



February 27 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:

<b>Name of Analysts/Investors</b>	<b>Place of Meeting</b>
IIFL Wealth Management Ltd.	Mumbai
Crescita Investment Management Pvt. Ltd.	Mumbai
Centrum Broking 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.**

# Lypsa Gems & Jewellery Limited

## Result Update Presentation

Q3 & 9M FY17





# Disclaimer



*This presentation has been prepared by Lypsa Gems & Jewellery Limited (the “Company”) solely for information purposes and does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.*

*This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.*

*Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.*



# Table of Contents



➤ Management Comment



➤ Q3 & 9M FY17 Financial Performance



➤ Annual Financial Performance



➤ Company Overview



Management  
Comment

01



## Management Comment



To be updated

**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."*



Q3 & 9M FY17  
Highlights


02



## Consolidated Financial Highlights – Q3 FY17 vs. Q2 FY17



To be updated

  
**Revenue**  
Rs. XX cr

XX%

  
**EBITDA**  
Rs. XX cr

XX%

  
**PAT**  
Rs. XX cr

XX%

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



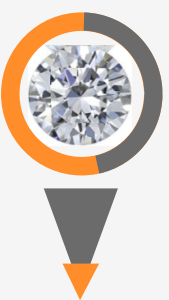
# Quarterly Consolidated Profitability Highlights



To be updated

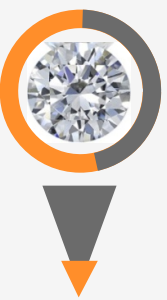
Rs. Crores	Q3 FY17	Q3 FY16	YoY%	Q2 FY17	QoQ %
<b>Total Income from Operations</b>		<b>139.2</b>		<b>64.1</b>	
Raw Materials		131.2		58.5	
Employee Cost		0.5		0.2	
Other Cost		0.8		0.2	
Total Expenditure		132.5		58.8	
<b>EBITDA</b>		<b>6.8</b>		<b>5.3</b>	
<b>EBIDTA margin (%)</b>		<b>4.9%</b>		<b>8.2%</b>	
Interest		0.6		0.7	
Depreciation		0.1		0.1	
Other Income		0.1		0.1	
Profit Before Tax		6.2		4.6	
Tax		0.2		0.0	
<b>Profit After Tax</b>		<b>6.0</b>		<b>4.6</b>	
<b>PAT Margin (%)</b>		<b>4.3%</b>		<b>7.1%</b>	

## Recent Developments



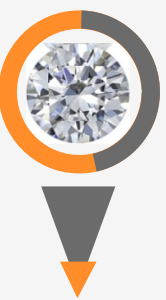
### Tie up with Storyltd.com

- A Saffronart enterprise to sell high end bespoke diamond jewellery- Oropel
- Products in the price range of Rs. 50,000- Rs.2,50,000
- Products that have a story or a narrative and are limited in uniqueness, availability and value



### Formation of 100% subsidiary

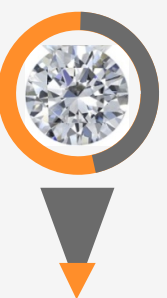
- The board approved formation of 100% subsidiary Company in Antwerp, Belgium



### Debt reduction by 25%

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

To be updated



### New order

- Bagged new orders worth Rs. 725 mn from UAE based customers
- Supply diamond studded jewellery over 12 months period



## Consolidated Financial Highlights – 9M FY17



To be updated



Revenue  
Rs.XX cr

XX%



EBITDA Margin  
XX%

XX bps



PAT Margin  
XX%

XX bps

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

## 9M FY17 Consolidated Profitability Highlights



To be updated

Rs. Crores	9M FY17	9M FY16	YoY %
<b>Total Income from Operations</b>		<b>425.6</b>	
Raw Materials		397.7	
Employee Cost		2.4	
Other Cost		4.6	
Total Expenditure		407.7	
<b>EBITDA</b>		<b>20.9</b>	
<b>EBIDTA Margin (%)</b>		<b>4.9%</b>	
Interest		2.5	
Depreciation		0.3	
Other Income		0.4	
Profit Before Tax		18.4	
Tax		0.7	
<b>Profit After Tax</b>		<b>17.7</b>	
<b>PAT Margin (%)</b>		<b>4.2%</b>	



Annual  
Financial Highlights

## Consolidated Financial Highlights – FY16



  
**Revenue**  
Rs.477.0 cr  
**(19)%**

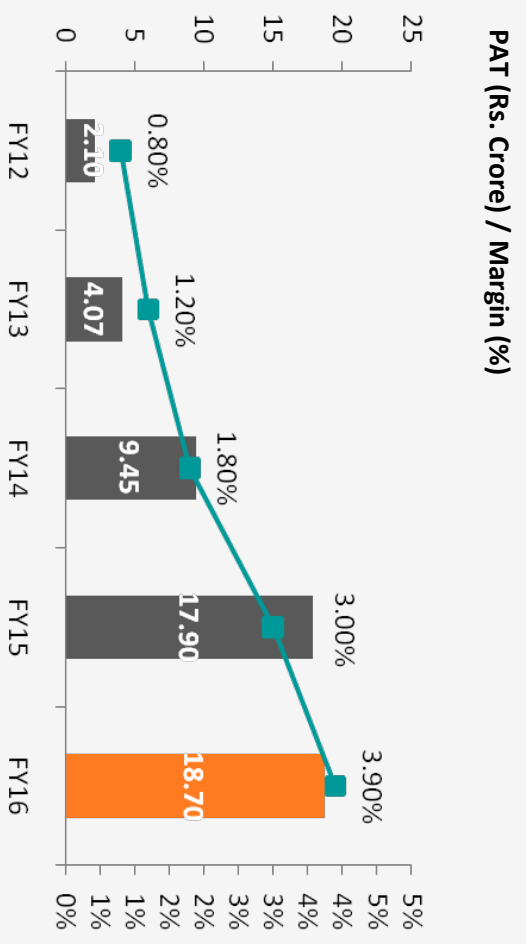
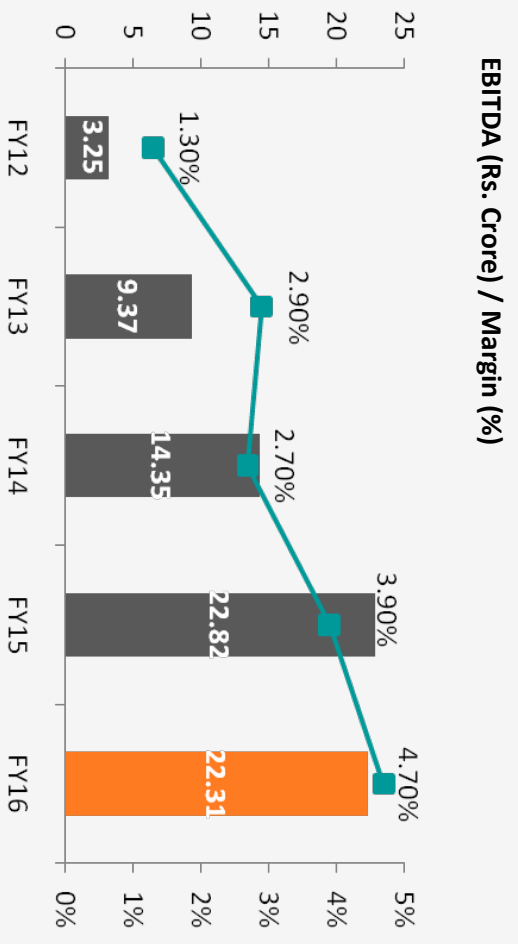
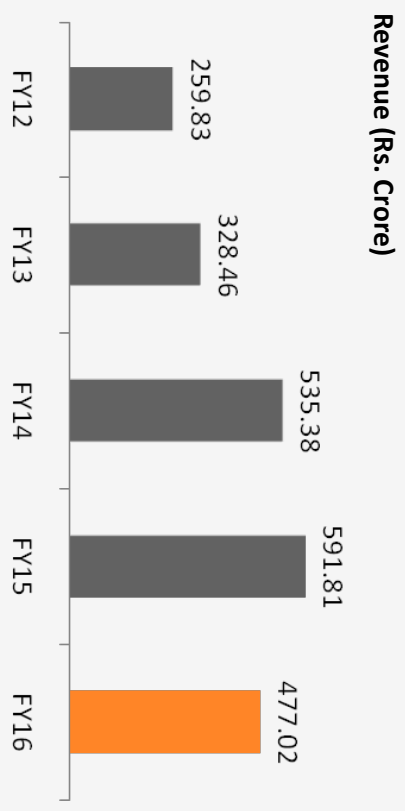
  
**EBITDA Margin**  
4.7%  
**80 bps**

  
**PAT Margin**  
3.9%  
**90 bps**

  
**EPS**  
Rs. 8.9  
**4.5%**

**Strong focus on increasing margins & operational efficiencies**

# Consolidated Financial Highlights - FY16

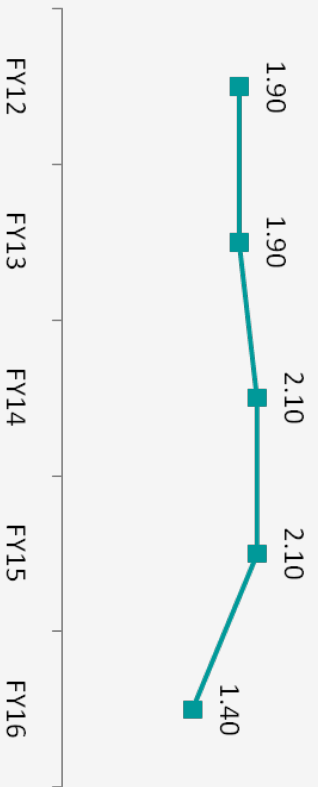




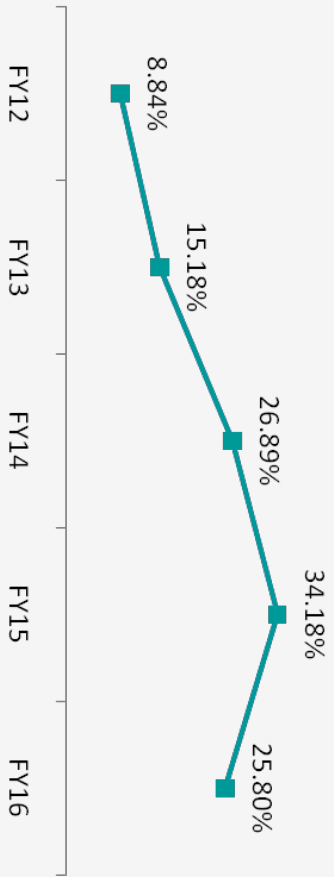
# Key Return Ratios



Total Asset Turnover (x)



ROE (%)



Despite challenging environment, Company registered strong ROE



## Consolidated Profitability Highlights



Rs. Crores	FY16	FY15	YoY %
<b>Revenue</b>	<b>477.0</b>	<b>591.8</b>	<b>-19.4%</b>
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	
<b>EBIDTA</b>	<b>22.3</b>	<b>22.8</b>	<b>-2.2%</b>
<b>EBITDA Margin (%)</b>	<b>4.7%</b>	<b>3.9%</b>	<b>80 bps</b>
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	
<b>Profit After Tax</b>	<b>18.7</b>	<b>17.9</b>	<b>4.5%</b>
<b>PAT Margin (%)</b>	<b>3.9%</b>	<b>3.0%</b>	<b>90 bps</b>
EPS	8.9	8.5	

## Annual Consolidated Balance Sheet Highlights



Rs. Crores	Mar-16	Mar-15
<b>Shareholder's Funds</b>	<b>72.4</b>	<b>52.4</b>
Share capital	21.1	21.1
Reserves & Surplus	51.3	31.3
<b>Non-current liabilities</b>	<b>0.3</b>	<b>0.3</b>
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
<b>Current liabilities</b>	<b>277.8</b>	<b>229.6</b>
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
<b>Total Equities &amp; Liabilities</b>	<b>350.6</b>	<b>282.3</b>

Rs. Crores	Mar-16	Mar-15
<b>Non-current assets</b>	<b>6.2</b>	<b>6.0</b>
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
<b>Current assets</b>	<b>344.4</b>	<b>276.3</b>
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
<b>Total Assets</b>	<b>350.6</b>	<b>282.3</b>



## Company Overview

04



# Company Overview



## 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

## Vertically Integrated Diamantaire

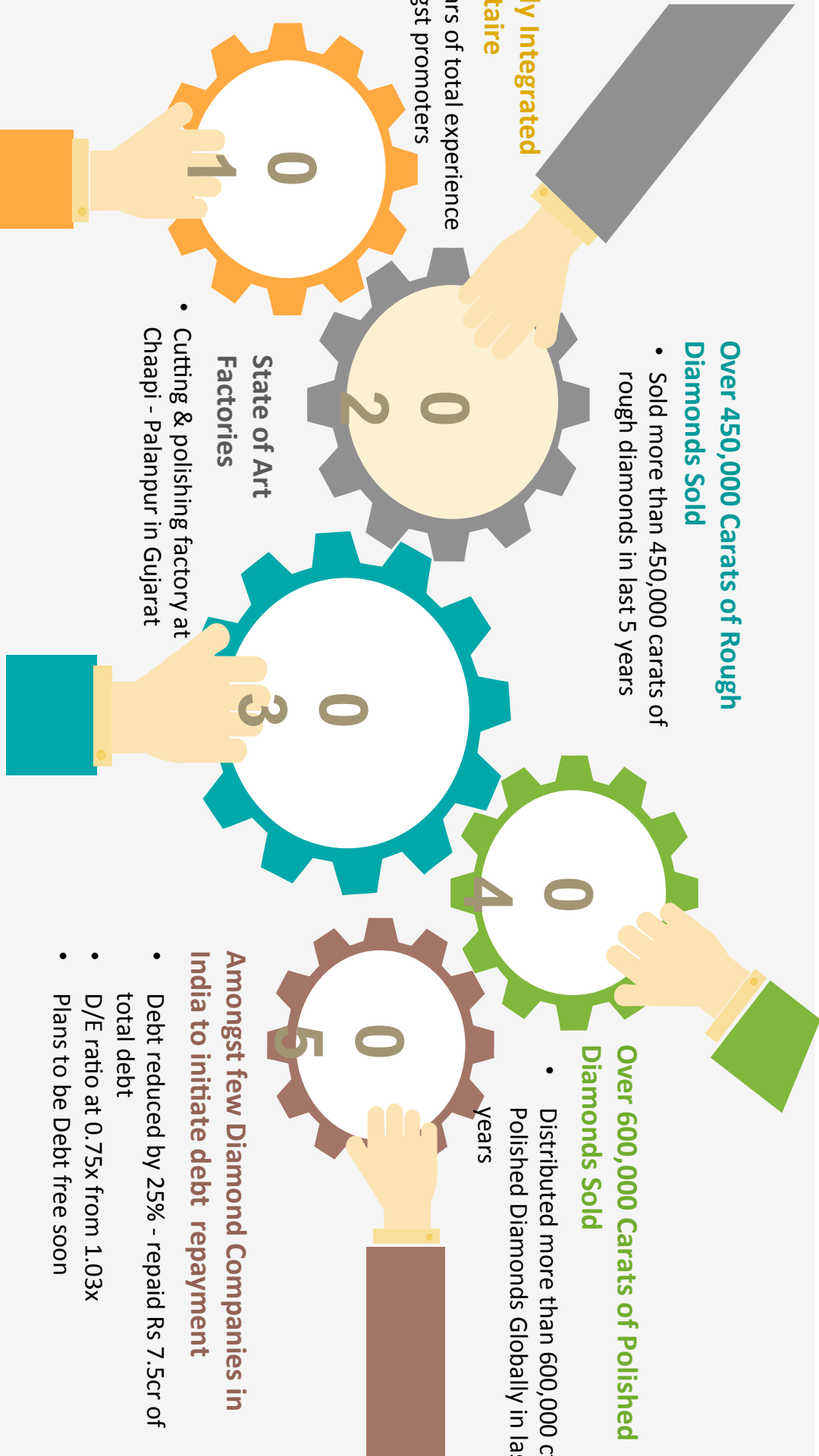
- 65 years of total experience amongst promoters

## State of Art Factories

- Cutting & polishing factory at Chaapi - Palanpur in Gujarat

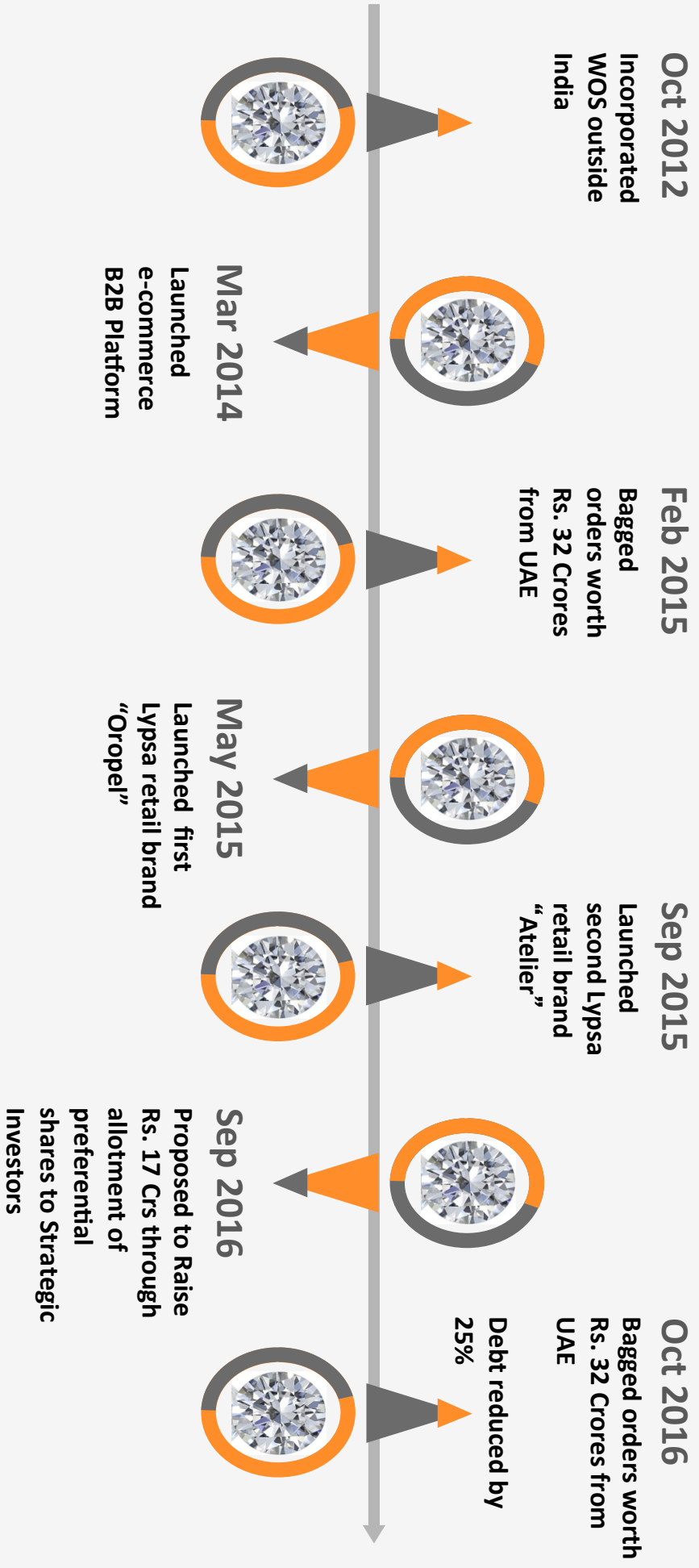
## Amongst few Diamond Companies in India to initiate debt repayment

- 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



## Key Management Team



### 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



## State of Art Cutting & Polishing Factory

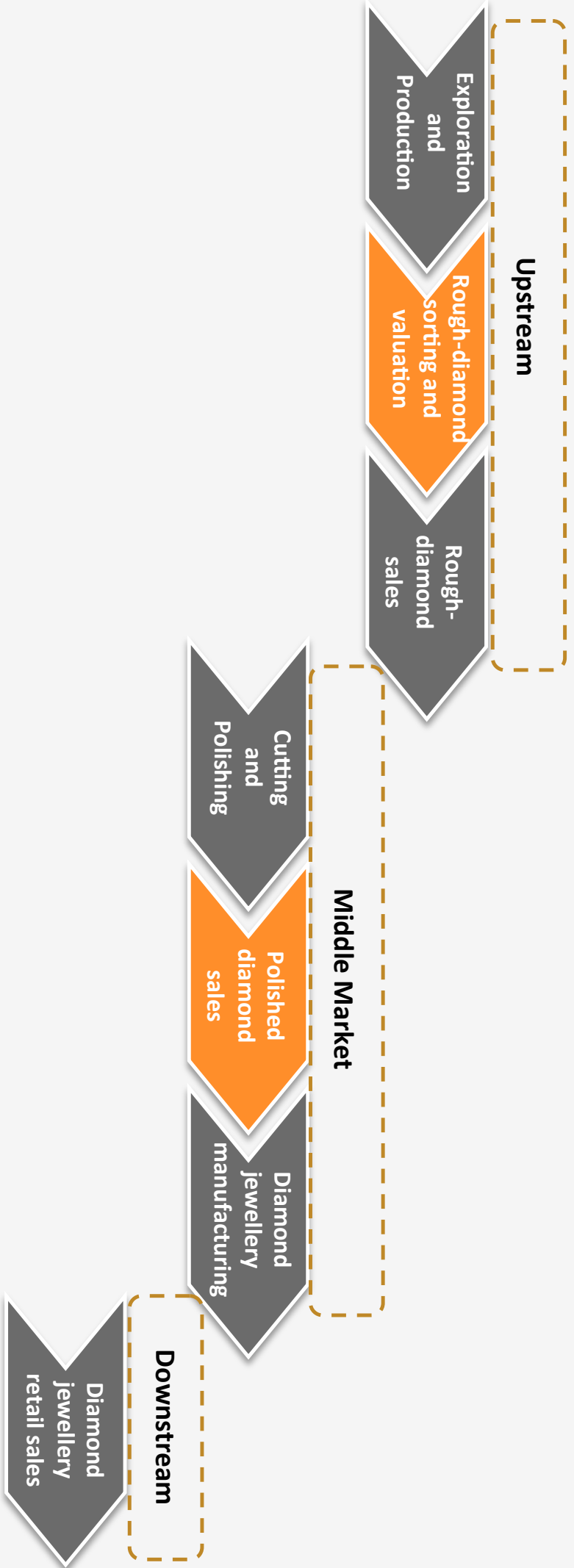


- Modern diamond cutting and polishing facilities in Chaapi in Gujarat allows us to produce consistent high – quality polished diamonds
- Equipped with State of the Art Machinery for planning and processing rough diamonds
- Focus on cost, quality and yield optimisation
- Total annual capacity to process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





# Gems & Jewellery Value Addition Process

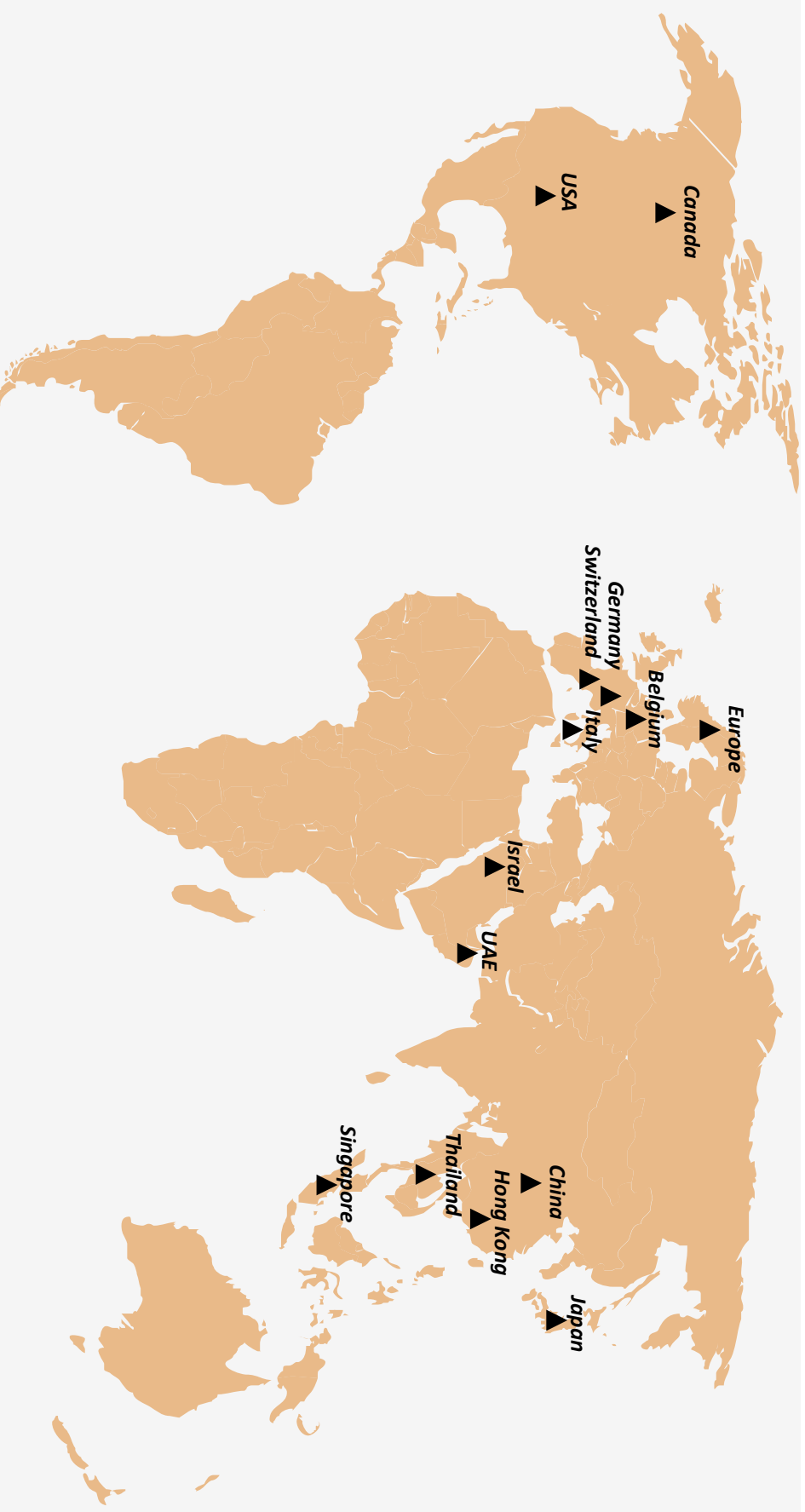


**Strong presence across high end of value chain**





# Strong Global Presence



International business generates higher margins; 57% of revenue





# Industry Opportunity



## 01 Demand & Supply

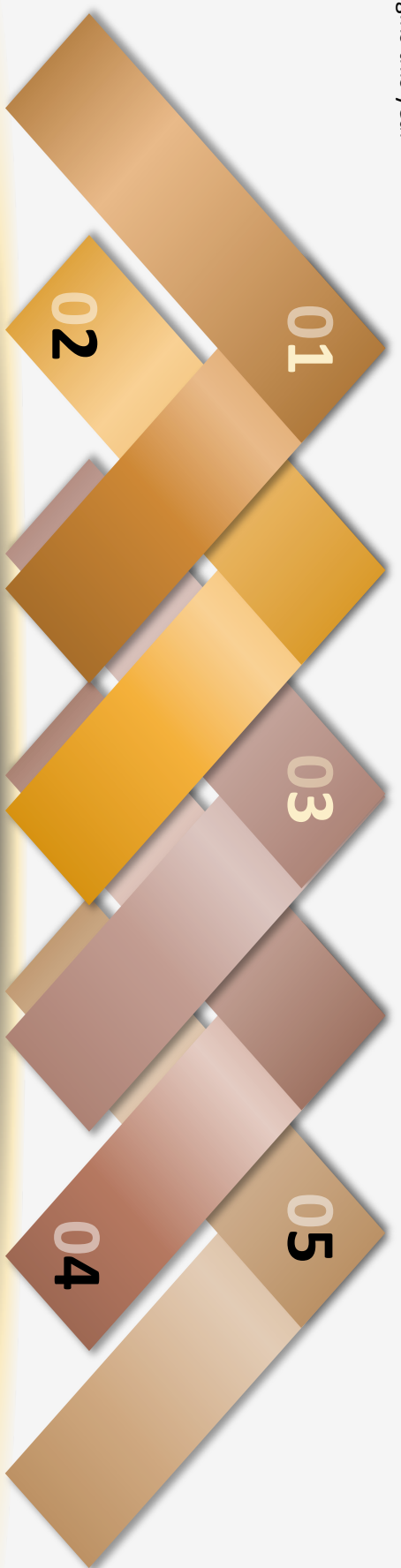
- Expect demand for polished diamonds to grow
- Rough prices and supply to remain stable, resulting in healthier margins this year

## 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

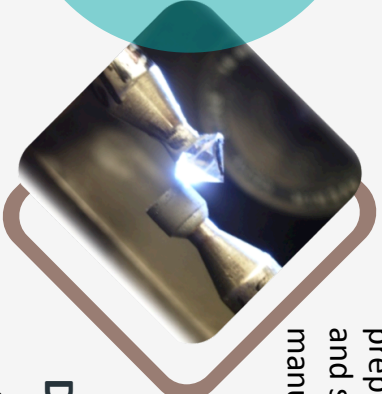


# Business Overview



## 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



snappdeal.com

flipkart.com

SHOPCLUES.COM

SAFFRONART

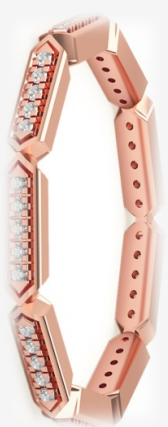
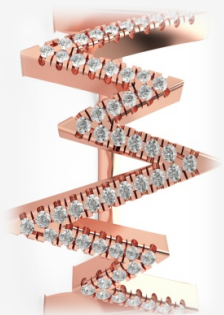
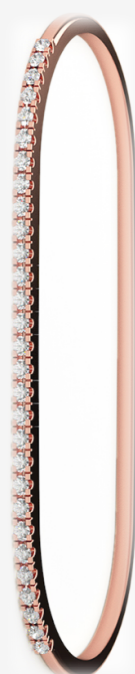
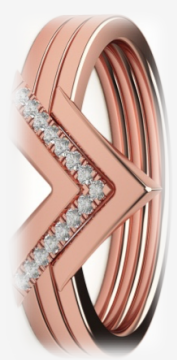
Craftswilla.com  
Handcrafted Luxuries

Jewelsouk.com

- Tied up with Storyltd.com - A Saffronart enterprise to sell high end bespoke jewellery - Orpael
- 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



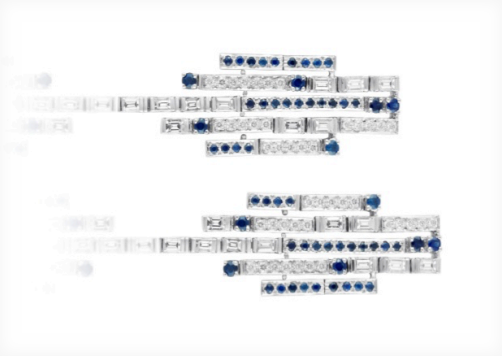
# Lypsa Atelier



LYPSA-ATELIER 



# Oropel



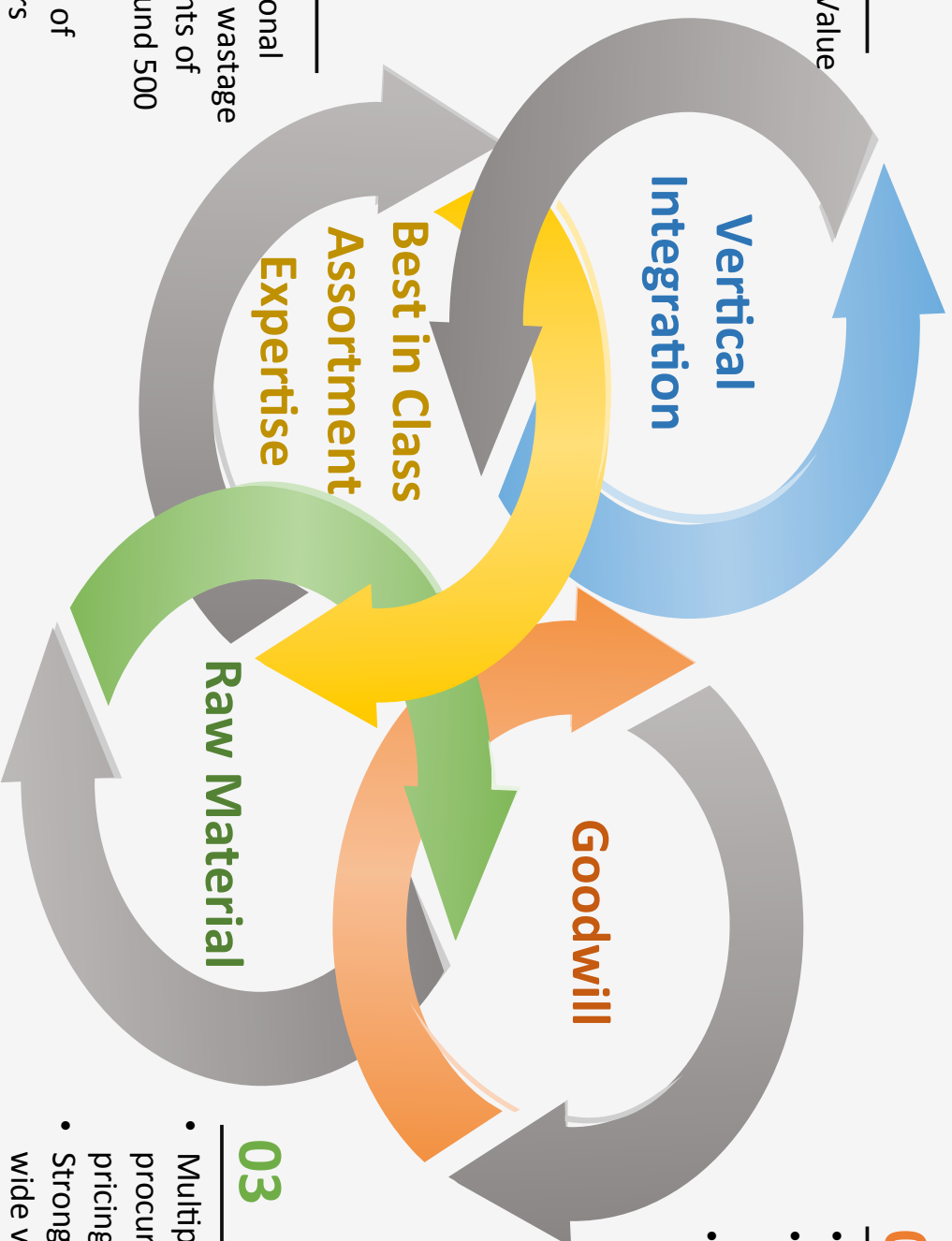


# Key Strengths



## 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

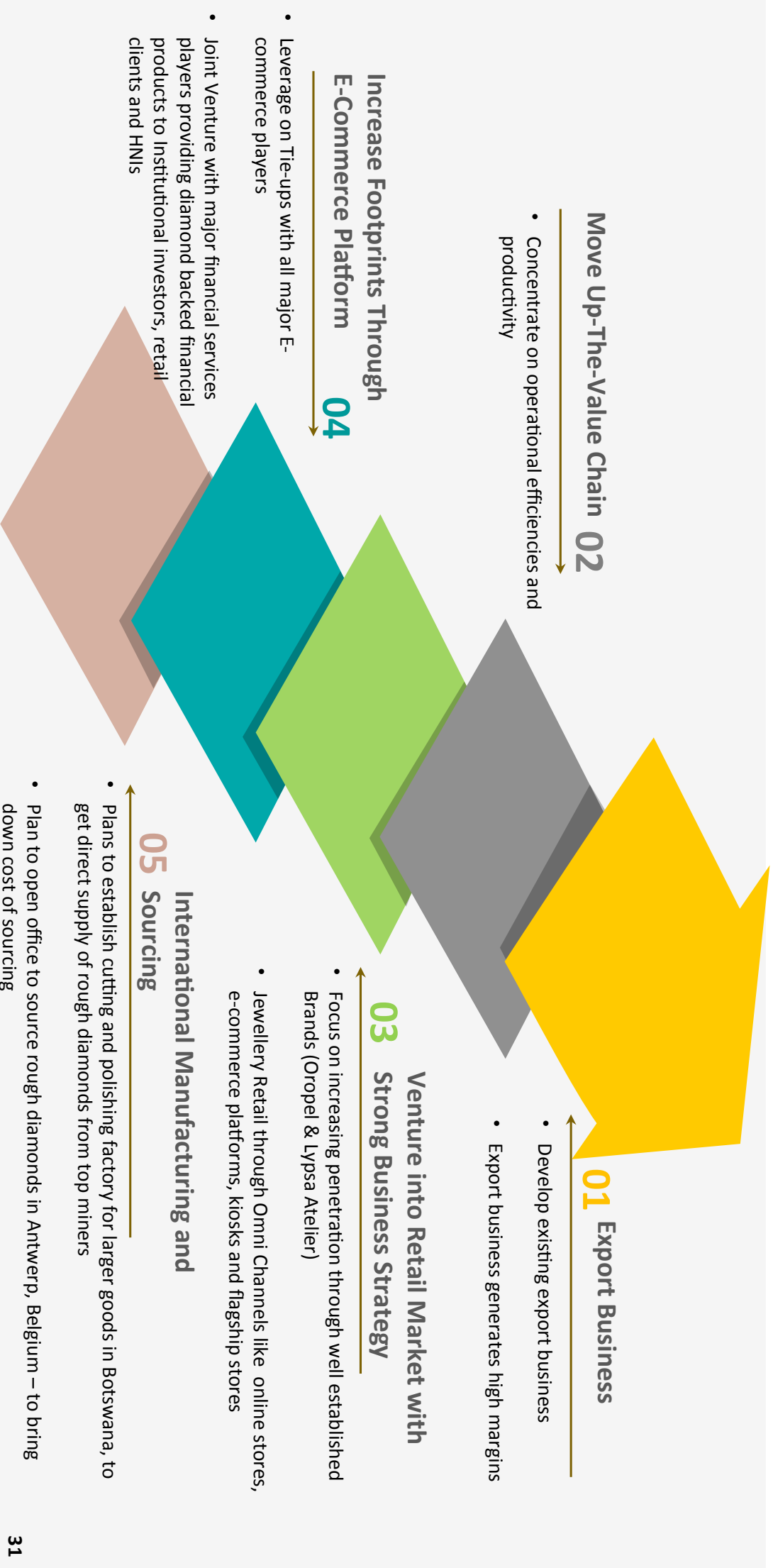
- Leading to high operational efficiency with minimal wastage
- Provides 150 assortments of rough diamonds to around 500 clients
- Over one million carats of diamonds sold in 5 years

## 03

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



# Way Forward





Thank You



534532



LYPSAGEMS

Bloomberg  
LYPS

REUTERS

For further information, please contact:

Company :

**Lypsa Gems & Jewellery Limited.**

Mr. Jeeyan Patwa  
Director & CFO

[www.lypsa.in](http://www.lypsa.in)

Investor Relations Advisors :

**Bridge Investor Relations Pvt. Ltd.**

Ms. Savli Mangle  
[Savli@bridge-ir.com](mailto:Savli@bridge-ir.com)

Mr. Rahul Menon  
[Rahul@bridge-ir.com](mailto:Rahul@bridge-ir.com)

[www.bridge-ir.com](http://www.bridge-ir.com)