Twentieth Annual Report Of

Lypsa Gems & Jewellery Ltd

For The Year

2014-2015

LYPSA

www.lypsa.in

Board of Directors

Name of Director	Category of Director
Mr. Manish Jaysukhlal Janani	Managing Director
Mr. Dipankumar Babulal Patwa	Chairman & Jt. Managing Director
Mr. Jeeyan Dipankumar Patwa	Executive Director
Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director
Mr. Ajit Mangaldas Shah	Independent and Non Executive Director
Mr. Bhavesh Shashikant Sheth	Independent and Non Executive Director
Mr. Pankajkumar Vrajlal Shah	Independent and Non Executive Director
Mrs. Sonal Dipen Patwa*	Non Independent Executive Director
Mrs. Neelam Maheshwari	Company Secretary and Compliance Officer

* Appointed as on 26/03/2015

Auditors

M/s Doshi Maru & Associates, Chartered Accountant, Mumbai

Registered Office

2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road,
Navsari - 396445, Gujarat

Corporate office

BC-6021, "G" Block, Bharat Diamond Bourse, Bandra Kurla Complex,
Bandra –East, Mumbai – 400 051.

Bankers

Bank of India
Oriental Bank of Commerce

Communication

Email Id: info@lypsa.in
Website: www.lypsa.in

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NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Members of LYPSA GEMS & JEWELLERY LTD will be held at 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari – 396445 Gujarat on Wednesday, 30TH September, 2015 at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as at 31st March, 2015 and profit & loss account of the company for the year ended 31st March, 2015 and the Report of the Directors' and Auditors.
2. To appoint Director in place of Mr. Jeeyan Dipankumar Patwa who retires by rotation and being eligible offers himself for reappointment.
3. To Appoint Auditors, M/s. Doshi Maru & Associates, Mumbai, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and to authorized the Board of Director to fix their remuneration.
4. To Declare Dividend on Company's equity shares.

SPECIAL BUSINESS:

5. **Regularize the Appointment of Ms. Sonal Dipen Patwa (DIN: 02579452), Additional Director of the Company**

   To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

   "RESOLVED THAT pursuant to provisions of Section 161 and all other applicable provisions of the Companies Act 2013 and Articles of Association of the Company, Ms. Sonal Dipen Patwa (DIN: 02579452), who was appointed as an Additional Director by the Board of Directors w.e.f. 26/03/2015, who is eligible to be appointed as Director of the Company u/s 152 of the Companies Act, 2013 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation."

   "RESOLVED FURTHER THAT any of the Director of the company be and is hereby authorised to file Form DIR-12 and make necessary entries in the Statutory register and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

   6. **Adoption of new Articles of Association of the company containing regulation in conformity with Companies Act, 2013:**

   To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to provision of section 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), rules and regulations made there under, the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, consents, permissions and/or sections as may be required if any, the draft regulations containing the Articles of Associations submitted to this meeting and duly initial be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations containing the existing Articles of Association of the Company;

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

For Lypsa Gems & Jewellery Ltd

Date: 28/08/2015
Place: Navsari

SD/-	**SD/-**	**SD/-**
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	**Chairman**	**Director**
(DIN: 02579381)	(DIN: 2579405)	(DIN: 02579469)

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain Closed from 25th September, 2015 to 26th September, 2015 (both days inclusive). The Book closure dates have been fixed in consultation with the Stock Exchanges.
4. The Final Dividend for the financial year ended 31st March, 2015, as recommended by the Board, if approved by the Members, will be paid on or after 30th September, 2015 to those Members whose names appear in the Register of Members of the Company as on the book closure dates.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
7. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
8. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
9. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Purva Sharegistry (India) Private Limited, Registrar and Share Transfer agent of the Company immediately
10. Members are requested to note that as per Section 123 of the Companies Act, 2013, dividends not encashed/claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

11. The status of dividends remaining unclaimed / unpaid with the respective due dates of transfer to IEPF is provided at page no. 24 of this Annual Report. Members are requested to contact M/s. Purva Sharegistry (India) Pvt. Ltd. / Investor Service Department of the Company for encashing the unclaimed dividends standing to the credit of their account.
12. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Purva Sharegistry (India) Private Limited, Registrar and Share Transfer agent of the Company.
13. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
14. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
15. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in accordance with Clause 35B of the listing agreement, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for Shareholders voting electronically are as under:

1. **Voting through Electronic means:**
Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 in pursuance with the directions issued by SEBI vide Circular No. CIR/CFD/DIL/6/2012 dated 13th July, 2014, the Company is pleased to provide the facility to Members to exercise their right at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

A. The instructions for members for voting electronically are as under:-

(i) The remote e-voting period begins on 27th September, 2015 (11:00 A.M.) and ends on 29th September, 2015 (6:00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
(ii) Log on to the e-voting website www.evotingindia.com
(iii) Click on "Shareholders" tab.
(iv) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 character DP ID followed by 8 digits client ID,
   c. Members holding shares in physical form should enter folio number registered with the Company.
(v) Next enter the Image Verification as displayed and Click on Login.
(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
(vii) If Demat account holder has forgotten his/ her existing password then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/ their Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
	In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for 'Royale Manor Hotels and Industries Limited'.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@ cdslindia.com.
- After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk. evoting@cdslindia.com.

B. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.

C. A copy of this notice has been/ shall be placed on the website of the Company and the website of CDSL.

D. Ms. Rupal Patel, Practicing Company Secretary (Membership No. FCS 6275) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

E. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.

F. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is sent along with this Notice.
A member desiring to exercise vote by Ballot shall complete the said Ballot Form with assent (for) or dissent (against) and send it to Ms. Rupal Patel, Scrutinizer, having office address at 303, Prasad Aprt., Opp. Jain Derasar, S.M. Road, Nehrunagar Cross Road, Ahmedabad-380015, Tel. No: 279-26420603, E-mail: roopalcs2001@gmail.com so as to reach him on or before 29th September, 2015 by 5.00 p.m. Any Ballot Form received after the said date and time shall be treated as if the reply from the Members has not been received.

16. A copy of this Notice has been placed on the website of the Company and the website of CDSL.

17. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's/ CDSL's website within two (2) days of passing of the resolutions at the AGM of the Company and shall be communicated to BSE Limited and NSEIL.

For Lypsa Gems & Jewellery Ltd

Date: 28/08/2015
Place: Navsari

SD/-	**SD/-**	**SD/-**
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	**Chairman**	**Director**
(DIN: 02579381)	(DIN: 2579405)	(DIN: 02579469)

ANNEXURE TO NOTICE

Notes on directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement entered into with Stock Exchanges:

ITEM NO. 2

Name	:	Mr. Jeeyan Dipankumar Patwa
Date of birth	:	14/08/1989
Qualification	:	MBA
Expertise	:	Business Promotion and Development
Director of the Company since	:	23/06/2009
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	
No. of Shares held in the Company	:	Nil

ITEM NO. 6

Regularize the Appointment of Mrs. Sonal Dipen Patwa (DIN: 02579452), Additional Director of the Company

Mrs. Sonal Dipen Patwa was appointed as an additional director of the company with effect from 26/03/2015, pursuant to provision of Section 161 of the Companies Act, 2013. He holds office up to the ensuing General Meeting of the Company and the Company has appointed him as an Executive Director of the Company under section 152 of the Companies Act, 2013 and whose term of office liable to determination for retire by rotation.

None of the Directors of the Company are interested in the resolution set out at of the accompanying notice.

ITEM NO. 7

Adoption of new Articles of Association of the company containing regulation in conformity with Companies Act, 2013

The existing Articles of Association ("Articles") of the Company are based on the Companies Act, 1956 and several regulations in the existing articles contain reference to the sections of Companies Act, 1956. Some regulations in the existing articles are no longer in conformity with the provisions of Companies Act, 2013 ("Act")

With the enactment of Companies Act, 2013, several regulations of the existing articles of the Company required alteration and/or deletion. Given this position, it is considered expedient to wholly replace the existing articles by new set of articles.

The draft articles shall be open for inspection by the members at the registered office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11:00 a.m. to 1:00 p.m. upto the date of this Annual General Meetings.

None of the directors or Key managerial personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the said resolution.

The Board of the Directors recommends the special resolution set out at item no. 11 of the notice for approval by members.

For Lypsa Gems & Jewellery Ltd

Date: 28/08/2015
Place: Navsari

SD/-	**SD/-**	**SD/-**
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	**Chairman**	**Director**
(DIN: 02579381)	(DIN: 2579405)	(DIN: 02579469)

DIRECTORS' REPORT

To,
The Members,
Lypsa Gems & Jewellery Ltd

The Directors' present the Annual report on the business and operations of your Company for the year 2014-2015.

FINANCIAL RESULTS AND OPERATIONAL REVIEW:

Particulars	Year Ended 31.03.2015 (Rs In Lacs)	Year Ended 31.03.2014 (Rs In Lacs)
Gross Sales/Income	58844.70	53490.72
Less Depreciation	36.12	21.84
Profit/(Loss) before Tax	1,968.26	1101.92
Taxes/Deferred Taxes	179.06	156.76
Profit/(Loss) After Taxes	1,789.20	945.16
P& L Balance b/f	1,507.40	672.65
Profit/ (Loss) carried to Balance Sheet	3,098.06	1507.40

Your Directors feel pleasure to declare profit after tax of `1789.20 Lacs which was made possible through better production planning and customer relations. Directors are exploring various other opportunities to further improve the working results during the current year.

DIRECTORS:

a) Mr. Jeeyan Dipankumar Patwa (DIN 02579469), Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mrs. Sonal Dipen Patwa was appointed as an Additional Director on 26th March, 2015 during the year under review.

The Company has appointed Mr. Manish Jaysukhlal Janani as Chief Executive Officer of the Company and Mr. Jeeyan Dipan Patwa as Chief Financial Officer of the Company w.e.f. 10/06/2015.

The Company has formulated a policy on directors appointment & remuneration including criteria for determining qualifications, positive attributes independence of director & other matters as provided under section 178(3) of the Companies Act, 2013 & such policy is annexed with the Director Report.

The details of familiarization programme for Independent Directors have been disclosed on website of the Company.

Pursuant to the provisions of the Companies act 2013 and Clause 49 of the Listing Agreement , evaluation of every Directors performance was done by the Nomination and Remuneration Committee. The performance evaluation of the Non – Independent Directors and the Board as a whole, committees thereof and the chair person of the company was carried out by the Independent Directors. Evaluation of the Independent Directors was carried out by the entire Board of Directors, excluding the Directors being evaluated. A structured questionnaire was prepared after circulating the draft norms, covering various aspects of the evaluation such as adequacy of the size and composition of the Board and Committee thereof with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the directors to discharge their duties, Corporate Governance practices etc. The Directors expressed their satisfaction with the evaluation process.

The following policies of the company are attached herewith and marked as Annexure A, Annexure B and Annexure C.

Policy on appointment of Directors and Senior Management (Annexure A)
Policy on Remuneration to Directors' (Annexure B)
Policy on Remuneration of Key Managerial Personnel and Employees (Annexure C)

b) **Declaration by an Independent Director(s) and reappointment, if any**
All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

c) **Formal Annual Evaluation**
Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

d) **Remuneration Policy**
The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

e) **Number of Meetings of the Board of Directors and Audit Committee**
A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year Eleven Board Meetings and one Independent Directors' meeting and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIVIDEND:
The Board of Directors has recommend 3.5% dividend i.e. Rs. 0.35 per share on 2,10,60,000 Equity Shares of Rs. 10/- each for the year ended 31-03-2015. The dividend will entail an outflow of Rs. 88,45,200.00 (Including dividend distribution tax of Rs. 14,74,200.00). The payment of dividend is subject to the approval of the Members at the ensuing General Meeting of the Company and Record Date for this purpose 25th September, 2015 to 26th September, 2015 and no interim dividend was paid during the year.

NATURE OF BUSINESS
The Company is engaged in the business of trading, import, export, making and polishing activities of diamonds, gems and other precious stones.
There was no change in the nature of the business of the Company during the year under review.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES
The Company has 100% foreign subsidiary named Lypsa Gems and Jewellery DMCC incorporated in U.A.E. The company has earned a net profit of Rs. 14,35,28,525/- (P.Y. Rs. 6,30,39,333/-)

TRANSFER TO RESERVES
Out of the profits available for appropriation, no amount has been transferred to the General Reserve and the balance amount of Rs. 3098.06 lacs has been carried forward to profit & loss account.

SHARE CAPITAL
The paid up Equity Share Capital as on March 31, 2015 was Rs. 21.06 Crores.

The Company has allotted 70,20,000 Equity Shares of Rs. 10/- each on 01/10/2014 through Bonus issue in proportion of 1 (One) Equity Share for every 2 (Two)equity shares held by such persons on the Record Date during the year under review.

A) Issue of equity shares with differential rights:
During the year under review, the Company has not issued any shares with differential voting rights.

B) Issue of sweat equity shares

During the year under review, the Company has not issued any sweat equity shares.

C) Issue of employee stock options

During the year under review, the Company has not issued any sweat equity shares.

D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

FINANCE

The Company has repaid the installments of Term Loans amounting to Rs. 35.50 Lacs during the current year.

The Company has also made fresh borrowings of Rs. 50.00 Lacs for funding capital expenditure and other requirements.

FIXED DEPOSITS

The Company has not accepted or renewed any deposits during the year. There are no outstanding and overdue deposits as at 31st March, 2015.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY

Every year 5th June is observed as the World Environment Day around the world and is of immense importance for the Lypsa Group. In the year 2014-15, one specific area was related to our work. Sustainability is a complex concept incorporating a wide range of social, environmental and economic issues. We recognize the holistic nature of a sustainable approach. As such, this commitment is as much about our Trading and Manufacturing of diamonds and business operations as it is about our people, the communities where we work, our suppliers and partners and the clients we work with. This is our commitment to manage our activities, business processes and supply chain safely and in ways that minimize adverse environmental and social impacts.

This is a commitment to safeguard the health and safety of our employees and neighbors', to support the local economy and to treat our staff fairly. It is about creating wealth for all our stakeholders, embracing diversity, minimizing resource consumption and reducing our greenhouse gas emissions.

However, we recognize that we will have to be innovative and draw on our key strength - our motivated staff - in order to deliver the lasting positive outcomes that are at the core of our commitment to sustainability.

BUSINESS RISK MANAGEMENT

The Company has laid down a Risk Management Policy and identified threat of such events which if occurs will adversely affect either / or, value to shareholders, ability of company to achieve objectives, ability to implement business strategies, the manner in which the company operates and reputation as "Risks". Further such Risks are categorized in to Strategic Risks, Operating Risks & Regulatory Risks. A detailed exercise is carried out to identify, evaluate, manage and monitoring all the three types of risks.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year under review, the company retained external audit firm to review its existing internal control system with a view of tighten the same and introduce system of self certification by all the process owners to ensure that internal controls over all the key business processes are operative. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a. that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
b. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. that the annual financial statements have been prepared on a going concern basis
e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

There is no transaction with Related Party which requires disclosure under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014. The policy on materiality of related party transactions and also on dealing with related party transactions as approved by the Board may be accessed on the Company website.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

AUDITORS

A. Statutory Auditors

The Company's Auditors, M/s. Doshi Maru & Associates, Mumbai who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

B. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has

appointed CS Rupal Patel, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **"Annexure -D".**

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Clause 49 of the Listing Agreement are complied with.

As per Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report, Management Discussion and Analysis and the Auditor's Certificate regarding compliance of conditions of Corporate Governance are attached separately and form part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure-E".**

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure-F**".

PARTICULARS OF EMPLOYEES

None of the employees of the Company is in receipt of remuneration prescribed under Section 197(12) of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975. Thus furnishing of particulars under the Companies (Particulars of Employees) Rules 1975 does not arise.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

A copy of audited financial statements of the said Companies will be made available to the members of the Company, seeking such information at any point of time. A cash flow statement for the year 2014-2015 is attached to the Balance Sheet. Pursuant to the legislation 'Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013' introduced by the Government of India, the Company has a policy on Prevention of Sexual Harassment at workplace. There was no case reported during the year under review under the said policy.

PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31st March, 2015 have been disclosed as per Schedule III to the Companies Act, 2013.

ACKNOWLEDGEMENT

Yours Directors take this opportunity to thank the Financial Institutions, Banks, Business Associates, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company and look forward to their continued support in future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

For Lypsa Gems & Jewellery Ltd

Date: 28/08/2015
Place: Navsari

SD/-	**SD/-**	**SD/-**
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	**Chairman**	**Director**
(DIN: 02579381)	(DIN: 2579405)	(DIN: 02579469)

ANNEXURE –A TO THE DIRECTORS' REPORT FOR THE YEAR 2014-2015

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

I. APPOINTMENT OF DIRECTORS

The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed:

1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective;
2. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in sprit by the Directors.

Based on the recommendations of the NRC the board will evaluate the candidates and decide on the selection the appropriate member. The Board through the Chairman or the Managing Director & CEO will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made there under.

REMOVAL OF DIRECTORS:

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations there under or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions

SENIOR MANAGEMENT PERSONNEL:

The NRC shall identify persons based on mere it, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

For Lypsa Gems & Jewellery Ltd

Date: 28/08/2015
Place: Navsari

SD/-	**SD/-**	**SD/-**
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	**Chairman**	**Director**
(DIN: 02579381)	(DIN: 2579405)	(DIN: 02579469)

ANNEXURE - B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2015

POLICY FOR REMUNERATION OF THE DIRECTORS

PURPOSE

This Policy sets out the approach to Compensation of Directors, in LYPSA GEMS & JEWELELRY LIMITED.

POLICY STATEMENT

The Company has a well-defined Compensation policy for Directors, including the Chairman of the Company. The overall compensation philosophy which guides us to focus on enhancing the value, to attract, to retain and motivate Directors for achieving objectives of Company and to become a major player in Trading in Consumer goods & electronic items, to be the most trusted brand in the business we operate in and focus on customer serenity through transparency, quality and on time delivery to be a thought leader and establish industry benchmarks in sustainable development.

In order to effectively implement this, the Company has built a Compensation structure by a regular annual benchmarking over the years with relevant players across the industry the Company operates in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall deter mine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolutions.

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER (MD & CEO) AND EXECUTIVE DIRECTOR

Remuneration of the MD & CEO and Executive Directors reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Managing Director and Executive Directors, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies. The policy aims at a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration to the MD & CEO shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as per the policy of the Company from time to time and as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of appointment, the variable compensation will be determined annually by the NRC based on the performance of MD & CEO.

The term of office and remuneration of MD & CEO is subject to the approval of the Board of Directors, shareholders, and Central Government, as may be required and within the statutory limits laid down in this regard from time to time.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its MD & CEO in accordance with the provisions of Schedule V to the Companies Act, 2013

If a MD & CEO draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recover y of such sum refundable to it unless permitted by the Central Government of the Company.

Remuneration for MD & CEO is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him / her fairly and responsibly. The remuneration to the MD & CEO comprises of salary, perquisites and benefits as per policy of the Company and performance based incentive apart from retirement benefits like P.F., Superannuation, Gratuity, Leave Encashment, etc. as per Rules Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended /approved by the NRC / Board. The MD & CEO is entitled for grant of Stock Options as per the approved Stock Options Schemes of the Company from time to time

Directors

The MD & CEO is an executive of the Company and draws remuneration from the Company. The Non-Executive Independent Directors receive sitting fees for attending the meeting of the Board and Committee thereof, as fixed by the Board of Directors from time to time subject to statutory provisions. The Non-Executive Independent Directors would be entitled to the remuneration under the Companies Act, 2013. In addition to the above, the Directors are entitled for reimbursement of expenses incurred in discharge of their duties.

The Company may also grant Stock Options to the eligible employees and Directors (other than Independent Directors) in accordance with the ESOP Schemes of the Company from time to time and subject to the compliance statutes and regulations.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Managing Director and Executive Directors and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report / website as per statutory requirements in this regard.

For Lypsa Gems & Jewellery Ltd

Date: 28/08/2015
Place: Navsari

SD/-	**SD/-**	**SD/-**
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	**Chairman**	**Director**
(DIN: 02579381)	(DIN: 2579405)	(DIN: 02579469)

ANNEXURE - C TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2015:

POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES

This policy shall be effective from the financial year 2014-15.

OBJECTIVE:
To establish guidelines for remunerating employees fairly and in keeping with Statutes.

STANDARDS

1. All employees, irrespective of contract, are to be paid remuneration fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
2. Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually.
3. The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July, after the salary increment exercise.
4. The variable component of the remuneration will be a function of the employee's grade.
5. The actual pay-out of variable component of the remuneration will be function of individual performance as well as business performance. Business performance is evaluated using a Balance Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC & KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
6. An Annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the committee decides:
   (i) The increment that needs to be paid for different performance ratings as well as grades.
   (ii) The increment for promotions and the total maximum increment.
   (iii) The maximum increase in compensation cost in % and absolute.
   (iv) Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For Lypsa Gems & Jewellery Ltd

Date: 28/08/2015
Place: Navsari

SD/-	SD/-	SD/-
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	**Chairman**	**Director**
(DIN: 02579381)	(DIN: 2579405)	(DIN: 02579469)

LYPSA
www.lypsa.in

ANNEXURE – D

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Lypsa Gems & Jewellery Limited (CIN: L28990GJ1995PLC028270)
2nd Floor, Diamond Park Building,
Opp. Ambika Nagar Society,
Dargah Road, Navsari - 396445

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lypsa Gems & Jewellery Limited**. (hereinafter called "the company") for the audit period covering the financial year ended on 31st March, 2015. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company , for the financial year ended on 31st March, 2015, according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came into effect from 12th September, 2013 and sections and Rules notified and came into effect from 1st April, 2014;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
      (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
      (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   I have also examined compliance of the following to the extent applicable:
   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
   (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

   I have relied upon the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under applicable Acts, Laws and Regulations to the Company.

On the basis of our examination and representation made by the Company we report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above and there are no material non-compliances that have come to our knowledge except non compliance in respect of:

a) Non filing/serving of notice for trading window closure as required under clause 3.2.1 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 during the year under review. The Company has informed BSE that the Company has complied the requirement of the regulation 8 (Code of Fair Disclosure) and regulation 9 (Code of Conduct) of the SEBI (Prohibition of Insider Trading) Regulation, 2015 on 15th May, 2015.

b) During the year under review, the Company has not appointed Chief Financial Officer of the Company as a KMP as required under section 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. And the company has appointed the same on 10th June, 2015.

We Further Report that, there were no actions/ events in pursuance of:

a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014

Requiring compliance thereof by the Company during the period under review

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs except the following:

a) The Company has allotted 70,20,000 Equity Shares of Rs. 10/- each on 01/10/2014 through Bonus issue in proportion of 1 (One) Equity Share for every 2 (Two)equity shares held by such persons on the Record Date during the year under review.

Date : 28/08/2015
Place : Ahmedabad

Signature: Sd/-
Name of Practicing Company Secretary: Rupal Patel
C. P. No.: 3803
FCS No.: 6275

Note: This report is to be read with our letter of even date which is annexed as ANNEXURE-I and forms an integral part of this report.

Annexure I

To,
The Members,
Lypsa Gems & Jewellery Limited (CIN: L28990GJ1995PLC028270)
2nd Floor, Diamond Park Building,
Opp. Ambika Nagar Society,
Dargah Road, Navsari - 396445

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 28/08/2015
Place: Ahmedabad

Signature: Sd/-
Name of Practicing Company Secretary: Rupal Patel
C. P. No.: 3803
FCS No.: 6275

ANNEXURE - E TO THE DIRECTORS' REPORT FOR THE YEAR 2014-2015

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	Nil
(ii)	the steps taken by the company for utilizing alternate sources of energy	Nil
(iii)	the capital investment on energy conservation equipment's	Nil

(b) Technology absorption

(i)	the efforts made towards technology absorption	Nil
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
	(a) the details of technology imported	Nil
	(b) the year of import;	Nil
	(c) whether the technology been fully absorbed	Nil
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	the expenditure incurred on Research and Development	Nil

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was Rs. 1142.37 Lakh and the total foreign exchange earned was Rs. 562.84 Lakh.

ANNEXURE - F

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L28990GJ1995PLC028270
2.	Registration Date	30/11/1995
3.	Name of the Company	Lypsa Gems & Jewellery Limited
4.	Category/Sub-category of the Company	Public Company
5.	Address of the Registered office & contact details	2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Navsari- 396445
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Name:** M/s. Purva Sharegistry (India) Pvt. Ltd. **Address:** No-9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai - 400 011 **Contact No.:** 022-2301 6761 / 2301 8261 **Fax No.:** 022-2301 2517 **E-Mail.:** busicomp@vsnl.com

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Trading and working in Diamond	71023100	100%

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – SUBSIDIARY COMPANY**

S. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associates	% of Shares Held	Applicable Section
1	Lypsa Gems & Jewellery DMCC	Not Available	**Subsidiary**	100%	2(87)

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)**

i) Category-wise Share Holding									
Category of Shareholders	**No. of Shares held at the beginning of the year [As on 31-March-2014]**				**No. of Shares held at the end of the year [As on 31-March-2015]**				**% Change during the year**
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	5040000	-	5040000	35.90	7585000	-	7585000	36.02	0.12
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A) (1)	**5040000**	**-**	**5040000**	**35.90**	**7585000**	**-**	**7585000**	**36.02**	**0.12**
B. Public Shareholding									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other….									
Sub-total(A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**5040000**	**-**	**5040000**	**35.90**	**7585000**	**-**	**7585000**	**36.02**	**0.12**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	40000	-	40000	0.28	207000	-	207000	0.98	0.70
h) Foreign Venture Capital Funds									
i) Others									

(specify)									
Sub-total (B)(1):-	**40000**	**-**	**40000**	**0.28**	**207000**	**-**	**207000**	**0.98**	**0.70**
2. Non-Institutions									
a) Bodies Corp.	1136583	2732000	3868583	27.55	3818245	4308000	8126245	38.59	11.03
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	122644	1015802	1138446	8.11	293029	747903	1040932	4.94	-3.17
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3137105	128500	3265605	23.26	2523652	724950	3248602	15.43	-7.83
c) Others (HUF)	511751	-	511751	3.64	447710	-	447710	2.13	-1.52
N.R.I.	147118	-	147118	1.05	379144	-	379144	1.80	0.75
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	28497		28497	0.20	25367		25367	0.12	-0.08
Trusts									
Foreign Bodies									
Sub-total (B)(2):-	**5083698**	**3876302**	**8960000**	**63.82**	**7487147**	**5780853**	**13268000**	**63.00**	**-0.82**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**5123698**	**3876302**	**9000000**	**64.10**	**7694147**	**5780853**	**13475000**	**63.98**	**-0.12**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**10163698**	**3876302**	**14040000**	**100.00**	**15279147**	**5780853**	**21060000**	**100**	**0.00**

ii) Shareholding of Promotes

S. No	Shareholer's Name	No. of Shares held at the beginning of the year [As on 31-March-2014]			No. of Shares held at the end of the year [As on 31-March-2015]			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% of Total Shares
1	MANISH JAYSUKHLAL JANAN	2522500	17.97	0	3798750	18.03	0	0.06
2	DIPAN BABULAL PATWA	2517500	17.93	0	3786250	17.97	0	0.04

TOTAL	**5040000**	**35.90**	**0.00**	**7585000**	**36.00**	**0.00**	**0.10**

iii)Change in Promoters' Shareholding (please specify, if there is no change)

	No. of Shares held at the beginning of the year [As on 31-March-2014]		No. of Shares held at the end of the year [As on 31-March-2015]	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	5040000	35.9	5040000	23.93
Increase in holding due to issue of Bonus Shares on 01/10/2014	-	-	2525000	11.99
At the End of the year	**5040000**	**35.9**	**7585000**	**36.02**

Iv)Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

	No. of Shares held at the beginning of the year [As on 31-March-2014]		No. of Shares held at the end of the year [As on 31-March-2015]	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	2853788	20.33	2853788	13.55
Increase in holding due to issue of Bonus Shares on 01/10/2014	0	0	1713155	8.13
At the End of the year (or on the date of separation, if separated during the year)	**2853788**	**20.33**	**4566943**	**21.69**

v)Shareholding of Directors and Key Managerial Personnel:

	No. of Shares held at the beginning of the year [As on 31-March-2014]		No. of Shares held at the end of the year [As on 31-March-2015]	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the End of the year	5040000	35.9	5040000	23.93
Increase in holding due to issue of Bonus Shares on 01/10/2014	-	-	2525000	11.99
At the End of the year	**5040000**	**35.9**	**7585000**	**36.02**

F) INDEBTEDNESS –

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	151648390	59620000	-	211268390
ii) Interest due but not paid	-	-	-	-

iii) Interest accrued but not due	260721	12533	0	273254
Total (i+ii+iii)	151909111	959632533	0	211541644
Change in Indebtedness during the financial year				
*** Addition**	230785087	29574352	0	260359439
*** Reduction**	1666895	89194352	0	90861247
Net Change	229118192	59620000	0	169498192
Indebtedness at the end of the financial year			0	
i) Principal Amount	380766582	0	0	380766582
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	70600	0	0	70600
Total (i+ii+iii)	380837182	0	0	380837182

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Manish Janani (MD)	Dipan Patwa (Chirman)	Jeeyan Patwa (Director)	---	
1	**Gross salary**	2400000	2400000	600000		5400000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2400000	2400000	600000		5400000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0		0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0		0
2	**Stock Option**	0	0	0		0
3	**Sweat Equity**	0	0	0		0
4	**Commission** **- as % of profit** **- others, specify...**	0	0	0		0
5	**Others, please specify**	0	0	0		0
	Total (A)	2400000	2400000	600000		5400000
Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013.					

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amt
		Ajit Shah	Ravindra Sanghavi	Bhavesh Sheth	Pankaj Shah	Sonal Patwa	
1	**Independent Directors**	NIL	NIL	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL

	Total (1)	NIL	NIL	NIL	NIL	NIL	NIL
2	**Other Non-Executive Directors**	NIL	NIL	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL	NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD

SN	Particulars of Remuneration	CS Neelam Maheshwari	Total
1	**Gross salary**	170642	170642
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	170642	170642
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	**Stock Option**	0	0
3	**Sweat Equity**	0	0
4	**Commission**	0	0
	- as % of profit	0	0
	others, specify...	0	0
5	**Others, please specify**	0	0
	Total	170642	170642

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY		NIL			
Penalty					
Punishment					
Compounding					
B. DIRECTORS		NIL			
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT		NIL			
Penalty					
Punishment					
Compounding					

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

A. Mandatory Requirements

The Board of Directors of the Company gives due support to the principles behind the good Corporate Governance. Given below is a report on Corporate Governance:

1. Company's philosophy on code of Corporate Governance

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

Statutorily, Corporate Governance involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all shareholders. The company's philosophy of corporate governance is not only to meet statutory requirements but also to go beyond that and to attain a high level of transparency and accountancy in the functioning of the Company and the conduct of the business both internal and external. This is done with the sole view to enhance share holder's value.

2. Board of Director

2.1 Composition of the Board:

The Board of Directors as at 31st March, 2015 comprises of eight directors including of three Executive and five Non-Executive Directors. Mr. Dipankumar Babulal Patwa is the Chairman & Managing Director of the Company and he conducts the day to day management of the Company, subject to the supervision and control of the Board of Directors. The independent directors on the Board are senior, competent and highly respected persons from their receptive fields. The following is the Composition of the Board as at 31st March, 2015:

Sr. No.	Name of Director	Category	No. of Directorship(s) held in Indian public & private Limited Companies	Committee(s) position	
				Member	Chairman
1	Mr. Dipankumar Babulal Patwa	Chairman & Jt. Managing Director	Nil	Nil	Nil
2	Mr. Manish Jaysukhlal Janani	Managing Director	Nil	Nil	Nil
3	Mr. Jeeyan Dipankumar Patwa	Executive director	Nil	Nil	Nil
4	Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director	Nil	Nil	Nil
5	Mr. Ajit Mangaldas Shah	Independent and Non Executive Director	Nil	Nil	Nil
6	Mr. Bhavesh Shashikant Sheth	Independent and Non Executive Director	Nil	Nil	Nil
7	Mr. Pankajkumar Vrajlal Shah	Independent and Non Executive Director	Nil	Nil	Nil
8	Mrs. Sonal Dipen Patwa*	Non Independent and Executive Director	Nil	Nil	Nil

*Appointed as on 26/03/2015

2.2 Responsibilities of the Board

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

2.3 Meeting and Attendance Record of Directors

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the year under review, the Board met 11 times on the following dates:

22/04/2014,	30/05/2014,	24/06/2014	04/08/2014	11/08/2014	24/08/2014
01/10/2014	21/10/2014	02/02/2015	04/03/2015	26/03/2015	

c. Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of Director	Category of Directorship	No. of Meetings Attended	Attendance at the last AGM
Mr. Manish Jaysukhlal Janani	Managing Director	10	NO
Mr. Dipankumar Babulal Patwa	Chairman & Jt. Managing Director	11	YES
Mr. Jeeyan Dipankumar Patwa	Executive director	10	NO
Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director	11	YES
Mr. Ajit Mangaldas Shah	Independent and Non Executive Director	11	YES
Mr. Bhavesh Shashikant Sheth	Independent and Non-Executive Director	11	YES
Mr. Pankajkumar Vrajlal Shah	Independent and Non-Executive Director	11	YES
Mrs. Sonal Dipen Patwa*	Non Independent and Executive Director	1	No

*Appointed as on 26/03/2015

2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting

As per the provisions of the Companies Act, 2013, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Jeeyan Dipankumar Patwa, Directors of the Company who retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment.

Profile of Mr. Jeeyan Dipankumar Patwa, Director being appointed u/s 152(6) of the Companies Act, 2013

Name	Mr. Jeeyan Dipankumar Patwa
Date of Birth	14/08/1989
Date of Appointment	23/06/2009
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

2.5 **Details of Directors who are as Chairman and Directors in other Public Companies**

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosures regarding Directorship and Committee position have been made by the Company.

Directors who are on the Board of the Company as on 31st March, 2014 and the same is reproduced herein below:

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Mr. Manish Jaysukhlal Janani	--	--	--
2.	Mr. Dipankumar Babulal Patwa	--	--	--
3.	Mr. Jeeyan Dipankumar Patwa	--	--	--
4.	Mr. Ravindra Chandulal Sanghavi	--	--	--
5.	Mr. Ajit Mangaldas Shah	--	--	--
6.	Mr. Bhavesh Shashikant Sheth	--	--	--
7.	Mr. Pankajkumar Vrajlal Shah	--	--	--
8.	Mrs. Sonal Dipen Patwa*			

*Appointed as on 26/03/2015

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 31, 2015, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation

program. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

EVALUATION OF THE BOARD'S PERFORMANCE

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

In terms of Clause 49 of the Listing Agreement, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

PREVENTION OF INSIDER TRADING

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted the said codes and same has been placed at website of the company i.e. www.lypsa.in.

3. COMMITTEE OF BOARD:

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Stakeholders' Relationship Committee
   (Share Transfer & Shareholders/Investor Grievance Committee)

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

3.1 **Audit Committee:**

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 177 of the Companies Act, 2013, comprises of Three members viz. Non Executive and Independent Director Mr. Ajit Mangaldas Shah, Mr. Ravindra Sanghavi and Mr. Bhavesh Shashikant Sheth who are well versed with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting. Mr. Ajit Mangaldas Shah is the Chairman of the committee.

The Audit Committee of the Board of Directors of the Company, Inter-alias, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

TERMS OF REFERENCE:

The scope of activities of the Audit Committees includes the following:

A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.

C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
- Any changes in accounting policies and practices.
- Major accounting entries abased on exercise of judgment by management.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption
- Compliance with accounting standards
- Compliance with stock exchange and legal requirements concerning financial statements
- Any related party transactions i.e transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.

D. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.

E. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department. Reporting structure, coverage and frequency of internal audit.

F. Discussion with internal auditors any significant findings and follow up there on.

G. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board.

H. Discussions with external auditors before the audit commences, the nature and scope of audit, as well as conduct post audit discussions to ascertain any area of concern.

I. Reviewing the company's financial and risk management policies.

J. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of nonpayment of declared dividend) and creditors.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:
- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee was held during Financial Year 2014-15. The dates on which the said meetings were held as follows:

30/05/2014	04/08/2014	21/10/2014	02/02/2015

The necessary quorum was present at the meetings.

3.2 Nomination and Remuneration Committee

The remuneration committee of the Company comprises of Non Executive and Independent Director Mr. Bhavesh Shashikant Sheth, Mr. Pankajkumar Vrajlal Shah, Mr. Ravindra Sanghavi and Mr. Ajit Mangaldas Shah.

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director etc.

There are four meetings of Remuneration Committee held during the Financial Year 2014-15.

30/05/2014	04/08/2014	21/10/2014	02/02/2015

Details of Remuneration of Executive / Non-Executive Directors for the financial year ended 31st March, 2015

(In Lakhs)

Name	Executive / Non-Executive	Salary	Bonus	Contribution to PF	Perquisites	Total
Manish Jaysukhlal Janani	Executive	2400000	0.00	0.00	0.00	2400000
Dipankumar Babulal Patwa	Executive	2400000	0.00	0.00	0.00	2400000
Jeeyan Dipan Patwa	Executive	600000	0.00	0.00	0.00	600000
Ravindra Chandulal Sanghavi	Non- Executive	0.00	0.00	0.00	0.00	0
Ajit Mangaldas Shah	Non- Executive	0.00	0.00	0.00	0.00	0
Bhavesh Shashikant Sheth	Non- Executive	0.00	0.00	0.00	0.00	0
Pankajkumar Vrajlal Shah	Non- Executive	0.00	0.00	0.00	0.00	0
Sonal Dipan Patwa	Director	0.00	0.00	0.00	0.00	0

3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

Sr. No.	Name	Status	Position
1	Mr. Ravindra Sanghavi	Independent and Non- Executive	Chairman
2	Mr. Manish J. Janani	Managing Director	Member
3	Mr. Ajit Shah	Independent and Non- Executive	Member

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2015 is given below):

Complaints Status: 01.04.2014 to 31.03.2015

- Number of complaints received so far : 2
- Number of complaints solved : 2
- Number of pending complaints : NIL

Compliance Officer:

Mrs. Neelam Maheshwari is Compliance Officer for the purpose of complying with various provisions of Securities and Exchange Board of India (SEBI), Listing Agreement with Stock Exchanges, Registrar of Companies and for monitoring the share transfer process etc.

4. GENERAL BODY MEETINGS:

(a) The location and time, where last three years Annual General Meetings are as follows :

Year	Venue	Date	Time
2011-12	306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat Gujrat-395 003	29/09/2012	11:30 A.M.
2012-13	2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari – 396445	27/09/2013	11:30 A.M.
2013-14	2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari – 396445	04/09/2014	11:30 A.M.

(b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous three Annual General Meeting for the following three consecutive financial years:

2014

Following Special Resolutions had been passed in the Annual General Meeting:

1. Increase Authorised Share capital of the company from Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) equity shares of Rs.10/- (Rupees Ten Only) each, by creation of 50,00,000 Equity shares of Rs. 10/- (Rupees Ten only)
2. Alteration of Memorandum of Association of the company pursuant to increase in authorised share capital of the company.
3. Alteration of Articles of Association of the company pursuant to increase in authorised share capital of the company.
4. Issue 70,20,000 Equity Shares of Rs. 10/- each in the proportion of 1(one) equity shares through Bonus issue in proportion of in proportion of proportion of 1 (one) equity share for every 2 (Two)equity shares held by such persons respectively on the Record Date i.e. 30th September, 2014 every 2 (Two)equity shares held by such persons respectively on the Record Date i.e. 30th September, 2014

2013

Not any Special Resolutions had been passed in the Annual General Meeting

2012

Following Special Resolutions had been passed in the Annual General Meeting:

(1) Shifting of Registered office of the Company 306, Mahavir Chambers, Taratia Hanuman Galli, Mahidharpura, Surat To 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari – 396445

(2) Approval of Managerial Remuneration Given To Mr. Jeeyan Patwa, Director of the Company.

(3) Approval for increase in NRI holding ceiling limit from 5% to 24% of the paid up capital.

EXTRA ORDINARY GENERAL MEETING DURING THE YEAR 2014-2015

No Extra Ordinary General Meeting held during the financial year under review.

POSTAL BALLOT RESOLUTION PASSED DURING THE YEAR 2014-15

No Postal Ballot Resolution passed during the Year.

5. DISCLOSURES

- Materially significant Related Party Transactions:
- The Company has no material significant related party transactions that may have a potential conflict with the interest of the Company. The details of transactions between the Company and the related parties are given under Notes to the Financial Statement for the year ended 31st March, 2015. The Board has approved a policy for related party transactions which has been uploaded on the Company website.
- The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- The Company has adopted the Code of Ethics and Business principles for the members of Board and senior management personnel.
- The Company has adopted a 'Code of Conduct for Prevention of Insider Trading ("the Code") in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and its subsequent amendment. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. However whistle blower policy has not been formed during the year under review. Further, we affirm that no personnel have been denied access to the Audit Committee. Employees can report to the Management concerned regarding unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy.
- The Company is in compliance with all mandatory requirements of Clause 49 of the Listing Agreement.
- The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges/SEBI or any other statutory authority on any matter related to Capital market.

CEO/CFO CERTIFICATION:

(Under Clause 49(V) of Listing Agreement)

We Certify that --

a. We have reviewed the financial statements and the cash flow statement for the year 2014-15 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-15 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee -

- Significant changes in internal control over the financial reporting during the year 2014-15;
- Significant changes in accounting policies during the year 2014-15 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

6. MEANS OF COMMUNICATION:

The presentation as to the Company's performance etc., are made to the Institutional Investors/Financial Analysts as and when felt expedient.

The Company's financial results and officials news releases are displayed on the Company's website i.e www.lypsa.in

The Management Discussions and Analysis Report forms part of the Directors Report and is given separately.

7. GENERAL SHAREHOLDERS' INFORMATION:

a. Annual General Meeting: Date, Time and venue: 30TH September, 2015 at 11.00 A.M. at the Registered Office of the Company.

b. Financial Year: 1st April 2014 to 31st March 2015.

c. Financial Calendar:

(2015-16) (Tentative)

First Quarter Results	:	Second week of August, 2015
Second Quarter Results	:	Second week of November, 2015
Third Quarter Results	:	Second week of February, 2016
Fourth Quarter Results	:	Second week of May, 2016

d. Date of Book Closure: 25th September, 2015 to 26th September, 2015. (Inclusive Both days)

e. (i) Dividend Payment Date: 30th September, 2015

(ii) Due date for Transfer of Unclaimed Dividend to IEPF:

Sr. No	Financial Year	Date of Declaration	Dividend Declare	Dividend Paid	Unclaimed Dividend	Due date for Transfer to IEPF
1	2009-10	30/09/2010	7020000.00	6270100.00	749900.00	30/09/2017
2	2010-11	30/09/2011	7020000.00	6193000.00	827000.00	30/09/2018
3	2011-12	29/09/2012	7020000.00	6458145.00	561855.00	29/09/2019
4	2012-13	27/09/2013	7020000.00	6586413.00	433587.00	27/09/2020
4	2013-14	04/09/2014	7371000.00	5821064.00	1549936.00	04/09/2021

f. Listing of Equity Shares on Stock Exchanges: The Company applied for voluntary delisting from Ahmedabad Stock Exchange Limited and gets delisted from the same on 31st March, 2014.

The Company is listed on Bombay Stock Exchange limited Annual listing fees for the financial Year up to 2015-16 has been paid. The Company is also listed on National Stock Exchange Limited w.e.f. 5th November, 2013.

g. Stock Code: BSE - 534532
NSE - LYPSAGEMS

h. Demat ISIN number: **INE142K01011**

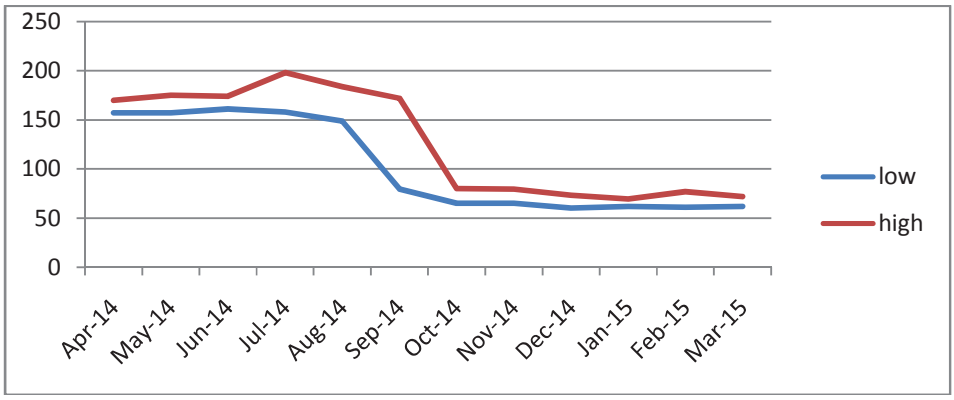
i. High / Low of Monthly Market Price of the Companies Equity Shares traded on Bombay Stock Exchange during the financial year 2014-15 are furnished below:

Month	High Price (Rs.)	Low Price (Rs.)
April 2014	169.90	157.00
May 2014	175.00	157.00
June 2014	174.00	161.05
July 2014	198.10	158.00
August 2014	183.75	148.65
September 2014	172.00	79.55
October 2014	79.95	65.05
November 2014	79.60	65.00
December 2014	73.25	60.30
January 2015	69.50	62.00
February 2015	77.00	61.00
March 2015	71.90	61.80

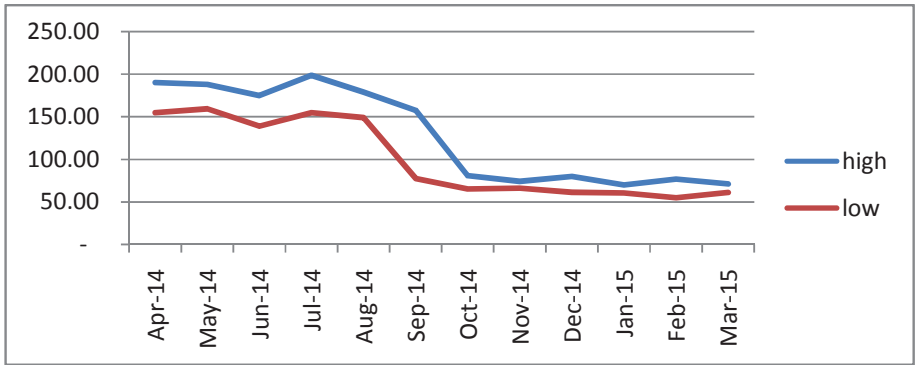
j. High / Low of Monthly Market Price of the Companies Equity Shares traded on National Stock Exchange of India Limited during the financial year 2014-15 are furnished below:

Month	High Price (Rs.)	Low Price (Rs.)
April 2014	190.00	155.00
May 2014	187.90	159.50
June 2014	175.00	139.00
July 2014	198.60	155.00
August 2014	178.90	149.00
September 2014	157.55	77.50
October 2014	80.70	65.25
November 2014	74.00	66.30
December 2014	80.00	61.30
January 2015	69.85	60.40
February 2015	76.80	55.00
March 2015	71.00	61.15

k. (i) Performance of the Company's shares in comparison with broad-based indices as BSE's Sensex:



(ii) Performance of the Company's shares in comparison with broad-based indices as NSE's Sensex:



l. Registered and Transfer Agent: The Company has appointed M/s. Purva Sharegistry (India) Pvt. Ltd. No-9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai - 400 011.

m. Share Transfer System: All work related to transfer in physical form and Demat complete in all respects were approved and registered within the stipulated period by R & T of the Company.

n. Distribution of Shareholding as on 31.03.2015

Share Holding of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	No.	% to total	In Rs.	% to total
upto	5000	824	39.69	1002850	0.48
5,001	10,000	958	46.15	5904860	2.80
10,001	20,000	96	4.62	1383240	0.66
20,001	30,000	46	2.22	1322780	0.63
30,001	40,000	4	0.19	134140	0.06
40,001	50,000	7	0.34	317790	0.15
50,001	1,00,000	14	0.67	963130	0.46
1,00,001	nd above	127	6.12	199571210	94.76
Total		**2076**	**100.00**	**210600000**	**100.00**

o. Shareholding pattern as on 31.03.2015

Category	No of Shares held	% of Shareholding
a. Promoters and persons		
who may be deemed to be		
acting in concert including		
promoter/directors group		
Companies	7585000	36.02
b. Foreign Institutional Investors	207000	0.98
c. Other bodies corporate	8126245	38.59
d. Indian public	4289534	20.37
e. HUF	447710	2.13
f. NRI	379144	1.80
G. Clearing Member	25367	0.12
TOTAL	**21060000**	**100**

p. Top 10 Shareholders as on 31st March, 2015 (Other than Promoters)

Sr. No	Name of Shareholders	Shareholding	%
1	Gajgamini Stockist Private Limited	1005234	4.77
2	Keval Share Broking Pvt Ltd	731599	3.47
3	Corporate Stock Broking Pvt Ltd	450000	2.14
4	Amritlal Haridas Shah	372608	1.77
5	Vikram Shares And Stock Broking Pri	339000	1.61
6	Synergy Cosmetics Exim Limited	315450	1.50
7	Dhanlaxmi Lease Finance Ltd	315000	1.50
8	Corporate Share Registery Pvt Ltd	300000	1.42
9	Corporate Commodity Brokers Pvt Ltd	300000	1.42
10	Naysaa Securities Limited	228052	1.08
11	Sapnasuraha Commercial Pvt Ltd	210000	1.00
	Total	**4566943**	**21.69**

Dematerialization of shares: As on 31-03-2015 Demated shares accounted for 72.55% (15279147 Equity Shares) of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

Address for communication:

1. M/s. Purva Sharegistry (India) Pvt. Ltd.
   No-9, Shiv Shakti Industrial Estate,
   Ground Floor, J. R. Boricha Marg,
   Opp. Kasturba Hospital, Lower Parel,
   Mumbai - 400 011
   Tele No. : 022-2301 6761 / 2301 8261 Fax No. : 022-2301 2517
   E-mail :busicomp@vsnl.com

2. Lypsa Gems & Jewellery Ltd
   2nd Floor, Diamond Park Building,
   Opp. Ambika Nagar Society,
   Dargah Road, Navsari - 396445
   Email Id: info@lypsa.in
   Website: www.lypsa.in

Declaration of compliance with the code of conduct

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Manish Janani, Managing Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 2015.

For Lypsa Gems & Jewellery Ltd

Date: 28/08/2015
Place: Navsari

SD/-	SD/-	SD/-
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	**Chairman**	**Director**
(DIN: 02579381)	(DIN: 2579405)	(DIN: 02579469)

LYPSA
www.lypsa.in

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,
Lypsa Gems & Jewellery Limited

We have examined the compliance of conditions of Corporate Governance by Lypsa Gems & Jewellery Limited for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and belief and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s. Doshi Maru & Associates
Chartered Accountants
FRN. No. 112187W

Date: 29TH May 2015
Place: Mumbai

S/d
Atul B. Doshi
(Partner)
M. No. 102585

CERTIFICATE ON FINANCIAL STATEMENTS

To,
The Members,
Lypsa Gems & Jewellery Limited

We, have hereby certify that:

1. We have reviewed the financial statements and the cash flow statements of Lypsa Gems & Jewellery Limited for the financial year 2014-15 and to the best of our knowledge and belief, we state that:

a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b. These statements together present a true and fair view of the Company's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit Committee:

a. Significant changes in internal control over financing reporting during the year;

b. Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and

c. That there were no Instances of significant fraud that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

By Order of the Board
For Lypsa Gems & Jewellery Limited
Sd/-
Manish Jaysukhlal Janani
CEO & Managing Director
DIN: 02579381

Place: Navsari.
Date: 28/08/2015

ANNUAL CERTIFICATE UNDER CLAUSE 49(I) (D) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

I, Manish Jaysukhlal Janani, CEO & Managing Director of the Lypsa Gems & Jewellery Limited declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2015.

By Order of the Board
For Lypsa Gems & Jewellery Limited
Sd/-
Manish Jaysukhlal Janani
CEO & Managing Director
DIN: 02579381

Place: Navsari.
Date: 28/08/2015

MANAGEMENT DISCUSSION AND ANALYSIS

Overview:
The purpose of this discussion is to provide an understanding of LYPSA GEMS & JEWELLERY LTD's financial results and business performance by focusing on changes in certain key measures from year to year. This Report includes discussion on the following matters within the limits set by the Company's competitive position:

Diamonds, which for centuries have symbolized love and eternity, are found in some of the world's oldest pieces of jewelry. De Beers drew on that ancient symbolic legacy to make diamond engagement rings a token of romance and lifelong commitment—captured in the memorable catchphrase "a diamond is forever"—and in the process created the modern diamond industry.

Indian Overview:
Driven by an array of cultural, social and demographic aspects, the jewellery industry is one of the fastest growing industries in India. It propels India's foreign exchange earnings forming about 14% of total exports.). The industry provides employment to around 3.40 million workers. The market size is estimated to grow at a CAGR of 12-15% to reach Rs 3,000 billion by 2015-16.

Escalating inflation, Reserve Bank of India's (RBI) stern outlook on interest rates and high fiscal deficit played spoilsport. Government has taken several reforms to tackle the deteriorating scenario. Such initiatives include Foreign Direct Investment (FDI) in retail sector, sugar decontrol, petrol and diesel price hikes and others. RBI has also changed its policy with repo rate being reduced thrice and cash reserve ratio once till June, 2013. These measures are likely to revive the economy from the dark shadows of economic slowdown.

Industrial Structure and Development:
The consumption of gold and jewellery products grew 10-15% per annum over the years; the Indian market is estimated at US$ 30 billion. India boasts of a very competitive gems and jewellery market because of its low production cost, skilled artisans, government incentives and establishment of special economic zones (SEZs). India and China are expected to account for 30% of the global diamond market by 2015. India's gems and jewellery sector is expected to grow at a CAGR of around 16.26 % between 2011- 12 and 2016-17 on account of increasing government efforts and incentives coupled with private sector initiatives (Source: Ministry of Commerce & Industry). The shipment of gems and jewellery makes up about 14% of India's total exports, and the sector employs about 3.4 million workers, with the Middle East taking most of the market (Source: Indian Brand Equity Foundation-IBEF).

The Global Economy and the Diamond Industry
The financial year 2014-15 saw various challenges emanating from the Eurozone crisis, the US fiscal cliff and slowdown in the emerging economies. The economic activities remained subdued with diverging growth trajectories across different economies. However, there have been signs of revival with the economic indicators gaining traction in the US. Emerging economies are also showing resilience. Amid adversities, China witnessed GDP growth of around 7.50% for two consecutive quarters of 2014 while growth slowed down in the last two quarters. India remains strong to counter the global economic upheaval. With the commitment of the governments of various countries to long-term growth, things are likely to improve going ahead.The global economy has not had a bumper year. The extent to which growth in emerging markets can compensate for weaknesses in mature ones has diminished with each crisis. The Euro-zone catastrophe has spread across European borders, along with resulting concerns about its global impact

Outlook
The global economic environment in 20 remained uncertain with an average growth of between 2% to 3%. There are signs of improving consumer confidence and of major policy changes in some of the

developed markets which may provide the required momentum to spurt global growth and kick start the path of recovery. However, the situation in the emerging markets is more upbeat with strong consumer spending and investment sentiment driving economy between 5% to 8% in the current year. The US economy is definitely showing signs of steady recovery.

We expect the American Economy to remain stable and thereby generate steady demand of diamond-studded jewellery. Even though the Chinese Economy is showing signs of weakness, we expect demand to pick up in the latter half of the year. Indian jewellery demand is expected to increase owing to falling gold prices and the diamond industry is expected to benefit from increased sales

Company's Goal

Lypsa intends to become a fully integrated and profitable diamond company in the next few years. We intend to go down the value chain and become closer to the customer through retail diamond and jewelry sales and thereby increase profit margins. We intend to build a well-managed corporate organization with standard processes and controls, competent management and reduced dependency on the promoters to generate revenue – features that are quite unique to Indian diamond companies.

Business Model

Lypsa aims to increase efficiency of its manufacturing facilities and workforce through constant training programs and regular machinery updates. Lypsa will extend its product portfolio to include bigger sizes and more myriad qualities of cut and polished diamonds.

Marketing alliances are key to revenue growth. Lypsa strives to forge strategic alliancesto distribute its cut and polished diamonds globally. This year Lypsa will rollout a comprehensive services package to its global jewellery clients in order to increase the value-add and margins from the cut and polished diamonds business. These services will include Just In Time Manufacturing, Bespoke Cuts, Bagging and Fluting, Calibrated Sizing and Tailored Assortments. Lypsa envisions transforming into a one-stop diamonds services provider for our clients.

In addition to this, Lypsa has launched two jewellery brands: Oropel and Lypsa Atelier.

Oropel caters to young brides wanting custom and high-end wedding jewellery. Lypsa plans to open a Jewellery Salon in South Mumbai in Q4FY16. Lypsa Atelier retails contemporary jewellery for the discerning mid-income group women through all major E-Commerce platforms. Lypsa will strive to keep increasing sales and brad recognition of both Oropel and Lypsa Atelier.

Lypsa's position in the Diamond Value Chain

The core activity of Lypsa is cutting and polishing of rough diamonds to convert them into finished stones that can be sold to traders and jewelers. Apart from this, Lypsa also sells rough diamonds in the open market that it procures from its sources if it feels that the profit on rough diamond sale is going to be larger than when post-processing. Thus, Lypsa is present in the stages from Rough Diamond Sales to Polished Diamond Sales. As stated above, these activities enjoy relatively lower profit margins than retailing and production. Acknowledging this, Lypsa has decided to expand into the retail segment through a foray into jewellery which will allow high profit margins.

SWOT ANALYSIS

Strengths

- Promoters enjoy more than 20 years of experience in the industry.
- Low cost of manufacturing owing to a frugal approach towards infrastructure building.
- Possibility to scale production without large Capex.
- Good combination of technical as well as advisory personnel in the management.
- Good network at the grassroots level as well as with top companies.
- Increasing diversity in consumer base.

Weaknesses

- Organizational development processes at relatively initial phase.
- Relatively large reliance on promoters for overall management.
- Lack of first hand supply of rough diamonds from the producers.

Opportunities

- Further strengthen manufacturing base with latest manufacturing and product development technologies.
- Entry into higher value-add jewellery industry.
- Increasing product portfolio to include bigger stones and fancy cuts.
- Develop patented cuts of diamonds through R&D and market the unique product to allow greater margins.

Threats

- Volatility of rough diamond prices.
- Volatility in gold prices impacting jewellery demand and hence diamond demand.
- Advent of man-made diamonds in the market.

Risk and Concerns

Lypsa Gems &Jewellery Limited is exposed to various risks that are particular to its businesses and environment within which it operates including loss of key managerial personnel, increase in input costs, political instability, changes in economies or government policies, geographic concentration risk, raw material risk, seasonality risk and government regulations. The completion factor also affects the performance of the Company. The Company's current and fixed assets as well as products are adequately insured against various risks. The Company's risk management and control procedures involve prioritization and continuing assessment of these risks and devise appropriate controls, evaluating and reviewing the control mechanism. Through this approach, the Company strives to identify opportunities that enhance organizational values while managing or mitigating risks that can impact its future performance.

Internal Control System and their Adequacy

Your Company has in place adequate systems and processes to safeguard and protect its data and knowledge resources. The systems are updated and monitored on a continuous basis so as to ensure complete alignment with evolving technological requirements. The Company has a well-documented data security policy with pre-defined levels of access authorizations. To ensure safety and security of its strategic locations, the Company employs a comprehensive system of electronic surveillance and physical controls. The products manufactured and dealt in by the Company, as well as major production inputs are high value in nature. To ensure physical security of such products, the Company has multi-tier security and tracking mechanisms. Regular internal audit is conducted to ensure that all systems and procedures are in place and are followed regularly. Your Company maintains adequate insurance against unforeseeable risks, given the nature of its products.

Material Developments in Human Resources/Industrial Relations front including number of people employed

Human Resources are most valuable assets of the Company. The Company's Human Resource Policy primarily aims at talent management and leadership development, safety and health of its employees. The Company has well-experienced, creative, talented and motivated staff to cater to the business demands in terms of better designs, quality and precision in manufacture with minimum possible loss and consistency to meet international standards. The Company provides an environment, which encourages initiatives, innovative thinking and reward performance. The Company also focuses on development of employees at all levels and supports them with safe, pollution free and favorable working conditions. As a result, the employees of the Company have played a crucial role in contributing to the growth of the Company.

Cautionary Statement

Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual Results could differ materially from those expressed or implied due to variations in prices of raw materials, seasonal demand and pricing in the Company's principle markets, changes in Government regulations, tax regimes, economic developments and other incidental factors.

Future Plans

Research has been commissioned to plan the entry of Lypsa in the jewellery space. The growing demand of branded jewellery, higher profit margins than loose diamonds and the broad customer base make the jewellery industry a very attractive forward integration option. At the end of the year, we expect the launch of the jewelry venture.

Increasing production capacity has been proposed through expansion of the current facility and setting up of a new factory in Gujarat. A program has been initiated to cut down manufacturing costs without compromising on quality.

Setting up of an R&D unit is also on the cards to develop unique diamond cuts. These cuts will be proprietary to Lypsa and will be marketed to retailers.

For Lypsa Gems &Jewellery Ltd

Date: 28/08/2015
Place: Navsari

SD/-	**SD/-**	**SD/-**
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	**Chairman**	**Director**
(DIN: 02579381)	(DIN: 2579405)	(DIN: 02579469)

Doshi Maru & Associates

Chartered Accountants

9, Shreepal Building,
S N Road, Tambe Nagar,
Mulund– (West),
Mumbai – 400 080.
Tel: (O)23472578
(R) 25654859

AUDITORS' REPORT

TO THE MEMBERS OF LYPSA GEMS & JEWELLERY LIMITED

1. Report on the financial statements

We have audited the accompanying financial statements of **LYPSA GEMS & JEWELLERY LIMITED**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss Statement for the year then ended and Cash Flow statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

2. Management responsibility for the financial statement

The Company's Board of Directors is responsible for matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements performance and cash flows of the company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We conducted our audit in accordance with the standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes from 1- 24, annexed thereon gives the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

a) In case of the Balance Sheet, of the state of the Company's affairs as at 31st March 2015

b) In case of the Statement of Profit & Loss Account, of the Profit for the year ended on that date.

c) In the case of Cash flow statement, of the cash flows for the year ended on that date.

5. Report on other legal and regulatory requirements

As required by the Companies (Auditors' Report) Order, 2004, issued by the Central Government in terms of sub section (4) of Section 143 of the Companies Act, 2013, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order

6. Further to our comments in the above para on the basis of our audit, we report that:

a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, the company has kept proper books of accounts as required by law so far as appears from our examination of the books of account;

c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with this report are in agreement with the books of Accounts;

d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are prepared in compliance with the accounting standards specified under Sec 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules, 2014;

e. On the basis of written representation received from the directors, and taken on record by the Board of Directors, none of the director is disqualified as on **31st March, 2015** from being appointed as director of Sec 164 (2) of the Act;

f. The Company has adequate and operating effective internal financial control system in place.

For M/s. Doshi Maru & Associates
Chartered Accountants
FRN: 112187W

S/d
(Atul B. Doshi)
Partner
M.No: 102585
Place: Mumbai
Dated: 29th May, 2015

LYPSA GEMS & JEWELLERY LIMITED

ANNEXURE TO THE AUDITORS REPORT

The Annexure referred to in our report to the members of **LYPSA GEMS & JEWELLERY LIMITED** for the year Ended on March 31st, 2015. We report that:

S. No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The company has maintained fixed assets register showing full particulars, including quantitative details and situation of fixed assets.
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	The fixed assets has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	The management has physically verified inventory of stock of material and frequency of verification is reasonable.
	(b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	In our opinion, the procedure for physical verification of stocks as followed by the management is reasonable and adequate in relation to size of the company and nature of its business.
	(c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	The company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of accounts.
(iii)	(iii) whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
	(a) whether receipt of the principal amount and interest are also regular; and	As the company has not granted loans, this clause is Not Applicable.

	(b) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	As the company has not granted loans, this clause is Not Applicable.
(iv)	Is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system.	According to the information given to us and in our opinion there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase and sale of goods and services and fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
(v)	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	In our opinion and according to the information and explanations given to us, we are of the opinion that company has not accepted any deposits during the year in contravention to provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	According to the information given to us, the maintenance of cost records to the company has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act. In our opinion, the accounts and records have been made and maintained accordingly. The company has carried out Cost Audit for the F Y 2013-14.
(vii)	(a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	As informed to us, there are no undisputed amounts payable in respect statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess

		and any other statutory dues with the appropriate authorities except unclaimed dividend for F Y 2009-10 of Rs. 7.50 Lacs, for F Y 2010-11 of Rs. 8.27 Lacs, for F Y 2011-12 of Rs. 5.62 Lacs, for F Y 2012-13 of Rs. 5.83 Lacs and for F Y 2013-14 of Rs. 15.50 Lacs as at the last date of financial year, that were outstanding for a period of more than six months from the date they became payable.
	(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	As there are no outstanding undisputed statutory dues, this clause is not applicable.
	(c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	As per the information provided to us, the company is not required to transfer any amount to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	As on March 31st, 2015, the company does not have accumulated losses. The company has not incurred cash losses during the financial year covered by our audit as well as during the immediately preceding financial year.
(ix)	whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or Bank.
(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	As informed to us, the company has not given any guarantee for loans taken by others from bank of financial institutions.

(xi)	whether term loans were applied for the purpose for which the loans were obtained;	According to the information and explanations given to us and on overall examination of the Balance sheet of the company, we report that term loans were applied for the purpose for which the loans were obtained.
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year under audit.

For M/s. Doshi Maru & Associates
Chartered Accountants
FRN: 112187W

S/d
(Atul B. Doshi)
Partner
M.No. 102585

Place :- Mumbai
Date : - 29th May, 2015

LYPSA GEMS & JEWELLERY LIMITED
BALANCE SHEET AS ON 31st MARCH 2015

(Rs in Lacs)

	Particulars	Note No.	AS AT 31st MARCH 2015		AS AT 31st MARCH 2014	
	1	2			3	4
I.	**EQUITY AND LIABILITIES**					
1	**Shareholders' funds**					
	(a) Share capital	1	2,106.00		1,404.00	
	(b) Reserves and surplus	2	907.68		1,350.30	
	(c) Money received against share warrants		-		-	
				3,013.68		2,754.30
2	**Share application money pending allotment**					
3	**Non-current liabilities**					
	(a) Long-term borrowings					
	(b) Deferred tax liabilities (Net)	3		32.80		19.01
	(c) Other Long term liabilities					
	(d) Long-term provisions					
4	**Current liabilities**					
	(a) Short-term borrowings	4		3,807.67		2,112.81
	(b) Trade payables	5		9,053.17		9,775.38
	(c) Other current liabilities	6		114.59		161.47
	(d) Short-term provisions	7		149.38		128.32
	TOTAL			**16,171.30**		**14,951.29**
II.	**ASSETS**					
	Non-current assets					
1	(a) Fixed assets					
	(i) Tangible assets	8	486.05		338.79	
	(ii) Intangible assets	8	-		-	
	(iii) Capital work-in-progress	8	-		-	
	(iv) Intangible assets under development	8	-	486.05	-	338.79
	(b) Non-current investments	9		17.36		19.30
	(c) Deferred tax assets (net)			-		-
	(d) Long-term loans and advances	10		96.51		91.89
	(e) Other non-current assets					
2	**Current assets**					
	(a) Current investments	11		10.79		104.66
	(b) Inventories	12		2,617.25		3,340.26
	(c) Trade receivables	13		12,086.45		8,741.05
	(d) Cash and cash equivalents	14		648.05		1,718.18
	(e) Short-term loans and advances	15		205.84		597.17
	(f) Other current assets	16		3.00		-
	TOTAL			**16,171.30**		**14,951.29**

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS `25'
THE SCHEDULES REFERED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT
AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d **S/d**
MANISH J JANANI **JEEYAN PATWA**
MANAGING DIRECTOR DIRECTOR

ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 29/05/2015

DATE: 29/05/2015

LYPSA GEMS & JEWELLERY LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

(Rs in Lacs)

	Particulars	Refer Note No.	FOR THE YEAR ENDED 31st MARCH 2015		FOR THE YEAR ENDED 31st MARCH 2014	
I.	Revenue From Operations	17		43,684.16		41,235.14
II.	Other income	18		(349.96)		(33.75)
III.	**Total Revenue (I + II)**			43,334.20		41,201.39
IV.	Expenses:					
	Cost of materials consumed	19		35,397.08		34,228.94
	Purchases of Stock-in-Trade			2,727.00		3,763.85
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20		(351.51)		(1,124.30)
	Employee benefits expense	21		453.37		387.94
	Finance costs	22		427.76		263.21
	Depreciation and amortization expense	23		36.12		21.84
	Other expenses	24		4,111.40		3,188.38
	Total expenses			42,801.22		40,729.86
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			532.98		471.52
VI.	Exceptional items					
VII.	**Profit before extraordinary items and tax (V - VI)**			532.98		471.52
VIII.	Extraordinary Items					
IX.	**Profit before tax (VII- VIII)**			532.98		471.52
X	Tax expense:					
	(1) Current tax			165.27		144.95
	(2) Deferred tax			13.79		11.81
XI	**Profit (Loss) for the period from continuing operations (VII-VIII)**			353.92		314.76
XII	Profit/(loss) from discontinuing operations					
XIII	Tax expense of discontinuing operations					
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**			-		-
XV	**Profit (Loss) for the period (XI + XIV)**			353.92		314.76
XVI	Earnings per equity share:					
	(1) Basic / Diluted			1.68		2.24
	(2) Adjusted EPS			-		1.49

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS `25'
THE SCHEDULES REFERED TO ABOVE FORM AN ENTIGRAL PART OF THE PROFIT & LOSS ACCOUNT
AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d
MANISH J JANANI
MANAGING DIRECTOR

S/d
JEEYAN PATWA
DIRECTOR

ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 29/05/2015

DATE: 29/05/2015

NOTE No. 1 : SHARE CAPITAL

1 SHARE CAPITAL **(Rs in Lacs)**

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
AUTHORISED SHARE CAPITAL		
2,50,00,000 (2,00,00,000) Equity Share of Rs. 10/- Each	2,500.00	2,000.00
Issued, Subscribed & Paidup		
2,10,60,000 (1,40,40,000) Equity Share of Rs. 10/- Each Fully paidup.	2,106.00	1,404.00

NOTE No. 2 : RESERVES & SURPLUS

2 RESERVES & SURPLUS

	AS AT 31st MARCH 2015		AS AT 31st MARCH 2014	
Securities Premium Reserve				
As per Last Balance Sheet	598.00		598.00	
Add: On Issue of Shares	-		-	
Less: On Issue of Bonus Shares	(598.00)	**-**	-	**598.00**
Profit & Loss Account				
As per Last Balance Sheet	752.30		547.95	
Add: Profit for the year	353.92		314.76	
	1,106.22		**862.71**	
Less: Appropriations				
On Issue of Bonus Shares	104.00		-	
Short Provision for I.Tax F.Y. 2013-14	0.19		(5.98)	
Prov. for Depreciation on FA (Sch II of Co. Act, 2013)	396		-	
Provision for Reduction in Value of Investments	1.94		34.26	
Proposed Dividend	73.71		70.20	
Tax on Dividend	14.74	**907.68**	11.93	**752.30**
Total		**907.68**		**1,350.30**

NOTE No. 3 : DEFFERED TAX LIABILITY (NET)

3 DEFFERED TAX LIABILITY (NET)		(Rs in Lacs)
	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Deffered Tax Liability		
Related to Fixed Assets	32.80	19.01
TOTAL	32.80	19.01

NOTE No. 4 : SHORT TERM BORROWINGS

4 SHORT TERM BORROWINGS				
	AS AT 31st MARCH 2015		AS AT 31st MARCH 2014	
Secured				
Working Capital Loans				
From Banks				
Foreign Currency Loans - PSCFC/PCFC	-		-	
Rupee Loans - PSC	3,748.78	3,748.78	1,485.93	1,485.93
Secured				
From Banks - Others				
Rupee Loan - Car Loan	58.88	58.88	30.55	30.55
Unsecured				
(I)Loans & Advances				
From Directors		**-**		**596.33**
From Others				
(II) From Banks		**-**		**-**
TOTAL		**3,807.67**		**2,112.81**

NOTE No. 5 : TRADE PAYABLES

5 TRADE PAYABLES		
	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Micro, Small & Medium Enterprises		
Others	9,053.17	9,775.38
TOTAL	**9,053.17**	**9,775.38**

5.1 The details of amounts outstadning to Micro, Small and Medium Enterprises based on available information with the Company is as under.

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Principle Amount Due and Remains unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest Accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years.	-	-
TOTAL	**-**	**-**

NOTE No. 6 : OTHER CURRENT LIABILITIES

6 OTHER CURRENT LIABILITIES		(Rs in Lacs)
	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Interest Payable	2.75	1.61
Advances against Order	-	-
Recv/Payable For Forward Contract (Import)	-	-
Deffered Premium (Export)	64.12	128.13
Unclaimed Dividend (F.Y. 09-10)	7.50	7.50
Unclaimed Dividend (F. Y. 10-11)	8.27	8.27
Unclaimed Dividend (F. Y. 11-12)	5.62	5.62
Unclaimed Dividend (F. Y. 12-13)	4.34	5.83
Unclaimed Dividend (F. Y. 13-14)	15.50	-
Other Payables	6.50	4.51
TOTAL	**114.59**	**161.47**

NOTE No. 7 : SHORT TERM PROVISIONS

7 SHORT TERM PROVISIONS		
	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Proposed Dividend	73.71	70.20
Tax on Dividend	14.74	11.93
Other Provisions	60.93	46.19
TOTAL	**149.38**	**128.32**

NOTE No. 8 : FIXED ASSETS

8 FIXED ASSETS

COMBINE

LYPSA GEMS & JEWELLERY LIMITED.

FIXED ASSETS SCHEDULE AS ON 31st March 2015

(Rs in Lacs)

SR. NO.	DESCRIPTION	Usefull Life in Years	GROSS BLOCK					DEPRECIATION				NET BLOCK	
			AS ON 01/04/2014	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31/03/2015	Residual Value (5% of Original Cost)	AS ON 01/04/2014	ADJUSTMENT FOR THE YEAR	DEPRECIATION FOR THE YEAR	UPTO 31/03/2015	AS ON 31/03/2015	AS ON 31/03/2014
	TANGIBLE ASSETS : OWN ASSETS:												
1	Electcric Installation	10 Years	7.52	3.35	-	10.86	0.54	1.08	-	0.76	1.84	9.03	6.44
2	Furniture & Fixture (General)	10 Years	43.65	4.16	-	47.82	2.39	18.01	-	2.56	20.57	27.25	25.64
3	Motor Cars other than used in Business of Running them on Hire	8 Years	68.48	46.04	-	114.52	5.73	17.96	-	9.66	27.62	86.91	50.52
4	Office Equipments	5 Years	13.00	4.27	-	17.28	0.86	0.81	-	3.44	4.25	13.03	12.19
5	Computers (Desktops & Laptops, End users)	3 years	11.30	1.49	-	12.79	0.64	2.10	-	3.54	5.64	7.15	9.20
6	Plant & Machinaries (Other than Continuous Proceess Plant)	15 Years	166.59	123.33	-	289.92	14.50	7.92	-	13.48	21.40	268.52	158.67
7	Factory Building (Orchid Complex 202 & 302)	30 Years	61.31	-	-	61.31	3.07	1.89	-	1.94	3.83	57.48	59.42
8	Factory Land	-	16.70	-	-	16.70	-	-	-	-	-	16.70	16.70
	SUB-TOTAL RUPEES		388.56	182.64	-	571.20	27.73	49.77	-	35.37	85.15	486.05	338.79
	LEASE ASSETS :		-	-	-	-		-	-	-	-	-	-
	TOTAL - A		388.56	182.64	-	571.20	27.73	49.77	-	35.37	85.15	486.05	338.79
	INTANGIBLE ASSETS :		-	-	-	-		-	-	-	-	-	-
	TOTAL - B		-	-	-	-	-	-	-	-	-	-	-
	TOTAL A + B		388.56	182.64	-	571.20	27.73	49.77	-	35.37	85.15	486.05	338.79
	PREVIOUS YEAR												
	CAPITAL WORK IN PROGRESS											-	-
	INTANGIBLE ASSETS UNDER DEVELOPMENT											-	-

NOTE No. 9 : NON CURRENT INVESTMENTS

9 NON CURRENT INVESTMENTS					(Rs in Lacs)
			AS AT 31st MARCH 2015		AS AT 31st MARCH 2014
TRADE INVESTMENTS			-		-
TOTAL OF TRADE INVESTMENTS (A)					
OTHER INVESTMENTS					
In Equity Shares of Comapanies - Quoted, Fully paidup					
	Purchase cost		**AS AT 31st MARCH 2015**		**AS AT 31st MARCH 2014**
5,90,300 (5,90,300) Shares of Kingfisher Airlines	9912	9.74		13.10	
		-	9.74	-	13.10
In Mutual Funds of Comapanies - Quoted, Fully paidup					
21280.054 (21280.054) Units of Reliance Diversified Power Sector Fund	10.00		6.83		5.35
Investments in Commodities					
Goldcoins			0.80		0.84
TOTAL OF OTHER INVESTMENTS (B)			**17.36**		**19.30**
TOTAL NON - CURRENT INVESTMENTS (A+B)			**17.36**		**19.30**

9.1 The valuation of shares and Mutual Funds is after considering the diminition in value of investments

NOTE No. 10 : LONG TERM LOANS & ADVANCES

10 LONG TERM LOANS & ADVANCES		
	AS AT 31st MARCH 2015	**AS AT 31st MARCH 2014**
Advance Income Tax & TDS (Net of Provisions)	22.63	19.58
Vat Refundable	9.63	9.63
Deposites	62.25	60.44
Loans & Advances	2.00	2.24
Capital Advances	-	-
TOTAL	**96.51**	**91.89**

NOTE No. 11 : CURRENT INVESTMENTS

11 CURRENT INVESTMENTS		
	AS AT 31st MARCH 2015	**AS AT 31st MARCH 2014**
Fixed Capital with Partnership Firm M/s. LYPSA GEMS	0.45	0.45
Current Capital with Partnership Firm M/s. LYPSA GEMS	2.85	96.72
Investment with 100% Subsidiary LYPSA GEMS & JEWELLERY DMCC	7.49	7.49
	-	-
TOTAL	**10.79**	**104.66**

NOTE No. 12 : INVENTORIES

12 INVENTORIES		
	AS AT 31st MARCH 2015	**AS AT 31st MARCH 2014**
Raw Materials	960.81	2,035.33
Stock In Process	-	-
Finished Goods	1,656.44	1,304.93
TOTAL	**2,617.25**	**3,340.26**

NOTE No. 13 : TRADE RECEIVABLES

13 TRADE RECEIVABLES		(Rs in Lacs)
(Unsecured & considered Good)	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
More than Six Months	143.73	14.42
Others	11,942.72	8,726.63
TOTAL	**12,086.45**	**8,741.05**

NOTE No. 14 : CASH & CASH EQUIVALENTS

14 CASH & CASH EQUIVALENTS		
	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Balance with Banks	56.90	859.27
Cash In Hand	15.04	0.31
Fixed Deposites with Banks (Maturity of Less than 12 Months)	576.12	858.60
TOTAL	**648.05**	**1,718.18**

NOTE No. 15 : SHORT TERM LOANS & ADVANCES

15 SHORT TERM LOANS & ADVANCES		
	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Prepaid Expenses	56.87	25.15
Deffered Premium	-	-
Receivables on Forward Contracts/Interest Subvention	148.97	572.02
TOTAL	**205.84**	**597.17**

NOTE No. 16 : OTHER CURRENT ASSETS

16 OTHER CURRENT ASSETS		
	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Deffered Revenue Expenditures	3.00	-
TOTAL	**3.00**	**-**

NOTE No. 17 : REVENUE FROM OPERATION

17 REVENUE FROM OPERATION		(Rs in Lacs)
	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Sales of Products	43,689.65	41,242.58
Income From Services	-	-
Share of Profit From Partnership Firm (M/s LYPSA GEMS)	(5.49)	(7.43)
TOTAL	**43,684.16**	**41,235.14**

17.1 PARTICULARS OF SALES OF PRODUCTS

PARTICULARS	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Rough & Cut and Polished Diamonds	43,689.65	41,242.58
TOTAL	**43,689.65**	**41,242.58**

NOTE No. 18 : OTHER INCOME

18 OTHER INCOME		
	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
INTEREST		
From Current Investments	54.72	72.06
DIVIDEND		
From Long Term Investment	-	-
Net Gain on Sale of Investments		
From Current Investments	-	-
OTHER NON-OPERATING INCOME	(404.68)	(105.82)
TOTAL	**(349.96)**	**(33.75)**

NOTE No. 19 : COST OF MATERIALS CONSUMED

19 COST OF MATERIALS CONSUMED

	AS AT 31st MARCH 2015		AS AT 31st MARCH 2014	
	RUPEES	% OF CONSUMPTION	RUPEES	% OF CONSUMPTION
IMPORTED	32,872.70	93.00	31,149.56	91.00
LOCAL	2,524.38	7.00	3,079.38	9.00
TOTAL	**35,397.08**	**100.00**	**34,228.94**	**100.00**

19.1 PARTICULARS OF MATERIAL CONSUMED				
Rough Diamonds	35,397.08	100.00	34,228.94	100.00

NOTE No. 20 : CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS & STOCK IN TRADE.

20

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Inventories (At Close)		
Finished Goods	(1,656.44)	(1,304.93)
Inventories (At Commencement)		
Finished Goods	1,304.93	180.63
TOTAL	**(351.51)**	**(1,124.30)**

NOTE No. 21 : EMPLOYEES BENEFIT EXPENSES

21 EMPLOYEES BENEFIT EXPENSES **(Rs in Lacs)**

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Salary	399.37	333.94
Directors Remuneration	54.00	54.00
TOTAL	**453.37**	**387.94**

NOTE No. 22 : FINANCE COST

22 FINANCE COST

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Interest Expenses	427.76	263.21
Forward Premium	-	-
TOTAL	**427.76**	**263.21**

NOTE No. 23 : DEPRICIATION & AMORTIZATION EXPENSES

23 DEPRICIATION & AMORTIZATION EXPENSES

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Depriciation & Amortization	36.12	21.84
TOTAL	**36.12**	**21.84**

NOTE No. 24 : OTHER EXPENSES

24 OTHER EXPENSES

		AS AT 31st MARCH 2015		AS AT 31st MARCH 2014
Manufacturing Expenses				
Clearing & Forwarding Expenses	13.74		13.41	
Labour Charges	3,662.01		2,789.69	
Re-Assortment Charges	7.49		10.91	
Consumables/Diamond Tools	33.21		27.33	
Repaires & Maintaiance (MFG)	9.56	**3,726.00**	4.65	**2,845.99**
Selling & Distribution Expenses				
Clearing & Forwarding Expenses	30.81		18.76	
Business Pramotion	0.96		-	
Commission/Brokrage & Marketing Research Fees	87.13	**118.89**	71.43	**90.19**
Establishment Expenses				
Professional Fees	32.95		26.31	
General Expenses	36.30		39.17	
Rent	132.53		122.55	
Insurance	13.28		19.46	
Penalities	0.02		0.20	
Travelling Expenses	22.46		18.90	
Payment to Auditors	0.67		0.67	
Charity & Donation	4.52		6.71	
Electricity Charges	23.79	**266.51**	18.23	**252.20**
TOTAL	**4,111.40**	**4,111.40**	**3,188.38**	**3,188.38**

LYPSA GEMS & JEWELLERY LIMITED

SCHEDULE '25' OF NOTES ON ACCOUNTS ANNEXED TO & FORMING PART OF BALANCE SHEET AS ON 31/03/2015

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) as a going concern, under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Accounting Standards notified by the Central Government and the provisions of Section 2(2) of the Companies Act, 2013. Accounting policies have been consistently applied from one period to the other except otherwise stated.

b) Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, income taxes and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made.

c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

d) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with the Accounting Standard 15 "Employee Benefits".

e) Taxation

Tax expense comprises current tax (MAT), deferred tax.

Provision for current tax is ascertained on the basis of the taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets relating to timing differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

f) Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may be, but probably will not, require an outflow of resources. These will not charged to the Profit & Loss Account as it is not probable that future events will confirm that an asset has been impaired or a liability has been incurred as at the balance sheet date. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

Notes to accounts:

2. **Fixed Assets:**
   Fixed Assets are carried at cost of acquisition or construction including incidental expenses related to acquisition and installation on concerned assets, less accumulated depreciation and amortization. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction / installation stage.

3. **Depreciation:**
   The company has provided depreciation on Straight Line Value Method over the estimated useful lives of assets at the rates specified in Part C of Schedule II of The Companies Act, 2013. Depreciation is charged on pro-rata basis from the date of capitalization. Individual asset costing Rs. 5000/- or less are fully depreciated in the year of acquisition.

4. **Investments:**
   Long Term and Non current investments are valued at Cost. Other investments are valued at lower of cost or fair market value as on the date of Balance Sheet. The group provides for diminution in value of investments, other than temporary in nature. During the year company has provided for diminution in value of investments of Rs. 1,93,954/- (P.Y Rs.34,25,565/-) and the same is reduced from the value of investments as carried on in Balance Sheet.
   Current Investments includes Fixed capital with partnership firm M/s Lypsa Gems of Rs. 45,000/- (P.Y. Rs. 45,000/-) and Current capital with partnership firm M/s Lypsa Gems of Rs 2,84,963/- (P.Y. 96,71,979/-) and Investment in 100% subsidiary Lypsa Gems & Jewellery DMCC of Rs. 7,48,720/- (USD $ 14000) (P.Y. Rs. 7,48,720/- (USD $ 14000).

5. **Secured Loans:**
The company has availed the secured loans amounting to Rs. 3748.78 Lacs (P.Y Rs. 1485.93 Lacs against pledge of fixed deposits receipts) which includes Foreign Currency Loans and Rupee Loans against hypothecation of stocks and receivables

6. **Cash and Bank Balances:**
Fixed Deposits Receipts:
The company has total fixed deposits of Rs. 576.11 Lacs with Bank of India (P Y Rs. 858.59 Lacs with Bank of India).

Current Assets, Loans & Advances and Current Liabilities:
The Deferred premium on export of Rs. 64.12 Lacs (P.Y. 128.13 Lacs) is reflected in Balance Sheet under other current liabilities.

The company has classified Receivable on forward contract against Exports of Rs 148.97 Lacs (P.Y. Rs. 572.02 Lacs) in Balance Sheet under short term loans & advances.

7. **Revenue Recognition:**
(a) Sales, net of taxes are accounted for when property in the goods are transferred to the customers.
(b) Dividend is recognized, when right to receive the dividend arises.
(c) Items of Income and Expenditure such as Exchange Rate difference, Interest on FDR, Profit on Forward Contract, Forward premium, Interest paid are recognized on accrual basis, unless otherwise stated.
(d) Interest income is recognized on time proportion method.
(e) Amounts received or billed in advance of goods sold are recorded as advances from customers.
(f) Revenue from operations include share of profit from partnership firm M/s Lypsa Gems of Rs. -5.49 Lacs (P Y -7.43 Lacs)
(g) During the year, company has started New manufacturing unit at Chhapi – Gujarat on 12th November, 2014. The commercial production at the new manufacturing unit was also started during the year.

8. **Preliminary Expenses:**
Preliminary Expenses are amortized over a period of five years.

9. **Foreign Currency Transactions:**
Transactions in foreign currency are recognized at the prevailing exchange rates on the transaction dates. Realized gain or losses on settlement of foreign currency transactions are recognized in the Profit and Loss account. Foreign currency denominated monetary assets and liabilities at the year end are translated at the year end exchange rates and recognized in the Profit and Loss account. Non monetary foreign currency items are carried at cost.
The company enters into forward exchange contract and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising on the inception of a forward exchange contract (other than a firm commitment or highly probable forecast) or similar instrument is amortised as expense or income over the life of contract. Exchange

difference on such a contract are recognized in the Profit and Loss account in the year in which the exchange rates change. Any Profit or Loss arising on cancellation of such a contract is recognized as income or expense for the year. The company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

10. **Taxation:**
Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax for timing differences between the income as per financial statement and income as per the Income Tax Act, 1961 is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance sheet date. Deferred tax assets arising from the timing differences are recognized to the extent there is virtual certainity that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11. **Employee Benefits:**
Employee benefits such as Provident fund, ESIC and other benefits are provided by the company.

12. **Lease Accounting:**
Lease Rentals under operating leases are recognized in the Profit and Loss account on Straight Line Method. The company has not taken any equipment on lease.

13. **Treatment of contingent Liability:**
The company recognizes a provision where there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources is remote. As the company does not have any contingent liability, no disclosure as specified in Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets" is made.

14. **Disclosure of Related Parties:**
"Related party Disclosures" as required by Accounting Standard 18 is enumerated below:

Transactions with Group Companies: NIL

Transactions with Key Management Personnel and Related Entities:

NAME	NATURE OF TRANSACTION	CURRENT YEAR	PREVIOUS YEAR
Manish Janani	Interest on Loan	7,31,375.00	65,586.00
Dipan Patwa	Interest on Loan	11,67,149.00	73,20,777.00
Manish Janani	Director Remuneration	24,00,000.00	24,00,000.00
Dipan Patwa	Director Remuneration	24,00,000.00	24,00,000.00
Jeeyan Patwa	Director Remuneration	6,00,000.00	6,00,000.00

Lypsa Diamond	Reimbursement of Expenses	7,14,583.00	9,02,251.00
Lypsa Gems	Transfer of Fixed assets	4,16,710.00	NIL

During the year M/s Lypsa Gems & Jewellery DMCC a 100% foreign subsidiary of M/s Lypsa Gems & Jewellery Ltd has earned a net profit of Rs. 14,35,28,525/-(P Y Rs. 6,30,39,333/-).

Income:

NAME	NATURE OF TRANSACTION	CURRENT YEAR	PREVIOUS YEAR
Lypsa Gems (Partnership Firm)	Share of Profit of Firm	-5,49,299.00	-7,43,418.00

The computation of Net Profit for the purpose of calculation of director's remuneration under Section 198 of the Companies Act 2013 is not enumerated, since no commission has been paid to the Directors.

15. **Segment Reporting:**

In accordance with the requirements of Accounting Standard 17 "Segment Reporting" the Company's Business Segment is "Trading and working in Diamonds". As the company operates in only one segment, Segment Reporting as per Accounting Standard 17 is not applicable.

16. **Inventories:**

Raw materials are valued at cost or net realizable value whichever is lower. Cost is computed using weighted average method. Work in progress is computed by adding cost of purchase, appropriate share of conversion and other overheads incurred in bringing the inventories to its present location and condition. Finished Goods are valued at weighted average cost. During the year, there is no change in the method of valuation of closing stock. Finished goods includes cost of purchase, cost of conversion and other overheads incurred in bringing the inventories to its present location and condition.

17. **Stock and Turnover:**

Information pursuant to the Companies Act, 2013 as applicable to the Company doing manufacturing activity is as:

Quantitative details of materials:

Rough Diamonds	Current Year(Carats)	Previous Year(Carats)
Opening Stock	58102.19	30449.08
Purchases	589375.68	502831.86
Issued for manufacturing	417374.14	418857.45
Loss	2844.17	12896.55
Sales	175142.32	43424.75
Closing Stock	52117.24	58102.19

Polished Diamonds	Current Year(Carats)	Previous Year(Carats)
Opening Stock	5941.09	756.04
Purchases	13364.58	13935.11
Manufacturing	133983.68	136982.93
Loss	0.00	0.00
Sales	144982.00	145732.99
Closing Stock	8307.35	5941.09

Gold	Current Year (Grams)	Previous Year (Grams)
Opening Stock	500.00	300.00
Purchases	0.00	750.59
Sales	0.00	550.59
Closing Stock	500.00	500.00

18. **Deferred Taxation:**

The major components of deferred taxation arising out of timing differences are :

Liabilities	As on 31.03.2015	As on 31.03.2014
Depreciation	-67,57,214.00	-58,58,940.00
Net Deferred Tax Liability	-32,80,151.00	-19,00,933.00

19. **Payment to Auditors:**

	Current Year (Rs.)	Previous Year (Rs.)
For Audit Fees - Statutory	50000	50000

20. **Earnings and Expenditure in Foreign exchange:**

The earnings and expenditure in foreign exchange as incurred by the company is as :

Nature of Transaction	Current Year (US $)	Previous Year (US $)
Export Sales	56284389.38	65480168.89
Import Purchase	56474482.14	60314185.20
CIF value of imports	57759871.98	56133120.00
Foreign Travelling expense	3600.00	9675.00

21. **Share Capital:**

During the year company has not allotted shares to the public. The company has issued 70,20,000 Bonus shares in the ratio of 1 equity share for every 2 equity shares held by capitalization of Rs. 5,98,00,000/- standing to the credit of the Securities premium Account and a sum of Rs. 1,04,00,000/- standing to the credit of Profit & Loss Account (forming part of Reserves & Surplus Account).

22. **Earnings per Share:**

Basic earnings per share is computed by dividing the profit/(loss) after tax (including post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including post tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Since the bonus shares as stated in note no. 21 hereinabove, is an issue without consideration, the issue is treated as if it has occurred prior to the beginning of the year being the earliest period reported, the earnings per share and the adjusted earnings per share for the year ended March 31st, 2014 is as computed as per Accounting Standard 20 is as:

Earnings Per Share	31.03.2015	31.03.2014
Profit before tax (Rs.)	3,53,91,736	3,14,76,390
Average number of shares (Nos)	2,10,60,000	1,40,40,000
Nominal value of shares (Rs.)	10.00	10.00
Basic Earnings Per share (Rs.)	1.68	2.24
Diluted earnings Per share (Rs.)	1.68	2.24
Adjusted Earnings Per share (Rs.)	---	1.49

23. **Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

24. **Partnership Firm operations:**

The accounts of the company reflects its Investments and Income & Expenditure from Partnership firm which are accounted on the basis of the accounts of the firm M/s Lypsa Gems on line-by-line basis with similar items in the company's accounts to the extent of the participating interest of the company as per partnership deed. The partnership firm was dissolved on March 31st, 2015. During the year various fixed assets were transferred by the firm to the company towards the outstanding balance dues from them. The company has also invested USD $ 14000 in its 100% foreign subsidiary company Lypsa Gems & Jewellery DMCC (P.Y. US$ 14000).

25. **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Shares:

Particulars	As at 31st March 2015	As at 31st March 2014
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	1,40,40,000	1,40,40,000
Add : Bonus shares issued by Capitalization of Securities Premium Account	70,20,000	NIL
Add : Shares issued at Premium	NIL	NIL
Equity shares at the end of the year	2,10,60,000	1,40,40,000

Equity Capital:

Particulars	As at 31st March 2015	As at 31st March 2014
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	14,04,00,000	14,04,00,000
Add : Amount for Bonus	7,02,00,000	NIL

shares issued by Capitalisation of Securities Premium Account		
Add : Amount for shares issued at Premium	NIL	NIL
Amount for Equity share capital at the end of the year	21,06,00,000	14,04,00,000

26. Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31st, 2015		As at March 31st, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manish Jaysukhlal Janani	37,86,250	18.03	25,22,500	17.97
Dipen Babubhai Patwa	37,86,250	17.97	25,17,500	17.93

27. **Short term Borrowings:**

Loans and advances from related parties:

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Unsecured Loans from Directors	NIL	596.33

28. **Investments:**

Investment in Partnership Firm:

Name of Firm	As at March 31st, 2015	As at March 31st, 2014
M/s Lypsa Gems		
Fixed Capital	Rs. 45,000/-	Rs. 45,000/-
Current Capital	Rs. 2,84,963/-	Rs. 96,71,979/-

29. **Long Term Loans & Advances:**

Particulars	As at March 31st, 2015	As at March 31st, 2014
Security Deposits – Considered Good	Rs. 58,95,653/-	Rs. 54,88,153/-
Prepaid Expenses		
Insurance Premium	Rs.5,11,678/-	Rs.6,05,994/-
Domain Registration charges	Rs. 11,259/-	Rs. 40,326/-
Membership Fees	Rs. 63,257/-	Rs. 66,682/-
Repairs & Maintenance	Rs. 58,905/-	Rs. 25,181/-
Telephone Charges	Rs. 17,709/-	Rs. 24,316/-
Advance Interest paid on EPC	Rs. 50,24,191/-	Rs. 17,77,126/-

30. **Cash & Cash Equivalents :**

Particulars	As on March 31st, 2015	As on March 31st, 2014
Balance in Current Accounts	Rs. 15,67,561.00	Rs. 8,32,05,258.00
Balance in Unclaimed Dividend A/c	Rs. 41,22,278.00	Rs. 27,21,892.00

31. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of the amounts reasonably necessary.

32. The Balances of Debtors, Creditors, Loans and advances are subject to reconciliation and confirmation.

33. Balance of Unsecured Loans includes interest charged on such loans, wherever applicable.

34. The information required under Section 134 of the Companies Act, 2013 read with Companies Employees Amendment Rules, 2011 is not given as there was no employee in receipt of salary exceeding Rs 5,00,000 per month or Rs 60,00,000 or more per annum.

35. As defined in "The Micro, Small and Medium Enterprises Development Act, 2006", there are no amounts payable to any Micro and Small Scale Enterprises / Undertaking.

36. Previous year figures have been regrouped and rearranged wherever necessary to make them comparable with those of current year.

37. There are certain uncollected dues/receivables in foreign currency which are outstanding for a period of more than six months as on Balance sheet date. The amount of foreign currency receivables outstanding for more than six months is Rs. 1,43,72,660/- (P Y Rs. 14,41,745/-). However Rs. 33,00,353/- is received after the balance sheet date.

38. The company has made an investment of USD $ 14000 in its 100% Foreign subsidiary company M/s Lypsa Gems & Jewellery DMCC (P.Y. US$ 14000) and subsidiary has earned profit of Rs. 14,35,28,525/- for the year 2014-15.
The Net profit earned for the year 2014-15 from partnership firm M/s Lypsa Gems of Rs. -5,49,299/- (P.Y. -7,43,418/-) is debited to share of profit in companies current capital account.

39. The company has outstanding unclaimed dividend of Rs. 7,49,900/- for the year 2009-10, Rs. 8,27,000/- for the year 2010-11, Rs. 5,61,855/- for the year 2011-12, Rs 4,33,587/- for F.Y. 2012-13 and Rs.15,50,060.50 for 2013-14.

Signature to Schedule 1 to 24
As per our report of even date
For M/s. Doshi Maru & Associates
Chartered Accountants
FRN: 112187W

S/d
(Atul B. Doshi)
Partner
M.No.: 102585
Place: Mumbai
Dated: 29th May, 2015

LYPSA GEMS & JEWELLERY LIMITED.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

PURSUANT TO PART -IV OF SCHEDULE VI TO THE COMPANIES ACT, 2013. **(Rs in Lacs)**

I REGISTRATION DETAILS

Resistration No. :	**28270**	State Code :	**04**
Balance Sheet Date :	**31/03/2015**		

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN LACS)

Public Issue :	NIL	Right Issue :	NIL
Bonus Issue :	702.00	Private Placement :	NIL

III POSITION OF MOBILISATION AND EMPLOYMENT OF FUNDS

(AMOUNT IN RUPEES)

TOTAL LIABILITIES :	**16,171.30**	**TOTAL ASSETS**	**16,171.30**

SOURCES OF FUNDS :

Paid up Capital :	**2,106.00**	Reserves & Surplus :	**907.68**
Secured Loans :	**3,807.67**	Unsecured Loans :	**-**
Deferred Tax Liability	**32.80**		

APPLICATION OF FUNDS :

Net Fixed Assets :	**486.05**	Investments	**113.87**
Net Current Assets :	**6,251.22**	Misc. Expenditure	**3.00**
Accumulated Losses :	**-**		

IV PERFORMANCE OF THE COMPANY (AMOUNT IN LACS) :

Turnover/other Income :	**43,334.20**	**Total Expenditure**	**42,801.22**
Profit Before tax :	**532.98**	**Profit After tax :**	**353.92**
Earning Per Share (In Rupees)	**1.68**	**Dividend rate :**	**3.50%**

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Product Description

I) Manufacturing & trading in diamonds

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d **S/d**

ATUL B. DOSHI
PARTNER

MANISH J JANANI
MANAGING DIRECTOR

JEEYAN PATWA
DIRECTOR

FRN : 112187W

PLACE: MUMBAI

DATE: 29/05/2015

DATE: 29/05/2015

LYPSA GEMS & JEWELLERY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

(Rs in Lacs)

	31-Mar-2015		31-Mar-2014	
A Cash flow from operating activities				
Net profit before Tax		532.98		471.52
Adjustments for:				
Depriciation	35.37		19.44	
Preliminary Expenses w/off	0.75		2.41	
Long Term Capital Loss/ (Gain)	-		-	
Interest Received	(54.72)		(72.06)	
Dividend Received	-		-	
		(18.60)		(50.22)
Operating profit before working capital changes		514.38		421.30
Decrease/(Increase) in Current Assets	(2,143.61)		1,120.31	
Increase in Outstanding Liabilities	1,443.82		(610.51)	
Increase / (Decrease) in other liabilities	-		-	
		(699.80)		509.80
Cash generated from operations		(185.42)		931.10
Income Tax Paid		(160.47)		(138.54)
Net cash from operating activities		(345.88)		792.57
B Cash flow from investing activities:				
Interest Received	54.72		72.06	
Dividend Received				
Sale/(Purchase) of Investment	-		-	
Increase in fixed Assets	(182.64)		(183.34)	
Net cash used in investing activities		(127.92)		(111.28)
C Cash flow from financing activities				
Capital raised during the year	-		-	
Increase/(decrease) in Secured Loan Taken	-		-	
Increase/(decrease) in Unsecured Loans	(596.33)		175.53	
Net cash from financing activities		(596.33)		175.53
Net Increase/(Decrease) in cash and cash equivalents		(1,070.13)		856.82
Cash and cash equivalents (opening balance)	1,718.18		861.36	
Cash and cash equivalents (closing balance)	648.05		1,718.18	
		(1,070.13)		**856.82**

As per our report of even date attached
FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d
MANISH J JANANI
MANAGING DIRECTOR

S/d
JEEYAN PATWA
DIRECTOR

ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 29/05/2015

DATE: 29/05/2015

Doshi Maru & Associates

Chartered Accountants

9, Shreepal Building,
S N Road, Tambe Nagar,
Mulund– (West),
Mumbai – 400 080.
Tel: (O) 23472578
(R) 25654859

CONSOLIDATED AUDITORS' REPORT

TO THE MEMBERS OF LYPSA GEMS & JEWELLERY LIMITED

1. Report on the financial statements

We have audited the accompanying financial statements of **LYPSA GEMS & JEWELLERY LIMITED** and it's 100% Subsidiary **LYPSA GEMS & JEWELLERY DMCC** (Entities together termed as the **LYPSA GROUP**), which comprise the consolidated Balance Sheet as at March 31, 2015, consolidated Statement of Profit and Loss Statement for the year then ended and consolidated Cash Flow statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

2. Management responsibility for the financial statement

The Company's Board of Directors is responsible for matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements performance and cash flows of the company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We conducted our audit in accordance with the standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. <u>Opinion</u>

Based on our audit and on consideration of the reports of other auditors on separate financial statements and also other financial information as required and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India;

a) In case of the consolidated Balance Sheet, of the state of affairs of LYPSA GROUP as at 31st March 2015

b) In case of the consolidated Statement of Profit & Loss Account, of the Profit of the LYPSA GROUP for the year ended on that date.

c) In the case of Consolidated Cash flow statement, of the consolidated cash flows of LYPSA GROUP for the year ended on that date.

5. <u>Report on other legal and regulatory requirements</u>

On the basis of audited Financial Statements of subsidiary **LYPSA GEMS & JEWELLERY DMCC** produced before us by the management whose financial statements reflect total assets of Rs 1,20,68,83,261 as on March 31st, 2015 (P Y Rs. 1,02,91,00,811/-) and total revenues Rs. 1,54,97,14,523/- for the year ended on that date (P Y Rs. 1,22,89,33,588/-) and the Net Profit is Rs 14,35,28,525/- for the year ended March 31st, 2015 (P Y Rs. 6,30,39,333/-).These Financial Statements and other financial information have been subjected to audit by other auditors whose reports have been furnished to us. We have placed reliance on the said reports for the purpose of our opinion on the Consolidated Financial Statements.

We report that the consolidated financial statements have been prepared by the management of the Company in accordance with the requirements of Accounting Standards (AS) 21- Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Statements.

For M/s. Doshi Maru & Associates
Chartered Accountants
FRN: 112187W

S/d
(Atul B. Doshi)
Partner
M.No: 102585
Place: Mumbai
Dated: 29th May, 2015

LYPSA GEMS & JEWELLERY LIMITED
CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2015

(Rs in Lacs)

	Particulars	Note No.	AS AT 31st MARCH 2015		AS AT 31st MARCH 2014	
	1	2				
I.	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	(a) Share capital	1	2,106.00		1,404.00	
	(b) Reserves and surplus	2	3,131.08		2,105.51	
	(c) Money received against share warrants		-		-	
				5,237.08		3,509.51
2	Share application money pending allotment					
3	Non-current liabilities					
	(a) Long-term borrowings					
	(b) Deferred tax liabilities (Net)	3		32.80		19.01
	(c) Other Long term liabilities					
	(d) Long-term provisions					
4	Current liabilities					
	(a) Short-term borrowings	4		3,807.67		2,112.81
	(b) Trade payables	5		18,882.12		19,301.53
	(c) Other current liabilities	6		114.59		161.47
	(d) Short-term provisions	7		158.38		130.48
	TOTAL			28,232.64		25,234.82
II.	ASSETS					
	Non-current assets					
1	(a) Fixed assets					
	(i) Tangible assets	8	486.05		338.79	
	(ii) Intangible assets	8	-		-	
	(iii) Capital work-in-progress	8	-		-	
	(iv) Intangible assets under development	8	-	486.05	-	338.79
	(b) Non-current investments	9		17.36		19.30
	(c) Deferred tax assets (net)			-		-
	(d) Long-term loans and advances	10		96.68		92.06
	(e) Other non-current assets					
2	Current assets					
	(a) Current investments	11		3.30		97.17
	(b) Inventories	12		2,701.47		3,450.50
	(c) Trade receivables	13		23,677.68		18,846.97
	(d) Cash and cash equivalents	14		1,036.60		1,788.98
	(e) Short-term loans and advances	15		210.50		601.04
	(f) Other current assets	16		3.00		-
	TOTAL			28,232.64		25,234.82
						-

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS `25'
THE SCHEDULES REFERED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT
AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d
MANISH J JANANI
MANAGING DIRECTOR

S/d
JEEYAN PATWA
DIRECTOR

ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 29/05/2015

DATE: 29/05/2015

LYPSA GEMS & JEWELLERY LIMITED

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

(Rs in Lacs)

	Particulars	Refer Note No.	FOR THE YEAR ENDED 31st MARCH 2015		FOR THE YEAR ENDED 31st MARCH 2014	
I.	Revenue From Operations	17		59,181.30		53,538.61
II.	Other income	18		(336.61)		(47.89)
III.	**Total Revenue (I + II)**			58,844.70		53,490.72
IV.	Expenses:					
	Cost of materials consumed	19		35,397.08		34,228.94
	Purchases of Stock-in-Trade			16,759.42		15,361.05
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20		(325.01)		(1,079.60)
	Employee benefits expense	21		460.05		394.52
	Finance costs	22		406.26		263.62
	Depreciation and amortization expense	23		36.12		21.84
	Other expenses	24		4,142.50		3,198.44
	Total expenses			56,876.43		52,388.81
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			1,968.26		1,101.92
VI.	Exceptional items					
VII.	**Profit before extraordinary items and tax (V - VI)**			1,968.26		1,101.92
VIII.	Extraordinary Items			-		-
IX.	**Profit before tax (VII- VIII)**			1,968.26		1,101.92
X	Tax expense:					
	(1) Current tax			165.27		144.95
	(2) Deferred tax			13.79		11.81
XI	**Profit (Loss) for the period from continuing operations (VII-VIII)**			1,789.20		945.16
XII	Profit/(loss) from discontinuing operations					
XIII	Tax expense of discontinuing operations					
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**			-		-
XV	**Profit (Loss) for the period (XI + XIV)**			1,789.20		945.16
XVI	Earnings per equity share:					
	(1) Basic / Diluted			8.50		6.73
	(2) Adjusted EPS			-		4.49

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS `25'

THE SCHEDULES REFERED TO ABOVE FORM AN ENTIGRAL PART OF THE PROFIT & LOSS ACCOUNT

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d
MANISH J JANANI
MANAGING DIRECTOR

S/d
JEEYAN PATWA
DIRECTOR

ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 29/05/2015

DATE: 29/05/2015

NOTE No. 1 : SHARE CAPITAL

(Rs in Lacs)

1 SHARE CAPITAL

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
AUTHORISED SHARE CAPITAL		
2,50,00,000 (2,00,00,000) Equity Share of Rs. 10/- Each	2,500.00	2,000.00
Issued, Subscribed & Paidup		
2,10,60,000 (1,40,40,000) Equity Share of Rs. 10/- Each Fully paidup.	2,106.00	1,404.00

NOTE No. 2 : RESERVES & SURPLUS

2 RESERVES & SURPLUS

	AS AT 31st MARCH 2015		AS AT 31st MARCH 2014	
Securities Premium Reserve				
As per Last Balance Sheet	598.00		598.00	
Add: On Issue of Shares	-		-	
Less: On Issue of Bonus Shares	(598.00)	**-**	-	**598.00**
Capital Reserves		**33.02**		**0.11**
Profit & Loss Account				
As per Last Balance Sheet	1,507.40		672.65	
Add: Profit for the year	1,789.20		945.16	
	3,296.60		**1,617.81**	
Less: Appropriations				
Less: On Issue of Bonus Shares	104.00		-	
Less: Prov. for Depreciation on FA (Sch II of Co. Act, 2013)	3.96		-	
Short Provision fro I.Tax (F.Y. 2012-13)	0.19		(5.98)	
Provision for Reduction in Value of Investments	1.94		34.26	
Proposed Dividend	73.71		70.20	
Tax on Dividend	14.74	**3,098.06**	11.93	**1,507.40**
Total		**3,131.08**		**2,105.51**

NOTE No. 3 : DEFFERED TAX LIABILITY (NET)

(Rs in Lacs)

3 DEFFERED TAX LIABILITY (NET)

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Deffered Tax Liability		
Related to Fixed Assets	32.80	19.01
TOTAL	32.80	19.01

NOTE No. 4 : SHORT TERM BORROWINGS

4 SHORT TERM BORROWINGS

		AS AT 31st MARCH 2015		AS AT 31st MARCH 2014
Secured				
Working Capital Loans				
From Banks				
Foreign Currency Loans - PSCFC/PCFC	-		-	
Rupee Loans - PSC	3,748.78	3,748.78	1,485.93	1,485.93
Secured				
From Banks - Others				
Rupee Loan - Car Loan	58.88	58.88	30.55	30.55
Unsecured				
(I)Loans & Advances				
From Directors		-		**596.33**
From Others				
(II) From Banks				
TOTAL		**3,807.67**		**2,112.81**

4.1 Rupee Loans - PSC is against Stock, Debtors and Secondary Collateral of premises of Directors.

NOTE No. 5 : TRADE PAYABLES

5 TRADE PAYABLES

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Micro, Small & Medium Enterprises		
Others	18,882.12	19,301.53
TOTAL	**18,882.12**	**19,301.53**

5.1 The details of amounts outstadning to Micrp, Small and Medium Enterprises based on available information with the Company is as under.

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Principle Amount Due and Remains unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest Accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years.	-	-
TOTAL	**-**	**-**

NOTE No. 6 : OTHER CURRENT LIABLITIES

(Rs in Lacs)

6 TRADE PAYABLES

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Interest Payable	2.75	1.61
Advances against Order	-	-
Recv/Payable For Forward Contract (Import)	-	-
Deffered Premium (Export)	64.12	128.13
Unclaimed Dividend (F.Y. 09-10)	7.50	7.50
Unclaimed Dividend (F. Y. 10-11)	8.27	8.27
Unclaimed Dividend (F. Y. 11-12)	5.62	5.62
Unclaimed Dividend (F. Y. 12-13)	4.34	5.83
Unclaimed Dividend (F. Y. 13-14)	15.50	-
Other Payables	6.50	4.51
TOTAL	**114.59**	**161.47**

NOTE No. 7 : SHORT TERM PROVISIONS

7 SHORT TERM PROVISIONS

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Proposed Dividend	73.71	70.20
Tax on Dividend	14.74	11.93
Other Provisions	69.93	48.35
TOTAL	**158.38**	**130.48**

NOTE No. 8 : FIXED ASSETS

8 FIXED ASSETS

LYPSA GEMS & JEWELLERY LIMITED.

FIXED ASSETS SCHEDULE AS ON 31ST MARCH 2015

(Rs in Lacs)

SR. NO.	DESCRIPTION	Usefull Life in Years	GROSS BLOCK					DEPRECIATION				NET BLOCK	
			AS ON 01/04/2014	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31/03/2015	Residual Value (5% of Original Cost)	AS ON 01/04/2014	ADJUSTMENT FOR THE YEAR	DEPRECIATION FOR THE YEAR	UPTO 31/03/2015	AS ON 31/03/2015	AS ON 31/03/2014
	TANGIBLE ASSETS :												
	OWN ASSETS:												
1	Electcric Installation	10 Years	7.52	3.35	-	10.86	0.54	1.08	-	0.76	1.84	9.03	6.44
2	Furniture & Fixture (General)	10 Years	43.65	4.16	-	47.82	2.39	18.01	-	2.56	20.57	27.25	25.64
3	Motor Cars other than used in Business of Running them on Hire	8 Years	68.48	46.04	-	114.52	5.73	17.96	-	9.66	27.62	86.91	50.52
4	Office Equipments	5 Years	13.00	4.27	-	17.28	0.86	0.81	-	3.44	4.25	13.03	12.19
5	Computers (Desktops & Laptops, End users)	3 years	11.30	1.49	-	12.79	0.64	2.10	-	3.54	5.64	7.15	9.20
6	Plant & Machinaries (Other than Continuous Proceess Plant)	15 Years	166.59	123.33	-	289.92	14.50	7.92	-	13.48	21.40	268.52	158.67
7	Factory Building (Orchid Complex 202 & 302)	30 Years	61.31	-	-	61.31	3.07	1.89	-	1.94	3.83	57.48	59.42
8	Factory Land	-	16.70	-	-	16.70	-	-	-	-	-	16.70	16.70
	SUB-TOTAL RUPEES		388.56	182.64	-	571.20	27.73	49.77	-	35.37	85.15	486.05	338.79
	LEASE ASSETS :		-	-	-	-		-	-	-	-	-	-
	TOTAL - A		388.56	182.64	-	571.20	27.73	49.77	-	35.37	85.15	486.05	338.79
	INTANGIBLE ASSETS :		-	-	-	-		-	-	-	-	-	-
	TOTAL - B		-	-	-	-	-	-	-	-	-	-	-
	TOTAL A + B		388.56	182.64	-	571.20	27.73	49.77	-	35.37	85.15	486.05	338.79
	PREVIOUS YEAR												
	CAPITAL WORK IN PROGRESS											-	-
	INTANGIBLE ASSETS UNDER DEVELOPMENT											-	-

NOTE No. 9 : NON CURRENT INVESTMENTS

(Rs in Lacs)

9 NON CURRENT INVESTMENTS

			AS AT 31st MARCH 2015		**AS AT 31st MARCH 2014**
TRADE INVESTMENTS					
TOTAL OF TRADE INVESTMENTS (A)					
OTHER INVESTMENTS					
In Equity Shares of Comapanies - Quoted, Fully paidup					
	Purchase cost		**AS AT 31st MARCH 2015**		**AS AT 31st MARCH 2014**
5,90,300 (90,300) Shares of Kingfisher Airlines	99.12	9.74		13.10	
		-	9.74	-	13.10
In Mutual Funds of Comapanies - Quoted, Fully paidup					
97799.511 Units of Reliance Infrastucture Fund	10.00		6.83		5.35
Investments in Commodities					
Goldcoins			0.80		0.84
TOTAL OF OTHER INVESTMENTS (B)			**17.36**		**19.30**
TOTAL NON - CURRENT INVESTMENTS (A+B)			**17.36**		**19.30**

9.1 The valuation of shares and Mutual Funds is after considering the diminition in value of investments.

NOTE No. 10 : LONG TERM LOANS & ADVANCES

10 LONG TERM LOANS & ADVANCES

	AS AT 31st MARCH 2015	**AS AT 31st MARCH 2014**
Advance Income Tax & TDS (Net of Provisions)	22.63	19.58
Vat Refundable	9.63	9.63
Deposites	62.42	60.60
Loans & Advances	2.00	2.24
Capital Advances	-	-
TOTAL	**96.68**	**92.06**

NOTE No. 11 : CURRENT INVESTMENTS

11 CURRENT INVESTMENTS

	AS AT 31st MARCH 2015	**AS AT 31st MARCH 2014**
Fixed Capital with Partnership Firm M/s. LYPSA GEMS	0.45	0.45
Current Capital with Partnership Firm M/s. LYPSA GEMS	2.85	96.72
Investment with 100% Subsidiary LYPSA GEMS & JEWELLERY DMCC	-	-
	-	-
TOTAL	**3.30**	**97.17**

NOTE No. 12 : INVENTORIES

12 INVENTORIES

	AS AT 31st MARCH 2015	**AS AT 31st MARCH 2014**
Raw Materials	960.81	2,035.33
Stock In Process	-	-
Finished Goods	1,740.66	1,415.17
TOTAL	**2,701.47**	**3,450.50**

NOTE No. 13 : TRADE RECEIVABLES

(Rs in Lacs)

13 TRADE RECEIVABLES

(Unsecured & considered Good)	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
More than Six Months	143.73	14.42
Others	23,533.95	18,832.56
TOTAL	**23,677.68**	**18,846.97**

NOTE No. 14 : CASH & CASH EQUIVALENTS

14 CASH & CASH EQUIVALENTS

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Balance with Banks	445.45	930.07
Cash In Hand	15.04	0.31
Fixed Deposites with Banks (Maturity of Less than 12 Months)	576.12	858.60
TOTAL	**1,036.60**	**1,788.98**

NOTE No. 15 : SHORT TERM LOANS & ADVANCES

15 SHORT TERM LOANS & ADVANCES

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Prepaid Expenses	61.53	29.02
Deffered Premium	-	-
Receivables on Forward Contracts/Interest Subvention	148.97	572.02
TOTAL	**210.50**	**601.04**

NOTE No. 16 : OTHER CURRENT ASSETS

16 OTHER CURRENT ASSETS

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Deffered Revenue Expenditures	3.00	-
TOTAL	**3.00**	**-**

NOTE No. 17 : REVENUE FROM OPERATION

(Rs in Lacs)

17 REVENUE FROM OPERATION

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Sales of Products	59,186.80	53,546.04
Income From Services	-	-
Share of Profit From Partnership Firm (M/s LYPSA GEMS)	(5.49)	(7.43)
TOTAL	**59,181.30**	**53,538.61**

17.1 PARTICULARS OF SALES OF PRODUCTS

PARTICULARS	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Rough & Cut and Polished Diamonds	59,186.80	53,546.04
TOTAL	**59,186.80**	**53,546.04**

NOTE No. 18 : OTHER INCOME

18 OTHER INCOME

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
INTEREST		
From Current Investments	54.72	72.06
DIVIDEND		
From Long Term Investment	-	-
Net Gain on Sale of Investments		
From Current Investments	-	-
OTHER NON-OPERATING INCOME	(391.33)	(119.95)
TOTAL	**(336.61)**	**(47.89)**

NOTE No. 19 : COST OF MATERIALS CONSUMED

19 COST OF MATERIALS CONSUMED

	AS AT 31st MARCH 2015		AS AT 31st MARCH 2014	
	RUPEES	**% OF CONSUMPTION**	**RUPEES**	**% OF CONSUMPTION**
IMPORTED	32,872.70	93.00	31,149.56	91.00
LOCAL	2,524.38	7.00	3,079.38	9.00
TOTAL	**35,397.08**	**100.00**	**34,228.94**	**100.00**

19.1 **PARTICULARS OF MATERIAL CONSUMED**

Rough Diamonds	35,397.08	100.00	34,228.94	100.00

NOTE No. 20 : CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS & STOCK IN TRADE.

20

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Inventories (At Close)		
Finished Goods	(1,740.66)	(1,415.17)
Inventories (At Commencement)		
Finished Goods	1,415.65	335.58
TOTAL	**(325.01)**	**(1,079.60)**

NOTE No. 21 : EMPLOYEES BENEFIT EXPENSES

(Rs in Lacs)

21 EMPLOYEES BENEFIT EXPENSES

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Salary	399.37	340.52
Directors Remuneration	60.69	54.00
TOTAL	**460.05**	**394.52**

NOTE No. 22 : FINANCE COST

22 FINANCE COST

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Interest Expenses	406.26	263.62
Forward Premium	-	-
TOTAL	**406.26**	**263.62**

NOTE No. 23 : DEPRICIATION & AMORTIZATION EXPENSES

23 DEPRICIATION & AMORTIZATION EXPENSES

	AS AT 31st MARCH 2015	AS AT 31st MARCH 2014
Depriciation	35.37	19.44
Deffered Revenue Expenditure W/Off	0.75	2.41
TOTAL	**36.12**	**21.84**

NOTE No. 24 : OTHER EXPENSES

24 OTHER EXPENSES

		AS AT 31st MARCH 2015		AS AT 31st MARCH 2014
Manufacturing Expenses				
Clearing & Forwarding Expenses	14.52		13.66	
Labour Charges	3,662.01		2,789.69	
Re-Assortment Charges	7.49		10.91	
Consumables/Diamond Tools	33.21		27.33	
Repaires & Maintaiance (MFG)	9.56	**3,726.78**	4.65	**2,846.24**
Selling & Distribution Expenses				
Clearing & Forwarding Expenses	30.81		18.76	
Business Pramotion	0.96		1.41	
Commission/Brokrage & Marketing Research Fees	87.13	**118.89**	71.43	**91.60**
Establishment Expenses				
Professional Fees	37.46		32.96	
General Expenses	63.85		37.94	
Rent	135.32		125.53	
Insurance	13.28		19.46	
Appeals & Penalities	0.02		0.20	
Travelling Expenses	16.98		18.90	
Payment to Auditors	1.61		0.67	
Charity & Donation	4.52		6.71	
Electricity Charges	23.79	**296.83**	18.23	**260.59**
TOTAL	**4,142.50**	**4,142.50**	**3,198.44**	**3,198.44**

LYPSA GEMS & JEWELLERY LIMITED

SCHEDULE '25' OF NOTES ON ACCOUNTS ANNEXED TO & FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31/03/2015

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The Consolidated Financial Statements relate to **LYPSA GEMS & JEWELLERY LIMITED** and it's 100% Subsidiary **LYPSA GEMS & JEWELLERY DMCC** (together referred to as the **LYPSA GROUP)** are prepared in accordance with Indian Generally Accepted Accounting Principles **(GAAP)** as a going concern, under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Accounting Standards notified by the Central Government and the provisions of Section 2(2) of the Companies Act, 2013. Accounting policies have been consistently applied from one period to the other except otherwise stated.

b) Principles of Consolidation

The Consolidated Financial Statements includes the Financial Statements of LYPSA GEMS & JEWELLERY LIMITED (the Company) and it's wholly owned subsidiary LYPSA GEMS & JEWELLERY DMCC (together referred to as the **LYPSA GROUP)** which is accounted on the basis of proportionate line by line consolidation. All the material inter-company accounts and transactions are eliminated on consolidation.

ii The managements has classified it's foreign operation as non-integral. In translating Financial Statements of non-integral foreign operations for incorporation in Financial Statements, components of Financial Statements of Foreign Subsidiary is translated in to Indian Rupees in accordance with the Accounting Standard (AS) 21 and AS 11 as notified by the Accounting Standards. Briefly Stated;

a- All income and expenses are translated at the rate prevailing at the date of the financial statements.

b- Assets and Liabilities are translated at the rate prevailing at the date of the financial statements. Depreciation is accounted at the same rate at which assets are converted.

iii The difference between the cost of investment and net worth at the time of acquisition in the subsidiary is recognised in the financial statements as goodwill or capital reserve, as the case may be.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.

c) Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, income taxes and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made.

d) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

e) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with the Accounting Standard 15 “Employee Benefits”.

f) Taxation

Tax expense comprises current tax (MAT)-, deferred tax.

Provision for current tax is ascertained on the basis of the taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred Tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets relating to timing differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Foreign Subsidiary recognised tax liabilities and assets in accordance with the applicable local laws.

g) Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may be, but probably will not, require an outflow of resources. These will not charged to the Profit & Loss Account as it is not probable that future events will confirm that an asset has been impaired or a liability has been incurred as at the balance sheet date. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

h) <u>Fixed Assets:</u>

Fixed Assets are carried at cost of acquisition or construction including incidental expenses related to acquisition and installation on concerned assets, less accumulated depreciation and amortization. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction / installation stage.

i) Depreciation:

The company has provided depreciation on Straight Line Value Method over the estimated useful lives of assets at the rates specified in Part C of Schedule II of The Companies Act, 2013. Depreciation is charged on pro-rata basis from the date of capitalization. Individual asset costing Rs. 5000/- or less are fully depreciated in the year of acquisition.

j) Investments:

Long Term and noncurrent investments are valued at Cost. Other investments are valued at lower of cost or fair market value as on the date of Balance Sheet. The group provides for diminution in value of investments, other than temporary in nature. During the year company has provided for diminution in value of investments of Rs. 1,93,954/- (P.Y Rs.34,25,565/-) and the same is reduced from the value of investments as carried on in Balance Sheet.

Current Investments includes Fixed capital with partnership firm M/s Lypsa Gems of Rs. 45,000/- (P Y Rs. 45,000/-) and Current capital with partnership firm M/s Lypsa gems of Rs. 2,84,963/- (P Y Rs. 96,71,979/-)

k) Secured Loans:

The company has availed the secured loans amounting to Rs. 3748.78 Lacs (P.Y Rs. 1485.93 Lacs) against pledge of fixed deposits receipts which includes Foreign Currency Loans in previous year and Rupee Loans against hypothecation of stocks and receivables

l) Cash and Bank Balances:

Fixed Deposits Receipts:

The company has total fixed deposits of Rs. 576.11 Lacs with Bank of India (P.Y. Rs. 858.59 Lacs) with Bank of India.

Current Assets, Loans & Advances and Current Liabilities:

The Deferred premium on export of Rs. 64.12 Lacs (P.Y. 128.13 Lacs) is reflected in Balance Sheet under other current liabilities.

The company has reflected Receivable on forward contract against Exports of Rs. 148.97 Lacs (P.Y. Rs. 572.02 Lacs) in Balance Sheet under short term loans & advances.

m) Revenue Recognition:

(a) Sales, net of taxes are accounted for when property in the goods are transferred to the customers.

(b) Dividend is recognized, when right to receive the dividend arises.

(c) Items of Income and Expenditure such as Exchange Rate difference, Interest on FDR, Profit on Forward Contract, Forward premium, Interest paid are recognized on accrual basis, unless otherwise stated.

(d) Interest income is recognized on time proportion method.

(e) Amounts received or billed in advance of goods sold are recorded as advances from customers.

(f) Revenue from operations include share of profit from partnership firm M/s Lypsa Gems of Rs. -5.49 Lacs (P Y -7.43 Lacs)

(g) During the year, company has started New manufacturing unit at Chhapi – Gujarat on 12th November, 2014. The commercial production at the new manufacturing unit was also started during the year.

2. **Preliminary Expenses:**
Preliminary Expenses are amortized over a period of five years.

3. **Foreign Currency Transactions:**
Transactions in foreign currency are recognized at the prevailing exchange rates on the transaction dates. Realized gain or losses on settlement of foreign currency transactions are recognized in the Profit and Loss account. Foreign current denominated monetary assets and liabilities at the year end are translated at the year end exchange rates and recognized in the Profit and Loss account. Non monetary foreign currency items are carried at cost.
The company enters into forward exchange contract and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising on the inception of a forward exchange contract (other than a firm commitment or highly probable forecast) or similar instrument is amortized as expense or income over the life of contract. Exchange differences on such a contract are recognized in the Profit and Loss account in the year in which the exchange rates change. Any Profit or Loss arising on cancellation of such a contract is recognized as income or expense for the year. The company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

4. **Taxation:**
Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax for timing differences between the income as per financial statement and income as per the Income Tax Act, 1961 is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance sheet date. Deferred tax assets arising from the timing differences are recognized to the extent there is virtual certainity that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Foreign Subsidiary recognised tax liabilities and assets in accordance with the applicable local laws

5. **Employee Benefits:**
Employee benefits such as Provident fund, ESIC and other benefits are provided by the company.

6. **Lease Accounting:**
Lease Rentals under operating leases are recognized in the Profit and Loss account on Straight Line Method. The company has not taken any equipment on lease.

7. **Treatment of contingent Liability:**
The company recognizes a provision where there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources is remote. As the company does not have any

contingent liability, no disclosure as specified in Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets" is made.

8. **Disclosure of Related Parties:**
"Related party Disclosures" as required by Accounting Standard 18 is enumerated below:

Transactions with Group Companies: NIL

Transactions with Key Management Personnel and Related Entities:

NAME	NATURE OF TRANSACTION	CURRENT YEAR	PREVIOUS YEAR
Manish Janani	Interest on Loan	7,31,375.00	65,586.00
Dipan Patwa	Interest on Loan	11,67,149.00	73,20,777.00
Manish Janani	Director Remuneration	24,00,000.00	24,00,000.00
Dipan Patwa	Director Remuneration	24,00,000.00	24,00,000.00
Jeeyan Patwa	Director Remuneration	6,00,000.00	6,00,000.00
Lypsa Diamond	Reimbursement of Expenses	7,14,583.00	9,02,251.00
Nishith Parekh (Manager of Subsidiary Company)	Management Remuneration	6,74,946.00	6,57,977.00
Lypsa Gems	Transfer of Fixed Assets	4,16,710.00	NIL

Income:

NAME	NATURE OF TRANSACTION	CURRENT YEAR	PREVIOUS YEAR
Lypsa Gems (Partnership Firm)	Share of Profit of Firm	-5,49,299.00	-7,43,418.00

The computation of Net Profit for the purpose of calculation of director's remuneration under Section 198 of the Companies Act 2013 is not enumerated, since no commission has been paid to the Directors.

9. List of Companies considered in the consolidated financial statement is as follows:

Name of the company	Country of Incorporation	Percentage of Ownership interest as at 31/03/2015	Percentage of Ownership interest as at 31/03/2014	Relationship
LYPSA GEMS & JEWELELRY DMCC	U.A.E.	100%	100%	SUBSIDIARY

During the year M/s Lypsa Gems & Jewellery DMCC, a 100% foreign subsidiary has earned a net profit of Rs. 14,35,28,525/-(P Y Rs. 6,30,39,333/-)

10. Segment Reporting:
In accordance with the requirements of Accounting Standard 17 "Segment Reporting" the Company's Business Segment is "Trading and working in Diamonds". As the company operates in only one segment, Segment Reporting as per Accounting Standard 17 is not applicable.

11. Inventories:

Raw materials are valued at cost or net realizable value whichever is lower. Cost is computed using weighted average method. Work in progress is computed by adding cost of purchase, appropriate share of conversion and other overheads incurred in bringing the inventories to its present location and condition. Finished Goods are valued at weighted average cost. During the year, there is no change in method of valuation of closing stock. Finished goods includes cost of purchase, cost of conversion and other overheads incurred in bringing the inventories to its present location and condition.

Inventories of Subsidiary company are valued at cost or net realizable value whichever is lower. Cost comprises of direct purchase price and the overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and cost to disposal.

12. Stock and Turnover:

Information pursuant to the Companies Act, 2013 as applicable to the Company doing manufacturing activity is as:

Quantitative details of materials:

Rough Diamonds	Current Year (Carats)	Previous Year (Carats)
Opening Stock	58102.19	30449.08
Purchases	589375.68	529289.19
Issued for manufacturing	417374.14	418857.45
Loss	2844.17	12896.55
Sales	175142.32	69882.08
Closing Stock	52117.24	58102.19

Polished Diamonds	Current Year(Carats)	Previous Year(Carats)
Opening Stock	6194.54	1121.52
Purchases	41798.03	34020.39
Manufacturing	133983.68	136982.93
Loss	NIL	NIL
Sales	173519.60	165930.30
Closing Stock	8456.65	6194.54

Gold	Current Year (Grams)	Previous Year (Grams)
Opening Stock	500.00	300.00
Purchases	NIL	750.59
Sales	NIL	550.59
Closing Stock	500.00	500.00

Jewellery	Current Year (Pcs)	Previous Year (Pcs)
Opening Stock	NIL	NIL
Purchases	700	5277
Sales	700	5277
Closing Stock	NIL	NIL

The current year and previous year quantitative details include quantity of subsidiary company.

13. Deferred Taxation:

The major components of deferred taxation arising out of timing differences are:

Liabilities	As on 31.03.2015	As on 31.03.2014
Depreciation	-67,57,214.00	-58,58,940.00
Net Deferred Tax Liability	-32,80,151.00	-19,00,933.00

14. Payment to Auditors:

	Current Year (Rs.)	Previous Year (Rs.)
For Audit Fees	50000	50000
For Audit Fees of Subsidiary Company	93743 (USD $ 1500)	89865 (USD $ 1500)

15. Earnings and Expenditure in Foreign exchange:

The earnings and expenditure in foreign exchange as incurred by the company is as:

Nature of Transaction	Current Year (US $)	Previous Year (US $)
Export Sales	81289639.38	65580133.89
Import Purchase	79107254.14	61419896.20
CIF value of imports	80392643.98	57238831.00
Foreign Travelling expense	3600.00	9675.00

16. Share Capital:

During the year company has not allotted shares to the public. The company has issued 70,20,000 Bonus shares in the ratio of 1 equity share for every 2 equity shares held by capitalization of Rs. 5,98,00,000/- standing to the credit of the Securities premium Account and a sum of Rs. 1,04,00,000/- standing to the credit of Profit & Loss Account (forming part of Reserves & Surplus Account).

17. Earnings per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including post tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Since the bonus shares as stated in note no. 16 hereinabove, is an issue without consideration, the issue is treated as if it has occurred prior to the beginning of the year being the earliest period reported, the earnings per share and the adjusted earnings per share for the year ended March 31st, 2014 is as computed as per Accounting Standard 20 is as:

Earnings Per Share	31.03.2015	31.03.2014
Profit before tax (Rs.)	17,89,20,261	11,01,91,561
Average number of shares (Nos)	2,10,60,000	1,40,40,000
Nominal value of shares (Rs.)	10.00	10.00
Basic Earnings Per share (Rs.)	8.50	6.73
Diluted earnings Per share (Rs.)	8.50	6.73

Adjusted Earnings Per share (Rs.)	---	4.49

18. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information. The difference in parent portion of equity in subsidiary company has been considered as capital reserve in the financial statements.

19. Partnership Firm operations:

The accounts of the company reflects its Investments and Income & Expenditure from Partnership firm which are accounted on the basis of the accounts of the firm M/s Lypsa Gems on line-by-line basis with similar items in the company's accounts to the extent of the participating interest of the company as per partnership deed. The partnership firm was dissolved on March 31st, 2015. During the year various fixed assets were transferred to the company towards the outstanding balance due from them.

20. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2015	As at 31st March 2014
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	1,40,40,000	1,40,40,000
Add : Bonus shares issued by Capitalization of Securities Premium Account	70,20,000	NIL
Add : Shares issued at Premium	NIL	NIL
Equity shares at the end of the year	2,10,60,000	1,40,40,000

Particulars	As at 31st March 2015	As at 31st March 2014
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	14,04,00,000	14,04,00,000
Add : Amount for Bonus shares issued by Capitalization of Securities Premium Account	7,02,00,000	NIL
Add : Amount for shares issued at Premium	NIL	NIL
Amount for Equity share capital at the end of the year	21,06,00,000	14,04,00,000

21. Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31st, 2015		As at March 31st, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manish Jaysukhlal Janani	37,86,250	18.03	25,22,500	17.97
Dipen Babubhai Patwa	37,86,250	17.97	25,17,500	17.93

22. Short term Borrowings:

Loans and advances from related parties:

Particulars	Current Year	Previous Year
Unsecured Loans from Directors	NIL	596.33

23. Investments:

Investment in Partnership Firm:

Name of Firm	As at March 31st, 2015	As at March 31st, 2014
M/s Lypsa Gems		
Fixed Capital	Rs. 45,000/-	Rs. 45,000/-
Current Capital	Rs. 2,84,963/-	Rs. 96,71,979/-

24. Long Term Loans & Advances:

Particulars	As at March 31st, 2015	As at March 31st, 2014
Security Deposits – Considered Good	Rs. 59,12,677/-	Rs. 54,88,153/-
Prepaid Expenses		
Insurance Premium	Rs.5,11,678/-	Rs. 6,05,994/-
Domain Registration charges	Rs. 11,259/-	Rs. 40,326/-
Membership Fees	Rs. 63,257/-	Rs. 66,682/-
Repairs & Maintenance	Rs.58,905/-	Rs. 25,181/-
Telephone charges	Rs. 17,709/-	Rs. 24,316/-
Rent	Rs. 2,11,552/-	Rs. 2,02,829/-
Licence Fees	Rs. 2,54,856/-	Rs. 1,83,938/-
Advance interest paid on EPC	Rs. 50,24,191/-	Rs. 17,77,126/-

25. Cash & Cash Equivalents:

Particulars	As on March 31st, 2015	As on March 31st, 2014
Balance in Current Accounts	Rs. 4,04,22,289.57	Rs. 9,02,85,296.31
Balance in Unclaimed Dividend A/c	Rs. 41,22,278.00	Rs. 27,21,892.00

26. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of the amounts reasonably necessary.

27. The Balances of Debtors, Creditors, Loans and advances are subject to reconciliation and confirmation.

28. Balance of Unsecured Loans includes interest charged on loans, wherever applicable.

29. The information required under Section ~~217 (2A) (b) (ii)~~ 134 of the Companies Act, 2013 read with Companies Employees Amendment Rules, 2011 is not given as there was no employee in receipt of salary exceeding Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum.

30. As defined in "The Micro, Small and Medium Enterprises Development Act, 2006", there are no amounts payable to any Micro and Small Scale Enterprises / Undertaking.

31. Previous year figures have been regrouped and rearranged wherever necessary to make them comparable with those of current year.

32. There are certain uncollected dues/receivables in foreign currency which are outstanding for a period of more than six months as on Balance sheet date. The amount of foreign currency receivables outstanding for more than six months is Rs. 1,43,72,660/- (P Y Rs. 14, 41,745/-). However Rs. 33,00,353/- is received after the balance sheet date.

33. The company has made an investment of USD $ 14000 in its 100% subsidiary company M/s Lypsa Gems & Jewellery DMCC (PY USD $ 14000) by subscribing to 50 shares of 1000 AED each.
The Net profit earned from partnership firm M/s Lypsa Gems of Rs. -5,49,299/- (P Y Rs. -7,43,418/-) is debited to share of profit in companies current capital account.

34. The company has outstanding unclaimed dividend of Rs. 7,49,900/- for the year 2009-10, Rs. 8, 27,000/- for the year 2010-11 and Rs. 5,61,855/- for the year 2011-12, Rs. 5,83,137/- for the year 2012-13 and Rs.15,50,060.50 for the year 2013-14.

Signature to Schedule 1 to 24
As per our report of even date
For M/s. Doshi Maru & Associates
Chartered Accountants
FRN: 112187W

S/d
(Atul B Doshi)
Partner
M.No.: 102585
Place: Mumbai
Dated: 29th May, 2015

LYPSA GEMS & JEWELLERY LIMITED.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

PURSUANT TO PART -IV OF SCHEDULE VI TO THE COMPANIES ACT, 2013. **(Rs in Lacs)**

I REGISTRATION DETAILS

Resistration No. :	**28270**	State Code :	**04**
Balance Sheet Date :	**31/03/2015**		

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES)

Public Issue :	NIL	Right Issue :	NIL
Bonus Issue :	702.00	Private Placement :	NIL

III POSITION OF MOBILISATION AND EMPLOYMENT OF FUNDS
(AMOUNT IN RUPEES)

TOTAL LIABILITIES :	**28,232.64**	**TOTAL ASSETS**	**28,232.64**

SOURCES OF FUNDS :

Paid up Capital :	**2,106.00**	Reserves & Surplus :	**3,131.08**
Secured Loans :	**3,807.67**	Unsecured Loans :	**-**
Deferred Tax Liability	**32.80**		

APPLICATION OF FUNDS :

Net Fixed Assets :	**486.05**	Investments	**114.04**
Net Current Assets :	**4,666.79**	Misc. Expenditure	**3.00**
Accumulated Losses :	**-**		

IV PERFORMANCE OF THE COMPANY (AMOUNT IN LACS) :

Turnover/other Income :	**58,844.70**	**Total Expenditure**	**56,876.43**
Profit Before tax :	**1,968.26**	**Profit After tax :**	**1,789.20**
Earning Per Share (In Rupees)	**8.50**	**Dividend rate :**	**3.50%**

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Product Description

I) Manufacturing & trading in diamonds

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

ATUL B. DOSHI
PARTNER

FRN : 112187W

PLACE: MUMBAI

DATE: 29/05/2015

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d **S/d**

MANISH J JANANI **JEEYAN PATWA**
MANAGING DIRECTOR DIRECTOR

DATE: 29/05/2015

LYPSA GEMS & JEWELLERY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

(Rs in Lacs)

	31-Mar-2015		31-Mar-2014	
A Cash flow from operating activities				
Net profit before Tax		1,968.26		1,101.92
Adjustments for:				
Depriciation	35.37		19.44	
Preliminary Expenses w/off	0.75		2.41	
Long Term Capital Loss/ (Gain)	-		-	
Interest Received	(54.72)		(72.06)	
Dividend Received	-		-	
		(18.60)		(50.22)
Operating profit before working capital changes		1,949.67		1,051.70
Decrease/(Increase) in Current Assets	(3,603.69)		(7,056.46)	
Increase in Outstanding Liabilities	1,786.36		6,999.12	
Increase / (Decrease) in other liabilities				
		(1,817.33)		(57.34)
Cash generated from operations		132.33		994.36
Income Tax Paid		(160.47)		(138.54)
Net cash from operating activities		(28.14)		855.83
B Cash flow from investing activities:				
Interest Received	54.72		72.06	
Investment in Subsidiary/Capital Reserve	-		-	
Dividend Received	-		-	
Sale/(Purchase) of Investment	-		-	
Increase in fixed Assets	(182.64)		(183.34)	
Net cash used in investing activities		(127.92)		(111.28)
C Cash flow from financing activities				
Capital raised during the year				
Increase/(decrease) in Secured Loan Taken				
Increase/(decrease) in Loans	(596.33)		175.53	
Net cash from financing activities		(596.33)		175.53
Net Increase/(Decrease) in cash and cash equivalents		(752.38)		920.08
Cash and cash equivalents (opening balance)	1,788.98		868.90	
Cash and cash equivalents (closing balance)	1,036.60		1,788.98	
		(752.38)		**920.08**

As per our report of even date attached

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d
MANISH J JANANI
MANAGING DIRECTOR

S/d
JEEYAN PATWA
DIRECTOR

ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 29/05/2015

Reg. Add: 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Gujarat – 396445

ATTENDANCE SLIP
ANNUAL GENERAL MEETING – 30th September, 2015 AT 11.00 A.M.

DP Id.		**Client Id. / Ben. A/c.**	
Folio No.		**No. of Shares**	

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on Wednesday, the 30th September, 2015 at 11.00 A.M at 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Gujarat – 396445

_____ _____

Full Name of the Shareholder / Proxy (In Block Letter) Signature

==========

Form No. MGT-11
Proxy form
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L28990GJ1995PLC028270
Name of the company: LYPSA GEMS & JEWELLERY LIMITED
Registered office: 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Gujarat – 396445

Name of the member (s)	
Registered address	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member (s) of ……. shares of the above named company, hereby appoint:

1. Name: ……
   Address: ……
   E-mail Id: …….
   Signature:……..,or failing him,

2. Name: ……
   Address: ……
   E-mail Id: …….
   Signature:……..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the company, to be held on the 04th September, 2014 at 11.30 A.M at 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Gujarat – 396445 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description	For	Against
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2015		
2	Re-election of Mr. Jeeyan Dipankumar Patwa as a Director of the Company		
3	Reappointment of /s. Doshi Maru & Associates, Mumbai as Auditor & fix their remuneration		
4	Declare Dividend at 3.5% dividend i.e. Rs. 0.35 per share		
5	Regularize the Appointment of Ms. Sonal Dipen Patwa (DIN: 02579452), Additional Director of the Company		
6	Adoption of new Articles of Association of the company containing regulation in conformity with Companies Act, 2013		

Affix Rs. 1 /- Revenue Stamp

Signed this…… day of…… 20….

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

LYPSA GEMS & JEWELLERY LIMITED
(CIN: L28990GJ1995PLC028270)
REGD OFFICE: 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Gujarat – 396445

(To be surrendered to the polling counters for issue of ballot paper)

Regd. Folio No.		DP ID	
		CLIENT ID	
Name of the Shareholder/ Proxy holder			
Number of Shares held			

LYPSA GEMS & JEWELLERY LIMITED
(CIN: L28990GJ1995PLC028270)
REGD OFFICE: 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Gujarat – 396445

Client ID/DP ID/Ledger Folio No._____ No. of Shares Held_____

I/We hereby exercise my/our vote in respect of the resolution(s) to be passed at the Annual General Meeting held on Wednesday, the 30th September, 2015 at 11.00 A.M at 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Gujarat – 396445 as under:

Sr. No.	Agenda Item	Vote in Favour (No. of Shares)	Vote in against (No. of Shares)	Remark
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2015			
2	Re-election of Mr. Jeeyan Dipankumar Patwa as a Director of the Company			
3	Reappointment of /s. Doshi Maru & Associates, Mumbai as Auditor & fix their remuneration			
4	Declare Dividend at 3.5% dividend i.e. Rs. 0.35 per share			
5	Regularize the Appointment of Ms. Sonal Dipen Patwa (DIN: 02579452), Additional Director of the Company			
6	Adoption of new Articles of Association of the company containing regulation in conformity with Companies Act, 2013			

Place:
Date: Signature of Shareholder/Proxy

LYPSA
www.lypsa.in

If Undelivered, please return to:-

LYPSA GEMS AND JEWELLERY LTD
2nd Floor, Diamond Park Building,
Opp. Ambika Nagar Society,
Dargah Road, Navsari – 396445,
Gujarat.

Or

Purva Sharegistry (India) Pvt. Ltd.
No-9, Shiv Shakti Industrial Estate,
Ground Floor, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel,
Mumbai - 400 011.

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

LYPSA
www.lypsa.in

[Clause 31 (a) of the Listing Agreement]

1.	Name of the Company	Lypsa Gems & Jewellery Limited
2.	Annual Financial Statement for the year ended on	31st March, 2015
3	Type of Audit observation	Un-Qualified
4	Frequency of Observation	N.A.
5	To be signed by • CEO and Managing Director	For LYPSA GEMS & JEWELLERY LTD. Director / Authorised Signatory Mr.Manish Janani Managing Director/CEO
	• CFO	For LYPSA GEMS & JEWELLERY LTD. Director / Authorised Signatory Mr.Jeeyan Dipan Patwa Director/CFO
	• Auditors of the Company	For Doshi Maru & Associates Chartered Accountant Atul Doshi Partner (FRN.No. 112187W)
	• Audit Committee Chairman	For LYPSA GEMS & JEWELLERY LTD. Director / Authorised Signatory Mr.Ajit Mangaldas Shah Chairman of the Audit committee

LYPSA GEMS & JEWELLERY LIMITED.

Corp. Off. : BC-6021, 6th Floor, Bharat Diamond Bourse, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. INDIA.
Tel. : +91 22 6741 3600 | E-mail : info@lypsa.in

Regd. Off. : 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari - 396445, India.
Tel. : +91 2637 280365