Twenty Third Annual Report Of

Lypsa Gems & Jewellery Ltd

For The Year

2017-2018

Board of Directors

Name of Director	Category of Director
Mr. Manish Jaysukhlal Janani	Managing Director and Chief Executive Officer
Mr. Dipankumar Babulal Patwa	Chairman & Jt. Managing Director
Mr. Jeeyan Dipankumar Patwa	Executive Director
Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director
Mr. Rakesh Bhanuchandra Vakharia	Independent and Non Executive Director
Mr. Bhavesh Shashikant Sheth	Independent and Non Executive Director
Mr. Deepak Chhaganlal Rathod	Independent and Non Executive Director
Mrs. Sonal Dipen Patwa	Non Independent Executive Director
Mrs. Neelam Maheshwari	Company Secretary and Compliance Officer

Auditors

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

Registered Office

Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam Banas Kantha GJ 385210

Corporate office

Mehta Mahal, 2nd Floor , North Side, Opp. Roxy Cinema, 15, Mathew Road, Opera house Mumbai 400004.

Bankers

Bank of India
Oriental Bank of Commerece

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 23rd Annual General Meeting of the Members of Lypsa Gems & Jewellery Ltd will be held at Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam Banas Kantha GJ 385210 Gujarat on Saturday, 29th September, 2018 at 02.00 p.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as at 31st March, 2018 and profit & loss account of the company for the year ended 31st March, 2018 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 Reappoint 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.

For Lypsa Gems & Jewellery Ltd

Date: 14/08/2018
Place: Banaskantha

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 23rd September, 2018 to 29th September, 2018 (both days inclusive). The Book closure dates have been fixed in consultation with the Stock Exchanges.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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

9. 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.

10. The status of dividends remaining unclaimed / unpaid with the respective due dates of transfer to IEPF is provided at page no. 61 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.

11. 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.

12. 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.

13. 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.

14. 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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, 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):

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).

PROCEDURE FOR E-VOTING

In case of members receiving AGM Notice by e-mail:

i. The voting period begins on 26th September, 2018 (11:00 A.M.) and ends on 28th September, 2018 (05:00 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 (i.e. the record date), being 22nd September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii. The shareholders should log on to the e-voting website www.evotingindia.com

iv. Click on Shareholders.

v. 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.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in demat form and had logged on to www.evotingindia.comand voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	For demat shareholders: Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department. For physical shareholders, please use the first two letters of your name and the 8 digits of the sequence number in the PAN field. • In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format)as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)

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

x. Members holding shares in physical form will then directly reach 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 the relevant Lypsa Gems & Jewellery Ltd on which you choose to vote.

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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.

xix. **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.comand register themselves as Corporate.
- 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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login 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.

xx. 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.

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 28th September, 2018 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.

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

16. 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 forty eight hours 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: 14/08/2018
Place: Banaskantha

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

Annexure to Notice

Explanatory statement pursuant to Section 102 of the Companies Act, 2013

Notes on directors seeking appointment/re-appointment as required under SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015 entered into with Stock Exchanges:

ITEM NO. 2

Name	:	Mr. Jeeyan 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	:	NIL
No. of Shares held in the Company	:	NIL

For Lypsa Gems & Jewellery Ltd

Date: 14/08/2018
Place: Banaskantha

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 2017-2018.

FINANCIAL RESULTS AND OPERATIONAL REVIEW:

Particulars	Year Ended 31.03.2018 (Rs In Lacs)	Year Ended 31.03.2017 (Rs In Lacs)
Gross Sales/Income	10414.51	7,659.36
Less Depreciation	36.89	43.17
Profit/(Loss) before Tax	18.35	16.61
Taxes Deferred Taxes	(1.11)	3.29
Profit/(Loss) After Taxes	19.47	13.32
P& L Balance b/f	1033.20	1027.86
Profit/ (Loss) carried to Balance Sheet	210.27	1033.20

Your Directors feel pleasure to declare profit after tax of 19.47 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 Patwa (DIN 02579469), Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c) Formal Annual Evaluation
Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Fourteen Board Meetings 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:

Since the Company has not made sufficient profit, the directors are unable to recommend any dividend during the year under review.

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% Subsidiary "Lypsa Gems & Jewellery DMCC (entities together termed as the Lypsa Group) in Dubai. Hence, details for the same are not required to mention here.

TRANSFER TO RESERVES:

The company has not transferred any amount to General Reserve. However, credit balance of Profit and Loss Account amounting to Rs. 19.47 Lacs is transferred to Surplus.

SHARE CAPITAL:

During the year, the company has obtained approval from members of the Company for issue and allotment of 8424000 Bonus Equity Shares in the ratio of 2 New Equity Share for every 5 existing equity shares held in its Extra Ordinary General Meeting which was held on 28th June, 2017. In principle approval for the same received from BSE Limited vide BSE letter no. DCS/AMAL/MD/BN-IP/838/2017-18 dated 28.06.2017. In Principle Approval also received from National Stock Exchange of India Limited vide its letter no. NSE/LIST/12536 dated 17.07.2017

The paid up Equity Share Capital as on March 31, 2018 was Rs. 29.484 Crores.

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 not obtained any fresh term loan during the year.

Long Term Debt of the Company stands to Rs. 23.58 Crores as on 31st March, 2018.

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, 2018.

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.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has adequate of internal financial controls with reference to the Financial Statements during the year under review.

CORPORATE SOCIAL RESPONSIBILITY:

During the year under review, the Company did not fall under the criteria of "Corporate Social Responsibility" pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

However, 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 2017-18, 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:

Risk management is embedded in your company's operating framework. Your company believes that managing risk helps in maximizing returns. The company's approach to addressing business risk is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the company is exposed to are:

Commodity Price Risks

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The company proactively manages these risks through forward booking, Inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigation the impact the impact of price risk on finished goods.

Regulatory Risks

The company is exposed to risks attached to various statues and regulations including the company Act. The company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

Human Resources Risks

Retaining the existing talent pool and attracting new talent are major risks. The company has initialed various measures including rolling out strategic talent management system, training and integration of learning and development activities.

Strategic Risks

Emerging businesses, capital expenditure for capacity expansion, etc., are normal strategic risk faced by the company. However, the company has well-defined processes and procedures for obtaining approvals for investments in new business and capacity expansion etc.

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:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at http://www.lypsa.in/16-17/3Whistle_Blower_Policy.pdf

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, 2018, 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, 2018 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:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters,

Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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.

MATERIAL CHANGES AND COMMITMENT:

No material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate on the date of this report.

DETAIL OF FRAUD AS PER AUDITORS REPORT:

There is no fraud in the Company during the Financial Year ended 31st March, 2018. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the financial year ended 31st March, 2018.

BOARD'S COMMENT ON THE AUDITORS' REPORT:

There were no qualifications, reservations or adverse remarks made by Auditors in their respective reports. Observation made by the Statutory Auditors in their Report are self explanatory and therefore, do not call for any further comments under section 134(3)(f) of the Companies Act, 2013.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, 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 -A".**

Reply for qualification Remark in Secretarial Audit Report:

1. The company has not published notice of meeting of Board of Director in Newspaper but the company has uploaded the same on Website of the company and also submitted to BSE Limited and to NSE Limited also.

2. The company is in process for filling the form IEPF 2, for unclaimed dividend as per provisions of section 96 read with subsection 2 of section 125 of The Companies Act, 2013 for uploading of information regarding unpaid and unclaimed amounts lying with companies.

3. The company will take steps to deposit unclaimed dividend to Investor education and protection fund in near future.

4. The Company has taken note of the non compliance of convening Meeting of Independent Director and will comply in the next year.

5. The Company has taken note of the non compliance of filing various returns to respective authorities and will comply in the next year.

6. The Company has taken note of the non compliance of taking factory licence and will comply in the next year

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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 are complied with.

As per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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-B".

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-C**".

PARTICULARS OF EMPLOYEES:

None of the employees of the Company drew remuneration of ` 1,02,00,000/- or more per annum ` 8,50,000/- or more per month during the year. Hence, no information is required to be furnished as required under Rule, 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2017-18, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31 March, 2018.

SECRETARIAL STANDARDS:

The Directors State that applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and General Meetings', respectively, have been duly followed by the Company.

ACKNOWLEDGMENT:

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For Lypsa Gems & Jewellery Limited

Date: 14/08/2018
Place: Banaskantha

Sd/-	Sd/-	Sd/-
Manish Janani	**Dipan Patwa**	**Jeeyan Patwa**
Managing Director	**Chairman**	**Director**

ANNEXURE -B TO THE DIRECTORS' REPORT FOR THE YEAR 2017-2018

Conservation of Energy

The company continues to effect measures for conservation and optimum utilization of energy through a series of audit programs and continues monitoring of processes and manufacturing methods. The total expenditure for power and fuel during the year 2017-2018 are as under:

Sr No.	Particulars	2017-2018	2016-2017
(A)	**Power and Fuel Consumption**		
1.	**Electricity**		
	(a) Purchased		
	Total Amount Rs.		
	Rate/Unit		
	(b) Own Generation	---	
	(i) Through diesel generator	---	---
	Unit	---	---
	Units per ltr. Of diesel oil	---	---
	Cost/unit	---	---
	(ii) Through steam turbine/generator	---	---
	Unit	---	---
	Units per ltr. of diesel oil	---	---
	Cost/unit		
2.	**Coal (specify quality and where used)**		
	Quantity (tonnes)	---	---
	Total Cost	---	---
	Average Rate	---	---
3.	**Furnace oil**		
	Quantity (k. ltrs.)	---	---
	Total Cost	---	---
	Average Rate	---	---
4.	**Others/internal generation (please give details)**		
	Quantity	---	---
	Total cost	---	---
	Rate/unit	---	---
(B)	**Consumption per unit of production**		
	Products (with details) unit		
	Electricity		
	Furnace oil	---	---
	Coal (specify quality)	---	---
	Others (specify)	---	---

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was US $ 0.00 and the total foreign exchange earned was US $ 0.00.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[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)
Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam, Banas Kantha - 385210

We 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, 2018. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of company's books, papers, minutes book, 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 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. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2018, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956, to the extent it is applicable.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 (effective upto 14th May 2015 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May 2015);

(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;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (effective from 1st December, 2015)

We have also examined compliance of the following to the extent applicable:

(i). Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 1st July, 2015); under the provisions of Companies Act, 2013;

We 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, as identified and confirmed by the management of the company and listed in Annexure -I to this report.

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) The Company has not published notice of meeting of the board of directors where financial results shall be discussed, as required under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) The Company has not filed form IEPF 2, for unclaimed dividend as per provisions of section 96 read with subsection 2 of section 125 of The Companies Act, 2013 for uploading of information regarding unpaid and unclaimed amounts lying with companies.

c) As per provisions, the company is required to deposit a sum of Rs.7,49,900/- towards unclaimed dividend for 2009-10 to Investor education and protection fund, the company has not deposited the same.

d) The Company has not convened any Meeting of the Independent Director during the year under review.

e) As per information received from the management of the Company, the Company has not filed required returns to respective authorities as required under various acts like, Employees State Insurance Act 1948, PTRC (Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975).

f) The Company is not having factory licence.

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

We 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.

We further report that the compliance by the company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of account has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professional.

We further report that according to the information received from management of the company, number of employees of the company reduced from 100 to 10 and hence, there is no requirement of filling of returns under Employees State Insurance Act 1948 and Employees PF & Miscellaneous Provisions Act 1952, as to the best knowledge of the management of the company.

We 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.
We 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:
The Company has issued 84,24,000 Bonus Shares of Rs.10/- each in the Meeting of the Board of Directors held on 14th July, 2017 after obtaining approval from members of the company in its Extra Ordinary General Meeting which was held on 28th June, 2017.

Date: 14/08/2018
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- II and forms an integral part of this report.

ANNEXURE- I

List of applicable laws to the Company

1. The Company has complied with the laws and regulations applicable specifically to the Company and its business belongs to trading, import, export, making and polishing activities of diamonds, gems and other precious stones Industries:

    1. Central Sales Tax Act, 1956
    2. Gujarat Value Added Tax Act, 2003
    3. Employees State Insurance Act 1948
    4. Employees PF & Miscellaneous Provisions Act 1952
    5. Motor Vehicles Act 1988 as amended from time to time till date.
    6. Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
    7. Micro, Small and Medium Enterprises Development Act 2006
    8. Income Tax Act 1961
    9. Customs Act, 1962
    10. Factories Act, 1948

Date: 14/08/2018
Place: Ahmedabad

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

Annexure II

To,
Lypsa Gems & Jewellery Limited (CIN: L28990GJ1995PLC028270)
Wing A, 2nd Block, 202-302, Orchid Complex,
Opp. HDFC Bank, Chhapi-Pirojpura Road,
Chhapi, Vadgam, Banas Kantha - 385210

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: 14/08/2018
Place: Ahmedabad

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

Annexure-C

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018

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	Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam Banas Kantha GJ 385210
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Name**: Purva Sharegistry (India) Pvt. Ltd. **Address**: Unit no. 9, Shiv Shakti Ind. Estt., J .R. Boricha marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai 400 011 **Contact No**.: 91-22-2301 6761 / 8261 **Fax No**.: 91-22-2301 2517 **E-mail id**: busicomp@gmail.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)**
A. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 31-03-17				No. of Shares held at the end of the year 31-03-18				% of Change during the year
	Demat	Physical	Total	% of Total TOTSHR	Demat	Physical	Total	% of Total TOTSHR	
A. Promoters									
(1) **Indian**									
(g) Individuals/ HUF	7595000	0	7595000	36.06	10704500	0	10704500	36.31	0.24
(h) Central Govt	0	0	0	0	0	0	0	0	0.00
(i) State Govt(s)	0	0	0	0	0	0	0	0	0.00
(j) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(k) Banks / FI	0	0	0	0	0	0	0	0	0.00
(l) Any Other....									
* DIRECTORS	0	0	0	0	0	0	0	0	0.00
* DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0.00
* PERSON ACTING IN CONCERN	0	0	0	0	0	0	0	0	0.00
Sub Total (A)(1):-	7595000	0	7595000	36.06	10704500	0	10704500	36.31	0.24
(2) **Foreign**									
(a) NRI Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other Individuals									
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00

(d) Banks / FI	0	0	0	0	0	0	0	0	0.00
(e) Any Other....									
Sub Total (A)(2):-	0	0	0	0	0	0	0	0	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**7595000**	**0**	**7595000**	**36.06**	**10704500**	**0**	**10704500**	**36.31**	**0.24**
B. Public Shareholding									
(1) **Institutions**									
(a) Mutual Funds	0	0	0	0	180	0	180	0.00	0.00
(b) Banks FI	0	0	0	0	0	0	0	0	0.00
(c) Central Govt	0	0	0	0	0	0	0	0	0.00
(d) State Govet(s)	0	0	0	0	70000	0	70000	0.24	0.24
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
(g) FIIs	545000	0	545000	2.59	0	0	0	0	-2.59
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(i) Others (specify)									
* U.T.I.	0	0	0	0	0	0	0	0	0.00
* FINANCIAL INSTITUTIONS	0	0	0	0	11135	0	11135	0.04	0.04
* I.D.B.I.	0	0	0	0	0	0	0	0	0.00
* I.C.I.C.I.	0	0	0	0	0	0	0	0	0.00
* GOVERMENT COMPANIES	0	0	0	0	0	0	0	0	0.00
* STATE FINANCIAL CORPORATION	0	0	0	0	0	0	0	0	0.00
* QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0.00
* ANY OTHER	0	0	0	0	0	0	0	0	0.00
* OTC DEALERS (BODIES CORPORATE)	0	0	0	0	0	0	0	0	0.00
* PRIVATE SECTOR BANKS	0	0	0	0	7423	0	7423	0.03	0.03
Sub-total (B)(1):-	545000	0	545000	2.59	88738	0	88738	0.30	-2.29

(2) **Non-Institutions**									
(a) Bodies Corp.									
(i) Indian	2363301	4308000	6671301	31.68	1441944	5737200	7179144	24.35	-11.48
(ii) Overseas	0	0	0	0	0	0	0	0	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1145547	547103	1692650	8.04	5301985	753584	6055569	20.54	12.50
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2338364	685550	3023914	14.36	3147774	564690	3712464	12.59	-1.77
(c) Others (specify)									
*LLP	0	0	0	0	450	0	450	0.00	0.00
* N.R.I.	541922	0	541922	2.57	796335	0	796335	2.70	0.13
* FOREIGN CORPORATE BODIES	0	0	0	0	0	0	0	0	0.00
* TRUST	0	0	0	0	0	0	0	0	0.00
* HINDU UNDIVIDED FAMILY	538142	0	538142	2.56	352973	0	352973	1.20	-1.36
* EMPLOYEE	0	0	0	0	0	0	0	0	0.00
* MARKET MAKER	0	0	0	0	0	0	0	0	0.00
* CLEARING MEMBERS	452071	0	452071	2.15	593827	0	593827	2.01	-0.13
* DEPOSITORY RECEIPTS	0	0	0	0	0	0	0	0	0.00
* OTHER DIRECTORS & RELATIVES	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(2):-	7379347	5540653	12920000	61.35	11635288	7055474	18690762	63.39	2.04
Total Public Shareholding (B) = (B)(1)+(B)(2)	**7924347**	**5540653**	**13465000**	**63.94**	**11724026**	**7055474**	**18779500**	**63.69**	**-0.24**
C. TOTSHR held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
GrandTotal(A + B + C)	**15519347**	**5540653**	**21060000**	**100**	**22428526**	**7055024**	**29484000**	**100**	**0.00**

Other	0	0	0	0	0.00	0	0	0	0.00

B) Shareholding of Promoter-

S. N.	Share holder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	Dipan B. Patwa	3786250	17.98	5372250	18.22	0.24
2	Manish J. Janani	3808750	18.09	5332250	18.09	0.00
	Total	**7590000**	**36.04**	**10704500**	**36.31**	**0.24**

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

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Dipan B. Patwa**				
	At the beginning of the year	3786250	17.98		
	07/07/2017 Purchase Open Market	15000	0.07	3801250	12.89
	28/07/2017 Purchase Open Market	5000	0.02	3806250	12.91
	14/07/2017 Bonus Shares	1525500	7.24	5331750	18.08
	01/09/2017 Purchase Open Market	10000	0.05	5341750	18.12
	30/09/2017 Purchase Open Market	5000	0.02	5346750	18.13

	31/10/2017 Purchase Open Market	5000	0.02	5351750	18.15
	24/11/2017 Purchase Open Market	5000	0.02	5356750	18.17
	15/12/2017 Purchase Open Market	5000	0.02	5361750	18.19
	25/01/2018 Purchase Open Market	5000	0.02	5366750	18.20
	09/03/2018 Purchase Open Market	5500	0.03	5372250	18.22
	At the end of the year			5372250	18.22
2	**Manish J. Janani**				
	At the beginning of the year	3808750	18.09		
	14/07/2017 Bonus Shares	1523500	7.23	5332250	18.09
	At the end of the year			5332250	18.09

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

Sr. No.	Shareholder's Name	No. of Shares at the beginning of the year	% of total shares of the Company	Date	Increase or Decrease in Shareholding	Reason	Cumulative No. of shares during the year	% of shares of the Company during the year shares of the company
1	Gajgamini Stockist Private Limited	1005234	4.77				1005234	4.77
				14/07/2017	402093	Bonus	1407327	4.77
				01/12/2017	-140000	Sell	1267327	4.30
				08/12/2017	-902085	Sell	365242	1.24
				15/12/2017	-197763	Sell	167479	0.57
				22/12/2017	-167479	Sell	0	0.00
	At the end of the Year on 31.03.2018						0	0.00

2	Corporate Stock Broking Pvt Ltd	450000	2.14				450000	2.14
				14/07/2017	180000	Bonus	630000	2.14
	At the end of the Year on 31.03.2018						630000	2.14
3	Dhanlaxmi Lease Finance Ltd	315000	1.50					
				14/07/2017	126000	Bonus	441000	1.50
	At the end of the Year on 31.03.2018						441000	1.50
				No Change			371858	1.77
4	Corporate Share Registry Pvt Ltd	300000	1.42					
				14/07/2017	120000	Bonus	420000	1.42
	At the end of the Year on 31.03.2018						420000	1.42
5	Corporate Commodity Brokers Pvt Ltd	300000	1.42					
				14/07/2017	120000	Bonus	420000	1.42
	At the end of the Year on 31.03.2018						420000	1.42
6	Amritlal Haridas Shah	371858	1.77					
				14/07/2017	148743	Bonus	520601	1.77
				30/11/2017	-2000	Sell	518601	1.76
				10/11/2017	-198000	Sell	320601	1.09
				17/11/2017	-170000	Sell	150601	0.51
At the end of the Year on 31.03.2018							150601	0.51
7	Sapnasuraha Commercial Pvt Ltd	210000	1.00					
				14/07/2017	34000	Bonus	244000	0.83
				28/11/2017	-17800	Sell	226200	0.77
				04/12/2017	-84000	Sell	142200	0.48
				29/12/2017	-70000	Sell	72200	0.24
				01/01/2018	-72200	Sell	0	0.00
At the end of the Year on 31.03.2018							0	0.00
8	Nomura Singapore Limited	250000	1.19					
				09/06/2017	-250000	Sell	0	0.00
At the end of the Year on 31.03.2018							0	0.00
9	Antara India Evergreen Fund Ltd	235000	1.12					
				09/06/2017	250000	Buy	485000	1.64
				28/07/2017	-291000	Sell	194000	0.66
				14/07/2017	485000	Bonus	679000	2.30

				01/12/2017	-600000	Sell	79000	0.27
				12/01/2018	-79000	Sell	0	0.00
At the end of the Year on 31.03.2018							0	0.00
10	Synergy Cosmetics Exim Limited	210450	1.00					
				14/07/2017	84180	Bonus	294630	1.00
				22/09/2017	-294630	-1.40	0	0.00
At the end of the Year on 31.03.2018							0	0.00
11	Keval Share Broking P. Ltd.	205000	0.97					
				07/04/2017	173525	Buy	378525	1.28
				14/04/2017	7708	Buy	386233	1.31
				21/04/2017	16462	Buy	402695	1.37
				28/04/2017	-50978	Sell	351717	1.19
				05/05/2017	-8611	Sell	343106	1.16
				12/05/2017	5744	Buy	348850	1.18
				19/05/2017	17098	Buy	365948	1.24
				26/05/2017	8388	Buy	374336	1.27
				02/06/2017	12039	Buy	386375	1.31
				09/06/2017	51892	Buy	438267	1.49
				16/06/2017	36149	Buy	474416	1.61
				23/06/2017	62597	Buy	537013	1.82
				30/06/2017	-342300	Sell	194713	0.66
				07/07/2017	178533	Buy	373246	1.27
				14/07/2017	-105024	Sell	268222	0.91
				28/07/2017	21691	Buy	289913	0.98
				14/07/2017	257053	Bonus	546966	1.86
				11/08/2017	133232	Buy	680198	2.31
				18/08/2017	66122	Buy	746320	2.53
				25/08/2017	17463	Buy	763783	2.59
				01/09/2017	4808	Buy	768591	2.61
				08/09/2017	8893	Buy	777484	2.64
				15/09/2017	48938	Buy	826422	2.80
				22/09/2017	-302637	Sell	523785	1.78
				30/09/2017	-234986	Sell	288799	0.98
				06/10/2017	198156	Buy	486955	1.65
				13/10/2017	-231110	Sell	255845	0.87
				20/10/2017	51452	Buy	307297	1.04
				27/10/2017	-118612	Sell	188685	0.64

				31/10/2017	-103549	Sell	85136	0.29
				03/11/2017	13140	Buy	98276	0.33
				10/11/2017	8874	Buy	107150	0.36
				17/11/2017	12305	Buy	119455	0.41
				24/11/2017	-3614	Sell	115841	0.39
				01/12/2017	-549	Sell	115292	0.39
				08/12/2017	-46317	Sell	68975	0.23
				15/12/2017	10895	Buy	79870	0.27
				22/12/2017	-4680	Sell	75190	0.26
				29/12/2017	46080	Buy	121270	0.41
				05/01/2018	2220	Buy	123490	0.42
				12/01/2018	-112172	Sell	11318	0.04
				19/01/2018	113147	Buy	124465	0.42
				25/01/2018	97279	Buy	221744	0.75
				02/02/2018	56310	Buy	278054	0.94
				09/02/2018	82331	Buy	360385	1.22
				16/02/2018	-138210	Sell	222175	0.75
				23/02/2018	5670	Buy	227845	0.77
				02/03/2018	750	Buy	228595	0.78
				09/03/2018	47249	Buy	275844	0.94
				16/03/2018	19718	Buy	295562	1.00
				23/03/2018	4042	Buy	299604	1.02
				30/03/2018	-115048	Sell	184556	0.63
At the end of the Year on 31.03.2018							184556	0.63
12	Pooja Ashok Manek	150300	0.71					
				14/07/2017	60120	Bonus	210420	0.71
				29/12/2017	-50000	Sell	160420	0.54
At the end of the Year on 31.03.2018							160420	0.54
13	Naysaa Securities Limited	75835	0.36					
				14/07/2017	-73953	Sell	1882	0.01
				21/07/2017	97622	Buy	99504	0.34
				28/07/2017	871	Buy	100375	0.34
				14/07/2017	19990	Bonus	120365	0.41
				18/08/2017	32912	Buy	153277	0.52
				08/09/2017	-46173	Sell	107104	0.36
				22/09/2017	-107104	Sell	0	0.00
				13/10/2017	84000	Buy	84000	0.28

				03/11/2017	-68528	Sell	15472	0.05
				10/11/2017	-15472	Sell	0	0.00
				08/12/2017	135976	Buy	135976	0.46
				15/12/2017	-135976	Sell	0	0.00
				02/02/2018	150000	Buy	150000	0.51
				16/02/2018	60000	Buy	210000	0.71
At the end of the Year on 31.03.2018							210000	0.71
14	Durga Prasad	300	0.00					
				28/07/2017	-180	Sell	120	0.00
				14/07/2017	300	Bonus	420	0.00
				01/12/2017	53050	Buy	53470	0.18
				08/12/2017	375320	Buy	428790	1.45
				15/12/2017	-220731	Sell	208059	0.71
				22/12/2017	22948	Buy	231007	0.78
				29/12/2017	-27287	Sell	203720	0.69
				30/12/2017	1800	Buy	205520	0.70
				05/01/2018	126200	Buy	331720	1.13
				12/01/2018	123600	Buy	455320	1.54
				19/01/2018	25011	Buy	480331	1.63
				02/02/2018	-48700	Sell	431631	1.46
				09/02/2018	3856	Buy	435487	1.48
				16/02/2018	7750	Buy	443237	1.50
				23/02/2018	63000	Buy	506237	1.72
				02/03/2018	-52103	Sell	454134	1.54
				09/03/2018	-27333	Sell	426801	1.45
				16/03/2018	-46778	Sell	380023	1.29
				23/03/2018	-118812	Sell	261211	0.89
				30/03/2018	46378	Buy	307589	1.04
At the end of the Year on 31.03.2018							307589	1.04
15	Manohar Devabhaktuni	0	0.00					
				08/12/2017	197263	Buy	197263	0.67
				15/12/2017	1100	Buy	198363	0.67
				02/03/2018	75695	Buy	274058	0.93
				16/03/2018	177	Buy	274235	0.93
At the end of the Year on 31.03.2018							274235	0.93
16	Jayantilal Hansraj Lodha	0	0.00					
				22/09/2017	136806	Buy	136806	0.46

				29/09/2017	-3537	Sell	133269	0.45
				06/10/2017	-133269	Sell	0	0.00
				13/10/2017	98541	Buy	98541	0.33
				20/10/2017	-98541	Sell	0	0.00
				25/01/2018	140000	Buy	140000	0.47
				09/02/2018	50000	Buy	190000	0.64
				16/02/2018	-4795	Sell	185205	0.63
At the end of the Year on 31.03.2018							185205	0.63

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Dipan B. Patwa – Managing Director**				
	At the beginning of the year	3786250	17.98	5372250	18.22
	07/07/2017 Purchase Open Market	15000	0.07	3801250	12.89
	28/07/2017 Purchase Open Market	5000	0.02	3806250	12.91
	14/07/2017 Bonus Shares	1525500	7.24	5331750	18.08
	01/09/2017 Purchase Open Market	10000	0.05	5341750	18.12
	30/09/2017 Purchase Open Market	5000	0.02	5346750	18.13
	31/10/2017 Purchase Open Market	5000	0.02	5351750	18.15
	24/11/2017 Purchase Open Market	5000	0.02	5356750	18.17
	15/12/2017 Purchase Open Market	5000	0.02	5361750	18.19
	25/01/2018 Purchase Open Market	5000	0.02	5366750	18.20

	09/03/2018 Purchase Open Market	5500	0.03	5372250	18.22
	At the end of the year			5372250	18.22
2	**Manish J. Janani**				
	At the beginning of the year	3808750	18.09		
	14/07/2017 Bonus Shares	1523500	7.23	5332250	18.09
	At the end of the year			5332250	18.09

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	23,39,74,570.29	49,66,000.00	0	23,89,40,570.29
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	6,24,607.00	0	6,24,607.00
Total (i+ii+iii)	23,39,74,570.29	55,90,607.00	0	23,95,65,177.29
Change in Indebtedness during the financial year				
*** Addition**	16,71,756.00	5,65,40,000.00	0	5,82,11,756.00
*** Reduction**	5,54,43,764.00	64,48,000.00	0	6,18,91,764.00
Net Change	(53,77,2008)	5,00,92,000.00	0	(36,80,008.00)
Indebtedness at the end of the financial year				
i) Principal Amount	18,02,02,562.29	5,50,58,000.00	0	23,52,60,562.29
ii) Interest due but not paid	0	6,24,607.00	0	6,24,607.00
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	18,02,02,562.29	5,56,82,607.00	0	23,58,85,169.29

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 (Chairman)	Jeeyan Patwa (Director)	---	
1	**Gross salary**	0.00	2400000.00	600000.00		3000000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00	0.00		0.0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00		0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00	0.00		0.00
2	**Stock Option**	0.00	0.00	0.00		0.00
3	**Sweat Equity**	0.00	0.00	0.00		0.00
4	**Commission** **- as % of profit** **- others, specify…**	0.00	0.00	0.00		0.00
5	**Others, please specify**	0.00	0.00	0.00		0.00
	Total (A)	0.00	2400000.00	600000.00		3000000.00
Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013.					

B. Remuneration to other directors

The Company has not paid remuneration to other Directors during the year under review.

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO Manish Janani	**CS Neelam Maheshwari**	**CFO Jeeyan Patwa**	**Total**
1	**Gross salary**	0.00	216000.0	600000.00	816000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00	0.00	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	0.00

2	**Stock Option**	0.00	0.00	0.00	0.00
3	**Sweat Equity**	0.00	0.00	0.00	0.00
4	**Commission**	0.00	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00	0.00
	others, specify…				
5	**Others, please specify**	0.00	0.00	0.00	0.00
	Total	0.00	216000.0	600000.00	816000.00

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					

For Lypsa Gems & Jewellery Limited

Date: 14/08/2018
Place: Banaskantha

Sd/-	Sd/-	Sd/-
Manish Janani	Dipan Patwa	Jeeyan Patwa
Managing Director	Chairman	Director

REPORT ON CORPORATE GOVERNANCE

[Pursuant to SEBI (Listing Obligations And Disclosure Requirement) Regulation, 2015.]

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, 2018 comprises of eight directors including of four Executive and four 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, 2018:

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	Chairman & Jt.	Nil	Nil	Nil

	Babulal Patwa	Managing Director			
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. Rakesh Bhanuchandra Vakharia	Independent and Non Executive Director	Nil	Nil	Nil
6	Mr. Bhavesh Shashikant Sheth	Independent and Non Executive Director	Nil	Nil	Nil
7	Mr. Deepak Chhaganlal Rathod	Independent and Non Executive Director	Nil	Nil	Nil
8	Mrs. Sonal Dipen Patwa	Non Independent and Non Executive Director	Nil	Nil	Nil

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.

2.2 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 14 times on the following dates:

15/04/2017	19/05/2017	22/05/2017	25/05/2017	30/06/2017
13/07/2017	14/07/2017	11/08/2017	07/09/2017	09/10/2017
13/10/2017	10/11/2017	15/01/2018	12/02/2018	

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	8	No
Mr. Dipankumar Babulal Patwa	Chairman & Jt. Managing Director	14	Yes
Mr. Jeeyan Dipankumar Patwa	Executive director	14	Yes
Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director	14	No
Mr. Bhavesh Shashikant Sheth	Independent and Non-Executive Director	14	No
Mrs. Sonal Dipen Patwa	Non Independent and Executive Director	14	No
Mr. Rakesh Vakharia	Independent and Non-Executive Director	14	Yes
Mr. Deepak Rathod	Independent and Non-Executive Director	14	Yes

2.4 <u>Details of Directors seeking re-appointment at the ensuing Annual General Meeting:</u>

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 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 Patwa, Director being appointed u/s 152(6) of the Companies Act, 2013

Name	Mr. Jeeyan 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 Regulation 26 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015] 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, 2018 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. Dipankumar Babulal Patwa	--	--	--
2.	Mr. Manish Jaysukhlal Janani	--	--	--
3.	Mr. Jeeyan Dipankumar Patwa	--	--	--
4.	Mr. Ravindra Chandulal Sanghavi	--	--	--
5.	Mr. Rakesh Bhanuchandra Vakharia	--	--	--
6.	Mr. Bhavesh Shashikant Sheth	--	--	--
7.	Mr. Deepak Chhaganlal Rathod	--	--	--
8.	Mrs. Sonal Dipen Patwa			

Independent Directors' Meeting:

During the year under review, the Meeting of Independent Directors was not held.

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 SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2016, 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:

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulation, 2015 ("The PIT Regulations"). The PIT regulations has come into effect from May 15, 2015 and replaced the earlier Regulations. The object of the PIT Regulation is to curb the practice of insider trading in the securities of a listed company.

The company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by insiders' ("the code") in accordance with the requirements of the PIT regulations.

The Code is applicable to promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

The company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulation, 2015. This Code is displayed on the Company's website viz http://www.lypsa.in/pdf/4-Code%20of%20Practices%20and%20Procedure%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive%20Information%20(UPSC).pdf

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 Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013, comprises of Three members viz. Non Executive and Independent Director Mr. Bhavesh Sheth, Mr. Rakesh Vakharia and Mr. Ravindra Sanghavi who are well versed with finance, accounts, management and corporate

affairs. Two members constitute the quorum of the said Audit Committee Meeting. Mr. Rakesh Vakharia 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 Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2017-18. The dates on which the said meetings were held as follows:

22/05/2017	11/08/2017	10/11/2017	12/02/2018

The necessary quorum was present at the meetings.

3.2 <u>Nomination and Remuneration Committee:</u>

The remuneration committee of the Company comprises of Non Executive and Independent Director Mr. Bhavesh Shashikant Sheth, Mr. Rakesh Vakharia and Mr. Ravindra Sanghavi.

Mr. Bhavesh Sheth is a chairman of the committee.

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 two meetings of Remuneration Committee held during the Financial Year 2017-18.

11/08/2017	10/11/2017

Details of Remuneration of Executive / Non-Executive Directors for the financial year ended 31st March, 2018:

Name	Executive/ Non-Executive	Salary	Bonus	Contribution to PF	Perquisites	Total
Manish Jaysukhlal Janani	Executive	0.00	0.00	0.00	0.00	0.00
Dipankumar Babulal Patwa	Executive	2400000.00	0.00	0.00	0.00	2400000.00
Jeeyan Dipan Patwa	Executive	600000.00	0.00	0.00	0.00	600000.00
Ravindra Chandulal Sanghavi	Non-Executive	0.00	0.00	0.00	0.00	0.00
Ajit Mangaldas Shah	Non-Executive	0.00	0.00	0.00	0.00	0.00
Bhavesh Shashikant Sheth	Non-Executive	0.00	0.00	0.00	0.00	0.00
Pankajkumar Vrajlal Shah	Non-Executive	0.00	0.00	0.00	0.00	0.00
Sonal Dipan Patwa	Director	0.00	0.00	0.00	0.00	0.00

Non- Executive Director

The Company has not paid any sitting fees to any of the Directors of the Company.

Remuneration Policy

Payment of remuneration to the Managing/Whole Time Director is governed by the respective Agreements executed between them and the company. These agreements were

approved by the Board and the Shareholders. Their Remuneration structure comprises salary, perquisites and allowances.

Terms of reference of the Committee inter alia, include the following:
Nomination of Directors / Key Managerial Personnel / Senior Management*

a. To evaluate and recommend the composition of the Board of Directors;
b. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
c. Consider and recommend to the Board appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
d. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
e. To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
f. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
g. To review HR Policies and Initiatives.

Remuneration of Directors / Key Managerial Personnel / Senior Management*/ other Employees

Evolve the principles, criteria and basis of Remuneration policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, Senior Management and other employees of the Company and to review the same from time to time.

The Committee shall, while formulating the policy, ensure the following:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

*Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Nomination & Remuneration Policy:

Purpose of this Policy:

The company has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The purpose of this Policy is to establish and govern the procedure applicable:

a) To evaluate the performance of the members of the Board.
b) To ensure that remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Definitions:

Independent Director means a director referred to in Section 149(6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Key Managerial Personnel (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Accounting Standards shall have the meanings assigned to them in these regulations.

Role of the Committee:

The Committee shall:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
e) To devise a Policy on Board diversity.
f) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Criteria for Determining the followings:-

(i) **Qualifications for appointment of Directors (including Independent Directors)**

a) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;

b) Their financial or business literacy/skills;

c) Other appropriate qualification/experience to meet the objectives of the Company;

d) As per the applicable provisions of Companies Act, 2013, Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

(ii) **Positive attributes of Directors (including Independent Directors):**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;

- Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions;

- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;

- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;

- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;

- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

(iii) **Independence Standards**

The following would be the independence review procedure and criteria to assist the Committee to evaluate the independence of Directors for recommending to the Board for appointment. A Director is independent if the Board affirmatively determines that the Director does not have a direct or indirect material relationship with the Company, including its affiliates or any member of senior management. "Affiliate" shall mean any company or other entity that controls, is controlled by, or is under common control with the Company.

Also, the candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and the Listing Agreement with the Stock Exchanges. In addition to applying these guidelines, the Board will consider

all relevant facts and circumstances in making its determination relating to a director's independence.

Independence Review Procedures:

(i) **Annual Review**:

The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such Director as per the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Agreement.

(ii) **Individual Director's Independence Determinations**

If a director nominee is considered for appointment to the Board between Annual General Meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Agreement.

(iii) **Notice of Change of Independent Status**

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

Criteria for appointment of KMP/Senior Management

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent working environment;
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission;
- To adhere strictly to code of conduct

Term

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

from time to time. Whereas the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

Evaluation

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required. Further, the Chairman & Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

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 & Executive Director	Member
3	Mr. Rakesh Vakharia	Independent and Non- Executive	Member

There are four meetings of Committee held during the Financial Year 2017-18.

18/04/2017	19/07/2017	16/10/2017	18/01/2018

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, 2018 is given below):

Complaints Status: 01.04.2017 to 31.03.2018

- Number of complaints received so far : 1
- Number of complaints solved : 1
- Number of pending complaints : 0

Compliance Officer:

Mr. Manish Janani 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
2014-15	2nd Floor, Diamond Park Building,	30/09/2015	11:00 A.M.

	Opp. Ambika Nagar Society, Dargah Road, Navsari – 396445		
2015-16	2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari – 396445	29/09/2016	04:00 P.M.
2016-17	Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam Banas Kantha - 385210	29/09/2017	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:

2017
Following Special Resolutions had been passed in the Annual General Meeting:

1. Appointment of Mr. Deepak Chhaganlal Rathod as an Independent Director of the Company.

2016
Following Special Resolutions had been passed in the Annual General Meeting:

1. Appointment of Mr. Ravindra Sanghavi (DIN: 02579509), as an Independent Director of the Company.
2. Appointment of Mr. Ajit Shah (DIN: 02579563), as an Independent Director of the Company
3. Appointment of Mr. Bhavesh Sheth (DIN: 03553130), as an Independent Director of the Company
4. Appointment of Mr. Rakesh Vakharia (DIN: 07582247), as an Independent Director of the Company
5. Shifting of Registered Office Outside the Local Limits of the City

2015
Following Special Resolutions had been passed in the Annual General Meeting:

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

2. Adoption of new Article of Association of the company containing regulation in conformity with Companies Act, 2013

Extra Ordinary General Meeting During the Year 2017-2018

One Extra Ordinary General Meeting held on 28/06/2017 for issue bonus shares during the financial year under review.

Postal Ballot Resolution Passed During the Year 2017-18

No Postal Ballot Resolution passed during the Year.

5. DISCLOSURES:

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have been provided in Schedule 25 Note 14 of Notes to Accounts.

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: Saturday, 29th September, 2018 at 02.00 p.m. at the Registered Office of the Company.

b. Financial Year: 1st April 2017 to 31st March 2018.

c. Financial Calendar: (2018-19) (Tentative)

First Quarter Results	:	Second week of August, 2018
Second Quarter Results	:	Second week of November, 2018
Third Quarter Results	:	Second week of February, 2019
Fourth Quarter Results	:	Second week of May, 2019

d. Date of Book Closure: 23rd September, 2018 to 29th September, 2018. (Inclusive Both days)

e. 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	2013-14	27/09/2013	7020000.00	6436863.00	583137.00	27/09/2020
5	2014-15	23/09/2015	7371000.00	7037718.00	333282.00	23/09/2022

f. Listing of Equity Shares on Stock Exchanges:

The Company is listed on Bombay Stock Exchange limited and National Stock Exchange Limited. Annual listing fees for the financial Year up to 2018-19 has been paid by the Company.

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 2017-18 are furnished below:

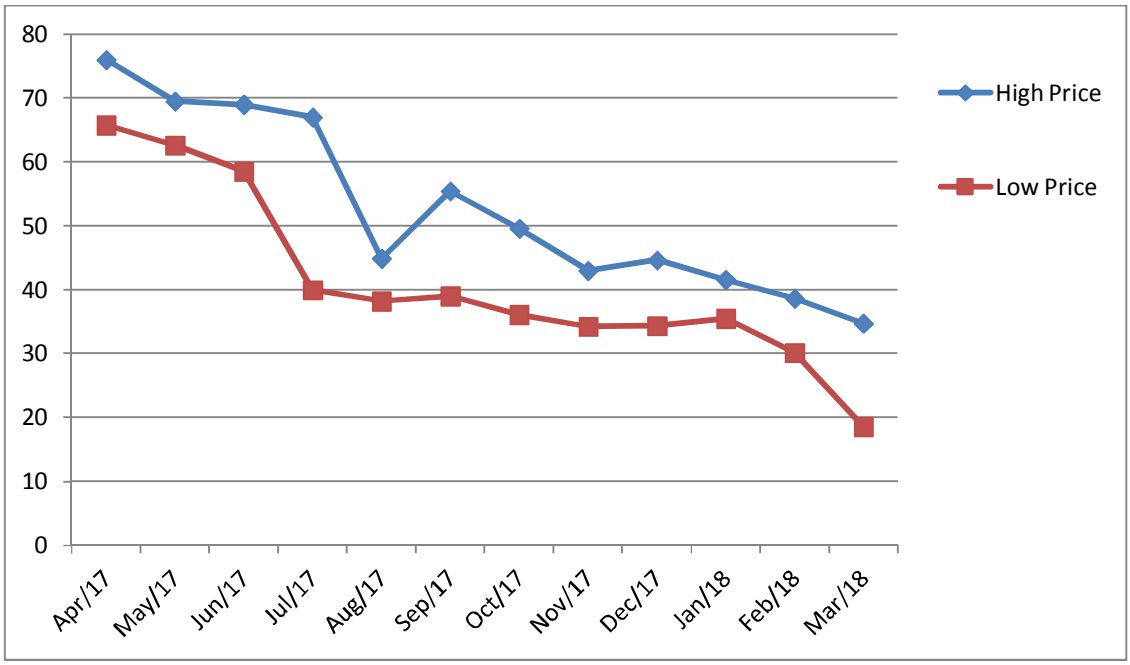
Month	High Price (Rs.)	Low Price (Rs.)
April, 2017	76.00	65.75
May, 2017	69.50	62.60
June, 2017	69.00	58.50
July, 2017	67.00	40.00
August, 2017	44.90	38.20
September, 2017	55.45	39.00

October, 2017	49.60	36.10
November, 2017	43.00	34.25
December, 2017	44.65	34.35
January, 2018	41.60	35.50
February, 2018	38.65	30.15
March, 2018	34.75	18.60

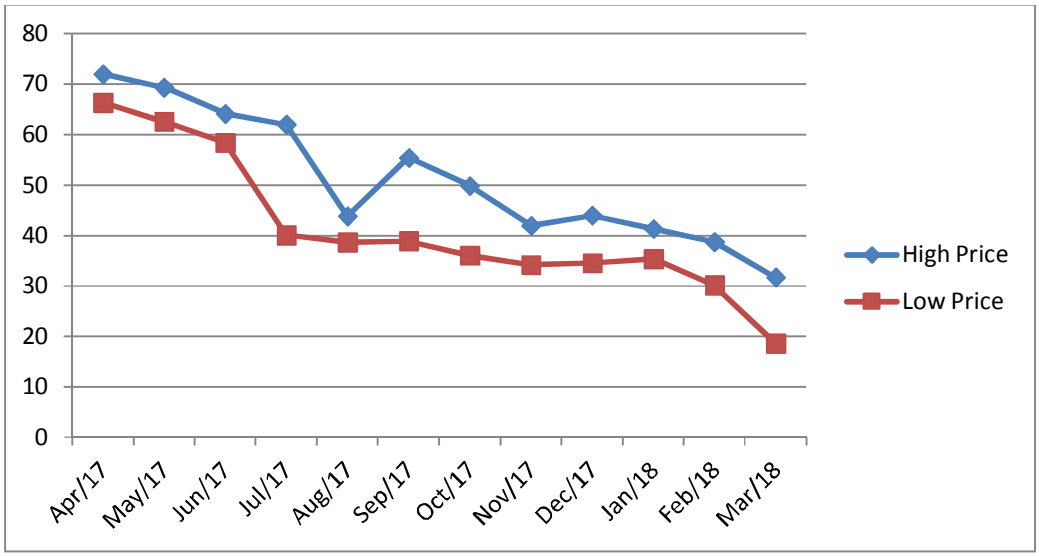
j. High / Low of Monthly Market Price of the Companies Equity Shares traded on National Stock Exchange of India Limited during the financial year 2017-18 are furnished below:

Month	High Price (Rs.)	Low Price (Rs.)
April, 2017	71.95	66.30
May, 2017	69.30	62.55
June, 2017	64.10	58.35
July, 2017	61.95	40.05
August, 2017	43.80	38.60
September, 2017	55.35	38.90
October, 2017	49.80	36.00
November, 2017	41.95	34.15
December, 2017	43.95	34.50
January, 2018	41.30	35.35
February, 2018	38.70	30.10
March, 2018	31.70	18.60

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 31.03.2018

Share Holding of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	No.	% to total	In Rs.	% to total
upto	5000	6,975	67.22	12521690	4.25
5,001	10,000	1827	17.61	15063320	5.11
10,001	20,000	685	6.60	10363090	3.51
20,001	30,000	306	2.95	7596230	2.58
30,001	40,000	105	1.01	3780340	1.28
40,001	50,000	130	1.25	5959270	2.02
50,001	1,00,000	166	1.60	12178390	4.13
1,00,001	and above	183	1.76	227377670	77.12
Total		**10377**	**100.00**	**294840000**	**100.00**

o. Shareholding pattern as on 31.03.2018

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	10704500	36.31
b. Financial Institutions/ Banks	18738	0.06
c. Other bodies corporate	7214532	24.47
d. Indian public	9768033	33.13
e. HUF	352973	1.20
f. NRI	796335	2.70
g. Clearing Member	558889	1.90
h. Central Government/ State Government(s)/ President of India	70000	0.24
TOTAL	**29484000**	**100**

p. Top 10 Shareholders as on 31st March, 2018 (Other than Promoters)

Sr. No	Name of Shareholders	Shareholding	%
1	Corporate Stock Broking Pvt. Ltd	630000	2.14
2	Dhanlaxmi Lease Finance Ltd	441000	1.50
3	Corporate Share Registery Pvt. Ltd	420000	1.42
4	Corporate Commodity Brokers Pvt. Ltd.	420000	1.42
5	Durga Prasad	307589	1.04
6	Manohar Devabhaktuni	274235	0.93
7	Naysaa Securities Limited	210000	0.71
8	Jayantilal Hansraj Lodha	185205	0.63
9	Keval Share Broking P. Ltd.	184556	0.63
10	Pooja Ashok Manek	160420	0.54
	Total	**30233005**	**10.97**

Dematerialization of shares: As on 31-03-2018 Demated shares accounted for 76.07% (2,24,28,526 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 Limited**

   Reg. Office:
   Wing A, 2nd Block, 202-302,
   Orchid Complex, Opp. HDFC Bank,
   Chhapi-Pirojpura Road, Chhapi,
   Vadgam Banas Kantha GJ 385210
   Email Id: info@lypsa.in
   Website: www.lypsa.in

Declaration of compliance with the code of conduct

In accordance with Regulation 26 of SEBI (Listing Obligation and Disclosures Requirement) Regulation, 2015 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 2016.

For Lypsa Gems & Jewellery Limited

Date: 14/08/2018
Place: Banaskantha

Sd/-	Sd/-	Sd/-
Manish Janani	**Dipan Patwa**	**Jeeyan Patwa**
Managing Director	**Chairman**	**Director**

Declaration of compliance with the code of conduct

In accordance with Regulation 26 of SEBI (Listing Obligation and Disclosures Requirement) Regulation, 2015 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 2016.

For Lypsa Gems & Jewellery Limited

Date: 14/08/2018
Place: Banaskantha

Sd/-	Sd/-	Sd/-
Manish Janani	**Dipan Patwa**	**Jeeyan Patwa**
Managing Director	**Chairman**	**Director**

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Lypsa Gems & Jewellery Limited

We have examined the compliance of condition of Corporate Governance by Lypsa Gems & Jewellery Limited, for the year ended March 31, 2018 as stipulated in Regulation 17,18,19,20,21,22,23,24,25,26,27 and clauses (b) to (i) of sub- regulation (2) of regulation 46 and para C, D and E of schedule V of the securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (collectively referred to as "SEBI Listing Regulation, 2015).

The compliance of conditions of corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance note on certification of corporate Governance, issued by the institute of Chartered Accountant of Indian and 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 information and according to the explanations given to us,

We certify that such compliance is neither as assurance as to the future viability of the company nor the efficient with which the management has conducted the affairs of the company.

FOR DOSHI MARU & ASSOCIATES
(CHARTERED ACCOUNTANTS)

Place: Mumbai
Date: 14/08/2018

SD/-
[ATUL B. DOSHI]
PARTNER
F.R.No. 112187W

Compliance Certificate

To the Members of Lypsa Gems & Jewellery Limited

We have examined the compliance of Corporate Governance by Lypsa Gems & Jewellery Limited for the year ended on 31st March, 2018, as stipulated in Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015 of the said Company with 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 ensuing the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned 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 DOSHI MARU & ASSOCIATES
(CHARTERED ACCOUNTANTS)

Place: Mumbai
Date: 14/08/2018

SD/-
[ATUL B. DOSHI]
PARTNER
F.R.No. 112187W

CEO/CFO CERTIFICATION:

We the undersigned, in our respective capacities as managing Director and Chief Financial Officer of Lypsa Gems & Jewellery Limited ("the Company") to the best of our knowledge and belief certify that:

a. We have reviewed the financial statements and the cash flow statement for the year 2017-18 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 a 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 2017-18 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 2017-18;

• Significant changes in accounting policies during the year 2017-18 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.

For & on behalf of the Board of Director
Lypsa Gems & Jewellery Limited

Date: 14/08/2018
Place: Banaskantha

SD/-
Jeeyan Dipan Patwa
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE TO DIRECTORS' REPORT

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:

India is a major processing hub for the global jewellery market, owing to its low-cost and highly-skilled labour advantage. According to CARE Research, India is also the worlds largest diamond-cutting and polishing centre and second largest gold jewellery centre.

The Indian gems and jewellery market comprises of jewellery (gold and silver), diamonds, coloured stones and pearls. According to CARE Research, Gold and diamond jewellery are the two major segments of the industry globally and India dominates in both of them. Of the total diamonds sold around the world, more than 90% (14 out of 15) diamonds are cut and polished in India (60% by value) because of the low-cost and highly-skilled manpower. Further, India continues to consume and import gold which crossed 850 tonnes per annum (CY2015). The gems and jewellery market is broadly bifurcated as shown in the following chart:

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing to around 6-7 per countrys GDP (Source: CARE Research). India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour.

According to CARE Research, the gems and jewellery market in India is home to more than 500,000 players, with the majority being small players. The industry is also highly unorganized dominated by family run jewellers. However, in the recent years there has been a gradual shift to organized players, at both, a national as well as a regional level. The organized sector accounts for around 28% - 30% of the total market share as per CARE Research. However, an increasing number of large showrooms have quickly gained trust among customers with their diverse products, guarantee for purity and value for money. Driven by these factors, the organized sector is expected to grow at a steady pace and increase its market share in the future. Further, Indian consumers also lay emphasis on branded goods, designs and certification. Demand for studded jewellery has witnessed an upswing in stark contrast to pure gold jewellery purchased in earlier years.

Outlook

It can be said that the prospects of the Indian gems and jewellery market are quite promising due to overall rising disposable incomes and the emergence and growth of innovating selling concepts in this digital era which offer the new age consumers the convenience and quality that they seek. Further, the governments overall policies supporting the industry make for a rather conducive environment for growth.

Key Developments during the year:

In February 2016, the Govt. of India (GOI) announced 1% excise duty on jewellery under the Union Budget 2016-17. As a matter of protest, many jewellers pan-India participated in a strike from March-April 2016.

This resulted in loss of business due to closure of outlets of many jewellers. It also impacted festive purchases of many people who may have delayed their purchases or purchased through modern channels of trade like Shop-in-Shops or though e-Commerce.

In November 2016, due to demonetization our business was impacted for about 3 months in India. However due to good demand overseas there was recovery in sales during that period. In long run it would be favorable for organized players like us. Also, In June 2017, the GST council decided to tax polished diamonds, gold and gold jewellery at 3% and rough diamonds at 0.25% under the Goods and Services

Tax (GST) applicable from 1st July 2017. As a unified tax nationally, the GST replaced Value Added Tax (VAT), Excise Duty, Octroi and other duties levied on the sector. As input credit is available under GST, it is expected that there will be a limited impact on the industry. GST is expected to increase compliance and bring all players at par, thus giving an impetus to organized channels of sale. As GST is also expected to help pan-India sale of goods and services under the same framework, it is expected to boost trade and commerce.

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 is in the process of increasing production capacity at its new factory in Navsari, Gujarat. The company has acquired a Factory Building and Machineries at Chhapi, Gujarat to expand it's manufacturing activities to produce small sized diamonds at affordable cost. This year will see substantial revenue from manufacturing activities. This is in line with our aim of generating maximum revenue from the manufacturing activities that allows higher value-addition than the trading activities.

In house manufacturing reduces the variance in cutting standards and allows the steady production of a high quality standard product, which is valued higher by traders, jewelers and consumers. It also safeguards against the possibility of theft and malpractice, which are a common occurrence in outsourced diamond production.

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 Limited

Date: 14/08/2018
Place: Banaskantha

Sd/-	**Sd/-**	**Sd/-**
Manish Janani	**Dipan Patwa**	**Jeeyan Patwa**
Managing Director	**Chairman**	**Director**

Form No. AOC- 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2018, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name of Related Party	Nature of Relationship	Nature of Contract/ Arrangement /transaction	Duration of Contract	Salient term of Contract/ Arrangement /transactions including the value, if any	Date of Approval by Board, If any	Amount Paid as advance, if any
Lypsa Diamond	Firm/Proprietary firm	Sale of Goods	Nil	Nil	-	Nil
Lypsa Gems	Partnership Firm	Investments	Nil	Nil	-	Nil

Form shall be signed by the people who have signed the Board's Report.

For Lypsa Gems & Jewellery Limited

Date: 14/08/2018
Place: Banaskantha

Sd/-	Sd/-	Sd/-
Manish Janani	**Dipan Patwa**	**Jeeyan Patwa**
Managing Director	**Chairman**	**Director**

INDEPENDENT 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, 2018, the Statement of Profit and Loss for the year then ended, Cash Flow Statements 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 the matters stated in Section 134 (5) of the Companies Act, 2013 ("The Act"), with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial 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 of the Companies (Accounts) Rules, 2014, as prescribed by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India. This 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 the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing 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 misstatement.

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 2018

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

c) Its cash flows for the year ended on that date

5) Report on other legal and regulatorty requirements

As required by the Companies (Auditors' Report) Order, 2004, issued by the Central Government in terms of sub section (4A) of Section 227 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 account as required by law so far as appears from our examination of the books of account;

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

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

i. The Company does not have any pending litigations which would impact its financial position except for outstanding dues of Banks.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

iii. There is Unclaimed Dividend of Rs. 7,49,900/- of F.Y. 2009-10 & Rs. 8,27,000/- of F Y 2010-11 which is required to be transferred by the Company to the Investor Education and Protection Fund. The company has not transferred the same.

For M/s. Doshi Maru & Associates
Chartered Accountants

Sd/-
(Atul Doshi)
Partner

FRN:112187W
Place: Mumbai
Dated: 29/05/2018

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, 2018. 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 raw material and stock of finished goods 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 i.e., raw material and finished goods 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 of 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 not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
(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 as at the last date of financial year, except for Professional Tax of Rs. 19,100/-, Unclaimed dividend payable for F Y 2009-10 of Rs. 7,49,900/-, for F Y 2010-11 of Rs. 8,27,000/-, for F Y 2011-12 of Rs. 5,61,855/-, for F Y 2012-13 of Rs. 4,33,587/-, for F Y 2013-14 of Rs. 14,30,020/-, for F Y 2014-15 of Rs. 3,33,282/-, Unclaimed Fraction shares for F Y 2013-14 of Rs. 3436/-, VAT payable of Rs. 25,30,221/-, TDS payable of Rs. 1,39,935/- 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	As there are no

	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).	outstanding undisputed statutory dues, this clause is not applicable except for pending Income Tax appeals.
	(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 required to transfer a sum of Rs. 7,49,900/- towards Unclaimed Dividend for 2009-10 & Rs. 8,27,000/- for 2010-11 to Investor Education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 (1 of 2013) and rules made thereunder. However, company has not transferred the same.
(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, 2018, 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 defaulted in repayment of dues to Bank. The company's account has turned to NPA status since December 2016. The amount of default in various bank account's is as under : 1. Bank of India CC A/c Rs. 1,56,58,737/-. 2. Bank of India Bill Discounting A/c Rs. 4,70,00,000/-.

		3. Bank of India PSC/PSCFC Rs. 11,65,06,184/-.
(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.
(xiii)	In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans and investments made.	
(xiv)	The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.	
(xv)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.	
(xvi)	In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.	
(xvii)	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Indian Accounting Standard financial statements as required by the applicable accounting standards.	

(xviii)	According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. However company has issued Bonus shares during the year.
(xix)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
(xx)	Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

Sd/-
(Atul B. Doshi)
Partner
M.No. 102585
Place :- Mumbai
Date : - 29th May, 2018

LYPSA GEMS & JEWELLERY LIMITED
BALANCE SHEET AS ON 31st MARCH 2018
CIN: L28990GJ1995PLC028270

(Rupees in Lacs)

	Particulars	Note No.	AS AT 31st MARCH 2018		AS AT 31st MARCH 2017	
II.	**ASSETS**					
	Non-current assets					
1	(a) Fixed assets					
	(i) Tangible assets	8	503.31		540.20	
	(ii) Intangible assets	8	-		-	
	(iii) Capital work-in-progress	8	-		-	
	(iv) Intangible assets under development	8	-	503.31	-	540.20
	(b) Non-current investments	9		1.00		0.92
	(c) Deferred tax assets (net)			-		-
	(d) Long-term loans and advances	10		24.28		13.92
	(e) Other non-current assets					
2	**Current assets**					
	(a) Current investments	11		30.74		30.74
	(b) Inventories	12		240.19		162.01
	(c) Trade receivables	13		15,596.68		13,377.74
	(d) Cash and cash equivalents	14		44.42		88.60
	(e) Short-term loans and advances	15		-		9.05
	(f) Other current assets	16		1.50		1.50
	TOTAL			**16,442.11**		**14,224.68**
I.	**EQUITY AND LIABILITIES**					
1	**Shareholders' funds**					
	(a) Share capital	1	2,948.40		2,106.00	
	(b) Reserves and surplus	2	210.27		1,033.20	
	(c) Money received against share warrants		-		-	
				3,158.67		3,139.20
2	**Share application money pending allotment**					
3	**Non-current liabilities**					
	(a) Long-term borrowings					
	(b) Deferred tax liabilities (Net)	3		29.56		32.59
	(c) Other Long term liabilities					
	(d) Long-term provisions					
4	**Current liabilities**					
	(a) Short-term borrowings	4		2,358.21		2,395.65
	(b) Trade payables	5		10,769.39		8,524.20
	(c) Other current liabilities	6		122.60		129.07
	(d) Short-term provisions	7		3.69		3.96
	TOTAL			**16,442.11**		**14,224.68**

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 **FOR LYPSA GEMS & JEWELLERY LIMITED**
CHARTERED ACCOUNTANTS

S/d	S/d	S/d
ATUL B. DOSHI	DIPAN PATWA	MANISH J JANANI
PARTNER	CHAIRMAN	MANAGING DIRECTOR
FRN : 112187W	DIN - 02579405	DIN - 02579381
PLACE: MUMBAI		
DATE: 29/05/2018	DATE: 29/05/2018	DATE: 29/05/2018

LYPSA GEMS & JEWELLERY LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2018
CIN: L28990GJ1995PLC028270

(Rupees in Lacs)

	Particulars	Refer Note No.	FOR THE YEAR ENDED 31st MARCH 2018		FOR THE YEAR ENDED 31st MARCH 2017	
I.	Revenue From Operations	17		10,414.51		7,659.36
II.	Other income	18		32.00		18.51
III.	**Total Revenue (I + II)**			10,446.52		7,677.87
IV.	Expenses:					
	Cost of materials consumed	19		16.98		2,404.34
	Purchases of Stock-in-Trade			10,372.78		3,424.68
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20		(95.16)		1,288.21
	Employee benefits expense	21		50.18		81.17
	Finance costs	22		13.02		365.76
	Depreciation and amortization expense	23		36.89		43.17
	Other expenses	24		33.47		53.93
	Total expenses			10,428.16		7,661.26
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			18.35		16.61
VI.	Exceptional items					
VII.	**Profit before extraordinary items and tax (V - VI)**			18.35		16.61
VIII.	Extraordinary Items					
IX.	**Profit before tax (VII- VIII)**			18.35		16.61
X	Tax expense:					
	(1) Current tax			2.00		1.69
	(2) Deferred tax			(3.11)		1.61
XI	**Profit (Loss) for the period from continuing operations (VII-VIII)**			19.47		13.32
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)**			19.47		13.32
XVI	Earnings per equity share:					
	(1) Basic EPS			0.03		0.00
	(2) Diluted EPS			0.05		0.06

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

S/d
ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 29/05/2018

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d
DIPAN PATWA
CHAIRMAN
DIN - 02579405

DATE: 29/05/2018

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d
MANISH J JANANI
MANAGING DIRECTOR
DIN - 02579381

DATE: 29/05/2018

NOTE No. 1 : SHARE CAPITAL

(Rupees in Lacs)

1 SHARE CAPITAL

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
AUTHORISED SHARE CAPITAL		
3,00,00,000 (2,50,00,000) Equity Share of Rs. 10/- Each	3,000.00	2,500.00
Issued, Subscribed & Paidup		
2,94,84,000 (2,10,60,000) Equity Share of Rs. 10/- Each Fully paidup.	2,948.40	2,106.00

Particulars	As at 31st March 2017	As at 31st March 2017
Equity shares at the beginning of the year	21060000	2,10,60,000
Add : Bonus shares issued by Capitalization of Securities Premium Account	8424000	-
Add : Shares issued at Premium	-	-
Equity shares at the end of the year	**29484000**	**2,10,60,000**

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	2,106.00	2,106.00
Add : Amount for Bonus shares issued by Capitalisation of Securities Premium Accoun ₹	842.40	-
Add : Amount for shares issued at Premium	-	-
Amount for Equity share capital at the end of the year	**2,948.40**	**2,106.00**

ESERVES & SURPLUS

2 RESERVES & SURPLUS

		AS AT 31st MARCH 2018		AS AT 31st MARCH 2017	
Securities Premium Reserve					
As per Last Balance Sheet	-		-		
Add: On Issue of Shares	-		-		
Less: On Issue of Bonus Shares	(842.40)	**(842.40)**	-		**-**
Profit & Loss Account					
As per Last Balance Sheet	1,033.20		1,027.86		
Add: Profit for the year	19.47		13.32		
Add: Excess Provision for the Earlier Year	-		-		
	1,052.67		**1,041.17**		
Less: Appropriations					
Less: On Issue of Bonus Shares	-		-		
Less: Prov. for Depreciation on FA (Sch II of Co. Act, 2013)	-		-		
Short Provision for I.Tax F.Y. 2013-14	-		-		
Provision for Reduction in Value of Investments	-		7.97		
Deffered Tax	-		-	₹	0.01
Tax on Dividend	-	**1,052.67**	-		**1,033.20**
Total		**210.27**			**1,033.20**

NOTE No. 3 : DEFFERED TAX LIABILITY (NET)

(Rupees in Lacs)

3 DEFFERED TAX LIABILITY (NET)

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Deffered Tax Liability		
Related to Fixed Assets	29.56	32.59
TOTAL	29.56	32.59

NOTE No. 4 : SHORT TERM BORROWINGS

4 SHORT TERM BORROWINGS

		AS AT 31st MARCH 2018		AS AT 31st MARCH 2017
Secured				
Working Capital Loans				
From Banks				
Foreign Currency Loans - PSCFC/PCFC	1,165.06		1,182.39	
Rupee Loans - PSC/PC/CC/Term Loan	626.59	**1,791.65**	1,143.99	**2,326.38**
Secured				
From Banks - Others				
Rupee Loan - Car Loan	9.73	**9.73**	13.36	**13.36**
Unsecured				
(I)Loans & Advances				
From Directors		**556.83**		**55.91**
From Others				
(II) From Banks		**-**		**-**
TOTAL		**2,358.21**		**2,395.65**

NOTE No. 5 : TRADE PAYABLES

5 TRADE PAYABLES

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Micro, Small & Medium Enterprises		
Others	10,769.39	8,524.20
TOTAL	**10,769.39**	**8,524.20**

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 2018	AS AT 31st MARCH 2017
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	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Interest Payable	19.74	19.74
Advances against Order	-	-
Recv/Payable For Forward Contract (Import)	-	-
Deffered Premium (Export)	-	-
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	4.34
Unclaimed Dividend (F. Y. 13-14)	14.30	14.30
Unclaimed Fraction Shares (F. Y. 13-14)	0.03	3,435.62
Unclaimed Dividend (F. Y. 14-15)	3.33	3.33
Other Payables	59.48	65.94
TOTAL	**122.60**	**3,564.65**

NOTE No. 7 : SHORT TERM PROVISIONS

7 SHORT TERM PROVISIONS	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Proposed Dividend	-	-
Tax on Dividend	-	-
Other Provisions	3.69	3.96
TOTAL	**3.69**	**3.96**

NOTE No. 8 : FIXED ASSETS

8 FIXED ASSETS

LYPSA GEMS & JEWELLERY LIMITED.

FIXED ASSETS SCHEDULE AS ON 31st March 2018

(Rupees in Lacs)

SR. NO.	DESCRIPTION	Usefull Life in Years	GROSS BLOCK AS ON 01/04/2017	GROSS BLOCK ADDITIONS DURING THE YEAR	GROSS BLOCK DEDUCTION DURING THE YEAR	GROSS BLOCK AS ON 31/03/2018	Residual Value (5% of Original Cost)	DEPRECIATION AS ON 01/04/2017	DEPRECIATION ADJUSTMENT FOR THE YEAR	DEPRECIATION DEPRECIATION FOR THE YEAR	DEPRECIATION UPTO 31/03/2018	NET BLOCK AS ON 31/03/2018	NET BLOCK AS ON 31/03/2017
	TANGIBLE ASSETS :												
	OWN ASSETS:												
1	Electcric Installation	10 Years	10.86	-	-	10.86	0.54	3.80	-	0.98	4.78	6.09	7.07
2	Furniture & Fixture (General)	10 Years	47.82	-	-	47.82	2.39	26.11	-	2.77	28.88	18.94	21.71
3	Motor Cars other than used in Business of Running them on Hire	8 Years	78.72	-	-	78.72	3.94	36.95	-	8.02	44.97	33.76	41.78
4	Office Equipments	5 Years	17.28	-	-	17.28	0.86	11.52	-	3.04	14.56	2.71	5.75
5	Computers (Desktops & Laptops, End users)	3 years	13.07	-	-	13.07	0.65	11.66	-	0.22	11.88	1.20	1.42
6	Plant & Machinaries (Other than Continuous Proceess Plant)	15 Years	286.65	-	-	286.65	15.09	58.12	-	16.19	74.31	212.35	228.53
7	Factory Building (Orchid Complex 202 & 302)	30 Years	178.16	-	-	178.16	8.91	12.37	-	5.68	18.05	160.11	165.79
8	Factory Land	-	68.16	-	-	68.16	-	-	-	-	-	68.16	68.16
	SUB-TOTAL RUPEES		700.73	-	-	700.73	32.38	160.53	-	36.89	197.42	503.31	540.20
	LEASE ASSETS :		-	-	-	-		-	-	-	-	-	-
	TOTAL - A		700.73	-	-	700.73	32.38	160.53	-	36.89	197.42	503.31	540.20
	INTANGIBLE ASSETS :		-	-	-	-		-	-	-	-	-	-
	TOTAL - B		-	-	-	-	-	-	-	-	-	-	-
	TOTAL A + B		700.73	-	-	700.73	32.38	160.53	-	36.89	197.42	503.31	540.20
	PREVIOUS YEAR		760.59	9.20	15.07	700.73	32.38	120.47	2.37	42.42	160.53	540.20	586.12
	CAPITAL WORK IN PROGRESS											-	-
	INTANGIBLE ASSETS UNDER DEVELOPMENT											-	-

NOTE No. 9 : NON CURRENT INVESTMENTS

9 NON CURRENT INVESTMENTS

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
TRADE INVESTMENTS		
TOTAL OF TRADE INVESTMENTS (A)		

OTHER INVESTMENTS

In Equity Shares of Comapanies - Quoted, Fully paidup

	Purchase cost		AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
5,90,300 (5,90,300) Shares of Kingfisher Airlines	99,11,830.00	0.06	0.06	0.06
In Mutual Funds of Comapanies - Quoted, Fully paidup				
0 (21280.054) Units of Reliance Diversified Power Sector Fund	-	-	-	-
Investments in Commodities				
Goldcoins			0.94	0.86
TOTAL OF OTHER INVESTMENTS (B)			**1.00**	**0.92**
TOTAL NON - CURRENT INVESTMENTS (A+B)			**1.00**	**0.92**

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 2018	AS AT 31st MARCH 2017
Advance Income Tax & TDS (Net of Provisions)	9.75	8.07
Vat Refundable	-	-
Deposites	3.98	3.86
Loans & Advances	10.55	2.00
Capital Advances	-	-
TOTAL	**24.28**	**13.92**

NOTE No. 11 : CURRENT INVESTMENTS

11 CURRENT INVESTMENTS

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Fixed Capital with Partnership Firm M/s. LYPSA GEMS	0.45	0.45
Current Capital with Partnership Firm M/s. LYPSA GEMS	22.80	22.80
Investment with 100% Subsidiary LYPSA GEMS & JEWELLERY DMCC	7.49	7.49
	-	-
TOTAL	**30.74**	**30.74**

NOTE No. 12 : INVENTORIES

12 INVENTORIES

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Raw Materials	30.08	47.06
Stock In Process	-	-
Finished Goods	210.11	114.95
TOTAL	**240.19**	**162.01**

(Rupees in Lacs)

NOTE No. 13 : TRADE RECEIVABLES

13 TRADE RECEIVABLES

(Unsecured & considered Good)	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
More than Six Months	12,572.69	9,037.08
Others	3,023.99	4,340.66
TOTAL	**15,596.68**	**13,377.74**

NOTE No. 14 : CASH & CASH EQUIVALENTS

14 CASH & CASH EQUIVALENTS

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Balance with Banks	43.34	81.28
Cash In Hand	1.08	7.33
Fixed Deposites with Banks (Maturity of Less than 12 Months)	-	-
TOTAL	**44.42**	**88.60**

NOTE No. 15 : SHORT TERM LOANS & ADVANCES

15 SHORT TERM LOANS & ADVANCES

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Prepaid Expenses	-	9.05
Deffered Premium		
Receivables on Forward Contracts/Interest Subvention		
TOTAL	**-**	**9.05**

NOTE No. 16 : OTHER CURRENT ASSETS

16 OTHER CURRENT ASSETS

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Deffered Revenue Expenditures	1.50	1.50
TOTAL	**1.50**	**1.50**

NOTE No. 17 : REVENUE FROM OPERATION

(Rupees in Lacs)

17	REVENUE FROM OPERATION	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
	Sales of Products	10,414.51	7,659.36
	Income From Services	-	-
	Share of Profit From Partnership Firm (M/s LYPSA GEMS)	-	-
	TOTAL	**10,414.51**	**7,659.36**

17.1	PARTICULARS OF SALES OF PRODUCTS		
	PARTICULARS	**AS AT 31st MARCH 2018**	**AS AT 31st MARCH 2017**
	Rough & Cut and Polished Diamonds	7,085.47	7,047.35
	Gold & Jewellery	3,329.05	612.01
	TOTAL	**10,414.51**	**7,659.36**

18 : OTHER INCOME

18	OTHER INCOME	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
	INTEREST		
	From Current Investments	-	21.19
	DIVIDEND		
	From Long Term Investment	-	-
	Net Gain on Sale of Investments		
	From Current Investments	-	-
	OTHER NON-OPERATING INCOME	32.00	(2.68)
	TOTAL	**32.00**	**18.51**

NOTE No. 19 : COST OF MATERIALS CONSUMED

19	COST OF MATERIALS CONSUMED	AS AT 31st MARCH 2018		AS AT 31st MARCH 2017	
		RUPEES	**% OF CONSUMPTION**	**RUPEES**	**% OF CONSUMPTION**
	IMPORTED	-	-	2,247.07	93.00
	LOCAL	16.98	100.00	157.28	7.00
	TOTAL	**16.98**	**100.00**	**2,404.34**	**100.00**
19.1	**PARTICULARS OF MATERIAL CONSUMED**				
	Rough Diamonds	16.98	100.00	2,404.34	100.00

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

20		AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
	Inventories (At Close)		
	Finished Goods	(210.11)	(114.95)
	Inventories (At Commencement)		
	Finished Goods	114.95	1,403.16
	TOTAL	**(95.16)**	**1,288.21**

NOTE No. 21 : EMPLOYEES BENEFIT EXPENSES

(Rupees in Lacs)

21 EMPLOYEES BENEFIT EXPENSES

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Salary	20.18	43.77
Directors Remuneration	30.00	37.40
TOTAL	**50.18**	**81.17**

NOTE No. 22 : FINANCE COST

22 FINANCE COST

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Interest Expenses	13.02	365.76
Forward Premium	-	-
TOTAL	**13.02**	**365.76**

NOTE No. 23 : DEPRICIATION & AMORTIZATION EXPENSES

23 DEPRICIATION & AMORTIZATION EXPENSES

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Depriciation & Amortization	36.89	43.17
TOTAL	**36.89**	**43.17**

NOTE No. 24 : OTHER EXPENSES

24 OTHER EXPENSES

		AS AT 31st MARCH 2018		AS AT 31st MARCH 2017
Manufacturing Expenses				
Clearing & Forwarding Expenses	-		0.48	
Labour Charges	2.95		1.75	
Re-Assortment Charges	-		-	
Consumables/Diamond Tools	-		1.26	
Repaires & Maintaiance (MFG)	-	**2.95**	-	**3.48**
Selling & Distribution Expenses				
Clearing & Forwarding Expenses	-		0.49	
Business Pramotion	-		-	
Commission/Brokrage & Marketing Research Fees	-	**-**	-	**0.49**
Establishment Expenses				
Professional Fees	4.24		11.24	
General Expenses	18.68		23.66	
Rent	0.57		0.57	
Insurance	0.85		4.00	
Penalities	0.26		-	
Travelling Expenses	2.82		5.26	
Payment to Auditors	0.50		0.50	
Charity & Donation	-		-	
Electricity Charges	2.60		4.73	
Loss on sale of fixed assets	-		-	
Long Term Capital Loss	-		-	
Prior Period Expenses	-	**30.52**	-	**49.96**
TOTAL	**33.47**	**33.47**	**53.93**	**53.93**

LYPSA GEMS & JEWELLERY LIMITED

SCHEDULE '25' OF NOTES ON ACCOUNTS ANNEXED TO & FORMING PART OF BALANCE SHEET AS ON 31/03/2018

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. The company has sold certain machines during the year.

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. NIL P.Y Rs.7,97,235/-) 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 22,79,910/- (P.Y. 22,79,910/-) 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. 1791.65 Lacs (P.Y Rs. 2326.38 Lacs against pledge of fixed deposits receipts) which includes Foreign Currency Loans of Rs. 626.59 Lacs (P.Y. Rs. 1182.39) availed during the year and Rupee Loans against hypothecation of stocks and receivables. The company's Bank account has turned to NPA status since December 2016.

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

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

The company has classified Receivable on forward contract against Exports of Rs NIL (P.Y. Rs. NIL) 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. NIL (P Y NIL)

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 amortized 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 not 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	NIL	91,717.00
Dipan Patwa	Interest on Loan	NIL	6,68,672.00
Manish Janani	Director Remuneration	NIL	16,00,000.00
Dipan Patwa	Director Remuneration	24,00,000.00	16,00,000.00
Jeeyan Patwa	Director Remuneration	6,00,000.00	5,40,000.00
Lypsa Diamond	Reimbursement of Expenses	414,100.00	6,44,283.00
Lypsa Diamond	Sale of Goods	NIL	1,00,92,034.00

Lypsa Gems	Investments	NIL	22,01,000.00

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. 27,86,94,334/- (P Y Rs. 21,36,33,409/-).

Income:

NAME	NATURE OF TRANSACTION	CURRENT YEAR	PREVIOUS YEAR
Lypsa Gems (Partnership Firm)	Share of Profit of Firm	NIL	NIL

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	2557.31	82205.78
Purchases	0.00	7879.77
Issued for manufacturing	180.22	3025.86
Loss	0.00	439.29
Sales	701.40	84063.09
Closing Stock	1675.69	2557.31

Polished Diamonds	Current Year(Carats)	Previous Year(Carats)
Opening Stock	118.85	6841.77
Purchases	51733.54	10646.41
Manufacturing	63.03	891.61
Loss	0.00	0.00
Sales	51405.41	18260.94
Closing Stock	510.01	118.85

Gold	Current Year (Grams)	Previous Year (Grams)
Opening Stock	35.98	151.70

Purchases	106.73	90.00
Sales	0.00	0.00
Gold Consumed	138.79	205.72
Closing Stock	3.92	35.98

Jewellery	**Current Year (Nos)**	**Previous Year(Nos)**
Opening Stock	0.00	0.00
Purchases	55124.63	451.00
Sales	55124.63	451.00
Closing Stock	0.00	0.00

18. **Deferred Taxation:**

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

Liabilities	As on 31.03.2018	As on 31.03.2017
Depreciation	114,81,004	-51,60,490.00
Net Deferred Tax Liability	-29,56,358.00	-32,59,469.00

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	Currency	Current Year	Currency	Previous Year
Export Sales	USD	0.00	USD	3472709.61
Import Purchase	USD	0.00	USD	4146831.38
CIF value of imports	USD	0.00	USD	1598364.84
Foreign Travelling expense	USD	0.00	GBP	0.00

21. **Share Capital:**

During the year company has not allotted shares to the public. However, company has issued bonus shares during the year.

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, 2018 is as computed as per Accounting Standard 20 is as:

Earnings Per Share	**31.03.2018**	**31.03.2017**
Profit after tax (Rs.)	19,46,614	13,31,739
Average number of shares (Nos)	2,94,84,000	2,10,60,000
Nominal value of shares (Rs.)	10.00	10.00
Basic Earnings Per share (Rs.)	0.03	0.06
Diluted earnings Per share (Rs.)	0.05	0.06
Adjusted Earnings Per share (Rs.)	---	-----

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 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 2018	As at 31st March 2017
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	2,10,60,000	2,10,60,000
Add : Bonus shares issued by Capitalization of Securities Premium Account	84,24,000	NIL
Add : Shares issued at Premium	NIL	NIL
Equity shares at the end of the year	2,94,84,000	2,10,60,000

Equity Capital:

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	21,06,00,000	21,06,00,000
Add : Amount for Bonus shares issued by Capitalisation of Securities Premium Account	8,42,40,000	NIL
Add : Amount for shares issued at Premium	NIL	NIL
Amount for Equity share capital at the end of the year	29,48,40,000	21,06,00,000

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

Name of Shareholder	As at March 31st, 2018		As at March 31st, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manish Jaysukhlal Janani	53,32,250	18.09	38,08,750	18.09
Dipen Babubhai Patwa	53,72,250	18.22	37,86,250	17.98

27. **Short term Borrowings:**

Loans and advances from related parties:

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Unsecured Loans from Directors	556.83	55.91

28. **Investments:**

Investment in Partnership Firm:

Name of Firm	As at March 31st, 2018	As at March 31st, 2017
M/s Lypsa Gems		
Fixed Capital	Rs. 45,000/-	Rs. 45,000/-
Current Capital	Rs. 22,79,910/-	Rs. 22,79,910/-

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

Particulars	As at March 31st, 2018	As at March 31st, 2017
Security Deposits – Considered Good	Rs. 3,55,671/-	Rs. 3,55,671/-
Prepaid Expenses		
Bank Charges	NIL	Rs.8,61,019/-
Insurance Premium	NIL	Rs.43,719/-
Domain Registration charges	NIL	NIL
Membership Fees	NIL	NIL
Repairs & Maintenance	NIL	NIL
Telephone Charges	NIL	NIL

Advance Interest paid on EPC	NIL	NIL

30. **Cash & Cash Equivalents :**

Particulars	As on March 31st, 2018	As on March 31st, 2017
Balance in Current Accounts	Rs. -27834.67	Rs. 37,92,231.99
Balance in Unclaimed Dividend A/c	Rs. 43,61,879.87	Rs. 43,39,079.67

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. 125,72,69,250/- (P Y Rs. 71,58,56,685/-). However Rs. 19,06,44,240/- (P Y Rs. NIL) 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. 27,86,94,334/- (Rs. 21,36,33,409/-) for the year 2016-17.
The Net profit earned for the year 2017-18 from partnership firm M/s Lypsa Gems of Rs. NIL (P.Y.NIL) 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, Rs.14,30,020/- for 2013-14 and Rs.3,33,282/- for 2014-15.The company has unclaimed fraction shares of Rs.3,436/-. As per provisions, the company is required to deposit a sum of Rs.7,49,900/- towards unclaimed dividend for

2009-10 & Rs. 8,27,000/- for 2010-11 to Investor education and protection fund. The company has not deposited the same.

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

SD/-
(Atul B. Doshi)
Partner
M.No.: 102585
Place: Mumbai
Dated: 29th May, 2018

LYPSA GEMS & JEWELLERY LIMITED.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE PURSUANT TO PART -IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

I REGISTRATION DETAILS

Registration No. :	**28,270.00**	State Code :	**04**
Balance Sheet Date :	**31/03/2018**		

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES)

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

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

TOTAL LIABILITIES :	**14,228.68**	**TOTAL ASSETS**	**14,228.68**

SOURCES OF FUNDS :

Paid up Capital :	**2,948.40**	Reserves & Surplus :	**210.27**
Secured Loans :	**1,801.38**	Unsecured Loans :	**556.83**
Deferred Tax Liability	**29.56**		

APPLICATION OF FUNDS :

Net Fixed Assets :	**507.31**	Investments	**14.84**
Net Current Assets :	**5,016.35**	Misc. Expenditure	**1.50**
Accumulated Losses :	**-**		

IV PERFORMANCE OF THE COMPANY (AMOUNT IN LACS) :

Turnover/other Income :	**10,414.51**	**Total Expenditure**	**10,428.16**
Profit Before tax :	**18.35**	**Profit After tax :**	**19.47**
Earning Per Share (In Rupees)	**0.03**	**Dividend rate :**	**NIL**

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

S/d

ATUL B. DOSHI
PARTNER

FRN : 112187W

PLACE: MUMBAI

DATE: 29/05/2018

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d **S/d**

DIPAN PATWA **MANISH J JANANI**
CHAIRMAN **MANAGING DIRECTOR**

DIN - 02579405 **DIN - 02579381**

DATE: 29/05/2018

LYPSA GEMS & JEWELLERY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

	31-Mar-2018		31-Mar-2017	
A Cash flow from operating activities				
Net profit before Tax		0.00		0.00
Adjustments for:				
Depreciation	36.89		42.42	
Preliminary Expenses w/off	-		0.75	
Long Term Capital Loss/ (Gain)	-		-	
Interest Received	-		(21.19)	
Dividend Received				
		36.89		21.99
Operating profit before working capital changes		36.89		21.99
Decrease/(Increase) in Current Assets	(2,298.51)		(182.18)	
Increase in Outstanding Liabilities	2,238.53		380.65	
Increase / (Decrease) in other liabilities	-		-	
		(59.99)		198.47
Cash generated from operations		(23.09)		220.45
Income Tax Paid		2.00		2.12
Net cash from operating activities		(25.09)		218.34
B Cash flow from investing activities:				
Interest Received	-		21.19	
Dividend Received	-		-	
Sale/(Purchase) of Investment	-		-	
Decrease/ (Increase) in fixed Assets	-		3.50	
Net cash used in investing activities		-		24.68
C Cash flow from financing activities				
Capital raised during the year	-		-	
Increase/(decrease) in Secured Loan Ta	(538.36)		(780.24)	
Increase/(decrease) in Unsecured Loans	500.92		(65.00)	
Net cash from financing activities		(37.44)		(845.24)
Net Increase/(Decrease) in cash and cash equivalents		(62.54)		(602.22)
Cash and cash equivalents (opening balance)	88.60		674.21	
Cash and cash equivalents (closing balance)	44.42		88.60	
		(44.18)		(585.61)

As per our report of even date attached

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITEI

FOR LYPSA GEMS

S/d
ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 29/05/2018

S/d
DIPAN PATWA
CHAIRMAN
DIN - 02579405
DATE: 29/05/2018

S/d
MANISH J JANANI
MANAGING DIRECTOR
DIN - 02579381
DATE: 29/05/2018

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 its 100% Subsidiary **LYPSA GEMS & JEWELLERY DMCC** (Entities together termed as the **LYPSA GROUP**), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss for the year then ended and Consolidated Cash Flow Statements 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 the matters stated in Section 134 (5) of the Companies Act, 2013 ("The Act"), with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the LYPSA GROUP in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule of the Companies (Accounts) Rules, 2014, as prescribed by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India. This 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 the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing 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 misstatement.

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 consolidated financial statements and 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 Consolidated Balance Sheet, of the state of affairs of LYPSA GROUP as at 31st March 2018

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

c) Its consolidated cash flows for the year ended on that date

5) Report on other legal and regulatorty requirements

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.1,08,28,95,135/- as on March 31st, 2018 (P.Y. Rs. 2,04,65,82,364/-) and total revenues of Rs.2,15,92,53,006/- for the year ended on that date (P.Y Rs. 1,84,14,50,056/-) and the Net Profit is Rs. 27,74,26,726/- for the year ended March 31st, 2018 (P.Y Rs. 20,25,70,849/-). 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.

As required by the Companies (Auditors' Report) Order, 2004, issued by the Central Government in terms of sub section (4A) of Section 227 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 account as required by law so far as appears from our examination of the books of account;

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

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

i. The Company does not have any pending litigations which would impact its financial position

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

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

Sd/-
(Atul B. Doshi)
Partner
M.No. 102585
Place :- Mumbai
Date : - 29th May, 2018

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, 2018. 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 raw material and stock of finished goods 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 i.e., raw material and finished goods 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 of 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 not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
(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 as at the last date of financial year, except for Professional Tax of Rs. 19,100/-, Unclaimed dividend payable for F Y 2009-10 of Rs. 7,49,900/-, for F Y 2010-11 of Rs. 8,27,000/-, for F Y 2011-12 of Rs. 5,61,855/-, for F Y 2012-13 of Rs. 4,33,587/-, for F Y 2013-14 of Rs. 14,30,020/-, for F Y 2014-15 of Rs. 3,33,282/-, Unclaimed Fraction shares for F Y 2013-14 of Rs. 3436/-, VAT payable of Rs. 25,30,221/-, TDS payable of Rs. 1,39,935/- 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	As there are no

	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).	outstanding undisputed statutory dues, this clause is not applicable except for pending Income Tax appeals.
	(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 required to transfer a sum of Rs. 7,49,900/- towards Unclaimed Dividend for 2009-10 & Rs. 8,27,000/- for 2010-11 to Investor Education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 (1 of 2013) and rules made thereunder. However, company has not transferred the same.
(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, 2018, 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 defaulted in repayment of dues to Bank. The company's account has turned to NPA status since December 2016. The amount of default in various bank account's is as under : 1. Bank of India CC A/c Rs. 1,56,58,737/-. 2. Bank of India Bill Discounting A/c Rs. 4,70,00,000/-.

		3. Bank of India PSC/PSCFC Rs. 11,65,06,184/-.
(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.
(xiii)	In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans and investments made.	
(xiv)	The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.	
(xv)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.	
(xvi)	In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.	
(xvii)	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Indian Accounting Standard financial statements as required by the applicable accounting standards.	

(xviii)	According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. However company has issued Bonus shares during the year.
(xix)	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
(xx)	Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

Sd/-
(Atul B. Doshi)
Partner
M.No. 102585
Place :- Mumbai
Date : - 29th May, 2018

LYPSA GEMS & JEWELLERY LIMITED
CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2018
CIN: L28990GJ1995PLC02827(

(Rupees in Lacs)

Particulars	Note No.	AS AT 31st MARCH 2018		AS AT 31st MARCH 2017	
1	2				
II. ASSETS					
Non-current assets					
1 (a) Fixed assets					
(i) Tangible assets	8	503.31		540.20	
(ii) Intangible assets	8	-		-	
(iii) Capital work-in-progress	8	-		-	
(iv) Intangible assets under development	8	-	503.31	-	540.20
(b) Non-current investments	9		1.00		0.92
(c) Deferred tax assets (net)			-		-
(d) Long-term loans and advances	10		29.31		18.94
(e) Other non-current assets					
2 ent assets					
(a) Current investments	11		23.25		23.25
(b) Inventories	12		240.19		162.01
(c) Trade receivables	13		26,351.04		33,838.55
(d) Cash and cash equivalents	14		113.98		88.60
(e) Short-term loans and advances	15		-		9.05
(f) Other current assets	16		1.50		1.50
TOTAL			27,263.58		34,683.02
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	2,948.40		2,106.00	
(b) Reserves and surplus	2	9,052.19		7,076.58	
(c) Money received against share warrants		-		-	
			12,000.59		9,182.58
2 Share application money pending allotment					
3 Non-current liabilities					
(a) Long-term borrowings					
(b) Deferred tax liabilities (Net)	3		29.56		32.59
(c) Other Long term liabilities					
(d) Long-term provisions					
4 Current liabilities					
(a) Short-term borrowings	4		2,358.21		2,395.65
(b) Trade payables	5		12,748.93		22,939.16
(c) Other current liabilities	6		122.60		129.07
(d) Short-term provisions	7		3.69		3.96
TOTAL			27,263.58		34,683.02

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

Sd/-
ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 29/05/2018

Sd/-
DIPAN PATWA
CHAIRMAN
DIN - 02579405
DATE: 29/05/2018

Sd/-
MANISH J JANANI
MANAGING DIRECTOR
DIN - 02579381
DATE: 29/05/2018

LYPSA GEMS & JEWELLERY LIMITED
CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2018
CIN: L28990GJ1995PLC028270

(Rupees in Lacs)

	Particulars	Refer Note No.	FOR THE YEAR ENDED 31st MARCH 2018		FOR THE YEAR ENDED 31st MARCH 2017	
I.	Revenue From Operations	17		32,007.04		26,073.86
II.	Other income	18		32.00		18.51
III.	**Total Revenue (I + II)**			32,039.05		26,092.37
IV.	Expenses:					
	Cost of materials consumed	19		16.98		2,404.34
	Purchases of Stock-in-Trade			29,079.07		19,615.20
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20		(95.16)		1,359.03
	Employee benefits expense	21		78.77		88.37
	Finance costs	22		13.02		365.76
	Depreciation and amortization expense	23		36.89		43.17
	Other expenses	24		103.06		63.55
	Total expenses			29,232.64		23,939.43
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			2,806.41		2,152.94
VI.	Exceptional items					
VII.	**Profit before extraordinary items and tax (V - VI)**			2,806.41		2,152.94
VIII.	Extraordinary Items					
IX.	**Profit before tax (VII- VIII)**			2,806.41		2,152.94
X	Tax expense:					
	(1) Current tax			2.00		1.69
	(2) Deferred tax			(3.03)		1.61
XI	**Profit (Loss) for the period from continuing operations (VII-VIII)**			2,807.44		2,149.65
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)**			2,807.44		2,149.65
XVI	Earnings per equity share:					
	(1) Basic / Diluted			9.52		10.21
	(2) Adjusted EPS			-		-

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

Sd/-
ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 29/05/2018

Sd/-
DIPAN PATWA
CHAIRMAN
DIN - 02579405
DATE: 29/05/2018

Sd/-
MANISH J JANANI
MANAGING DIRECTOR
DIN - 02579381
DATE: 29/05/2018

NOTE No. 1 : SHARE CAPITAL

1 SHARE CAPITAL

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
AUTHORISED SHARE CAPITAL		
3,00,00,000 (2,50,00,000) Equity Share of Rs. 10/- Each	3,000.00	2,500.00
Issued, Subscribed & Paidup		
2,94,84,000 (2,10,60,000) Equity Share of Rs. 10/- Each Fully paidup.	2,948.40	2,106.00

Particulars	**As at 31st March 2018**	**As at 31st March 2017**
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	2,10,60,000	2,10,60,000
Add : Bonus shares issued by Capitalization of Securities Premium Account	84,24,000	-
Add : Shares issued at Premium	-	-
Equity shares at the end of the year	**2,94,84,000**	**2,10,60,000**

Particulars	**As at 31st March 2018**	**As at 31st March 2017**
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	2,948.40	2,106.00
Add : Amount for Bonus shares issued by Capitalisation of Securities Premium Accou	-	-
Add : Amount for shares issued at Premium	-	-
Amount for Equity share capital at the end of the year	**2,948.40**	**2,106.00**

2 RESERVES & SURPLUS

		AS AT 31st MARCH 2018		AS AT 31st MARCH 2017
Securities Premium Reserve				
As per Last Balance Sheet				
Add: On Issue of Shares	-		-	
Less: On Issue of Bonus Shares	(842.40)	(842.40)	-	-
Capital Reserve		10.57		(200.06)
Profit & Loss Account				
As per Last Balance Sheet	7,076.58		5,134.96	
Add: Profit for the year	2,807.44		2,149.65	
Add: Excess Provision for the Earlier Year	-		-	
	9,884.02		**7,284.61**	
Less: Appropriations				
Less: On Issue of Bonus Shares	-		-	
Less: Prov. for Depreciation on FA (Sch II of Co. Act, 2013)	-		-	
Short Provision for I.Tax F.Y. 2013-14	-		-	
Provision for Reduction in Value of Investments	-		7.97	
Deffered Tax	-		-	
Tax on Dividend	-	**9,884.02**	-	**7,276.64**
Total		**9,052.19**		**7,076.58**

NOTE No. 3 : DEFFERED TAX LIABILITY (NET)

3 DEFFERED TAX LIABILITY (NET)

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Deffered Tax Liability		
Related to Fixed Assets	29.56	32.59
TOTAL	29.56	32.59

NOTE No. 4 : SHORT TERM BORROWINGS

4 SHORT TERM BORROWINGS

		AS AT 31st MARCH 2018		AS AT 31st MARCH 2017
Secured				
Working Capital Loans				
From Banks				
Foreign Currency Loans - PSCFC/PCFC	1,165.06		1,182.39	
Rupee Loans - PSC/PC/CC/Term Loan	626.59	**1,791.65**	1,143.99	**2,326.38**
Secured				
From Banks - Others				
Rupee Loan - Car Loan	9.73	**9.73**	13.36	**13.36**
Unsecured				
(I)Loans & Advances				
From Directors		556.83		55.91
From Others		-		-
(II) From Banks		-		-
TOTAL		**2,358.21**		**2,395.65**

NOTE No. 5 : TRADE PAYABLES

5 TRADE PAYABLES

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Micro, Small & Medium Enterprises		
Others	12,748.93	22,939.16
TOTAL	**12,748.93**	**22,939.16**

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 2018	AS AT 31st MARCH 2017
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

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Interest Payable	19.74	19.74
Advances against Order	-	-
Recv/Payable For Forward Contract (Import)	-	-
Deffered Premium (Export)	-	-
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	4.34
Unclaimed Dividend (F. Y. 13-14)	14.30	14.30
Unclaimed Fraction Shares (F. Y. 13-14)	0.03	0.03
Unclaimed Dividend (F. Y. 14-15)	3.33	3.33
Other Payables	59.48	65.94
TOTAL	**122.60**	**129.07**

NOTE No. 7 : SHORT TERM PROVISIONS

7 SHORT TERM PROVISIONS

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Proposed Dividend	-	-
Tax on Dividend	-	-
Other Provisions	3.69	3.96
TOTAL	**3.69**	**3.96**

NOTE No. 8 : FIXED ASSETS

8 FIXED ASSETS

LYPSA GEMS & JEWELLERY LIMITED.

FIXED ASSETS SCHEDULE AS ON 31st March 2018

(Rupees in Lacs)

SR. NO.	DESCRIPTION	Usefull Life in Years	GROSS BLOCK					DEPRECIATION				NET BLOCK	
			AS ON 01/04/2017	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31/03/2018	Residual Value (5% of Original Cost)	AS ON 01/04/2017	ADJUSTMENT FOR THE YEAR	DEPRECIATION FOR THE YEAR	UPTO 31/03/2018	AS ON 31/03/2018	AS ON 31/03/2017
	TANGIBLE ASSETS :												
	OWN ASSETS:												
1	Electcric Installation	10 Years	10.86	-	-	10.86	0.54	3.80	-	0.98	4.78	6.09	7.07
2	Furniture & Fixture (General)	10 Years	47.82	-	-	47.82	2.39	26.11	-	2.77	28.88	18.94	21.71
3	Motor Cars other than used in Business of Running them on Hire	8 Years	78.72	-	-	78.72	3.94	36.95	-	8.02	44.97	33.76	41.78
4	Office Equipments	5 Years	17.28	-	-	17.28	0.86	11.52	-	3.04	14.56	2.71	5.75
5	Computers (Desktops & Laptops, End users)	3 years	13.07	-	-	13.07	0.65	11.66	-	0.22	11.88	1.20	1.42
6	Plant & Machinaries (Other than Continuous Proceess Plant)	15 Years	286.65	-	-	286.65	15.09	58.12	-	16.19	74.31	212.35	228.53
7	Factory Building (Orchid Complex 202 & 302)	30 Years	178.16	-	-	178.16	8.91	12.37	-	5.68	18.05	160.11	165.79
8	Factory Land	-	68.16	-	-	68.16	-	-	-	-	-	68.16	68.16
	SUB-TOTAL RUPEES		700.73	-	-	700.73	32.38	160.53	-	36.89	197.42	503.31	540.20
	LEASE ASSETS :		-	-	-	-		-	-	-	-	-	-
	TOTAL - A		700.73	-	-	700.73	32.38	160.53	-	36.89	197.42	503.31	540.20
	INTANGIBLE ASSETS :		-	-	-	-		-	-	-	-	-	-
	TOTAL - B		-	-	-	-	-	-	-	-	-	-	-
	TOTAL A + B		700.73	-	-	700.73	32.38	160.53	-	36.89	197.42	503.31	540.20
	PREVIOUS YEAR		760.59	9.20	15.07	700.73	32.38	120.47	2.37	42.42	160.53	540.20	586.12
	CAPITAL WORK IN PROGRESS											-	-
	INTANGIBLE ASSETS UNDER DEVELOPMENT											-	-

NOTE No. 9 : NON CURRENT INVESTMENTS

9 NON CURRENT INVESTMENTS

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
TRADE INVESTMENTS	-	-
TOTAL OF TRADE INVESTMENTS (A)		

OTHER INVESTMENTS

In Equity Shares of Comapanies - Quoted, Fully paidup

	Purchase cost		AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
5,90,300 (5,90,300) Shares of Kingfisher Airlines	99,11,830.00	0.06	**0.06**	**0.06**
In Mutual Funds of Comapanies - Quoted, Fully paidup				
0 (21280.054) Units of Reliance Diversified Power Sector Fund	-	-	-	-
Investments in Commodities				
Goldcoins			**0.94**	**0.86**
TOTAL OF OTHER INVESTMENTS (B)			**1.00**	**0.92**
TOTAL NON - CURRENT INVESTMENTS (A+B)			**1.00**	**0.92**

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 2018	AS AT 31st MARCH 2017
Advance Income Tax & TDS (Net of Provisions)	9.75	8.07
Vat Refundable	-	-
Deposites	9.01	8.87
Loans & Advances	10.55	2.00
Capital Advances	-	-
TOTAL	**29.31**	**18.94**

NOTE No. 11 : CURRENT INVESTMENTS

11 CURRENT INVESTMENTS

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Fixed Capital with Partnership Firm M/s. LYPSA GEMS	0.45	0.45
Current Capital with Partnership Firm M/s. LYPSA GEMS	22.80	22.80
Investment with 100% Subsidiary LYPSA GEMS & JEWELLERY DMCC	-	-
	-	-
TOTAL	**23.25**	**23.25**

NOTE No. 12 : INVENTORIES

12 INVENTORIES

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Raw Materials	30.08	47.06
Stock In Process	-	-
Finished Goods	210.11	114.95
TOTAL	**240.19**	**162.01**

NOTE No. 13 : TRADE RECEIVABLES

13 TRADE RECEIVABLES

(Unsecured & considered Good)	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
More than Six Months	17,267.54	21,150.49
Others	9,083.50	12,688.06
TOTAL	**26,351.04**	**33,838.55**

NOTE No. 14 : CASH & CASH EQUIVALENTS

14 CASH & CASH EQUIVALENTS

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Balance with Banks	108.40	81.28
Cash In Hand	5.57	7.33
Fixed Deposites with Banks	-	-
(Maturity of Less than 12 Months)	-	-
TOTAL	**113.98**	**88.60**

NOTE No. 15 : SHORT TERM LOANS & ADVANCES

15 SHORT TERM LOANS & ADVANCES

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Prepaid Expenses	-	9.05
Deffered Premium	-	-
Receivables on Forward Contracts/Interest Subvention	-	-
TOTAL	**-**	**9.05**

NOTE No. 16 : OTHER CURRENT ASSETS

16 OTHER CURRENT ASSETS

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Deffered Revenue Expenditures	1.50	1.50
TOTAL	**1.50**	**1.50**

NOTE No. 17 : REVENUE FROM OPERATION

17 REVENUE FROM OPERATION

	AS AT 31st MARCH 2017	AS AT 31st MARCH 2017
Sales of Products	32,007.04	26,073.86
Income From Services	-	-
Share of Profit From Partnership Firm (M/s LYPSA GEMS)	-	-
TOTAL	**32,007.04**	**26,073.86**

17.1 PARTICULARS OF SALES OF PRODUCTS

PARTICULARS	AS AT 31st MARCH 2017	AS AT 31st MARCH 2017
Rough & Cut and Polished Diamonds	28,678.00	23,147.68
Gold & Jewellery	3,329.05	2,926.18
TOTAL	**32,007.04**	**26,073.86**

NOTE No. 18 : OTHER INCOME

18 OTHER INCOME

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
INTEREST		
From Current Investments	-	21.19
DIVIDEND		
From Long Term Investment	-	-
Net Gain on Sale of Investments		
From Current Investments	-	-
OTHER NON-OPERATING INCOME	32.00	(2.68)
TOTAL	**32.00**	**18.51**

NOTE No. 19 : COST OF MATERIALS CONSUMED

19 COST OF MATERIALS CONSUMED

	AS AT 31st MARCH 2018		AS AT 31st MARCH 2017	
	RUPEES	**% OF CONSUMPTION**	**RUPEES**	**% OF CONSUMPTION**
IMPORTED	0.00	-	2,247.07	93.00
LOCAL	16.98	100.00	157.28	7.00
TOTAL	**16.98**	**100.00**	**2,404.34**	**100.00**

19.1 **PARTICULARS OF MATERIAL CONSUMED**				
Rough Diamonds	16.98	100.00	2,404.34	100.00

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

20

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Inventories (At Close)		
Finished Goods	(210.11)	(114.95)
Inventories (At Commencement)		
Finished Goods	114.95	1,473.98
TOTAL	**(95.16)**	**1,359.03**

NOTE No. 21 : EMPLOYEES BENEFIT EXPENSES

21 EMPLOYEES BENEFIT EXPENSES

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Salary	48.77	50.97
Directors Remuneration	30.00	37.40
TOTAL	**78.77**	**88.37**

NOTE No. 22 : FINANCE COST

22 FINANCE COST

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Interest Expenses	13.02	365.76
Forward Premium	-	-
TOTAL	**13.02**	**365.76**

NOTE No. 23 : DEPRICIATION & AMORTIZATION EXPENSES

23 DEPRICIATION & AMORTIZATION EXPENSES

	AS AT 31st MARCH 2018	AS AT 31st MARCH 2017
Depriciation & Amortization	36.89	43.17
TOTAL	**36.89**	**43.17**

NOTE No. 24 : OTHER EXPENSES

24 OTHER EXPENSES

		AS AT 31st MARCH 2018		AS AT 31st MARCH 2017
Manufacturing Expenses				
Clearing & Forwarding Expenses	2.95		-	
Labour Charges	-		0.48	
Re-Assortment Charges	-		1.75	
Consumables/Diamond Tools	-		-	
Repaires & Maintaiance (MFG)	-	**2.95**	1.26	**3.48**
Selling & Distribution Expenses				
Clearing & Forwarding Expenses	-		0.49	
Business Pramotion	-		-	
Commission/Brokrage & Market Research Fees	-	**-**	-	**0.49**
Establishment Expenses				
Professional Fees	11.37		17.93	
General Expenses	53.17		23.66	
Rent	3.50		3.50	
Insurance	0.85		4.00	
Penalities	0.26		-	
Travelling Expenses	27.85		5.26	
Payment to Auditors	0.50		0.50	
Charity & Donation	-		-	
Electricity Charges	2.60		4.73	
Loss on sale of fixed assets	-		-	
Long Term Capital Loss	-		-	
Prior Period Expenses	-	**100.11**	-	**59.58**
TOTAL	**103.06**	**103.06**	**63.55**	**63.55**

LYPSA GEMS & JEWELLERY LIMITED

SCHEDULE '25' OF NOTES ON ACCOUNTS ANNEXED TO & FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31/03/2018

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 management 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 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. NIL (P.Y Rs.7,97,235/-) 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 22,79,910/- (P.Y. 22,79,910/-)

Secured Loans:

The company has availed the secured loans amounting to Rs. 1791.65 Lacs (P.Y Rs. 2326.38 Lacs) against pledge of fixed deposits receipts) which includes Foreign Currency Loans of Rs. 626.59 Lacs (P.Y. Rs. 1182.39 Lacs) availed during the year and Rupee Loans against hypothecation of stocks and receivables. The company's Bank account has turned to NPA status since December 2016.

k) Cash and Bank Balances:

Fixed Deposits Receipts:

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

Current Assets, Loans & Advances and Current Liabilities:

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

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

l) 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. NIL (P Y Rs. NIL)

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 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.

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 recognized 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 not 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	NIL	91,717.00
Dipan Patwa	Interest on Loan	NIL	6,86,672.00
Manish Janani	Director Remuneration	NIL	16,00,000.00
Dipan Patwa	Director Remuneration	24,00,000.00	16,00,000.00
Jeeyan Patwa	Director Remuneration	6,00.000.00	5,40.000.00
Lypsa Diamond	Reimbursement of Expenses	4,14,100.00	6,44,283.00
Lypsa Diamond	Sale of Goods	NIL	1,00,92,034.00
Lypsa Gems	Investments	NIL	22,01,000.00
Nishith Parikh (Manager of subsidiary company)	Management Remuneration	28,59,003	7,20,576.00

Income:

NAME	NATURE OF TRANSACTION	CURRENT YEAR	PREVIOUS YEAR
Lypsa Gems (Partnership Firm)	Share of Profit of Firm	NIL	NIL

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	Percentage of Ownership	Relationship

		interest as at 31/03/2018	interest as at 31/03/2017	
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. 27,86,94,334/-(P Y Rs. 21,36,33,409/-)

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 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.

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	2557.31	82205.78
Purchases	0.00	7879.77
Issued for manufacturing	180.22	3025.86
Loss	0.00	439.29
Sales	701.40	84063.09
Closing Stock	1675.69	2557.31

Polished Diamonds	Current Year(Carats)	Previous Year(Carats)
Opening Stock	118.85	6841.77
Purchases	80679.71	43849.13
Manufacturing	63.03	891.61
Loss	0.00	0.00
Sales	80351.58	51463.66
Closing Stock	510.01	118.85

Gold	Current Year (Grams)	Previous Year (Grams)
Opening Stock	35.98	151.70
Purchases	106.73	90.00
Sales	0.00	0.00
Gold Consumed	138.79	205.72
Closing Stock	3.92	35.98

Jewellery	Current Year (Pcs)	Previous Year (Pcs)
Opening Stock	0.00	0.00
Purchases	55124.63	4500.00
Sales	55124.63	4500.00
Closing Stock	0.00	0.00

13. **Deferred Taxation:**

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

Liabilities	As on 31.03.2018	As on 31.03.2017
Depreciation	-51,60,490.00	-51,60,490.00
Net Deferred Tax Liability	-29,56,358.00	-32,59,469.00

14. **Payment to Auditors:**

	Current Year (Rs.)	Previous Year (Rs.)
For Audit Fees - Statutory	50000	50000
For Audit Fees of Subsidiary Company	97605 (US $1500)	97215 (US$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	Currency	Current Year	Currency	Previous Year
Export Sales	USD	7689876.00	USD	30178692.18
Import Purchase	USD	6710289.00	USD	30811185.37
CIF value of imports	USD	0.00	USD	25972051.42
Foreign Travelling expense	USD	0.00	GBP	0.00

16. **Share Capital:**

During the year company has not allotted shares to the public. However company has issued bonus shares during the year.

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. 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, 2018 is as computed as per Accounting Standard 20 is as:

Earnings Per Share	**31.03.2018**	**31.03.2017**
Profit after tax (Rs.)	28,06,40,948	21,49,65,148
Average number of shares (Nos)	2,94,84,000	2,10,60,000
Nominal value of shares (Rs.)	10.00	10.00
Basic Earnings Per share (Rs.)	3.80	10.21
Diluted earnings Per share (Rs.)	6.81	10.21
Adjusted Earnings Per share (Rs.)	---	-----

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.

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.

20. **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 2018	As at 31st March 2017
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	2,10,60,000	2,10,60,000
Add : Bonus shares issued by Capitalization of Securities Premium Account	84,24,000	NIL
Add : Shares issued at Premium	NIL	NIL
Equity shares at the end of the year	2,94,84,000	2,10,60,000

Equity Capital:

Particulars	As at 31st March 2018	As at 31st March 2017
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	21,06,00,000	21,06,00,000
Add : Amount for Bonus shares issued by Capitalisation of Securities Premium Account	8,42,40,000	NIL
Add : Amount for shares issued at Premium	NIL	NIL
Amount for Equity share capital at the end of the year	29,48,40,000	21,06,00,000

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

Name of Shareholder	As at March 31st, 2018		As at March 31st, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manish Jaysukhlal Janani	53,32,250	18.09	38,08,750	18.09
Dipen Babubhai Patwa	53,72,250	18.22	37,86,250	17.98

22. **Short term Borrowings:**

Loans and advances from related parties:

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Unsecured Loans from Directors	556.83	55.91

23. **Investments:**

Investment in Partnership Firm:

Name of Firm	As at March 31st, 2018	As at March 31st, 2017
M/s Lypsa Gems		
Fixed Capital	Rs. 45,000/-	Rs. 45,000/-
Current Capital	Rs. 22,79,910/-	Rs. 22,79,910/-

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

Particulars	As at March 31st, 2018	As at March 31st, 2017
Security Deposits – Considered Good	Rs. 3,73,396/-	Rs. 3,55,671/-
Prepaid Expenses		
Bank Charges	NIL	Rs.8,61,019/-
Insurance Premium	NIL	Rs.43,719/-
Domain Registration charges	NIL	NIL

Membership Fees	NIL	NIL
Repairs & Maintenance	NIL	NIL
Telephone Charges	NIL	NIL
Rent	Rs. 2,20,291/-	NIL
License Fees	Rs. 2,65,516/-	NIL
Advance Interest paid on EPC	NIL	NIL

25. **Cash & Cash Equivalents :**

Particulars	As on March 31st, 2018	As on March 31st, 2017
Balance in Current Accounts	Rs. 64,78,337.33	Rs. 37,92,231.99
Balance in Unclaimed Dividend A/c	Rs. 43,61,879.87	Rs. 43,39,079.67

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 such loans, wherever applicable.

29. 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.

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. 172,67,53,730/- (P Y Rs. 2,11,50,48,808/-). However Rs. 19,06,44,240/- (P.Y. Rs.NIL) is received after the balance sheet date.

33. 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. 27,86,94,334/- (P.Y. Rs. 21,36,33,409/-) for the year 2016-17.
The Net profit earned for the year 2017-18 from partnership firm M/s Lypsa Gems of Rs. NIL (P.Y.NIL) 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, Rs. 5,61,855/- for the year 2011-12, Rs 4,33,587/- for F.Y. 2012-13, Rs.14,30,020/- for 2013-14 and Rs.3,33,282/- for 2014-15.The company has unclaimed fraction shares of Rs.3,436/-. As per provisions, the company is required to deposit a sum of Rs.7,49,900/- towards unclaimed dividend for 2009-10 & Rs. 8,27,000/- for 2010-11 to Investor education and protection fund. The company has not deposited the same.

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

Sd/-
(Atul B. Doshi)
Partner
M.No.: 102585
Place: Mumbai
Dated: 29th May, 2018

LYPSA GEMS & JEWELLERY LIMITED.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

PURSUANT TO PART -IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

I REGISTRATION DETAILS

Registration No. :	**28270**	State Code :	**04**
Balance Sheet Date :	**31/03/2018**		

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES)

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

III POSITION OF MOBILISATION AND EMPLOYMENT OF FUNDS

(AMOUNLACS			
TOTAL LIABILITIES :	**27,263.58**	**TOTAL ASSETS**	**27,267.58**
SOURCES OF FUNDS :			
Paid up Capital :	**2,948.40**	Reserves & Surplus :	**7,076.58**
Secured Loans :	**1,801.38**	Unsecured Loans :	**556.83**
Deferred Tax Liability	**29.56**		
APPLICATION OF FUNDS :			
Net Fixed Assets :	**503.31**	Investments	**1.00**
Net Current Assets :	**11,495.03**	Misc. Expenditure	**1.50**
Accumulated Losses :	**-**		

IV PERFORMANCE OF THE COMPANY (AMOUNT IN LACS) :

Turnover/other Income :	**32,007.04**	**Total Expenditure**	**29,232.64**
Profit Before tax :	**2,806.41**	**Profit After tax :**	**2,807.44**
Earning Per Share (In Rupees)	**9.52**	**Dividend rate :**	**NIL**

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**	
Sd/-	**Sd/-**	**Sd/-**
ATUL B. DOSHI	**MANISH J JANANI**	**DIPAN PATWA**
PARTNER	MANAGING DIRECTOR	CHAIRMAN
FRN : 112187W	**DIN - 02579381**	**DIN - 02579405**
PLACE: MUMBAI		
DATE: 29/05/2018	**DATE: 29/05/2018**	

LYPSA GEMS & JEWELLERY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

	(Rs. In Lakhs)			
	31-Mar-2018		31-Mar-2017	
A Cash flow from operating activities				
Net profit before Tax		2,806.41		2,152.94
Adjustments for:				
Depreciation	36.89		42.42	
Preliminary Expenses w/off	-		0.75	
Capital Reserve	10.57		-	
Interest Received	-		(21.19)	
Dividend Received	-		-	
		47.46		21.99
Operating profit before working capital changes		2,853.87		2,174.93
Decrease/(Increase) in Current Assets	7,407.92		(468.01)	
Increase in Outstanding Liabilities	(10,196.97)		(1,469.86)	
Increase / (Decrease) in other liabilities				
		(2,789.05)		(1,937.87)
Cash generated from operations		64.82		237.06
Income Tax Paid		2.00		2.12
Net cash from operating activities		62.82		234.95
B Cash flow from investing activities:				
Interest Received	-		21.19	
Dividend Received	-		-	
Sale/(Purchase) of Investment	-		-	
Decrease /(Increase) in fixed Assets	-		3.50	
Net cash used in investing activities		-		24.68
C Cash flow from financing activities				
Capital raised during the year	-		-	
Increase/(decrease) in Secured Loan Taken	(538.36)		(780.24)	
Increase/(decrease) in Unsecured Loans	500.92		(65.00)	
Net cash from financing activities		(37.44)		(845.24)
Net Increase/(Decrease) in cash and cash equivalents		25.37		(585.61)
Cash and cash equivalents (opening balance)	88.60		674.21	
Cash and cash equivalents (closing balance)	113.98		88.60	
		25.37		(585.61)

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

FOR LYPSA GEMS & JEWELLERY LIMITED

Sd/-	S/d	S/d
ATUL B. DOSHI	**DIPAN PATWA**	**MANISH J JANANI**
PARTNER	**CHAIRMAN**	**MANAGING DIRECTOR**
FRN : 112187W	**DIN - 02579405**	**DIN - 02579381**
PLACE: MUMBAI		
DATE: 29/05/2018	**DATE: 29/05/2018**	**DATE: 29/05/2018**

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: Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam Banas Kantha -385210 CIN: L28990GJ1995PLC028270

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 Annual General Meeting of the company, to be held on the 29th September, 2018 at 02.00 P.M at Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam Banas Kantha -385210 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, 2018		
2	Re-election of Mr. Jeeyan Dipankumar Patwa as a Director of the Company		
3	Reappointment of M/s. Doshi Maru & Associates, Mumbai as Auditor & fix their remuneration		

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

Registered office: Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam Banas Kantha -385210 CIN: L28990GJ1995PLC028270,

Contact No: 022-23679792, Email ID: info@lypsa.in

ATTENDANCE SLIP

ANNUAL GENERAL MEETING – 29TH SEPTEMBER, 2018 AT 02:00 P.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 held on Saturday, the 29th September, 2018 at 02.00 P.M at Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam Banas Kantha GJ 385210

_____

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

==========

LYPSA GEMS & JEWELLERY LIMITED

Registered office: Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam Banas Kantha -385210 CIN: L28990GJ1995PLC028270,
Contact No: 022-23679792, Email ID: info@lypsa.in

Form No. MGT-12

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

BALLOT PAPER

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

I/We hereby exercise my/our behalf at the Annual general meeting of the company, held on Saturday, the 29th September, 2018 at 02:00 P.M at Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpura Road, Chhapi, Vadgam Banas Kantha GJ 385210 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, 2018		
2	Re-election of Mr. Jeeyan Dipankumar Patwa as a Director of the Company		
3	Reappointment of M/s. Doshi Maru & Associates, Mumbai as Auditor & fix their remuneration		

Place: Banaskantha ----------
Date: 29/09/2018 **Signature of Shareholder/Proxy**

LYPSA
www.lypsa.in

If Undelivered, please return to:-

LYPSA GEMS AND JEWELLERY LTD
Wing A, 2nd Block, 202-302,
Orchid Complex, Opp. HDFC Bank,
Chhapi-Pirojpura Road, Chhapi,
Vadgam Banas Kantha
Gujrat -385210.

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.