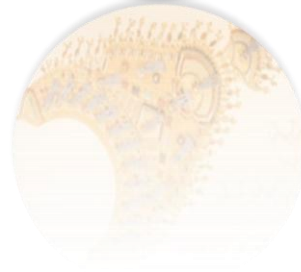
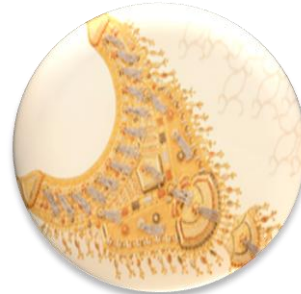
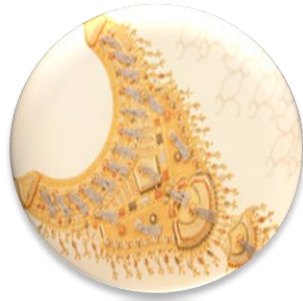


# SHREE GANESH JEWELLERY HOUSE LTD.



Q2 & H1 FY2011 RESULTS PRESENTATION  
28 OCTOBER 2010



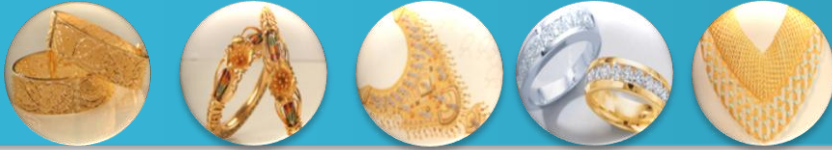
## **Safe Harbour**

*Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Shree Ganesh Jewellery House Limited (SGJHL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*



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## PERFORMANCE UPDATES

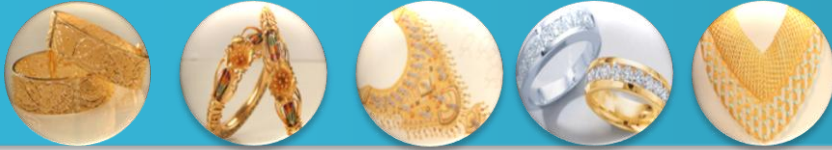
### *Financial Performance Highlights (consolidated)*

#### Q2 FY2011 vis-à-vis to Q2 FY2010

- Total income up 141.4% to Rs. 19,825.5 million from Rs. 8,213.9 million
- PBIDT higher by 78.9% to Rs. 1,078.0 million from Rs. 602.5 million.
- PAT increases 77.5% to Rs. 920.1 million from Rs. 518.5 million.
- Diluted EPS grows to Rs. 15.2 from Rs. 10.7
- Declared interim dividend of Rs. 3 per share (30% of face value of Rs. 10 per share) amounting to a total of Rs. 212.3 million including dividend distribution tax

#### H1 FY2011 vis-à-vis to H1 FY2010

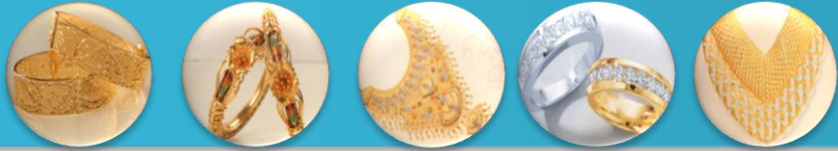
- Total income improved 134.9% to Rs. 33,422.8 million from Rs. 14,227.5 million
- PBIDT grew by 88.8% to Rs. 1,878.7 million from Rs. 995.0 million.
- PAT up 93.7% to Rs. 1,562.4 million from Rs. 806.6 million
- Diluted EPS grows to Rs. 25.8 from Rs. 16.6



## PERFORMANCE UPDATES

### KEY DEVELOPMENTS

- Added 7 retail outlets under the “GAJA” brand during H1 FY2011 in Gurgaon, Chandigarh, Mangalore, Amritsar, Siliguri, and Pune which are expected to commence operations shortly
  - Post commencement of these outlets the Company will have 12 “GAJA” retail stores under its umbrella
  - Plan to take the total number closer to 20 by the end of FY2011
- Received orders worth Rs. 5,000 million at an event organized by India International Jewellery Show (IIJS) in Mumbai. These orders are from both existing and new clients based in Singapore, Hong Kong and UAE and are expected to be executed over the next 12 months
- During the quarter, the Gems and Jewellery Export Promotion Council awarded SGJHL for Outstanding Export Performance and contribution in trade for the year 2009-10 for:
  - Studded Precious Metal Jewellery Export from EPZ / EOU Complexes
  - Plain Precious Metal Jewellery Exports by units from EOU / EPZ
- Current order book size stands at Rs. 20,000 million; expected to be executed by the end of FY2011
  - The order book is augmenting on a continuous basis
  - The size of book denotes healthy order visibility and booking



## MD/CHAIRMAN'S MESSAGE

**Commenting on the performance for Q2 & H1 FY2011 Mr. Nilesh Parekh, Chairman of SGJHL said:**

*"I am pleased to announce that the Q2 & H1 performance has been extremely encouraging, strengthening our belief in achieving our targets for the current year. Such consistent progress affirms our strong business model and growth strategy that the Company has been diligently pursuing to create value for its investors.*

*Exports showed a marked increase over the corresponding quarter implying sustained demand for specialized handcrafted gold jewellery. With the objective to fortify brand 'GAJA' by improving visibility, the Company added 7 new retail outlets taking the number to a total of 12 stores operational in the country. We also plan to introduce machine made / Italian jewellery to our product portfolio enabling us to cater to a diverse customer base.*

*I am delighted to announce that during the quarter the Gems and Jewellery Export Promotion Council awarded SGJHL for Outstanding Export Performance and contribution to trade for the year 2009-10. This gives us the confidence to contribute meaningfully, with focussed efforts, to the economy, industry (predominantly exports oriented) and investors."*



# FINANCIAL OVERVIEW – INCOME STATEMENT

## Q2 & H1 FY 2011 - KEY FINANCIALS

| Particulars              | Q2 FY2011       | Q2 FY2010      | Shift(%)      | H1 FY2011       | H1 FY2010       | Shift(%)      |
|--------------------------|-----------------|----------------|---------------|-----------------|-----------------|---------------|
| <b>Net Revenues</b>      | <b>19,825.5</b> | <b>8,213.9</b> | <b>141.4%</b> | <b>33,422.8</b> | <b>14,227.5</b> | <b>134.9%</b> |
| <b>PBIDT</b>             | <b>1,078.0</b>  | <b>602.5</b>   | <b>78.9%</b>  | <b>1,878.7</b>  | <b>995.0</b>    | <b>88.8%</b>  |
| <i>Margins</i>           | <i>5.4%</i>     | <i>7.3%</i>    |               | <i>5.6%</i>     | <i>7.0%</i>     |               |
| <b>Profit Before Tax</b> | <b>922.2</b>    | <b>528.1</b>   | <b>74.6%</b>  | <b>1,582.5</b>  | <b>823.5</b>    | <b>92.2%</b>  |
| <i>Margins</i>           | <i>4.7%</i>     | <i>6.4%</i>    |               | <i>4.7%</i>     | <i>5.8%</i>     |               |
| <b>Profit After Tax</b>  | <b>920.1</b>    | <b>518.5</b>   | <b>77.5%</b>  | <b>1,562.4</b>  | <b>806.6</b>    | <b>93.7%</b>  |
| <i>Margins</i>           | <i>4.6%</i>     | <i>6.3%</i>    |               | <i>4.7%</i>     | <i>5.7%</i>     |               |

**Note:**

- All Rupee figures in millions unless stated otherwise
- All figures are consolidated unless stated otherwise



# FINANCIAL OVERVIEW – INCOME STATEMENT

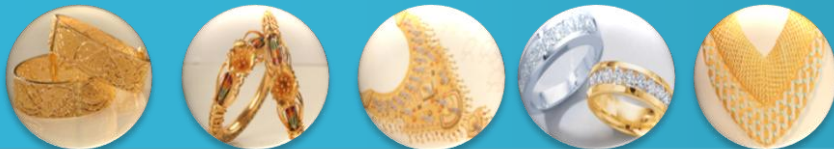
## Q2 FY 2011 - KEY FINANCIALS – BASED ON NET SERVICE REVENUES

| Particulars                 | Q2 FY2011      | Q2 FY2010    | Shift(%)     | H1 FY2011      | H1 FY2010     | Shift(%)     |
|-----------------------------|----------------|--------------|--------------|----------------|---------------|--------------|
| <b>Net Service Revenues</b> | <b>1,189.5</b> | <b>686.2</b> | <b>73.3%</b> | <b>2,078.3</b> | <b>1191.9</b> | <b>74.4%</b> |
| <b>PBIDT</b>                | <b>1,078.0</b> | <b>602.5</b> | <b>78.9%</b> | <b>1,878.7</b> | <b>995.0</b>  | <b>88.8%</b> |
| <i>Margins</i>              | <i>90.6%</i>   | <i>87.8%</i> |              | <i>90.4%</i>   | <i>85.6%</i>  |              |
| <b>Profit Before Tax</b>    | <b>922.2</b>   | <b>528.1</b> | <b>74.6%</b> | <b>1,582.5</b> | <b>823.5</b>  | <b>92.2%</b> |
| <i>Margins</i>              | <i>77.5%</i>   | <i>77.0%</i> |              | <i>76.1%</i>   | <i>70.8%</i>  |              |
| <b>Profit After Tax</b>     | <b>920.1</b>   | <b>518.5</b> | <b>77.5%</b> | <b>1,562.4</b> | <b>806.6</b>  | <b>93.7%</b> |
| <i>Margins</i>              | <i>77.4%</i>   | <i>75.6%</i> |              | <i>75.2%</i>   | <i>69.4%</i>  |              |

### Note:

- Net service revenues have been derived as revenues net of cost of gold and related raw material including precious stones, gems and traded goods and adjusted for changes in closing stock
- This highlights the net jewellery making charges earned by the Company
- All Rupee figures in millions unless stated otherwise
- All figures are consolidated unless stated otherwise



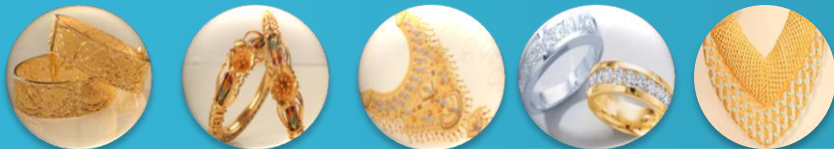


## FINANCIAL OVERVIEW – BALANCE SHEET

| Particulars              | 30-Sept-2010    | 30-Sept-2009   |
|--------------------------|-----------------|----------------|
| <b>Liabilities</b>       |                 |                |
| Capital                  | 606.8           | 485.5          |
| Reserves & Surplus       | 9,613.8         | 4,650.4        |
| Loan                     | 3,786.7         | 3,980.9        |
| <b>Total Liabilities</b> | <b>14,007.3</b> | <b>9116.8</b>  |
| <b>Assets</b>            |                 |                |
| Fixed Assets             | 662.7           | 197.0          |
| Investments              | 580.1           | 2.4            |
| Deferred tax             | 82.3            | 26.8           |
| Net current assets       | 12,682.2        | 8,890.6        |
| <b>Total Assets</b>      | <b>14,007.3</b> | <b>9,116.8</b> |

**Note:**

- All Rupee figures in millions unless stated otherwise
- All figures are consolidated unless stated otherwise



# FINANCIAL DISCUSSION

## Revenues

- Driven by volume and value increase
- Volume performance is encouraging

## PBIDT

- Remains stable on volumes processed
- Margins seem contracted on higher gold value as many contracts are based on volumes processed

## Tax

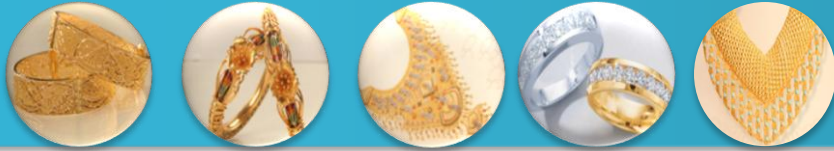
- Incidence remains negligible given the exports benefits arising out of operations in government notified SEZs

## Net Profit

- Strong growth driven by volumes
- Earnings improved due to higher contribution products including diamond studded gold jewellery

## Balance Sheet

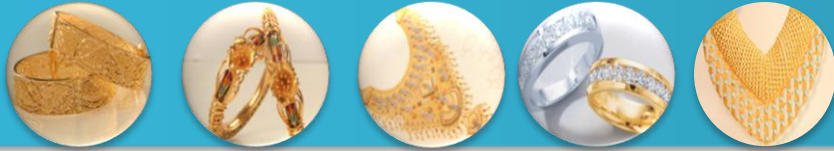
- Net worth augmented through IPO proceeds and sustained internal accruals
- Operations of new facilities and retail expansion adds to fixed assets
- Net current assets cover working capital and deposits made to gold procurement agencies as part of normal business practice



## OPERATIONS OVERVIEW

### KEY PERSPECTIVES

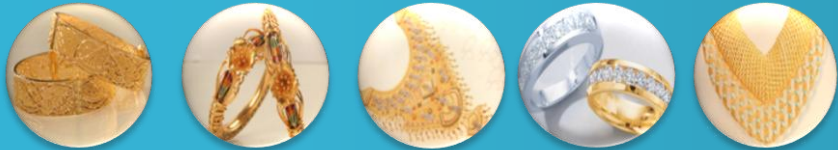
- Volume and value growth visible in revenues and earnings
  - Earnings further augment through product mix that has higher contribution
- During H1 FY2011, the Company set up 7 new retail stores under the brand “GAJA” taking the total number of stores operational in India to 12
  - GAJA jewellery typifies Bengal craftsmanship which has been acclaimed across the globe for its intricacy and minute detailing work like filigree and ‘polki’
  - Planned budgetary allocation for setting up retail stores stands at Rs. 500 million with a target of setting up a total of 20 stores during the year
- The Company is also setting up a manufacturing plant in Domjur, in West Bengal
  - Mainly to manufacture Italian / machine-made jewellery enabling SGJHL to cater to a broader customer base and earn higher margins
- Enhanced scale of operations assisted in improving the financial performance by adding to the topline and further optimizing operating leverage



## OPERATIONS OVERVIEW

### **KEY PERSPECTIVES**

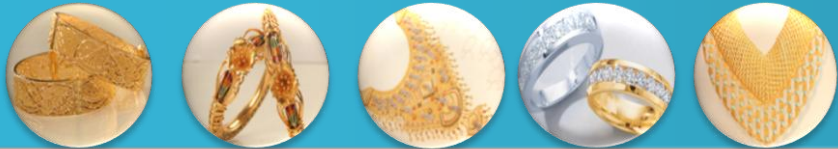
- As in H1 FY2011, the Company has a strong order book size of Rs.20,000 million which is expected to be executed by the end of FY2011
  - Long standing relations with the existing customers
  - Specialization in handcrafted gold jewellery
  - Strong exports demand
  - Technological innovation
  - Order book build up is continuous and current size of order book conveys a sustained growth for the current year



## OUTLOOK – FY 2011

### KEY PERSPECTIVES

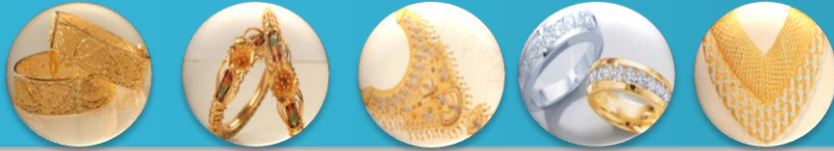
- Strong revenue, profit and EPS expansion likely in FY 2011
  - Q2 & H1 FY 2011 indicate a consistent robust performance
- Strong order book position for the current quarter; order book firming up continuously for H2 FY 2011
- Strategic expansion of retail outlets from 12 to 20 by the end of FY 2011 in India will strengthen the distribution network. This consequently will facilitate enhanced penetration and expansion.
- Plans to improve contribution from both high margin ‘handcrafted gold jewellery’ and cost advantaged machine made/Italian jewellery will enable the Company to add width to both, revenues and profitability
- Foraying in new territories like Europe, Australia and Africa is expected to start yielding returns in the near future
- The gold refinery facility for old and used gold is expected to be operational by the end of FY 2011. This facility will assist in reduction of raw material cost, optimization of operations, further enhancing profit margins



## ABOUT SGJHL

### **BRIEF OVERVIEW**

- One of the largest manufacturer and exporter of handcrafted gold Jewellery in India, exporting primarily to countries such as U.A.E., Singapore, and Hong Kong.
- The product portfolio includes handcrafted and hallmarked gold jewellery, gold enameled jewellery and gold jewellery studded with precious stones.
- The products, designed by a team of creative designers, have presence across different price points to cater to customers across high-end, mid-market and value market segments allowing the Company to manage a large and diverse portfolio of designs.
- Some of the Company's key strengths include
  - Strategic location of manufacturing units
  - Strong in-house designing capabilities supported by skilled craftsmen base
  - Superior quality of products
  - A well-spread marketing network.



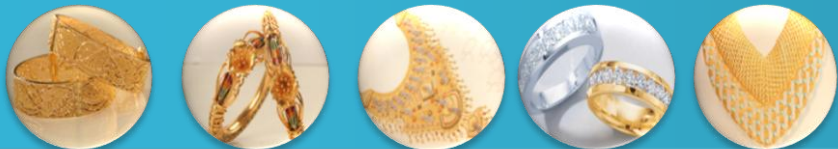
## ABOUT SGJHL

### MANUFACTURING FACILITIES

- The Company has four manufacturing units located in Manikanchan SEZ at West Bengal, which is presently the only jewellery SEZ in West Bengal, spread across an area of approximately 12,338.71 sq. ft.

### AWARDS

- SGJHL received the '**Four Star Export House**' certificate from the Joint Director of Foreign Trade, Government of India in June 2009 and has been bestowed the status of a '**Nominated Agency**' under the Foreign Trade Policy, which allows the Company to import precious metals directly.
- During the quarter the Gem & Jewellery Export Promotion Council awarded the Company for **Outstanding Export Performance** and contribution to trade, during the year 2009-10 for the below mentioned two categories:
  - Studded Precious Metal Jewellery Export from EPZ / EOU Complexes
  - Plain Precious Metal Jewellery Exports by units from EOU / EPZ



## CONTACT DETAILS



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Anoop Poojari / Dipti Yadava

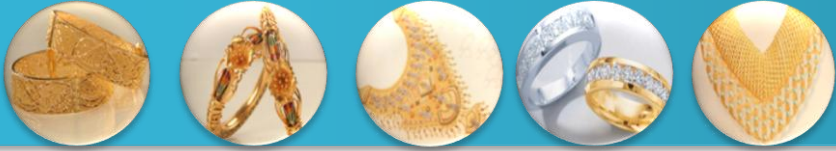
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*Thank You*