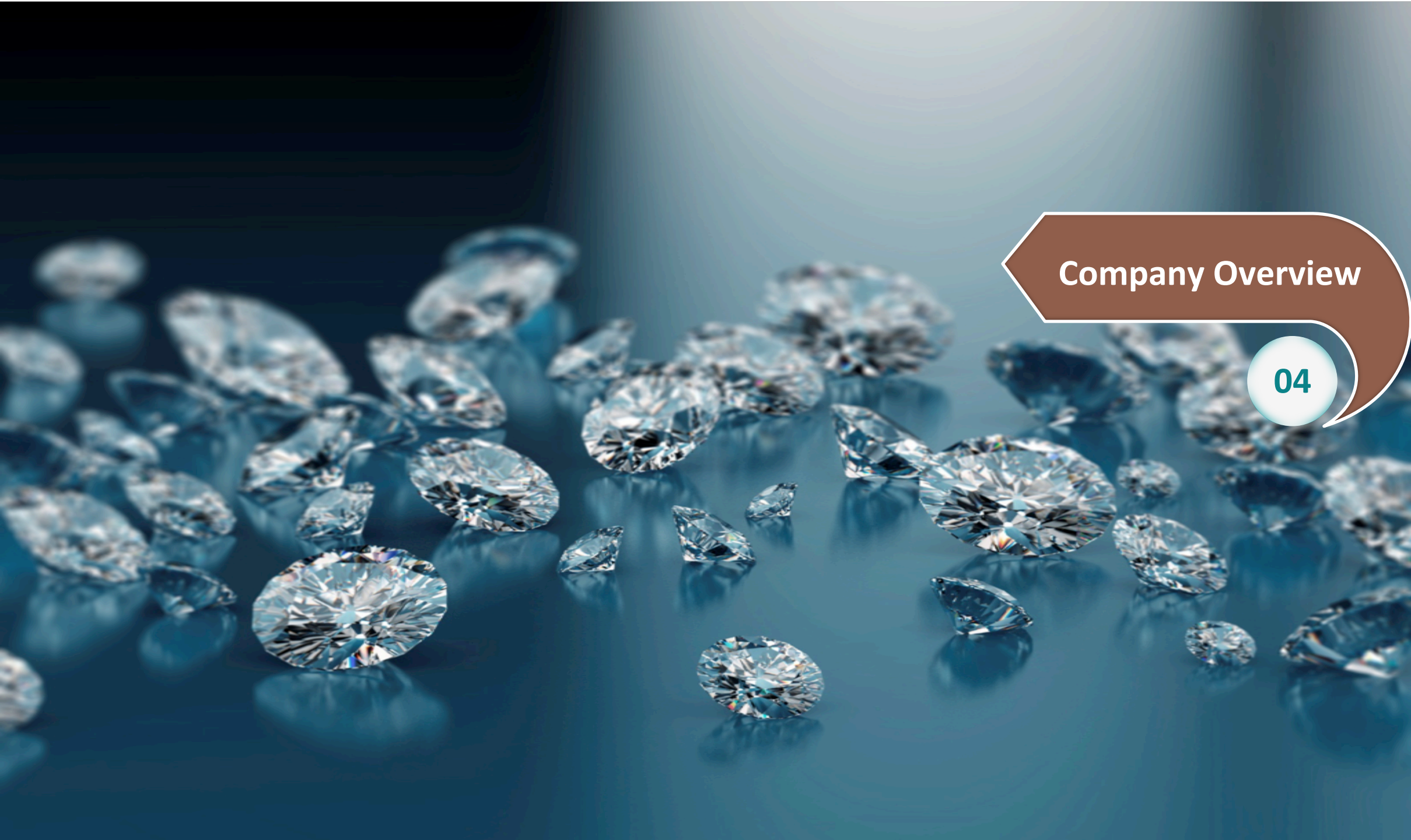
| Rs. Crores | FY16 | FY15 | YoY % |
|---------------------------|--------------|--------------|---------------|
| Revenue | 477.0 | 591.8 | -19.4% |
| Raw Material & Fuel costs | 446.6 | 555.4 | |
| Employee Cost | 2.8 | 4.6 | |
| Other Expenses | 5.4 | 9.0 | |
| Total Expenditure | 454.7 | 569.0 | |
| EBIDTA | 22.3 | 22.8 | -2.2% |
| EBITDA Margin (%) | 4.7% | 3.9% | 80 bps |
| Depreciation | 0.5 | 0.4 | |
| Other Income | 0.7 | 0.6 | |
| Interest | 3.1 | 3.3 | |
| Exceptional Item | 0.1 | 0.0 | |
| Profit Before Tax | 19.5 | 19.7 | |
| Tax | 0.6 | 1.8 | |
| Profit After Tax | 18.7 | 17.9 | 4.5% |
| PAT Margin (%) | 3.9% | 3.0% | 90 bps |
| EPS | 8.9 | 8.5 | |

Annual Consolidated Balance Sheet Highlights



| Rs. Crores | Mar-16 | Mar-15 |
|---|--------------|--------------|
| Shareholder's Funds | 72.4 | 52.4 |
| Share capital | 21.1 | 21.1 |
| Reserves & Surplus | 51.3 | 31.3 |
| Non-current liabilities | 0.3 | 0.3 |
| Long term borrowings | 0.0 | 0.0 |
| Defer Tax liabilities | 0.3 | 0.3 |
| Other Long-Term liabilities | 0.0 | 0.0 |
| Long-Term Provisions | 0.0 | 0.0 |
| Current liabilities | 277.8 | 229.6 |
| Short Term Borrowings | 32.4 | 38.1 |
| Trade Payables | 244.5 | 188.8 |
| Other Current liabilities | 0.7 | 1.2 |
| Short-term provisions | 0.3 | 1.6 |
| Total Equities & Liabilities | 350.6 | 282.3 |

| Rs. Crores | Mar-16 | Mar-15 |
|-----------------------------|--------------|--------------|
| Non-current assets | 6.2 | 6.0 |
| Fixed assets | 5.9 | 4.9 |
| Non-current Investments | 0.1 | 0.2 |
| Long-term loans & advances | 0.2 | 1.0 |
| Other non-current assets | 0.0 | 0.0 |
| Current assets | 344.4 | 276.3 |
| Current investments | 0.2 | 0.0 |
| Inventories | 34.6 | 27.0 |
| Trade receivables | 301.9 | 236.8 |
| Cash & Cash equivalents | 6.7 | 10.4 |
| Short-term loans & Advances | 0.9 | 2.1 |
| Other Current Assets | 0.0 | 0.0 |
| Total Assets | 350.6 | 282.3 |



Company Overview

Vertically Integrated Diamantaire

- 65 years of total experience amongst promoters

Over 450,000 Carats of Rough Diamonds Sold

- Sold more than 450,000 carats of rough diamonds in last 5 years

Over 600,000 Carats of Polished Diamonds Sold

- Distributed more than 600,000 cts of Polished Diamonds Globally in last 5 years

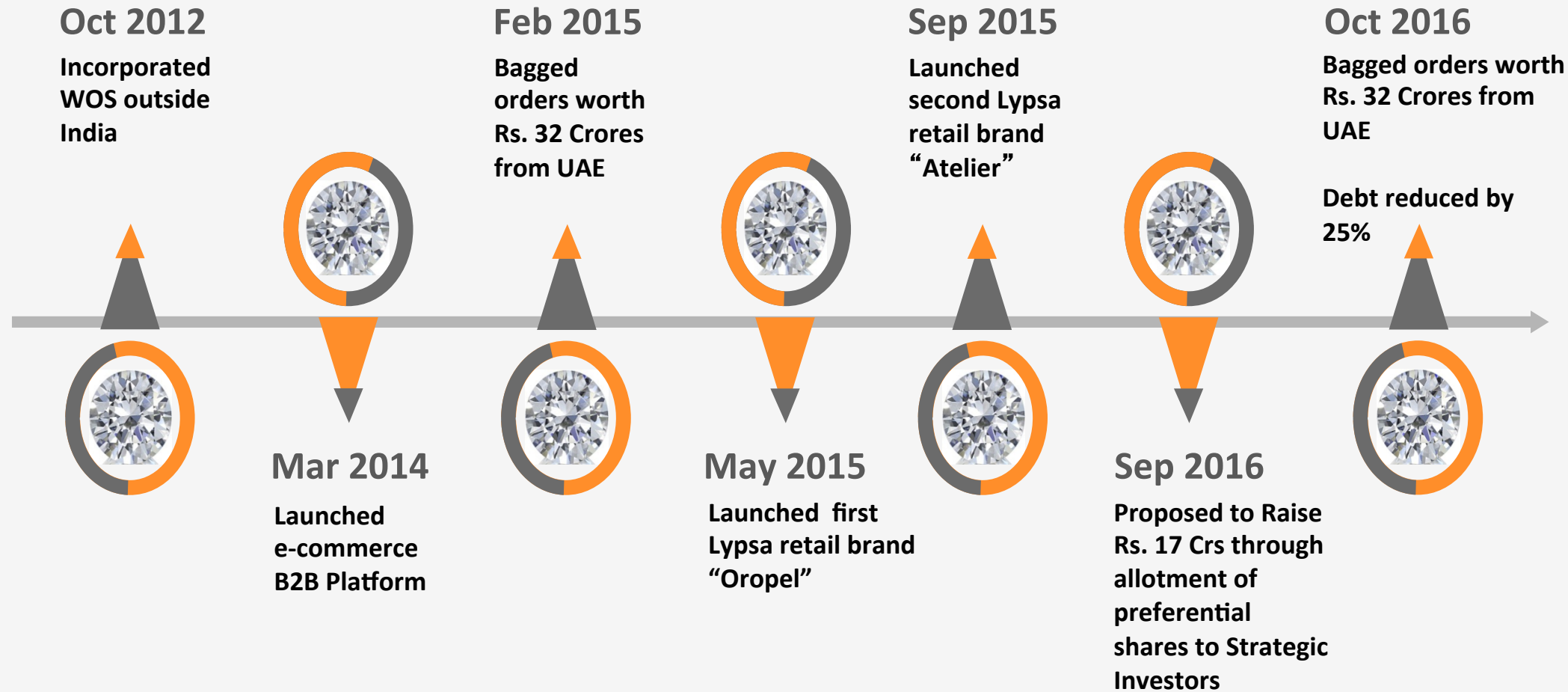
State of Art Factories

- Cutting & polishing factory at Chaapi - Palanpur in Gujarat

Amongst few Diamond Companies in India to initiate debt repayment

- Debt reduced by 25% - repaid Rs 7.5cr of total debt
- D/E ratio at 0.75x from 1.03x
- Plans to be Debt free soon

Journey So Far



Mr. Deepan Patwa, Chairman & MD

- In 1984, Apprenticeship at Rosy Blue Group
- By 1989, became Sales Head of Rough Diamonds Divisions
- In 1990, started business dealing rough diamonds

Mr. Manish Janani, Joint MD

- Apprenticeship at Rosy Blue group
- Expertise in handling diamond cutting and polishing operations
- Handles key customer relationships and responsible for Group strategy

Mr. Jeeyan Patwa, Director & CFO

- Graduated from London School of Economics in BSc and MSc In Management
- Oversees Accounting and marketing functions
- Responsible for New Business Development

Mr. Hemant Rathod, Head – Finance

- Associated with Lypsa since inception
- Responsible for Forex hedging, Accounting and Reporting

Mr. Kiran Toprani, Head – Rough Division

- Responsible for purchasing rough diamonds
- Oversees cutting and polishing of diamonds with emphasis on cost and yield optimization
- Supervises quality control and assortment of polished goods

Mr. Shreyash Shah, Head – Polish Division

- Expertise in handling key customer relationships for polished diamonds
- Manages client demands and helps align product offering to clients



- Modern diamond cutting and polishing facilities in Chaapi in Gujarat allows us to produce consistent high– quality polished diamonds
- Equipped with State of the Art Machinery for planning and processing rough diamonds
- Focus on cost, quality and yield optimisation
- Total annual capacity to process 250,000 cts of small sized rough diamonds

Gems & Jewellery Value Addition Process



Upstream

Exploration
and
Production

Rough-diamond
sorting and
valuation

Rough-
diamond
sales

Middle Market

Cutting
and
Polishing

Polished
diamond
sales

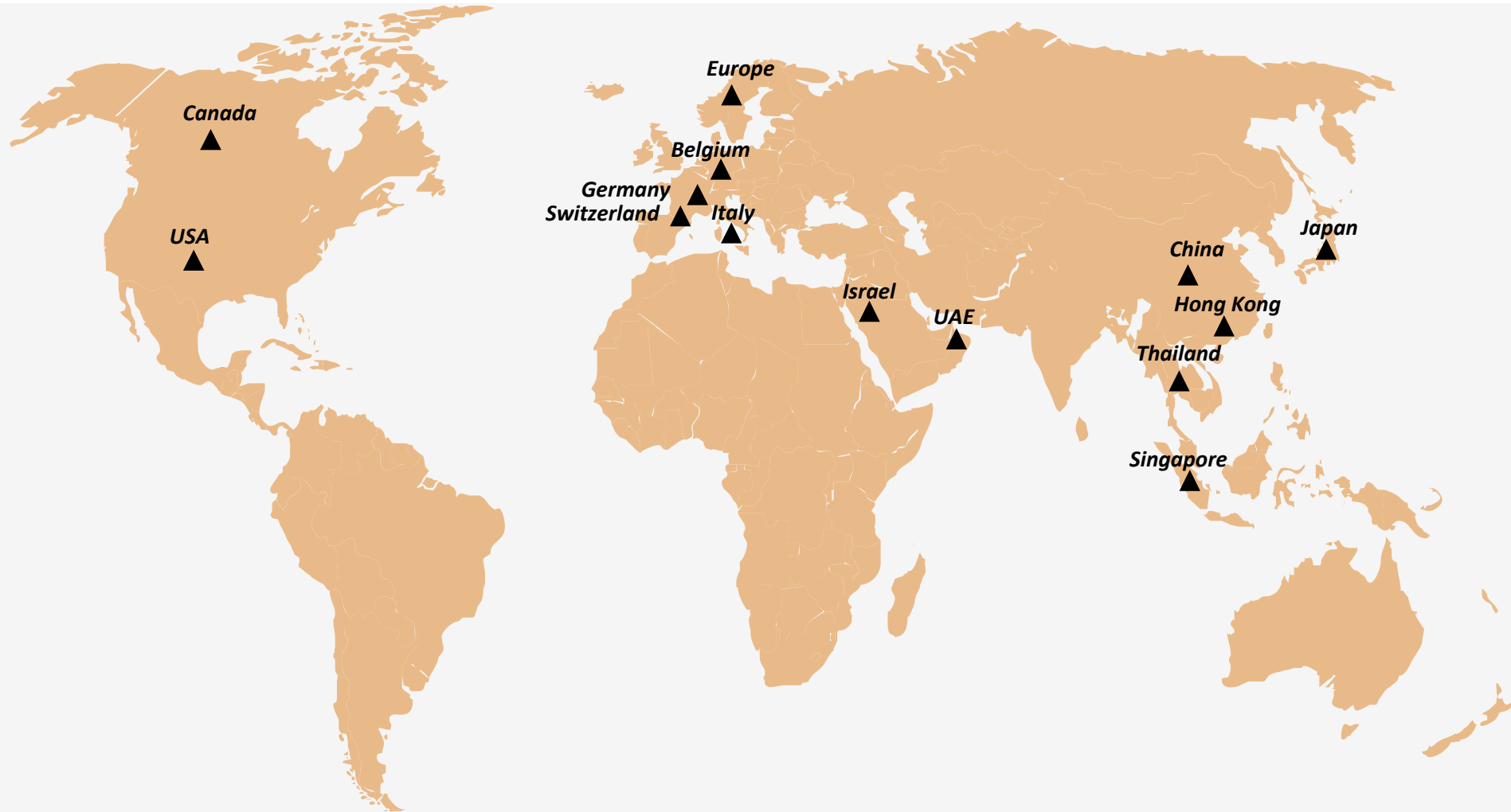
Diamond
jewellery
manufacturing

Downstream

Diamond
jewellery
retail sales

Strong presence across high end of value chain

Strong Global Presence



International business generates higher margins; 57% of revenue

01 Demand & Supply

- Expect demand for polished diamonds to grow
- Rough prices and supply to remain stable, resulting in healthier margins this year

03 Inflection Point

- Diamond industry starting to see recovery and witnessing growth
- Company rightly placed to make most out of this opportunity

05 Export Sector – 2015-16

- Gems & Jewellery sector accounted for US\$ 38.6 bn of exports
- Cut and Polished diamonds exports contributed to US\$ 19.96 bn



02 Industry Policy

- Rough import allowed in special notified zone in Bharat Diamond Bourses
- Allows greater accessibility to rough for manufacturers in India – more variety and better pricing

04 Lower Pricing

- Last couple of years - excess supply resulted in low pricing and pressure on margins
- Miners reduced supply of rough to suck up excess inventory, resulting in increase in demand for polished diamonds enabling better margins for manufacturers like Lypsa

Polish Diamond Sales

- Global sales of polished products
- Value added services like bagging, custom assortment, Just in Time delivery offered to clients providing a unique product and service offering
- Allows higher client retention and loyalty

Rough Diamond Sales

- Purchase rough from tenders and diamond dealers in Belgium, Dubai and Africa
- Add value by assortment, preparation and processing and sell to specialist manufacturers

Diamond Cutting & Polishing

- Cutting and polishing of rough to maximize yield and quality
- Focus on producing polished goods below 0.15cts
- Use of technology and skill to obtain superior results

Jewellery – Bespoke & E-Commerce

- Focus on generating maximum value-added by using Lypsa's diamonds to stud jewellery and selling them through our brands 'Oropel' and 'Atelier'



Tie ups with leading Indian E-Commerce Platforms



snapdeal.com

flipkart.com

SHOPCLUES.COM

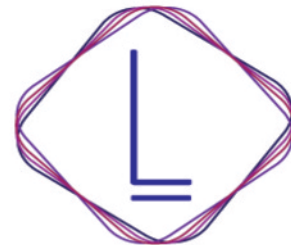
Jewelsouk.com

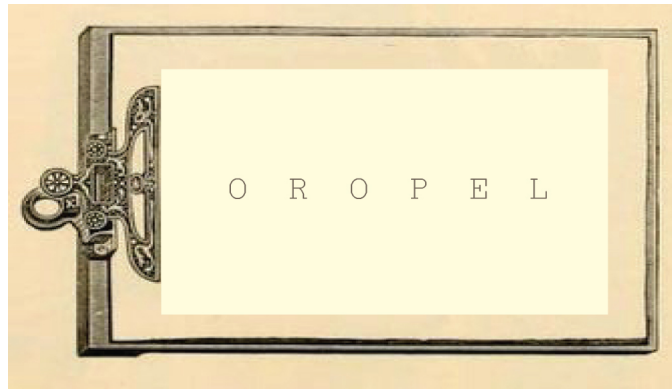
Craftsvilla.com
Handcrafted Luxuries

- Tied up with Jewelsouk.com, e-commerce arm of Gitanjali Group
- Launched Lypsa 'Atelier' - Collection of contemporary diamond studded jewellery in 18K and 14K Gold
- Over 150 designs to be sold through leading Indian E-Commerce platforms
- Products priced between Rs.7,500 - Rs. 35,000
- Collection uses modern design elements in vogue with latest fashion trends
- Target audience - Women between 18-45 years of age



LYPSA-ATELIER





01

- Presence across entire Value Chain
- Value added services portfolio

02

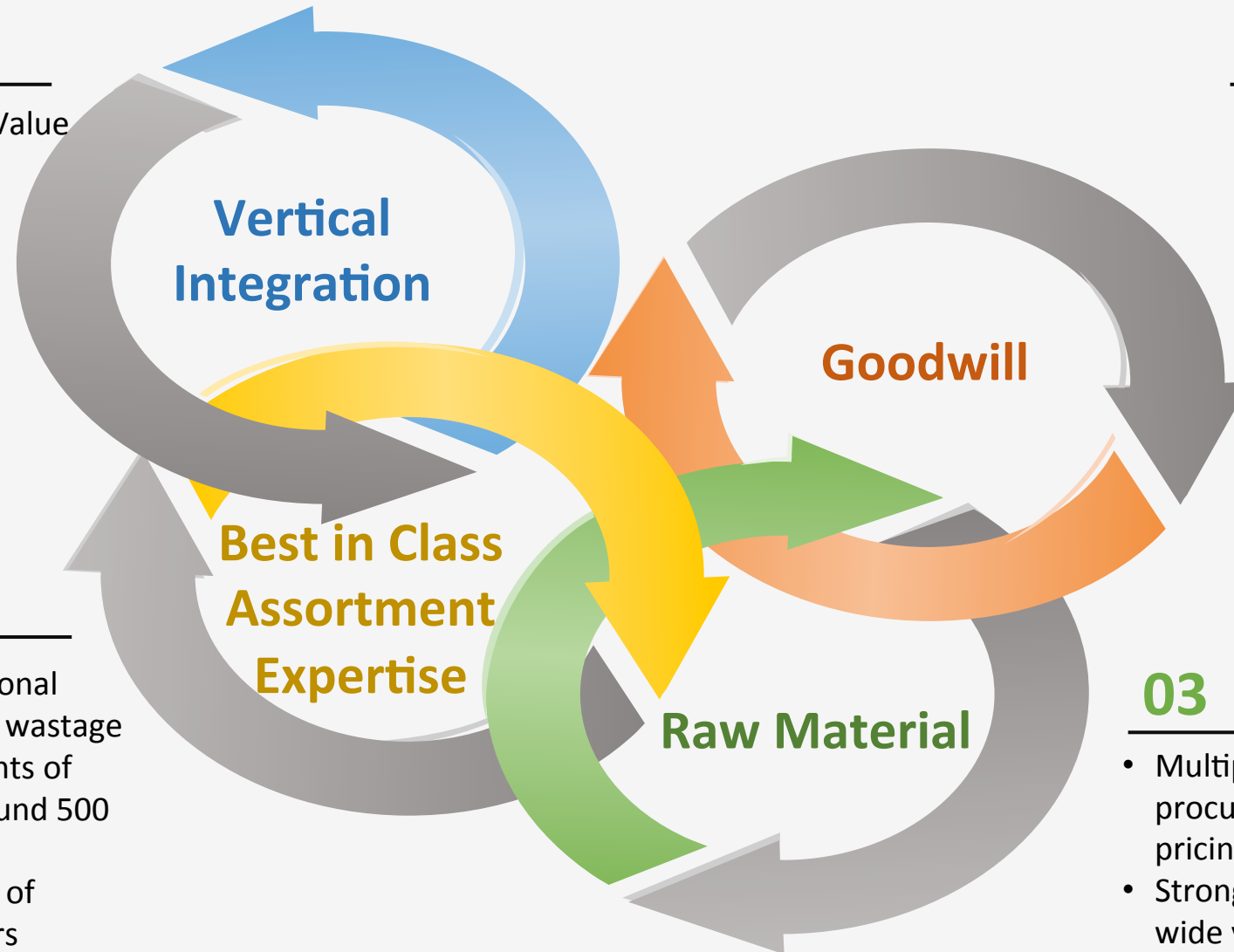
- Three decades of experience
- Strong market Reputation and Goodwill
- Established International market with presence across geographies and diverse global customer base

04

- Leading to high operational efficiency with minimal wastage
- Provides 150 assortments of rough diamonds to around 500 clients
- Over one million carats of diamonds sold in 5 years

03

- Multiple sources for raw material procurement leading to better pricing on rough diamonds
- Strong capability to buy and process wide variety of rough



Move Up-The-Value Chain 02

- Concentrate on operational efficiencies and productivity

Increase Footprints Through E-Commerce Platform 04

- Leverage on Tie-ups with all major E-commerce players
- Joint Venture with major financial services players providing diamond backed financial products to Institutional investors, retail clients and HNIs

01 Export Business

- Develop existing export business
- Export business generates high margins

03 Venture into Retail Market with Strong Business Strategy

- Focus on increasing penetration through well established Brands (Oropel & Lypsa Atelier)
- Jewellery Retail through Omni Channels like online stores, e-commerce platforms, kiosks and flagship stores

05 International Manufacturing and Sourcing

- Plans to establish cutting and polishing factory for larger goods in Botswana, to get direct supply of rough diamonds from top miners
- Plan to open office to source rough diamonds in Antwerp, Belgium – to bring down cost of sourcing

Thank You



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LYPSAGEMS

Bloomberg LYPS

REUTERS

For further information, please contact:

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Mr. Jeeyan Patwa
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