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National Stock Exchange of India Ltd  
Mumbai

The Manager – Listing  
Bombay Stock Exchange of India Ltd  
Mumbai

**Sub: Media Release and Presentation regarding Q1 FY 18 results**

Dear Sir/Madame,

This is to inform you that Lypsa Gems and Jewellery Ltd has submitted the Media Release and Presentation regarding the Q1 FY 18 results for the quarter ended 30<sup>th</sup> June 2017.

Thank You

For Lypsa Gems and Jewellery Ltd



Jeeyan Patwa  
CFO and Director, Lypsa Gems and Jewellery Ltd.  
DIN No: 02579469

LYPSA GEMS & JEWELLERY LIMITED.

CIN: L28990GJ1995PLC028270

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

Corp. Office : Mehta Mahal, 2nd Floor, North Side, Opp. Roxy Cinema, 15th Mathew Road, Opera House, Mumbai - 400 004.  
Tel.: +91 22 2367 9792 • E-mail : info@lypsa.in

## **Lypsa Gems & Jewellery Ltd. – Q1 & FY18 Media Release**

**Q1 Revenues from operations at Rs 81.43 Crore, Growth of 75.87% from Q1 FY17**

**EBITDA margins for Q1 FY 18 at 8.85% up from 8.61% in Q1 FY17**

**Q1 FY 18 EBITDA at Rs. 7.20 Crore, Growth of 80.45% from Q1 FY 17**

**Q1 FY 18 PAT at Rs. 7.07 Crore , Growth of 103.86% from Q1 FY17**

**17<sup>th</sup> August, 2017, Mumbai:** Lypsa Gems & Jewellery Limited (BSE: 534532, NSE: LYPSAGEMS), a leading vertically integrated diamantaire, announced its unaudited results for the quarter & year ended June 30<sup>th</sup>, 2017.

Our Company is pleased to announce its first quarter ended unaudited financial results for the financial year ended 2017-18. We have successfully reported strong growth in this quarter.

### **Performance Highlights: -**

**For the quarter ended June 30<sup>th</sup>, 2017:**

- Revenue from operations was at Rs. 81.43 crore in Q1 FY18, as against Rs.46.30 crore in Q1 FY17, growth of 75.87%
- EBITDA stood at Rs. 7.20 crore in Q1 FY18 as against Rs.3.99 crore in Q1 FY17, growth of 80.45%
- EBITDA margin at 8.85% in Q1 FY18 up by 24 basis points from Q1 FY17
- Profit After Tax was at Rs. 7.07 crore in Q1 FY18 as against Rs.3.47 crore in Q1 FY17, growth of 103.86%

### **Performance Highlights for the financial year 2016-17: -**

- Revenue from operation stood at Rs. 260.73 crore for the financial year 2016-17.
- EBITDA stood at Rs. 24.35 crore for the financial year 2016-17.
- EBITDA margin stood at 9.33% for the financial year 2016-17

- PAT stood at Rs. 21.51 crore for the financial year 2016-17
- EPS stood at 10.21

**Management Comment: -**

*Mr Jeeyan Patwa, Director, Lypsa Gems and Jewellery Ltd. said, 'Our quarterly results are in line with our expectations. Our relentless efforts of pursuing profitable growth by focusing on higher value added businesses has started bearing fruits. Our concentration remains on creating a competitive and comprehensive diamond and jewellery solution for all our clients across the diamond pipeline. We will continue focusing on the rough trading and jewellery businesses in which we see greater scope to add value and thereby create better margins.*

*A vertically integrated diamond value chain coupled with four decades of industry experience is enabling the company to focus on profitable growth and create maximum value for our shareholders.'*

<b>Key Financials (Rs. Crores)</b>					
	<b>Particulars</b>	<b>Q1 FY18</b>	<b>Q1 FY17</b>	<b>QoQ%</b>	<b>FY17</b>
	Revenue from Operations	81.4	46.30	75.87%	260.7
	EBIDTA	7.20	3.99	80.45%	24.35
	EBITDA margin (%)	8.85%	8.61%	24 bps	9.33%
	PAT	7.07	3.47	1%	21.51

**About Lypsa Gems & Jewellery Limited:**

*Lypsa Gems & Jewellery Ltd is a wholly integrated diamond company sourcing rough diamonds from the major diamond mines and dealers, cutting and polishing them in its own factories & marketing its product to clients across the globe. Lypsa Gems & Jewellery Ltd. prides itself on consistent diamonds assortments, competitively priced products & honest customer service to create maximum value for its customers. It also sells diamond-studded jewellery under the 'Oropel' and 'Lypsa Atelier' brand names.*

For more details, please visit: [www.lypsa.in](http://www.lypsa.in)

For any Investor Relations query, please contact:

*Mr. Jeeyan Patwa*

*Director*

*Lypsa Gems and Jewellery Limited*

*Email: [jeeyan@lypsa.com](mailto:jeeyan@lypsa.com)*

# Lypsa Gems & Jewellery Limited

Result Update Presentation

Q1 ( FY18) & 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.*

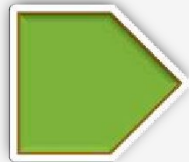
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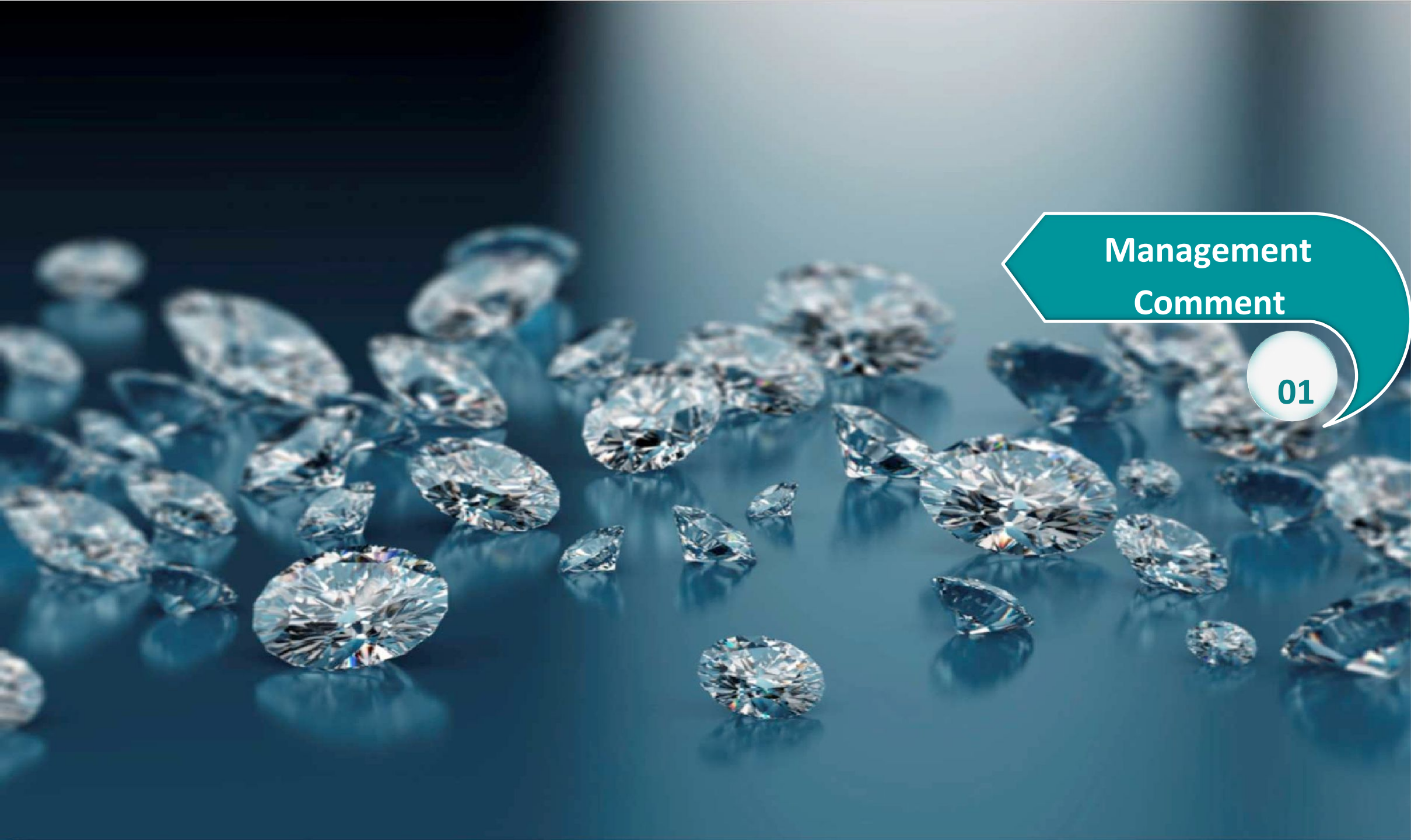
➤ **Management Comment**



➤ **Q1 (FY 18 ) & FY17 Financial  
Performance**



➤ **Company Overview**



**Management  
Comment**

**01**



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

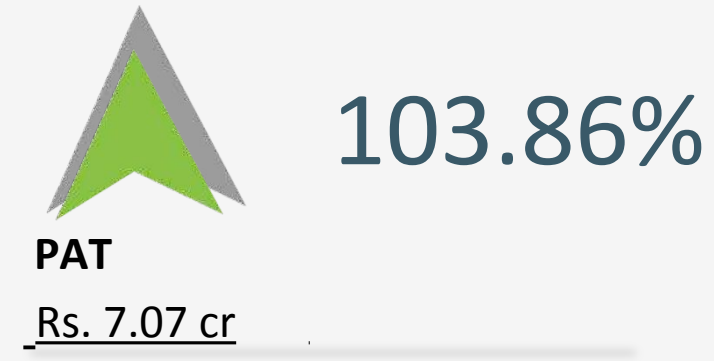
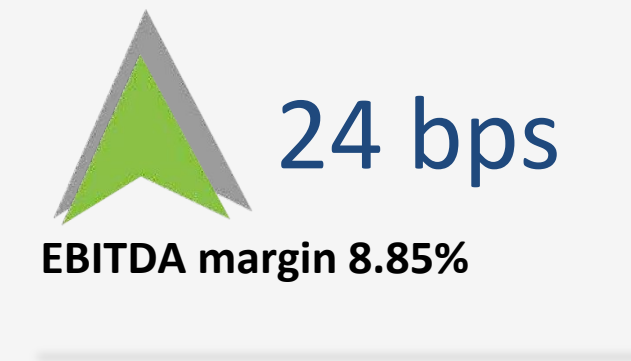
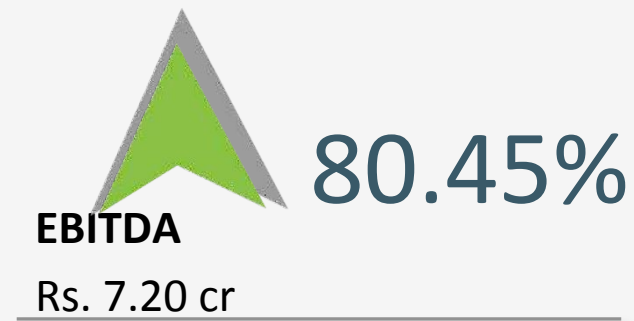
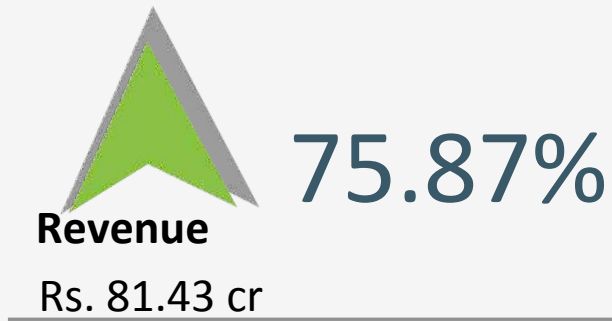
*‘Our quarterly results are in line with our expectations. Our relentless efforts of pursuing profitable growth by focusing on higher value added businesses has started bearing fruits. Our concentration remains on creating a competitive and comprehensive diamond and jewellery solution for all our clients across the diamond pipeline. We will continue focusing on the rough trading and jewellery businesses in which we see greater scope to add value and thereby create better margins.*

*A vertically integrated diamond value chain coupled with four decades of industry experience is enabling the company to focus on profitable growth and create maximum value for our shareholders.’*



Q1 (FY 18) & FY17  
Financial Performance

# Consolidated Financial Highlights – Q1 FY18 vs. Q4 FY17



Financial performance in line with strategy of focusing on profitable growth and focus on higher margin business

# Consolidated Profitability Highlights



Rs. Crores	Q1 FY18	Q1 FY17	QoQ %	FY17
<b>Total Income from Operations</b>	<b>81.43</b>	<b>46.30</b>	<b>75.87%</b>	<b>260.73</b>
Total Expenditure	74.23	42.31		235.34
<b>EBITDA</b>	<b>7.20</b>	<b>3.99</b>	<b>80.45%</b>	<b>25.39</b>
Interest	0.04	0.63		3.66
Depreciation	0.09	0.11		0.43
Other Income	0.0	0.0		0.21
Profit Before Tax	7.07	3.472		21.51
Tax	0.0	0.04		0.0
<b>Profit After Tax</b>	<b>7.07</b>	<b>3.47</b>	<b>103.86%</b>	<b>21.51</b>
<b>EPS in Rs.</b>	<b>3.36</b>	<b>3.32</b>		<b>10.2</b>

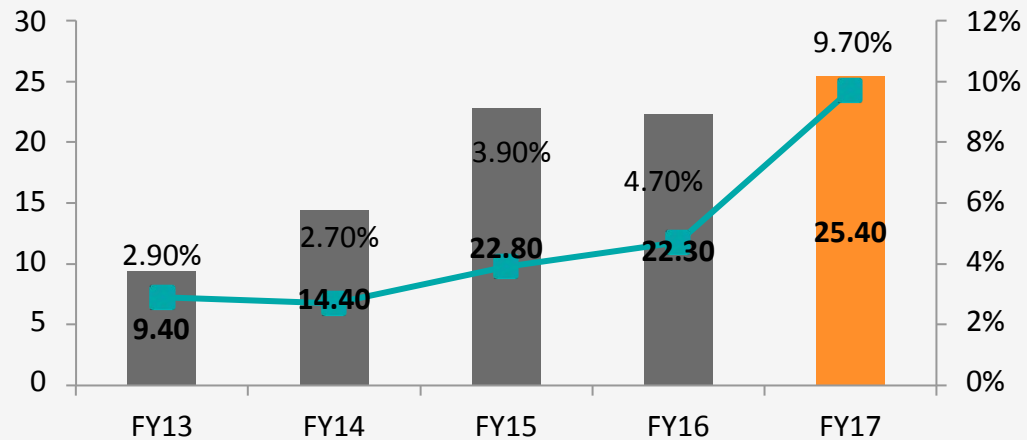
# Consolidated Financial Highlights - FY17



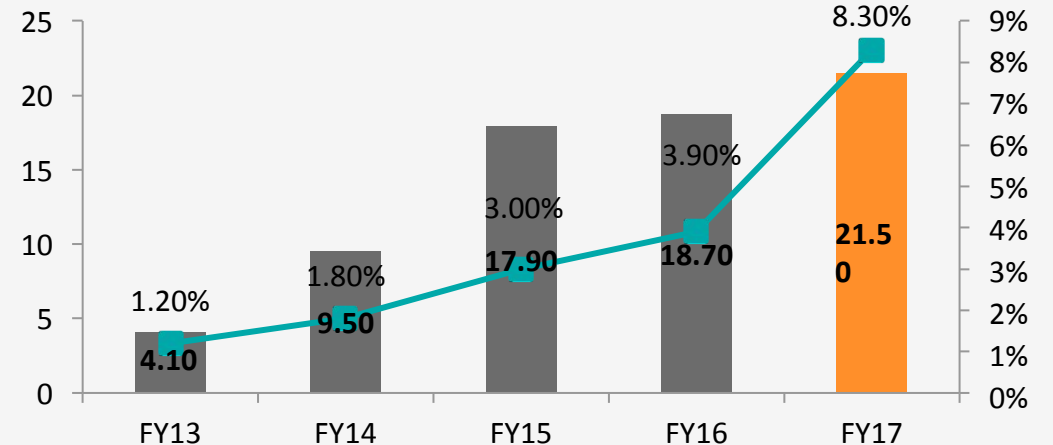
Revenue (Rs. Crore)



EBITDA (Rs. Crore) / Margin (%)



PAT (Rs. Crore) / Margin (%)

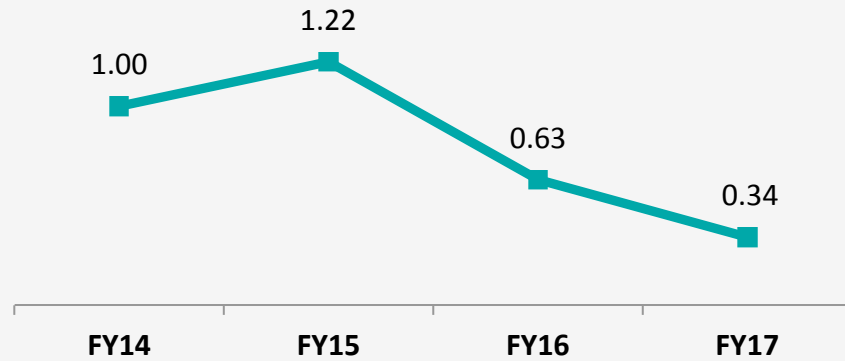




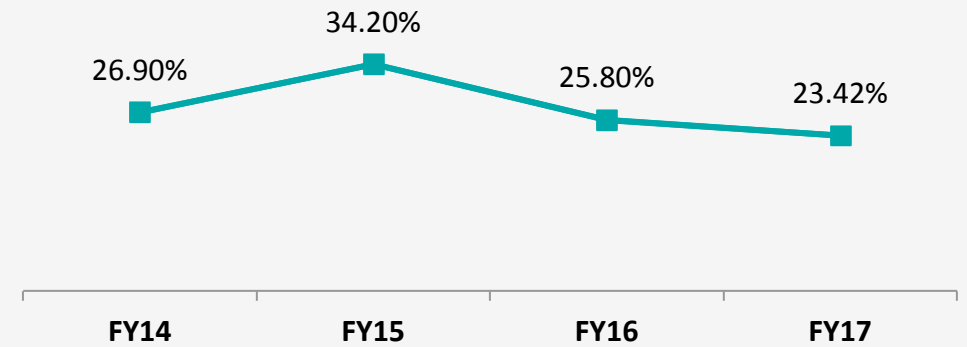
# Key Return Ratios



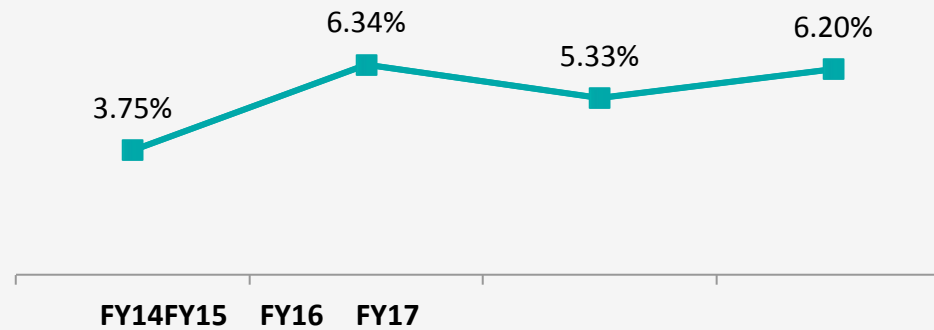
Total Debt to Equity



RoE (%)



RoA (%)



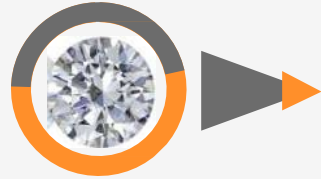
Despite challenging environment, Company registered strong RoA & reduced Debt to Equity

# Annual Consolidated Balance Sheet Highlights



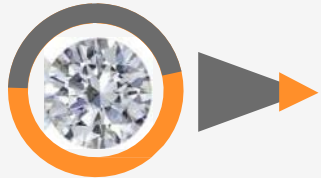
Rs. Crores	Mar-17	Mar-16
<b>Shareholder's Funds</b>	<b>91.8</b>	<b>72.4</b>
Share capital	21.1	21.1
Reserves & Surplus	70.8	51.3
<b>Non-current liabilities</b>	<b>0.3</b>	<b>0.3</b>
Long term borrowings	0.0	0.0
Defer Tax liabilities	0.3	0.3
Other Long-Term liabilities	0.0	0.0
Long-Term Provisions	0.0	0.0
<b>Current liabilities</b>	<b>254.7</b>	<b>277.8</b>
Short Term Borrowings	24.0	32.4
Trade Payables	229.4	244.5
Other Current liabilities	1.3	0.7
Short-term provisions	0.0	0.3
<b>Total Equities &amp; Liabilities</b>	<b>346.8</b>	<b>350.6</b>

Rs. Crores	Mar-17	Mar-16
<b>Non-current assets</b>	<b>5.6</b>	<b>6.2</b>
Fixed assets	5.4	5.9
Non-current Investments	0.1	0.1
Long-term loans & advances	0.1	0.2
Other non-current assets	0.0	0.0
<b>Current assets</b>	<b>341.1</b>	<b>344.4</b>
Current investments	0.2	0.2
Inventories	1.6	34.6
Trade receivables	338.4	301.9
Cash & Cash equivalents	0.9	6.7
Short-term loans & Advances	0.2	0.9
Other Current Assets	0.0	0.0
<b>Total Assets</b>	<b>346.8</b>	<b>350.6</b>



## Design Focus

- Lypsa DMCC launched new diamond studded jewelry collection
- Collection comprises over 100 designs and offers customization option to clients
- Focus on Middle East Market,
- Blend of contemporary design elements with Middle Eastern Design Motifs



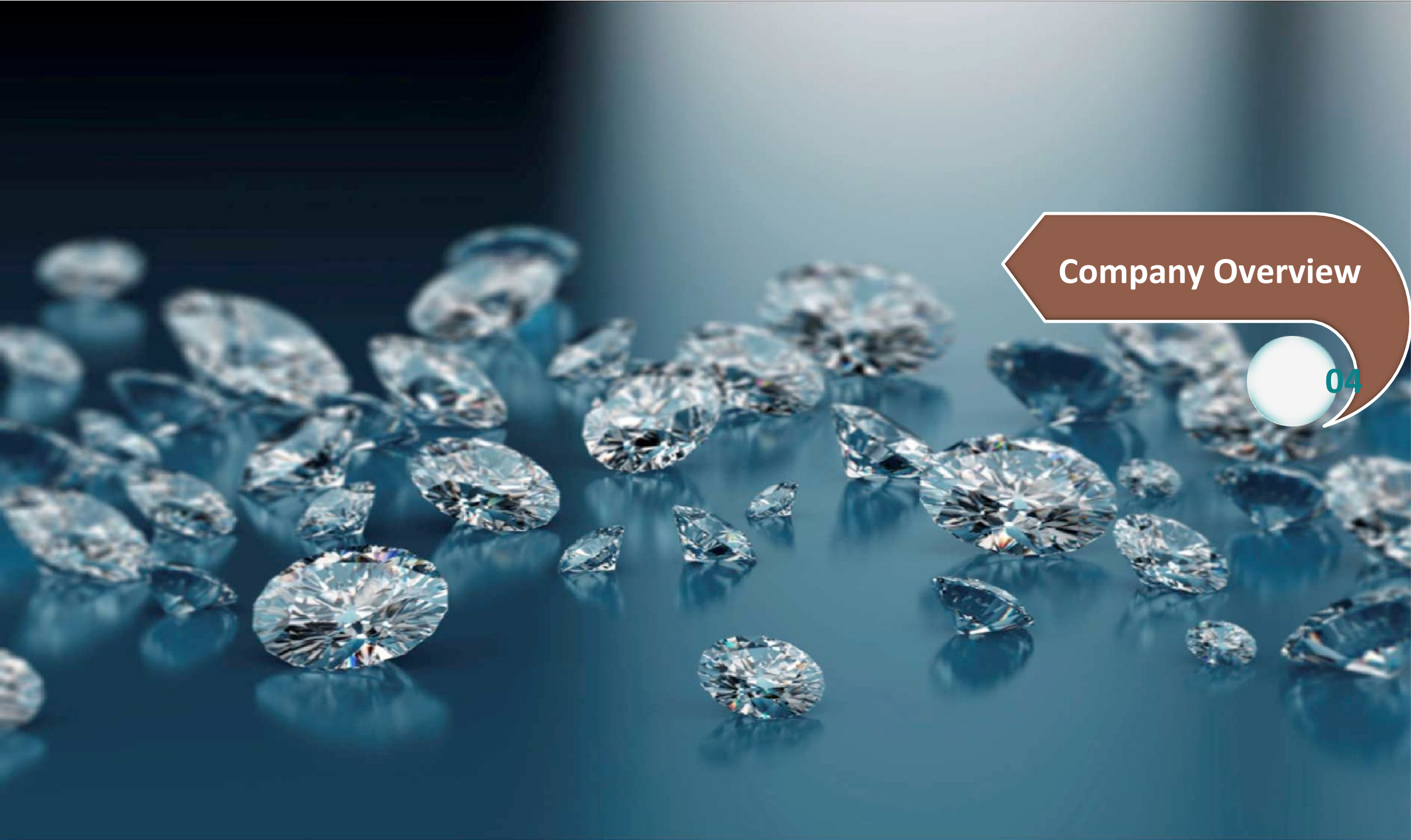
## New Orders

- Bagged new orders from UAE based customers
- To supply loose diamonds and diamond- studded jewelry worth Rs. 160 million
- Jewelry to be set in 18kt gold and VS-SI diamonds



## Bonus

- Board approves issue of Bonus shares to shareholders
- 2 equity shares for every 5 shares issued to shareholders as on 13<sup>th</sup> July 2017



# 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

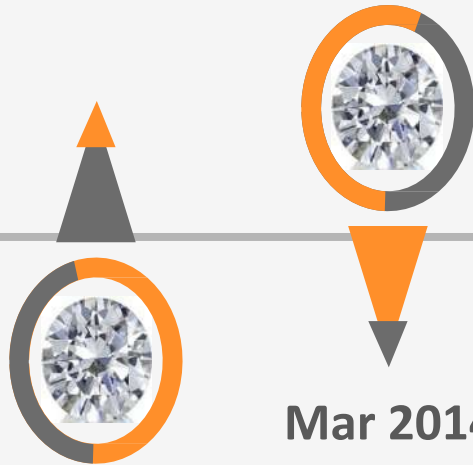


# Journey So Far



**Oct 2012**

**Incorporated  
WOS outside  
India**

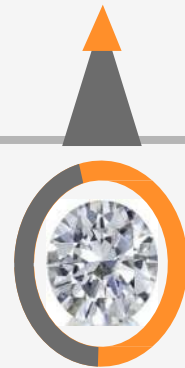


**Mar 2014**

**Launched  
e-commerce  
B2B Plaioorm**

**Feb 2015**

**Bagged  
orders  
worth Rs.  
32 Crores  
from UAE**

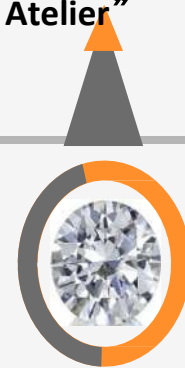


**May 2015**

**Launched first  
Lypsa retail  
brand "Oropel"**

**Sep 2015**

**Launched  
second  
Lypsa retail  
brand  
"Lypsa  
Atelier"**

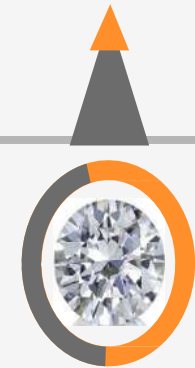


**Oct 2016**

**Debt reduced  
by 25%**

**Feb 2017**

**Successfully  
bagged orders  
worth from UAE  
based customers**



## 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

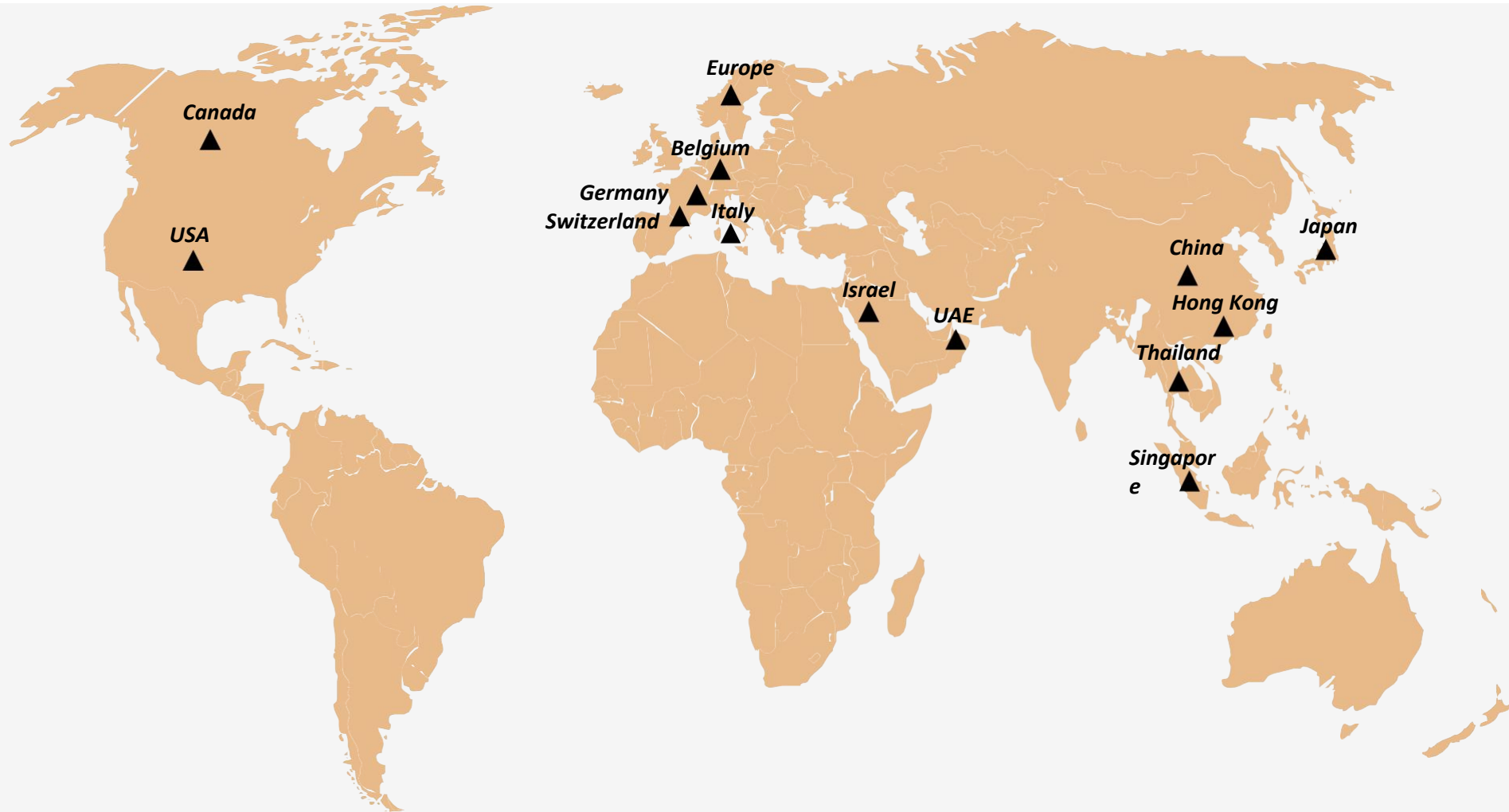
Diamond jewellery manufacturing

## 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

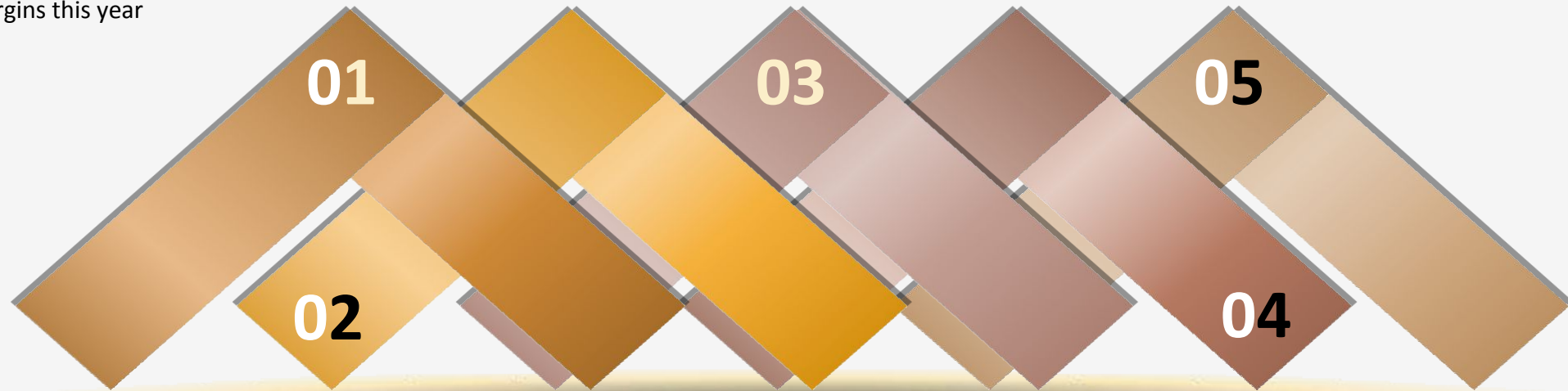
- Expect demand for polished diamonds to grow
- Rough prices and supply to remain stable, resulting in healthier margins this year

## 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

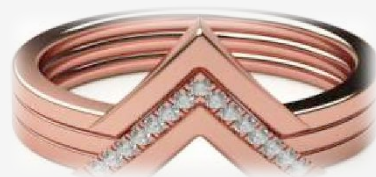
SHOPCLUES.COM

Craftsvilla.com  
Handcrafted Luxuries

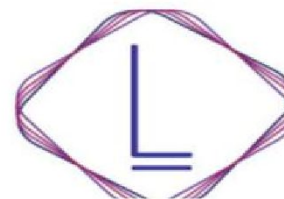
flipkart.com

Jewelsouk.com

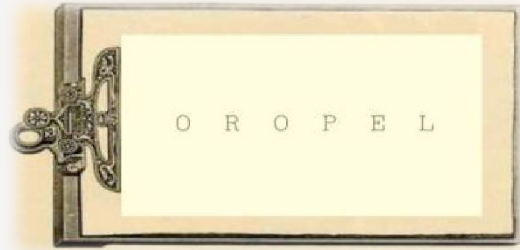
- Tied up with Jewelsouk.com, e-commerce arm of Gitanjali Group
- Launched Lypsa 'Atelier' - Collection of contemporary diamond studded jewellery in 18K and 14K Gold
- Over 150 designs to be sold through leading Indian E-Commerce platforms
- Products priced between Rs.7,500 - Rs.35,000
- Collection uses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



LYPSA-ATELIER



# Oropel





## 01

- Presence across entire Value Chain
- Value added services portfolio

**Vertical  
Integration**

## 02

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

**Goodwill**

## 04

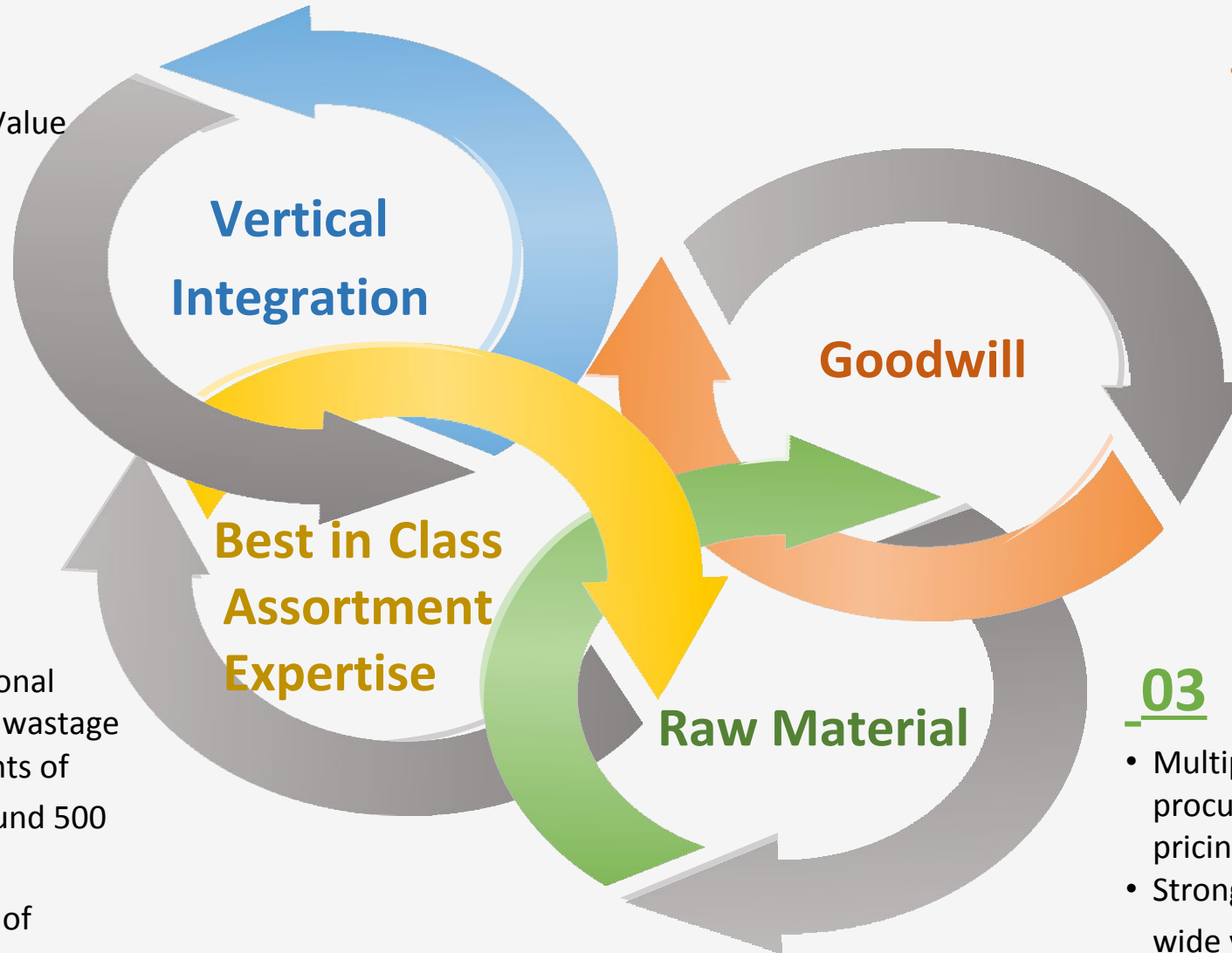
- Leading to high operational efficiency with minimal wastage
- Provides 150 assortments of rough diamonds to around 500 clients
- Over one million carats of diamonds sold in 5 years

**Best in Class  
Assortment  
Expertise**

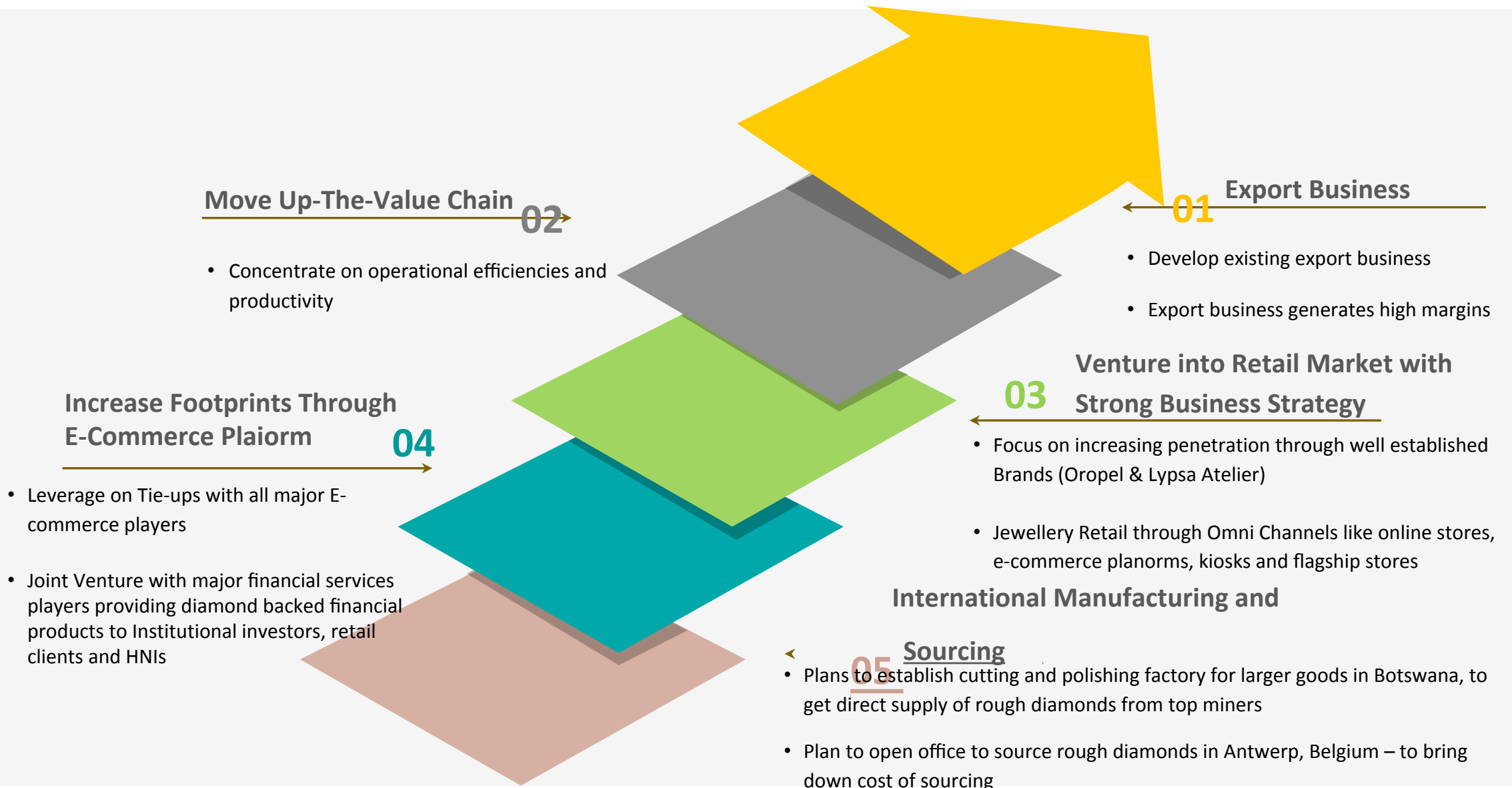
**Raw Material**

## 03

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







# Thank You



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 **NSE** LYPSAGEMS

 **LYPS**

 **REUTERS**

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