Nineteenth Annual Report Of

Lypsa Gems & Jewellery Ltd

For The Year

2013-2014

LYPSA

www.lypsa.in

Board of Directors

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

Auditors

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

Registered Office

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

Corporate office

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

Bankers

Bank of India
Oriental Bank of 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 Annual General Meeting of the Members of LYPSA GEMS & JEWELLERY LTD will be held at 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari – 396445 Gujarat on 04TH September, 2014 at 11.30 A.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as at 31st March, 2014 and profit & loss account of the company for the year ended 31st March, 2014 and the Report of the Directors' and Auditors.

2. To appoint Director in place of Mr. Dipankumar Babulal Patwa who retires by rotation and being eligible offers himself for reappointment.

3. To appoint Director in place of Mr. Jeeyan Dipankumar Patwa who retires by rotation and being eligible offers himself for reappointment.

4. To Appoint Auditors, M/s. Doshi Maru & Associates, Mumbai, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and to authorized the Board of Director to fix their remuneration.

5. To Declare Dividend on Company's equity shares.

SPECIAL BUSINESS:

6. **Increase in Authorised Capital of the Company**

"**RESOLVED THAT** pursuant to the provision of Section 61, and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, the Authorised Share Capital of the Company be and is hereby increased from Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) equity shares of Rs. 10/- (Rupees Ten Only) each **to** Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) equity shares of Rs.10/- (Rupees Ten Only) each, by creation of 50,00,000 Equity shares of Rs. 10/- (Rupees Ten only) subject to condition that unless otherwise determined at the time of issue of new shares, they shall rank pari passu in all respects with the existing Equity Shares of the Company."

" **RESOLVED FURTHER THAT,** any one of the Directors of the Company be and is hereby authorized to take all necessary action including to sign and submit all such deeds and papers as may be required for giving effect to the above resolution and file relevant

forms with registrar of Companies, as required under the provisions of the Companies Act, 2013."

7. Alteration Of Memorandum of Association

"RESOLVED FURTHER THAT, pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013and the rules framed there under the consent of the members be and is hereby accorded for the existing Clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by deleting the existing Clause V of the Memorandum of Association of the Company by substituting in its place and stead, the following as new Clause V:

V. The Authorised Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) Equity shares of Rs. 10/- (Rupees Ten Only) each."

8. **Alteration of Articles of Association**

"RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013, other applicable provisions of the Companies Act, 2013, Articles of Association be and is hereby altered in the manner following:

Existing clause 5(a) i.e. Capital Clause of the Articles of Association of the company be altered, by replacing the present clause by the following new clause 5(a):

The Authorized Share Capital of the company shall be Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lacs) equity shares of Rs. 10/- each"

9. Issue of Bonus Shares

"RESOLVED THAT:

(a) subject to such consents and approvals as may be required, and such conditions and modifications, as may be considered necessary and agreed to by the Board of Directors of the Company, (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), a sum not exceeding Rs. 5,98,00,000/- standing to the credit of the Securities Premium Account and a sum not exceeding Rs. 1,04,00,000/- standing to the credit of the General Reserve Account as at March 31, 2014, be capitalised and transferred to Share Capital Account and that such sum as may be determined to be required shall be applied for allotment of new Equity Shares of the Company of Rs.10/- each as fully paid Bonus Shares, to the persons who are shareholders of the Company on the Record Date to be hereafter fixed by the Board, be accordingly allotted as Bonus Shares to such persons respectively as aforesaid in the proportion of 1(one)equity share for every 2 (Two)equity shares held by such

persons respectively on the Record Date, upon the footing that they become entitled thereto for all purposes as capital;

(b) the New Equity Shares of face value Rs.10/- each to be allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing Equity Shares and shall be entitled to participate in full in any dividends to be declared for the financial year in which the Bonus Shares are allotted;

(c) that in making the allotment of the said bonus shares, the Directors shall not issue fractional certificates but the total number of the said bonus shares representing such fractions shall be allotted to a person or persons appointed by the Directors to act as the trustee or trustees for and on behalf of the members who would have been entitled to fractional certificates if such certificates would have been issued, and that the said shares so allotted to him in trust to sell the same and after payment of all expenses of the sale, to distribute the net proceeds of such sale amongst the members in the proportion to their respective fractional entitlements thereto;

(d) the Share Certificates in respect of the New Equity Shares shall be issued and dispatched to the allottees thereof within the period prescribed or that may be prescribed in this behalf, from time to time, except that the Bonus Shares will be credited to the demat accounts of the allottees who are holding the existing equity shares in electronic form;

(e) the allotment of the fully paid new Equity Shares as Bonus Shares to the extent that they relate to non-resident members of the Company, shall be subject to the approval of the Reserve Bank of India, under the Foreign Exchange Management Act, 1999, if necessary;

(f) Resolved further that for the purpose of giving effect to this Resolution, Mr. Manish Janani, Managing Director of the company, be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the issue, allotment and distribution of the New Equity Shares."

For Lypsa Gems & Jewellery Ltd

Date: 11/08/2014
Place: Navsari

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

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

3. The Register of Members and Share Transfer Books of the Company will remain Closed from 13/08/2014 to 14/08/2014 (both days inclusive). The Book closure dates have been fixed in consultation with the Stock Exchanges.

4. The Final Dividend for the financial year ended 31st March, 2014, as recommended by the Board, if approved by the Members, will be paid on or after 04th September, 2014 to those Members whose names appear in the Register of Members of the Company as on the book closure dates.

5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

7. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.

8. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.

9. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Purva Sharegistry (India) Private Limited, Registrar and Share Transfer agent of the Company immediately

10. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed/claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

11. The status of dividends remaining unclaimed / unpaid with the respective due dates of transfer to IEPF is provided at page no. 24 of this Annual Report. Members are requested to contact M/s. Purva Sharegistry (India) Pvt. Ltd. / Investor Service Department of the Company for encashing the unclaimed dividends standing to the credit of their account.

12. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Purva Sharegistry (India) Private Limited, Registrar and Share Transfer agent of the Company.

13. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.

14. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

15. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in accordance with Clause 35B of the listing agreement, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic

means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for Shareholders voting electronically are as under:
In case of members receiving e-mail:

(i) The voting period begins on 31 August, 2014 at 9 am and ends on 01 September 2014 at 6 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14 August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
(ii) The shareholders should Log on to the e-voting website **www.evotingindia.com**
(iii) Click on "Shareholders" tab.
(iv) Now Enter your User ID
a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
(v) Next enter the Image Verification as displayed and Click on Login.
(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account/folio number in the PAN Field. • In case the Folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio number 1 then enter RA00000001 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
(xi) Click on the EVSN for **LYPSA GEMS & JEWELLERY LIMITED.**
(xii) 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.
(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
(xiv) 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.
(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
• Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to https://www.evotingindia.co.in and register themselves as Corporates and Custodians respectively.
• A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
• After receiving the login details they have to create 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.
• 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.

In case of members receiving the physical copy
(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
(B) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

16. The Company has appointed Mrs. Rupal Patel, Practicing Company Secretaries, (Membership No. 03803) to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

17. The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 14, 2014.

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

19. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the

votes cast in favour or against, if any, forthwith to the Chairman. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's/ CDSL's website within two (2) days of passing of the resolutions at the AGM of the Company and shall be communicated to BSE Limited and NSEIL.

20. The present Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 equity shares of Rs. 10/- each. As the company is proposing to issue bonus shares, it is necessary to increase the Authorised Share Capital of the company to Rs. 25,00,00,000 (Rupees Twenty Five Crores Only.) divided into 2,50,00,000 equity shares of Rs. 10/- each. The proposed increase of the authorised capital requires the approval of members of the company.

    Consequent upon the increase in the Authorised Share capital, Memorandum of Association of the company will also require alteration so as to reflect the increase in share capital.
    Consequent upon the increase in the Authorised Share capital, Articles of Association of the company will also require alteration so as to reflect the increase in share capital.

    The Board of Directors recommend passing the resolution as Special Resolution. None of the Directors of the Company are in any way concerned or interested in the resolutions.

    A copy of the Memorandum of Association together with a copy of the Articles of Association reflecting the proposed amendments is available for inspection by the members of the company at its Registered Office between 11.00 AM and 1.00 PM on any working day (except Saturday & Bank Holidays) of the company.

21. Within the guidelines prescribed by Securities and Exchange Board of India (SEBI), for capitalisation of reserves and in order to bring the paid up capital of the Company more in line with the capital employed, the Board of Directors at its meeting held on 11th August 2014 recommended an issue of Bonus Shares in the proportion of 1(one) new Equity Share of the Company of Rs.10/- each for every 2 (two) existing Equity Share of the Company of Rs.10/- each held by the Members on a date to be fixed by the Board, by capitalizing the Securities Premium Account and part from General Reserve Account.

    As it is necessary for the members to approve the issue of Bonus Shares and it is also necessary to authorize the Board of Directors of the Company to complete all the regulatory formalities in connection with the issue of Bonus Shares that may be prescribed by SEBI, the Stock Exchanges on which the Company's securities are listed and / or any other regulatory authority.

    None of the Directors of the Company are concerned or interested in the above resolution.

For Lypsa Gems & Jewellery Ltd

Date: 11/08/2014
Place: Navsari

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

Annexure to Notice

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

ITEM NO. 2

Name	:	Mr. Dipankumar Babulal Patwa
Date of birth	:	24/12/1963
Qualification	:	F.Y.B.Com
Expertise	:	Sales & Marketing
Director of the Company since	:	20/03/2009
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	2517500

ITEM NO. 3

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

ITEM NO. 6

Increase in Authorised Capital of the Company

The present Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 equity shares of Rs. 10/- each. As the company is proposing to issue bonus shares, it is necessary to increase the Authorised Share Capital of the company to Rs. 25,00,00,000 (Rupees Twenty Five Crores Only.) divided into 2,50,00,000 equity shares of Rs. 10/- each. The proposed increase of the authorised capital requires the approval of members of the company.

Consequent upon the increase in the Authorised Share capital, Memorandum of Association of the company will also require alteration so as to reflect the increase in share capital.

The Board of Directors recommend passing the resolution as Special Resolution. None of the Directors of the Company are in any way concerned or interested in the resolutions.

A copy of the Memorandum of Association together with a copy of the Memorandum of Association reflecting the proposed amendments is available for inspection by the members of the company at its Registered Office between 11.00 AM and 1.00 PM on any working day (except Saturday & Bank Holidays) of the company.

ITEM NO. 7

Alteration of Memorandum of Association

Consequent upon the increase in the Authorised Share capital, Memorandum of Association of the company will also require alteration so as to reflect the increase in share capital.

The Board of Directors recommend passing the resolution as Special Resolution. None of the Directors of the Company are in any way concerned or interested in the resolutions.
A copy of the Memorandum of Association together with a copy of the Memorandum of Association reflecting the proposed amendments is available for inspection by the members of the company at its Registered Office between 11.00 AM and 1.00 PM on any working day (except Saturday & Bank Holidays) of the company

ITEM NO. 8

Alteration of Articles of Association

Consequent upon the increase in the Authorised Share capital, Articles of Association of the company will also require alteration so as to reflect the increase in share capital.
The Board of Directors recommend passing the resolution as Special Resolution. None of the Directors of the Company are in any way concerned or interested in the resolutions.
A copy of the Memorandum of Association together with a copy of the Memorandum of Association reflecting the proposed amendments is available for inspection by the members of the company at its Registered Office between 11.00 AM and 1.00 PM on any working day (except Saturday & Bank Holidays) of the company

ITEM NO. 9

Issue of Bonus Shares

Within the guidelines prescribed by Securities and Exchange Board of India (SEBI), for capitalisation of reserves and in order to bring the paid up capital of the Company more in line with the capital employed, the Board of Directors at its meeting held on 11th August 2014 recommended an issue of Bonus Shares in the proportion of 1(one) new Equity Share of the Company of Rs.10/- each for every 2 (two) existing Equity Share of the Company of Rs.10/- each held by the Members on a date to be fixed by the Board, by capitalizing the Securities Premium Account and part from General Reserve Account.
As it is necessary for the members to approve the issue of Bonus Shares and it is also necessary to authorize the Board of Directors of the Company to complete all the regulatory formalities in connection with the issue of Bonus Shares that may be prescribed by SEBI, the Stock Exchanges on which the Company's securities are listed and / or any other regulatory authority.
Mr. Manish Jaysukhlal Janani, and Mr. Dipankumar Babulal Patwa , Directors of the company may be deemed to be interested in this resolution to the extent securities that may be allotted to him as Bonus Shares.

None of the other Directors is interested in the said resolution.

For Lypsa Gems & Jewellery Ltd

Date: 11/08/2014
Place: Navsari

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

DIRECTORS' REPORT

To,
The Members,
Lypsa Gems & Jewellery Ltd

The Directors' present the Annual report on the business and operations of your Company for the year 2013-2014.

FINANCIAL RESULTS AND OPERATIONAL REVIEW:

Particulars	Year Ended 31.03.2014 (Rs In Lacs)	Year Ended 31.03.2013 (Rs In Lacs)
Gross Sales/Income	53490.72	32662.03
Less Depreciation	21.84	8.54
Profit/(Loss) before Tax	1101.92	550.67
TaxeSD/-eferred Taxes	156.76	143.56
Profit/(Loss) After Taxes	945.16	407.12
P& L Balance b/f	672.65	371.84
Profit/ (Loss) carried to Balance Sheet	1507.40	672.65

Your Directors feel pleasure to declare profit after tax of ` 945.16 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:

Mr. Dipankumar Babulal Patwa (DIN: 02579405) and Mr. Jeeyan Dipankumar Patwa (DIN 02579469), Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIVIDEND:

The Board of Directors has recommend 5% dividend i.e. Rs. 0.50 per share on 1,40,40,000 Equity Shares of Rs. 10/- each for the year ended 31-03-2014. The dividend will entail an outflow of Rs. 8213049.00 (Including dividend distribution tax of Rs. 1193049.00). The payment of dividend is subject to the approval of the Members at the ensuing General Meeting of the Company and Record Date for this purpose 13th August 2014 to 14th August 2014 and no interim dividend was paid during the year.

RESPONSIBILITY STATEMENT:

Director confirms that:

The applicable accounting standards have been followed along with proper explanation relating to material departures.

Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, so as to give a true and fair view of the state of affairs of the company at the end of the financial Year and the profit/loss of the company for that period.

Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

As required under rule 3 of the companies (Disclosure of Particulars in the report of Board of Directors) Rules 1998, the particulars relating to the conservation of energy, Technology absorption, the company has taken necessary steps in this regards.

A. Conservation of Energy:

(1) Energy Conservation Measures Taken:
The Company accords high priority to conservation of energy. Several concrete steps have been taken to save energy such as utmost utilization of D. G. Set run by diesel and with regular maintenance and overhauling.

(2) Impact of Measures of (A) above for reduction of energy Consumption and Consequent Impact on the cost of production of Goods: The measures listed above resulted in lower consumption.

(3) Total Energy consumption and energy consumption per unit of production.

B. Research and Development:

R & D forms the basis of Lypsa's efforts in making processes simpler, smoother and faster for the diamond industry. R & D is a highly structured activity at

Lypsa and stringent quality control measures have lead to technologically superior products. There is a total concentration on up gradation of technology and standardization of components. Our skilled personnel have a broad range of experience in designing & producing quality machinery & inspection equipment.

C. Foreign Exchange Earnings and Outgoings:

Foreign Exchange Earning is : US $ 65,480,169
Foreign Exchange Outgoing is : US $ 60,314,185

APPOINTMENT OF AUDITORS:

M/s Doshi Maru & Associates (FRN: 112187W), Chartered Accountant, Mumbai, the retiring auditors being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors of the company.

PUBLIC DEPOSITS:

During the year under review the Company has not accepted any deposits to which the provisions of section 73 of the Companies Act, 2013 read with Acceptance of Deposits Rules, 2014 as amended are applicable.

PARTICULARS OF EMPLOYEES:

There is no employee having remuneration with the provisions of section 217(2A) of the companies Act 1956 read with the Companies (Particulars of employee) Rules, 1975 as amended.

CHANGE IN THE OBJECT CLAUSE OF THE COMPANY

The Company had not changed its object clause during the financial year under review.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing agreement, forms part of this Report and the same is annexed hereto as Annexure - A.

CORPORATE SOCIAL RESPONSIBILITY

Every year 5th June is observed as the World Environment Day around the world and is of immense importance for the Lypsa Group. In the year 2013-14, 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 recognise 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.

REPORT ON CORPORATE GOVERNANCE:

A separate Report on Corporate Governance along with Certificate from Auditors on its compliance as annexed hereto.

SEGMENT:

Your Company is engaged in a single segment only i.e Trading and Manufacturing of diamonds.

ACKNOWLEDGEMENT:

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

For Lypsa Gems & Jewellery Ltd

Date: 30/05/2014
Place: Navsari

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

Report on Corporate Governance
(Pursuant to Clause 49 of the Listing Agreement)

A. Mandatory Requirements

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

1. Company's philosophy on code of Corporate Governance

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

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

2. Board of Director

2.1 Composition of the Board:

The Board of Directors of the Company comprised 4 Non Executive Independent Directors. The Directors also comprised four independent directors. The Chairman is an Executive Director.

Name of Director	Category of Director
Mr. Dipankumar Babulal Patwa	Chairman & Jt. Managing Director
Mr. Manish Jaysukhlal Janani	Managing Director
Mr. Jeeyan Dipankumar Patwa	Executive director
Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director
Mr. Ajit Mangaldas Shah	Independent and Non Executive Director
Mr. Bhavesh Shashikant Sheth	Independent and Non Executive Director
Mr. Pankajkumar Vrajlal Shah	Independent and Non Executive Director

2.2 Responsibilities of the Board

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its

powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

2.3 Meeting and Attendance Record of Directors

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

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

25/05/2013, 30/05/2013, 20/07/2013, 12/08/2013, 14/08/2013, 20/09/2013, 31/10/2013, 19/12/2013, 30/01/2014, 15/02/2014, 13/03/2014.

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

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

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

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

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

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

Name	Mr. Dipankumar Babulal Patwa
Date of Birth	24/12/1963
Date of Appointment	20/03/2009
No. of shares held in the company	2517500
No. of warrants held in the company	Nil
Directorship in other company	Nil

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

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

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

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

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

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

3. COMMITTEE OF BOARD:

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

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

3.1 Audit Committee:

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

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

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

TERMS OF REFERENCE:

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

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

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

C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- Any changes in accounting policies and practices.
- Major accounting entries abased on exercise of judgment by management.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption
- Compliance with accounting standards
- Compliance with stock exchange and legal requirements concerning financial statements

- Any related party transactions i.e transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.

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

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

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

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

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

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

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

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

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

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee was held during Financial Year 2013-14. The dates on which the said meetings were held as follows:

30/05/2013	12/08/2013	31/10/2013	30/01/2014

The necessary quorum was present at the meetings.

3.2 Remuneration Committee

The remuneration committee of the Company comprises of Non Executive and Independent Director Mr. Bhavesh Shashikant Sheth, Mr. Pankajkumar Vrajlal Shah, Mr. Ravindra Sanghavi and Mr. Ajit Mangaldas Shah.
Mr. Manish Janani was resigned from membership of remuneration Committee and in place of him Mr. Bhavesh Shashikant Sheth was appointed and Mr. Pankajkumar Vrajlal Shah was also appointed as member of the remuneration 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 four meetings of Remuneration Committee held during the Financial Year 2013-14.

25/05/2013	20/07/2013	14/08/2013	15/02/2014

Details of Remuneration of Executive / Non-Executive Directors for the financial year ended 31st March, 2014

(In Lakhs)

Name	Executive / Non-Executive	Salary	Bonus	Contribution to PF	Perquisites	Total
Manish Jaysukhlal Janani	Executive	2400000	0.00	0.00	0.00	2400000.00
Dipankumar Babulal Patwa	Executive	2400000	0.00	0.00	0.00	2400000.00
Jeeyan Dipan Patwa	Executive	600000	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

3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

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

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

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

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2014 is given below):

Complaints Status: 01.04.2013 to 31.03.2014

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

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

4. GENERAL BODY MEETINGS:

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

Year	Venue	Date	Time
2010-11	306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat Gujrat-395 003	30/09/2011	11:30 A.M.
2011-12	306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat Gujrat-395 003	29/09/2012	11:30 A.M.
2012-13	2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari – 396445	27/09/2013	11:30 A.M.

(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:

2013
Not any Special Resolutions had been passed in the Annual General Meeting

2012
Following Special Resolutions had been passed in the Annual General Meeting:

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

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

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

2011
Following Special Resolutions had been passed in the Annual General Meeting:

(1) Increase borrowed capital Limit up to ` 10,00,00,00,000 as per Section 293(1)(d) of the Companies Act, 1956.
(2) Issue Bonus shares by capitalization of ` 7,02,00,000/- out of Share Premium Account to the equity shareholders in the proportion of 1 (One) equity share for every 1 (One) equity shares held by them.
(3) Change in terms of Appointment of Mr. Manish Janani as Managing Director of the Company.
(4) Change in terms of Appointment of Mr. Dipankumar Patwa as Jt. Managing Director of the Company.
(5) Appointment of Mr. Bhavesh Shashikant Sheth as Director of the Company under Section 260 of the Companies Act, 1956.
(6) Appointment of Mr. Pankajkumar Vrajlal Shah as Director of the Company under Section 260 of the Companies Act, 1956.

EXTRA ORDINARY GENERAL MEETING DURING THE YEAR 2013-2014

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

POSTAL BALLOT RESOLUTION PASSED DURING THE YEAR 2013-14

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 8 of Notes to Accounts.

CEO/CFO CERTIFICATION:
(Under Clause 49(V) of Listing Agreement)

We Certify that --
a. We have reviewed the financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:

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

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2013-14 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 2013-14;
- Significant changes in accounting policies during the year 2013-14 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

6. MEANS OF COMMUNICATION:

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

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

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

7. GENERAL SHAREHOLDERS' INFORMATION:

a. Annual General Meeting: Date, Time and venue: 04TH September, 2014 at 11.30A.M. at the Registered Office of the Company.

b. Financial Year: 1st April 2013 to 31st March 2014.

c. Financial Calendar:

i. 1st quarterly results – Second week of August, 2013.
ii. 2nd quarter results – Fourth week of November, 2013.
iii. 3rd quarter results – Fourth week of February, 2014.
iv. 4th quarter results – Fourth week of May, 2014.

d. Date of Book Closure: 13th August, 2014 to 14th August, 2014.

e. (i) Dividend Payment Date: 04th September, 2014
(ii) Due date for Transfer of Unclaimed Dividend to IEPF:

Sr. No	Financial Year	Date of Declaration	Dividend Declare	Dividend Paid	Unclaimed Dividend	Due date for Transfer to IEPF
1	2009-10	30/09/2010	7020000.00	6270100.00	749900.00	30/09/2017
2	2010-11	30/09/2011	7020000.00	6193000.00	827000.00	30/09/2018
3	2011-12	29/09/2012	7020000.00	6458145.00	561855.00	29/09/2019
4	2013-14	27/09/2013	7020000.00	6436863.00	583137.00	27/09/2020

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

The Company is listed on Bombay Stock Exchange limited Annual listing fees for the financial Year up to 2014-15 has been paid. The Company is also listed on National Stock Exchange Limited w.e.f. 5th November, 2013.

g. Stock Code: BSE - 534532
NSE - LYPSAGEMS

h. Demat ISIN number: **INE142K01011**

i. High / Low of Monthly Market Price of the Companies Equity Shares traded on Bombay Stock Exchange during the financial year 2013-14 are furnished below:

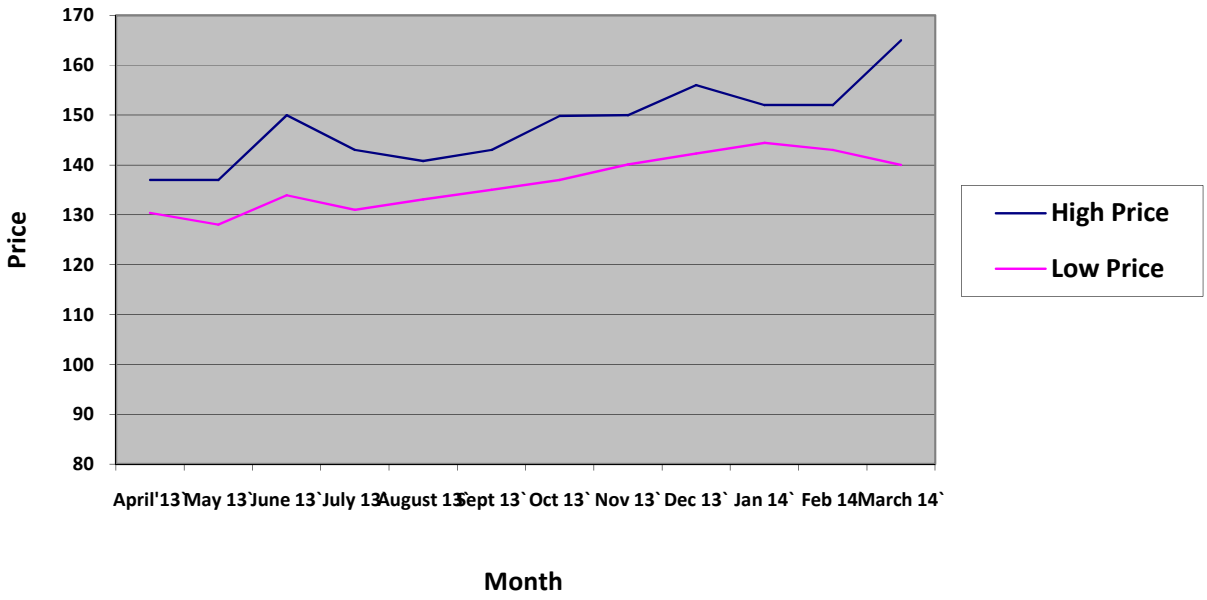
Month	High Price (Rs.)	Low Price (Rs.)
April 2013	137	130.35
May 2013	137	128
June 2013	150	133.90
July 2013	143	131
August 2013	140.75	133.05
September 2013	143	135

October 2013	149.80	137
November 2013	150	140.10
December 2013	156	142.30
January 2014	152	144.40
February 2014	152	143
March 2014	165	140

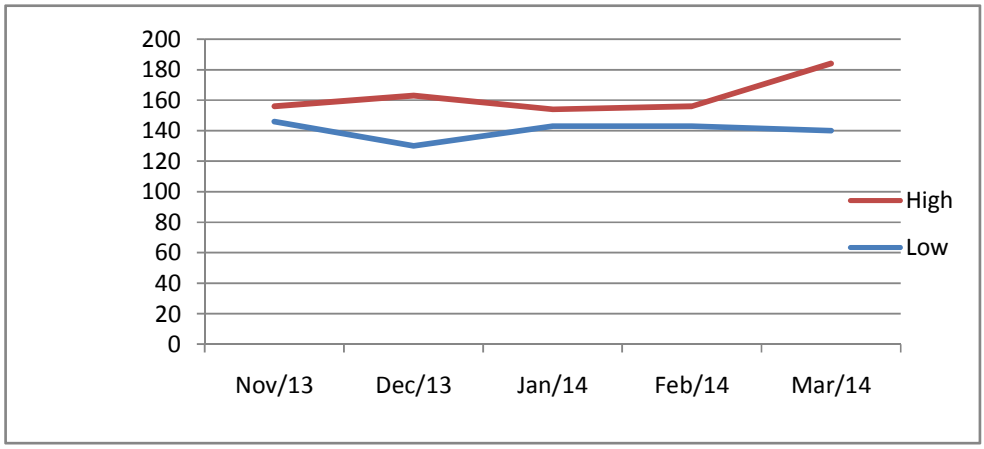
j. High / Low of Monthly Market Price of the Companies Equity Shares traded on National Stock Exchange of India Limited during the financial year 2013-14 are furnished below:

Month	High Price (Rs.)	Low Price (Rs.)
November 2013	156	146
December 2013	163	130
January 2014	154	143
February 2014	156	143
March 2014	184.40	140

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 31.03.2014

Share Holding of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	No.	% to total	In Rs.	% to total
upto	5000	1,932	87.58	7551060	5.38
5,001	10,000	77	3.49	680250	0.48
10,001	20,000	39	1.77	757000	0.54
20,001	30,000	4	0.18	101000	0.07
30,001	40,000	2	0.09	80000	0.06
40,001	50,000	8	0.36	376000	0.27
50,001	1,00,000	22	1.00	1909990	1.36
1,00,001	nd above	122	5.53	128944700	91.84
Total		**2206**	**100.00**	**140400000**	**100.00**

o. Shareholding pattern as on 31.03.2014

a. Promoters and persons		
who may be deemed to be		
acting in concert including		
promoter/directors group		
Companies	5040000	35.90
b. Foreign Institutional Investors	40000	0.28
c. Other bodies corporate	3868583	27.55
d. Indian public	4432548	31.57
e. HUF	511751	3.64
f. NRI	147118	1.05
TOTAL	**14040000**	**100.00**

p. Top 10 Shareholders as on 31st March, 2014 (Other than Promoters)

Sr. No	Name of Shareholders	Shareholding	%
1	Amritlal Haridas Shah	146618	1.04
2	Jignesh Ramniklal Sheth	100200	0.72
3	Harsha Manoj Shah	100200	0.72
4	Pooja Ashok Manek	100200	0.72
5	Manoj Jamnadas Shah	100000	0.71
6	Poonam Jayant Parekh	100000	0.71
7	Jayantilal Rughnath Janani	100000	0.71
8	Ajay Himatlal Shrimankar	100000	0.71
9	Parbat Raja Patel	99800	0.71
10	Pratik Manoj Shah	99800	0.71
	Total	**1046818**	**7.46**

Dematerialization of shares: As on 31-03-2014 Demated shares accounted for 72.39% (1,01,63,698 Equity Shares) of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

Address for communication:

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

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

Declaration of compliance with the code of conduct

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Manish Janani, Managing Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 2014.

For Lypsa Gems & Jewellery Ltd

Date: 30/05/2014
Place: Navsari

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

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE "A" 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:

Driven by an array of cultural, social and demographic aspects, the jewellery industry is one of the fastest growing industries in India. It propels India's foreign exchange earnings forming about 14% of total exports. The gems and jewellery industry contribution to India's foreign exchange treasury stands at USD 2,132.82 million in 2012-13, a growth of 154% over the last financial year (Source: Gems and Jewellery Export Promotion Council). The industry provides employment to around 3.40 million workers. The market size is estimated to grow at a CAGR of 12-15% to reach Rs 3,000 billion by 2013-14.

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

Industrial Structure and Development:

The consumption of gold and jewellery products grew 10-15% per annum over the years; the Indian market is estimated at US$ 30 billion. India boasts of a very competitive gems and jewellery market because of its low production cost, skilled artisans, government incentives and establishment of special economic zones (SEZs). India and China are expected to account for 30% of the global diamond market by 2015. India's gems and jewellery sector is expected to grow at a CAGR of around 16.26 % between 2011- 12 and 2016-17 on account of increasing government efforts and incentives coupled with private sector initiatives (Source: Ministry of Commerce & Industry). The shipment of gems and jewellery makes up about 14% of India's total exports, and the sector employs about 3.4 million workers, with the Middle East taking most of the market (Source: Indian Brand Equity Foundation-IBEF). The overall demand of gold in the country was 986.3 tones in 2011, which dipped by 12% in 2012 to 864.2 tones mainly on account of higher import duties, jeweller's strike over proposed measures to curb imports and a sharp rise in the domestic prices (Source: The Economic Times) . Imports declined by 21.125% in 2012. Imports in India touched 800 tones compared to 969 tones a year earlier.

The Global Economy and the Diamond Industry

The financial year 2013-14 saw various challenges emanating from the Eurozone crisis, the US fiscal cliff and slowdown in the emerging economies. The economic activities remained subdued with diverging growth trajectories across different economies. However, there have been signs of revival with the economic indicators gaining traction in the US and improving customer sentiments in Euro zone. Emerging economies are also showing resilience. Amid adversities, China witnessed GDP growth of around 7.50% for two consecutive quarters of 2013. With the commitment of the governments of various countries to long-term growth, things are likely to improve

going ahead. The global economy has not had a bumper year. The extent to which growth in emerging markets can compensate for weaknesses in mature ones has diminished with each crisis. The Euro-zone catastrophe has spread across European borders, along with resulting concerns about its global impact. Similarly, trends in the U.S. have done little to spur confidence. U.S. is teetering on another recession as job growth fails to materialize; government spending remains high and the last round of quantitative easing did little to stimulate growth. Output in the Euro zone continues to slump as the debt crisis just won't go away.

These results have impacted growth projections in important emerging economies such as China. The World Bank revised its forecast for the Chinese economy predicting growth of 9.3 percent in 2011 and 8.7 percent in 2012. Growth is still strong in developing East Asia, but continues to moderate mainly due to weakening external demand. Increasingly, China is expected to strengthen its own domestic consumption to compensate for a slowdown in exports to the U.S. and Europe.

More relevant now is the impact that a global economic slowdown may have on the diamond industry. By most measures, growth in the trade outpaced that of other sectors and the general economy in 2011, driven by the strong trading in the first half of the year and despite weak consumer confidence. The diamond industry is enjoying a period of rising customers due to the increasing emergence of markets in India and China.

However, in the current economic environment, the fact is that in the diamond market a lower volume of goods is being traded for higher values. For example, while Hong Kong's polished diamond imports by value rose 33 percent year on year to $13.32 billion in the first nine months of 2011, by volume they fell 2 percent to 20.962 million carats. The average price of these goods was up 36 percent from a year earlier.

If global economic growth is set to slow in 2012, it will impact demand, prices and, most importantly, sentiment in the diamond industry throughout the year, as it did in the latter half of 2011. The new economic environment makes for stressful, but interesting, times indeed. A correction in diamond prices might strengthen to consumer demand.

Outlook

The global economic environment in 2012 remained uncertain with an average growth of between 2% to 3%. There are signs of improving consumer confidence and of major policy changes in some of the developed markets which may provide the required momentum to spurt global growth and kick start the path of recovery. However, the situation in the emerging markets is more upbeat with strong consumer spending and investment sentiment driving economy between 5% to 8% in the current year. The US economy is definitely showing signs of steady recovery followed by Japan which is embarking on an ambitious policy of reflecting its long moribund economy.

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 Ltd

Date: 30/05/2014
Place: Navsari

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

Doshi Maru & Associates

Chartered Accountants

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

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,
The Members,
LYPSA GEMS & JEWELLERY LIMITED
2nd Floor, Diamond Park Building,
Opp. Ambika Nagar Society,
Dargah Road,
Navsari, Gujrat- 396 445

We have examined the compliance of Corporate Governance by Lypsa Gems & Jewellery Limited for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement 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 ensuring 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 M/s. Doshi Maru & Associates
Chartered Accountants
FRN. No. 112187W

Date: 30TH May 2014
Place: Mumbai

Sd/-
Atul B. Doshi
(Partner)
M. No. 102585

Doshi Maru & Associates

Chartered Accountants

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

AUDITORS REPORT TO THE MEMBERS OF LYPSA GEMS & JEWELLERY LIMITED

1. We have audited the attached Balance Sheet of **LYPSA GEMS & JEWELLERY LIMITED** as at 31St March, 2014 and the Profit & Loss Account and Cash Flow statement for the year ended on that date and report thereon in accordance with the provisions of Section 227 of the Companies Act, 1956. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

4. Further to our comments in Para 3 and on the basis of the audit indicated herein, 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 and Cash Flow statement dealt with this report are in agreement with the books of Account.

d) In our opinion, the Balance sheet and Profit and Loss account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

e) On the basis of written representation received from the directors, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014 from being appointed as director in terms of clause (g) of Section 274(1) of the Companies Act, 1956;

f) 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 appearing in Schedule 25 annexed thereon gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view: -

i) In case of Balance Sheet, of the Company's affairs as at 31St March, 2014

ii) In case of Profit and Loss Account, of the Profit for the year ended on that date.

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

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

Sd/-
(Atul B. Doshi)
Partner
M.No: 102585
Place: Mumbai
Dated: 30th May, 2014

LYPSA GEMS & JEWELLERY LIMITED

ANNEXURE TO THE AUDITORS' REPORT

RE: LYPSA GEMS & JEWELLERY LIMITED REFERRED TO IN PARA 3 OF OUR REPORT OF EVEN DATE

1. The company has maintained fixed assets register showing full particulars including quantitative details and situation of fixed assets. As explained to us, the Management at reasonable intervals physically verified the fixed assets. No material discrepancies were noticed on such verification.

2. The management has physically verified inventory of stock of material, spares parts or finished stocks and frequency of verification is reasonable. In our opinion, the procedure for physical verification of stocks followed by management is reasonable and adequate in relation to the size of the company and nature of its business. The discrepancies noticed on physical verification were not material.

3. (a) The Company has not granted loans to company listed in the register maintained U/s. 301 of the Companies Act, 1956. The Company has not taken loan from companies listed in the register maintained U/s. 301 of the Companies Act, 1956. As company has not granted loans to companies listed in the register maintained u/s 301, clause (b) and (c) are not applicable.
   (b) The company has taken loans from Two parties listed in register maintained U/s 301 of the Companies Act, 1956 amounting to Rs 596.33 Lacs (P.Y.Rs. 420.80 Lacs). The rate of interest is not pre judiciary in contravention to the interest of the company.
   (c) There are no specific terms for repayment of loan taken from parties listed in register maintained U/s 301 of the Companies Act, 1956.

4. According to the information given to us, 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 & sale of goods & fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.

5. (a) In our opinion and according to the information and explanations given to us, there are transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 that are exceeding the value of Rupees five Lacs.
   (b) In our opinion and according to the information and explanations given to us, the transactions exceeding the value of Rupees five Lacs, are reasonable having regard to the prevailing market prices at the relevant time;

6. The Company has not accepted any deposits from the public during the previous year.

7. The Company has internal audit system and is considered as commensurate with the size of the company and nature of the business of the company.

8. As per the information given to us the Central Government has prescribed maintenance of cost records to this company under Section 209 (1) (d) of the Companies Act, 1956.

9. As informed to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax (VAT), Customs Duty, Excise Duty except unclaimed dividend for F Y 2009-10 of Rs. 7.50 Lacs, for 2010-11 of Rs. 8.27 Lacs and for 2011-12 of Rs. 5.62 Lacs and for 2012-13 of Rs 5.83 Lacs as at last date of financial year, that were outstanding for a period of more than six months from the date they became payable.

10. As on 31.03.2014, 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. The company is not a sick industrial company within the meaning of clause (o) of sub-section 1 of section 3 of The Sick Industrial Companies (Special Provisions) Act, 1985.

11. On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in payment of dues to a financial institution or bank.

12. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of this clause are not applicable.

14. The Company being Trading and Manufacturing company conducting export sales; proper records has been maintained and timely entries have been made therein of the purchase, sales and income transactions and contracts entered into during the said period, if any. The company is not a chit fund or a nidhi/mutual fund benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company. The company is holding investments in mutual fund and listed securities.

15. As informed to us, the Company has not given any guarantee for loans taken by others from any bank or financial institution.

16. As the Company has no term loan outstanding as at 31.03.2014, the provisions of this clause are not applicable.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.

18. The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

19. The Company has not issued any debentures during the year.

20. During the year the Company has not allotted shares to the public.

21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Sd/-
(Atul B. Doshi)
Partner
m.No. 102585
Place: Mumbai
Date: 30TH May 2014

LYPSA GEMS & JEWELLERY LIMITED
BALANCE SHEET AS ON 31st MARCH 2014

(Rupees in Lacs)

	Particulars	Note No.	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
	1	2				
I.	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	(a) Share capital	1	1,404.00		1,404.00	
	(b) Reserves and surplus	2	1,350.30		1,145.95	
	(c) Money received against share warrants		-		-	
				2,754.30		2,549.95
2	Share application money pending allotment					
3	Non-current liabilities					
	(a) Long-term borrowings					
	(b) Deferred tax liabilities (Net)	3		19.01		17.25
	(c) Other Long term liabilities					
	(d) Long-term provisions					
4	Current liabilities					
	(a) Short-term borrowings	4		2,112.81		2,104.19
	(b) Trade payables	5		9,775.38		10,026.85
	(c) Other current liabilities	6		161.47		252.30
	(d) Short-term provisions	7		128.32		137.02
	TOTAL			14,951.29		15,087.55
II.	ASSETS					
	Non-current assets					
1	(a) Fixed assets					
	(i) Tangible assets	8	338.79		174.89	
	(ii) Intangible assets	8	-		-	
	(iii) Capital work-in-progress	8	-		-	
	(iv) Intangible assets under development	8	-	338.79	-	174.89
	(b) Non-current investments	9		19.30		53.56
	(c) Deferred tax assets (net)			-		-
	(d) Long-term loans and advances	10		91.89		101.46
	(e) Other non-current assets					
2	Current assets					
	(a) Current investments	11		104.66		7.94
	(b) Inventories	12		3,340.26		2,075.47
	(c) Trade receivables	13		8,741.05		11,739.03
	(d) Cash and cash equivalents	14		1,718.18		861.36
	(e) Short-term loans and advances	15		597.17		71.44
	(f) Other current assets	16		-		2.41
	TOTAL			14,951.29		15,087.55

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

sd/-
ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 30/05/2014

FOR LYPSA GEMS & JEWELLERY LIMITED

sd/- sd/-
DIPAN PATWA JEEYAN PATWA
CHAIRMAN DIRECTOR

DATE: 30/05/2014

LYPSA GEMS & JEWELLERY LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

(Rupees in Lacs)

	Particulars	Refer Note No.	FOR THE YEAR ENDED 31st MARCH 2014		FOR THE YEAR ENDED 31st MARCH 2013	
I.	Revenue From Operations	17		41,235.14		30,192.49
II.	Other income	18		(33.75)		(183.85)
III.	**Total Revenue (I + II)**			41,201.39		30,008.64
IV.	Expenses:					
	Cost of materials consumed	19		34,228.94		20,633.63
	Purchases of Stock-in-Trade			3,763.85		5,972.14
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20		(1,124.30)		1,475.57
	Employee benefits expense	21		387.94		192.95
	Finance costs	22		263.21		192.88
	Depreciation and amortization expense	23		21.84		8.54
	Other expenses	24		3,188.38		1,106.95
	Total expenses			40,729.86		29,582.67
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			471.52		425.97
VI.	Exceptional items					
VII.	**Profit before extraordinary items and tax (V - VI)**			471.52		425.97
VIII.	Extraordinary Items					
IX.	**Profit before tax (VII- VIII)**			471.52		425.97
X	Tax expense:					
	(1) Current tax			144.95		126.99
	(2) Deferred tax			11.81		16.56
XI	**Profit (Loss) for the period from continuing operations (VII-VIII)**			314.76		282.42
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)**			314.76		282.42
XVI	Earnings per equity share:					
	(1) Basic			3.36		3.03
	(2) Diluted			3.36		3.03

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: 30/05/2014

sd/-

DIPAN PATWA

CHAIRMAN

sd/-

JEEYAN PATWA

DIRECTOR

DATE: 30/05/2014

NOTE No. 1 : SHARE CAPITAL

1 SHARE CAPITAL

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
AUTHORISED SHARE CAPITAL		
2,00,00,000 (2,00,00,000) Equity Share of Rs. 10/- Each	2,000.00	2,000.00
Issued, Subscribed & Paidup		
1,40,40,000 (1,40,40,000) Equity Share of Rs. 10/- Each Fully paidup.	1,404.00	1,404.00

NOTE No. 2 : RESERVES & SURPLUS

2 RESERVES & SURPLUS

		AS AT 31st MARCH 2014		AS AT 31st MARCH 2013
Securities Premium Reserve				
As per Last Balance Sheet	598.00		598.00	
Add: On Issue of Shares	-		-	
Less: On Issue of Bonus Shares	-	**598.00**	-	**598.00**
Profit & Loss Account				
As per Last Balance Sheet	547.95		371.84	
Add: Profit for the year	314.76		282.42	
	862.71		**654.26**	
Less: Appropriations				
Short Provision fro I.Tax (F.Y. 2012-13)	(5.98)			
Provision for Reduction in Value of Investments	34.26		24.72	
Proposed Dividend	70.20		70.20	
Tax on Dividend	11.93	**752.30**	11.39	**547.95**
Total		**1,350.30**		**1,145.95**

NOTE No. 3 : DEFFERED TAX LIABILITY (NET)

3 DEFFERED TAX LIABILITY (NET)

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Deffered Tax Liability		
Related to Fixed Assets	19.01	17.25
TOTAL	19.01	17.25

NOTE No. 4 : SHORT TERM BORROWINGS

4 SHORT TERM BORROWINGS

		AS AT 31st MARCH 2014		AS AT 31st MARCH 2013
Secured				
Working Capital Loans				
From Banks				
Foreign Currency Loans - PSCFC/PCFC	-		1,088.48	
Rupee Loans - PSC	1,485.93	1,485.93	556.00	1,644.48
Secured				
From Banks - Others				
Rupee Loan - Car Loan	30.55	30.55	38.91	38.91
Unsecured				
(I)Loans & Advances				
From Directors		**596.33**		**420.80**
From Others				
(II) From Banks				
TOTAL		**2,112.81**		**2,104.19**

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

NOTE No. 5 : TRADE PAYABLES

5 TRADE PAYABLES

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Micro, Small & Medium Enterprises		-
Others	9,775.38	10,026.85
TOTAL	**9,775.38**	**10,026.85**

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

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
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 2014	AS AT 31st MARCH 2013
Interest Payable	1.61	0.70
Advances against Order	-	-
Recv/Payable For Forward Contract (Import)	-	-
Deffered Premium (Export)	128.13	19.63
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)	5.83	-
Other Payables	4.51	210.58
TOTAL	**161.47**	**252.30**

NOTE No. 7 : SHORT TERM PROVISIONS

7 SHORT TERM PROVISIONS

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Proposed Dividend	70.20	70.20
Tax on Dividend	11.93	11.39
Other Provisions	46.19	55.43
TOTAL	**128.32**	**137.02**

NOTE No. 8 : FIXED ASSETS
8 FIXED ASSETS
LYPSA GEMS & JEWELLERY LIMITED.
FIXED ASSETS SCHEDULE AS ON 31ST MARCH 2014

(RUPEES IN LACS)

SR. NO.	DESCRIPTION	GROSS BLOCK AS ON 01/04/13	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31/03/14	DEPRECIATION AS ON 01/04/13	ADJUSTMENT FOR THE YEAR	DEPRECIATION FOR THE YEAR	UPTO 31/03/14	NET BLOCK AS ON 31/03/14	AS ON 31/03/13
	TANGIBLE ASSETS : OWN ASSETS:										
1	**Air Conditions**	3.75	-	-	3.75	0.56	-	0.18	0.74	**3.01**	**3.19**
2	**Aquaguard**	0.07	0.17	-	0.24	0.04	-	0.01	0.05	**0.19**	**0.03**
3	**Furniture & Fixture**	28.20	15.13	-	43.33	15.56	-	2.45	18.01	**25.32**	**12.64**
4	**Motor Car**	67.91	0.57	-	68.48	11.50	-	6.46	17.96	**50.52**	**56.41**
5	**Office Equipments**	4.00	6.87	-	10.86	0.22	-	0.38	0.60	**10.27**	**3.78**
6	**Water coolers**	0.77	-	-	0.77	0.11	-	0.04	0.15	**0.63**	**0.66**
7	**Computers**	4.72	4.97	-	9.68	1.09	-	1.01	2.10	**7.58**	**3.63**
8	**Safe**	2.85	1.63	-	4.47	0.15	-	0.21	0.36	**4.12**	**2.70**
9	**Machinaries**	92.97	65.66	-	158.63	1.11	-	6.82	7.92	**150.71**	**91.86**
10	**Factory Building**	-	61.31	-	61.31	-	-	1.89	1.89	**59.42**	**-**
11	**Factory Land**	-	16.70	-	16.70	-	-	-	-	**16.70**	**-**
12	**Air Conditions-Chhapi**	-	0.43	-	0.43	-	-	-	-	**0.43**	**-**
13	**Computer - Chhapi**	-	1.62	-	1.62	-	-	-	-	**1.62**	**-**
14	**Furniture & Fixture - Chhapi**	-	0.32	-	0.32	-	-	-	-	**0.32**	**-**
15	**Machinaries - Chhapi**	-	7.96	-	7.96	-	-	-	-	**7.96**	**-**
	SUB-TOTAL RUPEES	**205.22**	**183.34**	**-**	**388.56**	**30.34**	**-**	19.44	**49.77**	**338.79**	**174.89**
	LEASE ASSETS :	-	-	-	-	-	-	-	-	**-**	**-**
	TOTAL - A	**205.22**	**183.34**	**-**	**388.56**	**30.34**	**-**	19.44	**49.77**	**338.79**	**174.89**
	INTANGIBLE ASSETS :	-	-	-	-	-	-	-	-	**-**	**-**
	TOTAL - B	-	-	-	-	-	-	-	-	**-**	**-**
	TOTAL A + B	**205.22**	**183.34**	**-**	**388.56**	**30.34**	**-**	19.44	**49.77**	**338.79**	**174.89**
	PREVIOUS YEAR	**(36.96)**	**(168.27)**	**-**	**(205.22)**	**(24.20)**	**-**	(6.14)	**(30.34)**	**(174.89)**	**(12.76)**
	CAPITAL WORK IN PROGRESS									**-**	**-**
	INTANGIBLE ASSETS UNDER DEVELOPMENT									**-**	**-**

NOTE No. 9 : NON CURRENT INVESTMENTS

9 NON CURRENT INVESTMENTS

			AS AT 31st MARCH 2014		**AS AT 31st MARCH 2013**
TRADE INVESTMENTS					
TOTAL OF TRADE INVESTMENTS (A)					
OTHER INVESTMENTS					
In Equity Shares of Comapanies - Quoted, Fully paidu					
	Purchase cost		**AS AT 31st MARCH 2014**		**AS AT 31st MARCH 2013**
5,90,300 (5,90,300) Shares of Kingfisher Airlines	9,911,830.00	13.10		47.11	
		-	13.10	-	47.11
In Mutual Funds of Comapanies - Quoted, Fully paidu					
21280.054 Units of Reliance Diversified Power Sector Fund	1,000,000.00		5.35		5.61
{(97799.511 Units of Reliance Infrastucture Fund) Converted	As Above}				
Investments in Commodities					
Goldcoins			0.84		0.84
TOTAL OF OTHER INVESTMENTS (B)			**19.30**		**53.56**
TOTAL NON - CURRENT INVESTMENTS (A+B)			**19.30**		**53.56**

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 2014	**AS AT 31st MARCH 2013**
Advance Income Tax & TDS (Net of Provisions)	19.58	24.62
Vat Refundable	9.63	9.63
Deposites	60.44	56.18
Loans & Advances	2.24	2.04
Capital Advances	-	9.00
TOTAL	**91.89**	**101.46**

NOTE No. 11 : CURRENT INVESTMENTS

11 CURRENT INVESTMENTS

	AS AT 31st MARCH 2014	**AS AT 31st MARCH 2013**
Fixed Capital with Partnership Firm M/s. LYPSA GEMS	0.45	0.45
Current Capital with Partnership Firm M/s. LYPSA GEMS	96.72	-
Investment with 100% Subsidiary LYPSA GEMS & JEWELLERY DMCC	7.49	7.49
	-	-
TOTAL	**104.66**	**7.94**

NOTE No. 12 : INVENTORIES

12 INVENTORIES

	AS AT 31st MARCH 2014	**AS AT 31st MARCH 2013**
Raw Materials	2,035.33	1,894.84
Stock In Process	-	-
Finished Goods	1,304.93	180.63
TOTAL	**3,340.26**	**2,075.47**

NOTE No. 13 : TRADE RECEIVABLES

13 TRADE RECEIVABLES

(Unsecured & considered Good)	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
More than Six Months	14.42	14.42
Others	8,726.63	11,724.61
TOTAL	**8,741.05**	**11,739.03**

NOTE No. 14 : CASH & CASH EQUIVALENTS

14 CASH & CASH EQUIVALENTS

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Balance with Banks	859.27	56.87
Cash In Hand	0.31	10.69
Fixed Deposites with Banks (Maturity of Less than 12 Months)	858.60	793.79
TOTAL	**1,718.18**	**861.36**

NOTE No. 15 : SHORT TERM LOANS & ADVANCES

15 SHORT TERM LOANS & ADVANCES

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Prepaid Expenses	25.15	19.66
Deffered Premium	-	-
Receivables on Forward Contracts/Interest Subvention	572.02	51.78
TOTAL	**597.17**	**71.44**

NOTE No. 16 : OTHER CURRENT ASSETS

16 OTHER CURRENT ASSETS

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Deffered Revenue Expenditures	-	2.41
TOTAL	**-**	**2.41**

NOTE No. 17 : REVENUE FROM OPERATION

17 REVENUE FROM OPERATION

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Sales of Products	41,242.58	30,187.16
Income From Services	-	-
Share of Profit From Partnership Firm (M/s LYPSA GEMS)	(7.43)	5.33
TOTAL	**41,235.14**	**30,192.49**

17.1 PARTICULARS OF SALES OF PRODUCTS

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Rough & Cut and Polished Diamonds	41,242.58	30,187.16
TOTAL	**41,242.58**	**30,187.16**

NOTE No. 18 : OTHER INCOME

18 OTHER INCOME

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
INTEREST		
From Current Investments	72.06	55.48
DIVIDEND		
From Long Term Investment	-	0.00
Net Gain on Sale of Investments		
From Current Investments	-	(0.27)
OTHER NON-OPERATING INCOME	(105.82)	(239.07)
TOTAL	**(33.75)**	**(183.85)**

NOTE No. 19 : COST OF MATERIALS CONSUMED

19 COST OF MATERIALS CONSUMED

	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
	RUPEES	**% OF CONSUMPTION**	**RUPEES**	**% OF CONSUMPTION**
IMPORTED	31,149.56	91.00	17,450.21	85.00
LOCAL	3,079.38	9.00	3,183.42	15.00
TOTAL	**34,228.94**	**100.00**	**20,633.63**	**100.00**

19.1 **PARTICULARS OF MATERIAL CONSUMED**

Rough Diamonds	34,228.94	100.00	20,633.63	100.00

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

20

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Inventories (At Close)		
Finished Goods	(1,304.93)	(180.63)
Inventories (At Commencement)		
Finished Goods	180.63	1,656.20
TOTAL	**(1,124.30)**	**1,475.57**

NOTE No. 21 : EMPLOYEES BENEFIT EXPENSES

21 EMPLOYEES BENEFIT EXPENSES

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Salary	333.94	140.45
Directors Remuneration	54.00	52.50
TOTAL	**387.94**	**192.95**

NOTE No. 22 : FINANCE COST

22 FINANCE COST

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Interest Expenses	263.21	192.88
Forward Premium	-	-
TOTAL	**263.21**	**192.88**

NOTE No. 23 : DEPRICIATION & AMORTIZATION EXPENSES

23 DEPRICIATION & AMORTIZATION EXPENSES

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Depriciation	19.44	6.14
Deffered Revenue Expenditure W/off	2.41	2.41
TOTAL	**21.84**	**8.54**

NOTE No. 24 : OTHER EXPENSES

24 OTHER EXPENSES

		AS AT 31st MARCH 2014		AS AT 31st MARCH 2013
Manufacturing Expenses				
Clearing & Forwarding Expenses	13.41		7.65	
Labour Charges	2,789.69		916.20	
Re-Assortment Charges	10.91		26.99	
Consumables/Diamond Tools	27.33		18.10	
Repaires & Maintaiance (MFG)	4.65	**2,845.99**	0.91	**969.85**
Selling & Distribution Expenses				
Clearing & Forwarding Expenses	18.76		10.51	
Business Pramotion	-		-	
Commission & Brokrage	71.43	**90.19**	50.36	**60.87**
Establishment Expenses				
Professional Fees	26.31		18.26	
General Expenses	39.17		21.49	
Rent	122.55		9.08	
Insurance	19.46		8.55	
Penalities	0.20		-	
Travelling Expenses	18.90		7.74	
Payment to Auditors	0.67		0.28	
Charity & Donation	6.71		0.67	
Electricity Charges	18.23	**252.20**	10.16	**76.23**
TOTAL	**3,188.38**	**3,188.38**	**1,106.95**	**1,106.95**

LYPSA GEMS & JEWELLERY LIMITED.

SCHEDULE '25' OF NOTES ON ACCOUNTS ANNEXED TO & FORMING PART OF BALANCE SHEET AS ON 31/03/2014

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 Companies (Accounting Standards) Rules, 2006 notified by the Central Government and the provisions of Section 211(3C) of the Companies Act, 1956. 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

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

3. **Depreciation:**
The company has provided depreciation on Straight Line Value Method over the estimated useful lives of assets at the rates specified in Schedule XIV of the Companies Act, 1956. 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. 34,25,565/- (P.Y Rs.24,72,461/-) 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. 45000/-) and Current capital with partnership firm M/s Lypsa Gems of Rs 96,71,979/- (P.Y. NIL) 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. 1485.93 Lacs (P.Y Rs. 1644.48 Lacs) against pledge of fixed deposits receipts which includes Foreign Currency Loans in previous year and Rupee Loans against hypothecation of stocks and receivables

6. **Cash and Bank Balances:**

Fixed Deposits Receipts:

The company has total fixed deposits of Rs. 858.59 Lacs with Bank of India (P Y Rs. 793.79 Lacs with Bank of India).

Current Assets, Loans & Advances and Current Liabilities:

The Deferred premium on export of Rs. 128.13 Lacs (P.Y. 19.63 Lacs) is reflected in Balance Sheet under other current liabilities.

The company has reflected Receivable on forward contract against Exports of Rs 572.02 Lacs (P.Y. Rs. 51.78 Lacs) in Balance Sheet under short term loans & advances.

7. **Revenue Recognition:**

(a) Sales, net of taxes are accounted for when property in the goods are transferred to the customers.
(b) Dividend is recognized, when right to receive the dividend arises.
(c) Items of Income and Expenditure such as Exchange Rate difference, Interest on FDR, Profit on Forward Contract, Forward premium, Interest paid are recognized on accrual basis, unless otherwise stated.
(d) Interest income is recognized on time proportion method.
(e) Amounts received or billed in advance of goods sold are recorded as advances from customers.
(f) Revenue from operations include share of profit from partnership firm M/s Lypsa Gems of Rs. -7.43 Lacs (P Y 5.33 Lacs)

8. **Preliminary Expenses:**

Preliminary Expenses are amortized over a period of five years.

9. **Foreign Currency Transactions:**

Transactions in foreign currency are recognized at the prevailing exchange rates on the transaction dates. Realized gain or losses on settlement of foreign currency transactions are recognized in the Profit and Loss account. Foreign currency denominated monetary assets and liabilities at the year end are translated at the year end exchange rates and recognized in the Profit and Loss account. Non monetary foreign currency items are carried at cost.

The company enters into forward exchange contract and other instruments that are in substance a forward exchange contract to hedge its risks associated with foreign currency fluctuations. The premium or discount arising on the inception of a forward exchange contract (other than a firm commitment or highly probable forecast) or similar instrument is amortised as expense or income over the life of contract. Exchange difference on such a contract are recognized in the Profit and Loss account in the year in which the exchange rates change. Any Profit or Loss arising on cancellation of such a contract is recognized as income or expense for the year. The company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

10. **Taxation:**

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

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

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

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

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

Transactions with Group Companies: NIL

Transactions with Key Management Personnel and Related Entities:

Expenses:

NAME	Nature of Transaction	Current Yr.	Previous Yr.
Manish Janani	Interest on Loan	65,586.00	93,493.00
Dipan Patwa	Interest on Loan	73,20,777.00	59,82,371.00
Manish Janani	Director Remuneration	24,00,000.00	24,00,000.00
Dipan Patwa	Director Remuneration	24,00,000.00	24,00,000.00
Jeeyan Patwa	Director Remuneration	6,00,000.00	4,50,000.00
Lypsa Diamond	Reimbursement of Expenses	9,02,251.00	8,20,943.00

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. 6,30,39,333/-.

Income:

NAME	Nature of Transaction	Current Yr.	Prevois Yr.
Lypsa Gems (Partnership Firm)	Share of Profit of Firm	-7,43,418.00	5,32,916.00

The computation of Net Profit for the purpose of calculation of director's remuneration under Section 349 of the Companies Act 1956 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 (Previous year Finished goods were 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 paragraphs 4C & 4D (C) of Part II of Schedule VI to the Companies Act, 1956 as applicable to the Company doing manufacturing activity is as:
Quantitative details of materials:

Rough Diamonds	Current Year(Carats)	Previous Year(Carats)
Opening Stock	30449.08	4781.50
Purchases	502831.86	383788.17
Issued for manufacturing	418857.45	322261.06
Loss	12896.55	609.95
Sales	43424.75	35249.58
Closing Stock	58102.19	30449.08

Polished Diamonds	Current Year(Carats)	Previous Year(Carats)
Opening Stock	756.04	5101.58
Purchases	13935.11	44586.21
Manufacturing	136982.93	91801.44
Loss	0.00	17.06
Sales	145732.99	140716.13
Closing Stock	5941.09	756.04

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

18. **Deferred Taxation:**
The major components of deferred taxation arising out of timing differences are :

Liabilities	As on 31.03.2014	As on 31.03.2013
Depreciation	-5858940.00	-5316152.00
Net Deferred Tax Liability	-1900933.00	-1724826.00

19. **Payment to Auditors:**

	Current Year (Rs.)	Previous Year (Rs.)
For Audit Fees	50000	25000

20. **Earnings and Expenditure in Foreign exchange:**
The earnings and expenditure in foreign exchange as incurred by the company is as :

Nature of Transaction	Current Year (US $)	Previous Year (US $)
Export Sales	65480168.89	49324346.15
Import Purchase	60314185.20	47595202.31
CIF value of imports	56133120.00	43185707.02
Foreign Travelling expense	9675.00	5000.00

21. **Share Capital:**
During the year company has not allotted shares to the public.

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). The earnings per share as computed as per Accounting Standard 20 is as:

Earnings Per Share	**31.03.2014**	**31.03.2013**
Profit before tax (Rs.)	47,152,228	42,597,130
Average number of shares (Nos)	1,40,40,000	1,40,40,000
Nominal value of shares (Rs.)	10.00	10.00
Basic Earnings Per share (Rs.)	3.36	3.03
Diluted earnings Per share (Rs.)	3.36	3.03

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 audited 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 2014	As at 31st March 2013
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	1,40,40,000	1,40,40,000
Add : Bonus shares issued by Capitalization of Securities Premium Account	NIL	NIL
Add : Shares issued at Premium	NIL	NIL
Equity shares at the end of the year	1,40,40,000	1,40,40,000

Equity Capital:

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	14,04,00,000	14,04,00,000
Add : Amount for Bonus shares issued by Capitalisation of Securities Premium Account	NIL	NIL
Add : Amount for shares issued at Premium	NIL	NIL
Amount for Equity share capital at the end of the year	14,04,00,000	14,04,00,000

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

Name of Shareholder	As at March 31st, 2014		As at March 31st, 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manish Jaysukhlal Janani	25,22,500	17.97	25,22,500	17.97
Dipen Babubhai Patwa	25,17,500	17.93	25,17,500	17.93

27. **Short term Borrowings:**

Loans and advances from related parties:

Particulars	Current Year	Previous Year
Unsecured Loans from Directors	596.33	420.80

28. **Investments:**

Investment in Partnership Firm:

Name of Firm	As at March 31st, 2014	As at March 31st, 2013
M/s Lypsa Gems		
Fixed Capital	Rs. 45,000/-	Rs. 45,000/-
Current Capital	Rs. 96,71,979/-	NIL

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

Particulars	As at March 31st, 2014	As at March 31st, 2013
Security Deposits – Considered Good	Rs. 54,88,153/-	Rs. 50,62,257/-
Prepaid Expenses		
Insurance Premium	Rs.6,05,994/-	Rs.6,27,800/-
Domain Registration charges	Rs. 40,326/-	Rs. 3,580/-
Membership Fees	Rs.66,682/-	Rs.10,901/-
Repairs & Maintenance	Rs. 25,181/-	NIL
Telephone Charges	Rs. 24,316/-	NIL

30. **Cash & Cash Equivalents :**

Particulars	As on March 31st, 2014	As on March 31st, 2013
Balance in Current Accounts	Rs. 8,30,61,098.00	Rs. 35,48,732.03
Balance in Unclaimed Dividend A/c	Rs. 27,21,892.00	Rs. 21,38,755.00

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

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

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

34. The information required under Section 217 (2A) (b) (ii) of the Companies Act, 1956 read with Companies Employees Amendment Rules, 2011 is not given as there was no employee in receipt of salary exceeding Rs 5,00,000/- per month or Rs 60,00,000/- per annum.

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 for which the required permission for extension of time has not been obtained from appropriate authorities. The amount of foreign currency receivables outstanding for more than six months is Rs. 14,41,745/- (P Y Rs. 14,41,745/-).

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). The Net profit earned for the year 2013-14 from partnership firm M/s Lypsa Gems of Rs. -7,43,418/- (P.Y. 5,32,916/-) is credited 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 and Rs 5,83,137/- for F.Y. 2012-13.

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 is given in Annexure 'A'

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: 30th May, 2014

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

Resistration No. :	**28270**	State Code :	**04**
Balance Sheet Date :	**31/03/14**		

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 RUPEES)

TOTAL LIABILITIES :	**14,951.29**	**TOTAL ASSETS**	**14,951.29**

SOURCES OF FUNDS :

Paid up Capital :	**1,404.00**	Reserves & Surplus :	**1,350.30**
Secured Loans :	**1,516.48**	Unsecured Loans :	**596.33**
Deferred Tax Liability	**19.01**		

APPLICATION OF FUNDS :

Net Fixed Assets :	**338.79**	Investments	**111.19**
Net Current Assets :	**4,436.14**	Misc. Expenditure	**-**
Accumulated Losses :	**-**		

IV PERFORMANCE OF THE COMPANY (AMOUNT IN LACS) :

Turnover/other Income :	**41,201.39**	**Total Expenditure**	**40,729.86**
Profit Before tax :	**471.52**	**Profit After tax :**	**314.76**
Earning Per Share (In Rupees)	**3.36**	**Dividend rate :**	**5%**

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

sd/-

ATUL B. DOSHI
PARTNER

FRN : 112187W

PLACE: MUMBAI

DATE: 30/05/2014

FOR LYPSA GEMS & JEWELLERY LIMITED

sd/-	**sd/-**
DIPAN PATWA	**JEEYAN PATWA**
CHAIRMAN	DIRECTOR

DATE: 30/05/2014

LYPSA GEMS & JEWELLERY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

	31-Mar-2014		31-Mar-2013	
A Cash flow from operating activities				
Net profit before Tax		471.52		425.97
Adjustments for:				
Depriciation	19.44		6.14	
Preliminary Expenses w/off	2.41		2.41	
Long Term Capital Loss/ (Gain)	-		0.27	
Interest Received	(72.06)		(55.48)	
Dividend Received	-		-	
		(50.22)		(46.67)
Operating profit before working capital changes		421.30		379.30
Decrease/(Increase) in Current Assets	1,120.31		(1,185.17)	
Increase in Outstanding Liabilities	(610.51)		1,079.60	
Increase / (Decrease) in other liabilities				
		509.80		(105.58)
Cash generated from operations		931.10		273.72
Income Tax Paid		(138.54)		(125.62)
Net cash from operating activities		792.57		148.11
B Cash flow from investing activities:				
Interest Received	72.06		55.48	
Dividend Received	-		-	
Sale/(Purchase) of Investment	-		(52.83)	
Increase in fixed Assets	(183.34)		(168.27)	
Net cash used in investing activities		(111.28)		(165.61)
C Cash flow from financing activities				
Capital raised during the year				
Increase/(decrease) in Secured Loan Taken				
Increase/(decrease) in Loans	175.53		338.38	
Net cash from financing activities		175.53		338.38
Net Increase/(Decrease) in cash and cash equivalents		856.82		320.87
Cash and cash equivalents (opening balance)	861.36		540.49	
Cash and cash equivalents (closing balance)	1,718.18		861.36	
		856.82		**320.87**

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

FOR LYPSA GEMS & JEWELLERY LIMITED

sd/-
ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 30/05/2014

sd/-
DIPAN PATWA
CHAIRMAN

sd/-
JEEYAN PATWA
DIRECTOR

DATE: 30/05/2014

Doshi Maru & Associates

Chartered Accountants

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

CONSOLIDATED AUDITOR'S REPORT TO THE MEMBERS OF LYPSA GEMS & JEWELLERY LIMITED

1. We have audited the attached Consolidated Balance Sheet of **LYPSA GEMS & JEWELLERY LIMITED** and it's 100% Subsidiary **LYPSA GEMS & JEWELLERY DMCC** (Entities together termed as the L**YPSA GROUP**) as at 31St March, 2014 and the Consolidated statement of the Profit & Loss Account and the Consolidated Cash Flow statement for the year ended on that date and report thereon in accordance with the provisions of Section 227 of the Companies Act, 1956. These Consolidated Financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. On the basis of audited Financial Statements of subsidiary produced before us by the management whose financial statements reflect total assets of Rs 1,02,91,00,811/- as at March 31, 2014 and total revenues Rs 1,22,89,33,588/- for the year ended on that date and the Net Profit is Rs 6,30,39,333/- for the year ended March 31, 2014. 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.

4. 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.

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

   i) In case of Consolidated Balance Sheet, of the state of affairs of the LYPSA GROUP as at 31St March, 2014
   ii) In case of Consolidated Statement of Profit and Loss Account, of the Profit of the LYPSA GROUP for the year ended on that date and
   iii) In the case of Consolidated Cash Flow Statement, of the Consolidated Cash flows of the LYPSA GROUP for the year ended on that date.

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

Sd/-
(Shashank Doshi)
Partner
M.No.: 102585
Place: Mumbai
Dated: 30th May, 2014

LYPSA GEMS & JEWELLERY LIMITED
CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2014

(Rupees in Lacs)

	Particulars	Note No.	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
	1	2				
I.	EQUITY AND LIABILITIES					
1	Shareholders' funds					
	(a) Share capital	1	1,404.00		1,404.00	
	(b) Reserves and surplus	2	2,105.51		1,270.76	
	(c) Money received against share warrants		-		-	
				3,509.51		2,674.76
2	Share application money pending allotment					
3	Non-current liabilities					
	(a) Long-term borrowings					
	(b) Deferred tax liabilities (Net)	3		19.01		17.25
	(c) Other Long term liabilities					
	(d) Long-term provisions					
4	Current liabilities					
	(a) Short-term borrowings	4		2,112.81		2,107.45
	(b) Trade payables	5		19,301.53		11,940.79
	(c) Other current liabilities	6		161.47		252.30
	(d) Short-term provisions	7		130.48		138.49
	TOTAL			25,234.82		17,131.03
II.	ASSETS					
	Non-current assets					
1	(a) Fixed assets					
	(i) Tangible assets	8	338.79		174.89	
	(ii) Intangible assets	8	-		-	
	(iii) Capital work-in-progress	8	-		-	
	(iv) Intangible assets under development	8	-	338.79	-	174.89
	(b) Non-current investments	9		19.30		53.56
	(c) Deferred tax assets (net)			-		-
	(d) Long-term loans and advances	10		92.06		101.61
	(e) Other non-current assets					
2	Current assets					
	(a) Current investments	11		97.17		0.45
	(b) Inventories	12		3,450.50		2,230.42
	(c) Trade receivables	13		18,846.97		13,627.37
	(d) Cash and cash equivalents	14		1,788.98		868.90
	(e) Short-term loans and advances	15		601.04		71.44
	(f) Other current assets	16		-		2.41
	TOTAL			25,234.82		17,131.03

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

sd/-
ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 30/05/2014

FOR LYPSA GEMS & JEWELLERY LIMITED

sd/-
DIPAN PATWA
CHAIRMAN

sd/-
JEEYAN PATWA
DIRECTOR

DATE: 30/05/2014

LYPSA GEMS & JEWELLERY LIMITED

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

(Rupees in Lacs)

	Particulars	Refer Note No.	FOR THE YEAR ENDED 31st MARCH 2014		FOR THE YEAR ENDED 31st MARCH 2013	
I.	Revenue From Operations	17		53,538.61		32,845.88
II.	Other income	18		(47.89)		(183.85)
III.	**Total Revenue (I + II)**			53,490.72		32,662.03
IV.	Expenses:					
	Cost of materials consumed	19		34,228.94		20,633.63
	Purchases of Stock-in-Trade			15,361.05		8,651.31
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20		(1,079.60)		1,320.62
	Employee benefits expense	21		394.52		194.41
	Finance costs	22		263.62		192.88
	Depreciation and amortization expense	23		21.84		8.54
	Other expenses	24		3,198.44		1,109.95
	Total expenses			52,388.81		32,111.35
V.	**Profit before exceptional and extraordinary items and tax (III-IV)**			1,101.92		550.67
VI.	Exceptional items					
VII.	**Profit before extraordinary items and tax (V - VI)**			1,101.92		550.67
VIII.	Extraordinary Items					
IX.	**Profit before tax (VII- VIII)**			1,101.92		550.67
X	Tax expense:					
	(1) Current tax			144.95		126.99
	(2) Deferred tax			11.81		16.56
XI	**Profit (Loss) for the period from continuing operations (VII-VIII)**			945.16		407.12
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)**			945.16		407.12
XVI	Earnings per equity share:					
	(1) Basic			7.85		3.92
	(2) Diluted			7.85		3.92

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: 30/05/2014

sd/-
DIPAN PATWA
CHAIRMAN

sd/-
JEEYAN PATWA
DIRECTOR

DATE: 30/05/2014

NOTE No. 1 : SHARE CAPITAL

1 SHARE CAPITAL

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
AUTHORISED SHARE CAPITAL		
2,00,00,000 (2,00,00,000) Equity Share of Rs. 10/- Each	2,000.00	2,000.00
Issued, Subscribed & Paidup		
1,40,40,000 (1,40,40,000) Equity Share of Rs. 10/- Each Fully paidup.	1,404.00	1,404.00

NOTE No. 2 : RESERVES & SURPLUS

2 RESERVES & SURPLUS

		AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
	Securities Premium Reserve				
	As per Last Balance Sheet	598.00		598.00	
	Add: On Issue of Shares	-		-	
	Less: On Issue of Bonus Shares	-	**598.00**	-	**598.00**
	Capital Reserves		0.11		0.11
	Profit & Loss Account				
	As per Last Balance Sheet	672.65		371.84	
	Add: Profit for the year	945.16		407.12	
		1,617.81		**778.96**	
	Less: Appropriations				
	Short Provision fro I.Tax (F.Y. 2012-13)	(5.98)			
	Provision for Reduction in Value of Investments	34.26		24.72	
	Proposed Dividend	70.20		70.20	
	Tax on Dividend	11.93	**1,507.40**	11.39	**672.65**
	Total		**2,105.51**		**1,270.76**

NOTE No. 3 : DEFFERED TAX LIABILITY (NET)

3 DEFFERED TAX LIABILITY (NET)	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Deffered Tax Liability		
Related to Fixed Assets	19.01	17.25
TOTAL	19.01	17.25

NOTE No. 4 : SHORT TERM BORROWINGS

4 SHORT TERM BORROWINGS		AS AT 31st MARCH 2014		AS AT 31st MARCH 2013
Secured				
Working Capital Loans				
From Banks				
Foreign Currency Loans - PSCFC/PCFC	-		1,088.48	
Rupee Loans - PSC	1,485.93	1,485.93	556.00	1,644.48
Secured				
From Banks - Others				
Rupee Loan - Car Loan	30.55	30.55	38.91	38.91
Unsecured				
(I)Loans & Advances				
From Directors		**596.33**		**420.80**
From Others		**-**		**3.26**
(II) From Banks				
TOTAL		**2,112.81**		**2,107.45**

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

NOTE No. 5 : TRADE PAYABLES

5 TRADE PAYABLES	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Micro, Small & Medium Enterprises		-
Others	19,301.53	11,940.79
TOTAL	**19,301.53**	**11,940.79**

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

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Principle Amount Due and Remains unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest Paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest Accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years.	-	-
TOTAL	**-**	**-**

NOTE No. 6 : OTHER CURRENT LIABLITIES

6 TRADE PAYABLES

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Interest Payable	1.61	0.70
Advances against Order	-	-
Recv/Payable For Forward Contract (Import)	-	-
Deffered Premium (Export)	128.13	19.63
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)	5.83	-
Other Payables	4.51	210.58
TOTAL	**161.47**	**252.30**

NOTE No. 7 : SHORT TERM PROVISIONS

7 SHORT TERM PROVISIONS

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Proposed Dividend	70.20	70.20
Tax on Dividend	11.93	11.39
Other Provisions	48.35	56.90
TOTAL	**130.48**	**138.49**

NOTE No. 8 : FIXED ASSETS

LYPSA GEMS & JEWELLERY LIMITED.
FIXED ASSETS SCHEDULE AS ON 31ST MARCH 2014

(RUPEES IN LACS)

SR. NO.	DESCRIPTION	GROSS BLOCK AS ON 01/04/13	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31/03/14	DEPRECIATION AS ON 01/04/13	ADJUSTMENT FOR THE YEAR	DEPRECIATION FOR THE YEAR	UPTO 31/03/14	NET BLOCK AS ON 31/03/14	AS ON 31/03/13
	TANGIBLE ASSETS : OWN ASSETS:										
1	**Air Conditions**	3.75	-	-	3.75	0.56	-	0.18	0.74	**3.01**	**3.19**
2	**Aquaguard**	0.07	0.17	-	0.24	0.04	-	0.01	0.05	**0.19**	**0.03**
3	**Furniture & Fixture**	28.20	15.13	-	43.33	15.56	-	2.45	18.01	**25.32**	**12.64**
4	**Motor Car**	67.91	0.57	-	68.48	11.50	-	6.46	17.96	**50.52**	**56.41**
5	**Office Equipments**	4.00	6.87	-	10.86	0.22	-	0.38	0.60	**10.27**	**3.78**
6	**Water coolers**	0.77	-	-	0.77	0.11	-	0.04	0.15	**0.63**	**0.66**
7	**Computers**	4.72	4.97	-	9.68	1.09	-	1.01	2.10	**7.58**	**3.63**
8	**Safe**	2.85	1.63	-	4.47	0.15	-	0.21	0.36	**4.12**	**2.70**
9	**Machinaries**	92.97	65.66	-	158.63	1.11	-	6.82	7.92	**150.71**	**91.86**
10	**Factory Building**	-	61.31	-	61.31	-	-	1.89	1.89	**59.42**	**-**
11	**Factory Land**	-	16.70	-	16.70	-	-	-	-	**16.70**	**-**
12	**Air Conditions-Chhapi**	-	0.43	-	0.43	-	-	-	-	**0.43**	**-**
13	**Computer - Chhapi**	-	1.62	-	1.62	-	-	-	-	**1.62**	**-**
14	**Furniture & Fixture - Chhapi**	-	0.32	-	0.32	-	-	-	-	**0.32**	**-**
15	**Machinaries - Chhapi**	-	7.96	-	7.96	-	-	-	-	**7.96**	**-**
	SUB-TOTAL RUPEES	**205.22**	**183.34**	**-**	**388.56**	**30.34**	**-**	19.44	**49.77**	**338.79**	**174.89**
	LEASE ASSETS :	-	-	-	-	-	-	-	-	**-**	**-**
	TOTAL - A	**205.22**	**183.34**	**-**	**388.56**	**30.34**	**-**	19.44	**49.77**	**338.79**	**174.89**
	INTANGIBLE ASSETS :	-	-	-	-	-	-	-	-	**-**	**-**
	TOTAL - B	-	-	-	-	-	-	-	-	**-**	**-**
	TOTAL A + B	**205.22**	**183.34**	**-**	**388.56**	**30.34**	**-**	19.44	**49.77**	**338.79**	**174.89**
	PREVIOUS YEAR	**(36.96)**	**(168.27)**	**-**	**(205.22)**	**(24.20)**	**-**	(6.14)	**(30.34)**	**(174.89)**	**(12.76)**
	CAPITAL WORK IN PROGRESS									**-**	**-**
	INTANGIBLE ASSETS UNDER DEVELOPMENT									**-**	**-**

NOTE No. 9 : NON CURRENT INVESTMENTS

9 NON CURRENT INVESTMENTS

			AS AT 31st MARCH 2014		**AS AT 31st MARCH 2013**
TRADE INVESTMENTS					
TOTAL OF TRADE INVESTMENTS (A)					
OTHER INVESTMENTS					
In Equity Shares of Comapanies - Quoted, Fully paidup					
	Purchase cost		**AS AT 31st MARCH 2014**		**AS AT 31st MARCH 2013**
5,90,300 (90,300) Shares of Kingfisher Airlines	9,911,830.00	13.10		47.11	
		-	13.10	-	47.11
In Mutual Funds of Comapanies - Quoted, Fully paidup					
97799.511 Units of Reliance Infrastucture Fund	1,000,000.00		5.35		5.61
Investments in Commodities					
Goldcoins			0.84		0.84
TOTAL OF OTHER INVESTMENTS (B)			**19.30**		**53.56**
TOTAL NON - CURRENT INVESTMENTS (A+B)			**19.30**		**53.56**

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 2014	**AS AT 31st MARCH 2013**
Advance Income Tax & TDS (Net of Provisions)	19.58	24.62
Vat Refundable	9.63	9.63
Deposites	60.60	56.33
Loans & Advances	2.24	2.04
Capital Advances	-	9.00
TOTAL	**92.06**	**101.61**

NOTE No. 11 : CURRENT INVESTMENTS

11 CURRENT INVESTMENTS

	AS AT 31st MARCH 2014	**AS AT 31st MARCH 2013**
Fixed Capital with Partnership Firm M/s. LYPSA GEMS	0.45	0.45
Current Capital with Partnership Firm M/s. LYPSA GEMS	96.72	-
Investment with 100% Subsidiary LYPSA GEMS & JEWELLERY DMCC	-	-
	-	-
TOTAL	**97.17**	**0.45**

NOTE No. 12 : INVENTORIES

12 INVENTORIES

	AS AT 31st MARCH 2014	**AS AT 31st MARCH 2013**
Raw Materials	2,035.33	1,894.84
Stock In Process	-	-
Finished Goods	1,415.17	335.58
TOTAL	**3,450.50**	**2,230.42**

NOTE No. 13 : TRADE RECEIVABLES

13 TRADE RECEIVABLES

(Unsecured & considered Good)	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
More than Six Months	14.42	14.42
Others	18,832.56	13,612.95
TOTAL	**18,846.97**	**13,627.37**

NOTE No. 14 : CASH & CASH EQUIVALENTS

14 CASH & CASH EQUIVALENTS

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Balance with Banks	930.07	64.41
Cash In Hand	0.31	10.69
Fixed Deposites with Banks (Maturity of Less than 12 Months)	858.60	793.79
TOTAL	**1,788.98**	**868.90**

NOTE No. 15 : SHORT TERM LOANS & ADVANCES

15 SHORT TERM LOANS & ADVANCES

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Prepaid Expenses	29.02	19.66
Deffered Premium	-	-
Receivables on Forward Contracts/Interest Subvention	572.02	51.78
TOTAL	**601.04**	**71.44**

NOTE No. 16 : OTHER CURRENT ASSETS

16 OTHER CURRENT ASSETS

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Deffered Revenue Expenditures	-	2.41
TOTAL	**-**	**2.41**

NOTE No. 17 : REVENUE FROM OPERATION

17 REVENUE FROM OPERATION

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Sales of Products	53,546.04	32,840.55
Income From Services	-	-
Share of Profit From Partnership Firm (M/s LYPSA GEMS)	(7.43)	5.33
TOTAL	**53,538.61**	**32,845.88**

17.1 PARTICULARS OF SALES OF PRODUCTS

PARTICULARS	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Rough & Cut and Polished Diamonds	53,546.04	32,840.55
TOTAL	**53,546.04**	**32,840.55**

NOTE No. 18 : OTHER INCOME

18 OTHER INCOME

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
INTEREST		
From Current Investments	72.06	55.48
DIVIDEND		
From Long Term Investment	-	0.00
Net Gain on Sale of Investments		
From Current Investments	-	(0.27)
OTHER NON-OPERATING INCOME	(119.95)	(239.07)
TOTAL	**(47.89)**	**(183.85)**

NOTE No. 19 : COST OF MATERIALS CONSUMED

19 COST OF MATERIALS CONSUMED

	AS AT 31st MARCH 2014		AS AT 31st MARCH 2013	
	RUPEES	**% OF CONSUMPTION**	**RUPEES**	**% OF CONSUMPTION**
IMPORTED	31,149.56	91.00	17,450.21	85.00
LOCAL	3,079.38	9.00	3,183.42	15.00
TOTAL	**34,228.94**	**100.00**	**20,633.63**	**100.00**

19.1 **PARTICULARS OF MATERIAL CONSUMED**

Rough Diamonds	34,228.94	100.00	20,633.63	100.00

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

20

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Inventories (At Close)		
Finished Goods	(1,415.17)	(335.58)
Inventories (At Commencement)		
Finished Goods	335.58	1,656.20
TOTAL	**(1,079.60)**	**1,320.62**

NOTE No. 21 : EMPLOYEES BENEFIT EXPENSES

21 EMPLOYEES BENEFIT EXPENSES

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Salary	340.52	141.91
Directors Remuneration	54.00	52.50
TOTAL	**394.52**	**194.41**

NOTE No. 22 : FINANCE COST

22 FINANCE COST

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Interest Expenses	263.62	192.88
Forward Premium	-	-
TOTAL	**263.62**	**192.88**

NOTE No. 23 : DEPRICIATION & AMORTIZATION EXPENSES

23 DEPRICIATION & AMORTIZATION EXPENSES

	AS AT 31st MARCH 2014	AS AT 31st MARCH 2013
Depriciation & Amortization	19.44	6.14
Deffered Revenue Expenditure W/Off	2.41	2.41
TOTAL	**21.84**	**8.54**

NOTE No. 24 : OTHER EXPENSES

24 OTHER EXPENSES

		AS AT 31st MARCH 2014		AS AT 31st MARCH 2013
Manufacturing Expenses				
Clearing & Forwarding Expenses	13.66		7.65	
Labour Charges	2,789.69		916.20	
Re-Assortment Charges	10.91		26.99	
Consumables/Diamond Tools	27.33		18.10	
Repaires & Maintaiance (MFG)	4.65	**2,846.24**	0.91	**969.85**
Selling & Distribution Expenses				
Clearing & Forwarding Expenses	18.76		10.51	
Business Pramotion	1.41		-	
Commission & Brokrage	71.43	**91.60**	50.36	**60.87**
Establishment Expenses				
Professional Fees	32.96		20.56	
General Expenses	37.94		21.59	
Rent	125.53		9.68	
Insurance	19.46		8.55	
Penalties	0.20		-	
Travelling Expenses	18.90		7.74	
Payment to Auditors	0.67		0.28	
Charity & Donation	6.71		0.67	
Electricity Charges	18.23	**260.59**	10.16	**79.23**
TOTAL	**3,198.44**	**3,198.44**	**1,109.95**	**1,109.95**

LYPSA GEMS & JEWELLERY LIMITED

SCHEDULE '25' OF NOTES ON ACCOUNTS ANNEXED TO & FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31/03/2014

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 Companies (Accounting Standards) Rules, 2006 notified by the Central Government and the provisions of Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied from one period to the other except otherwise stated.

b) Principles of Consolidation

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

ii - The managements has classified it's foreign operation as non-integral. In translating Financial Statements of non-integral foreign operations for incorporation in Financial Statements, components of Financial Statements of Foreign Subsidiary is translated in to Indian Rupees in accordance with the Accounting Standard (AS) 21 and AS 11 as notified by the companies (Accounting Standards) Rules, 2006. 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) 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.

i) Depreciation:

The company has provided depreciation on Straight Line Value Method over the estimated useful lives of assets at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation is charged on pro-rata basis from the date of capitalization. Individual asset costing Rs. 5000/- or less are fully depreciated in the year of acquisition.

j) Investments:

Long Term and noncurrent investments are valued at Cost. Other investments are valued at lower of cost or fair market value as on the date of Balance Sheet. The group provides for diminution in value of investments, other than temporary in nature. During the year company has provided for diminution in value of investments of Rs. 34,25,565/- (P.Y Rs.24,72,461/-) 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. 45,000/-) and Current capital with partnership firm M/s Lypsa Gems of Rs 96,71,979/- (P.Y. Rs. NIL)

k) Secured Loans:

The company has availed the secured loans amounting to Rs. 1485.93 Lacs (P.Y Rs. 1644.48 Lacs) against pledge of fixed deposits receipts which includes Foreign Currency Loans and Rupee Loans against hypothecation of stocks and receivables

l) Cash and Bank Balances:

Fixed Deposits Receipts:

The company has total fixed deposits of Rs. 858.59 Lacs with Bank of India (P.Y. Rs. 793.79 Lacs with Bank of India).

Current Assets, Loans & Advances and Current Liabilities:

The Deferred premium on export of Rs. 128.13 Lacs (P.Y. 19.63 Lacs) is reflected in Balance Sheet under other current liabilities.

The company has reflected Receivable on forward contract against Exports of Rs. 572.02 Lacs (P.Y. Rs. 51.78 Lacs) in Balance Sheet under short term loans & advances.

m) Revenue Recognition:

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

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

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

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

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

(f) Revenue from operations include share of profit from partnership firm M/s Lypsa Gems of Rs. -7.43 Lacs (P Y 5.33 Lacs)

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

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

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

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

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

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

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

Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets" is made.

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

Transactions with Group Companies: NIL

Transactions with Key Management Personnel and Related Entities:

Expenses:

Name	Nature of Transaction	Current Year	Previous Year
Manish Janani	Interest on Loan	65,586.00	93,493.00
Dipan Patwa	Interest on Loan	73,20,777.00	59,82,371.00
Manish Janani	Director Remuneration	24,00,000.00	24,00,000.00
Dipan Patwa	Director Remuneration	24,00,000.00	24,00,000.00
Jeeyan Patwa	Director Remuneration	6,00,000.00	4,50,000.00
Lypsa Diamond	Reimbursement of Expenses	9,02,251.00	8,20,943.00
Nishith Parekh (Manager of Subsidiary Company)	Management Remunaration	6,57,977.00	1,46,556.00

Income:

Name	Nature of Transaction	Current Year	Previous Year
Lypsa Gems (Partnership Firm)	Share of Profit of Firm	-7,43,418.00	5,32,916.00

The computation of Net Profit for the purpose of calculation of director's remuneration under Section 349 of the Companies Act 1956 is not enumerated, since no commission has been paid to the Directors.

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

Name of the company	Country of Incorporation	Percentage of Ownership interest as at 31/03/2014	Percentage of Ownership interest as at 31/03/2013	Relationship
LYPSA GEMS & JEWELELRY DMCC	U.A.E.	100%	100%	SUBSIDIARY

During the year M/s Lypsa Gems & Jewellery DMCC a 100% foreign subsidiary has earned a net profit of Rs. 6,30,39,333/-.

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

11. Inventories:

Raw materials are valued at cost or net realizable value whichever is lower. Cost is computed using weighted average method. Work in progress is computed by adding cost of purchase, appropriate share of conversion and other overheads incurred in bringing the inventories to its present location and condition. Finished Goods are valued at weighted average cost (Previous year Finished goods were 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.

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

12. Stock and Turnover:

Information pursuant to paragraphs 4C & 4D (C) of Part II of Schedule VI to the Companies Act, 1956 as applicable to the Company doing manufacturing activity is as:

Quantitative details of materials:

Rough Diamonds	Current Year(Carats)	Previous Year(Carats)
Opening Stock	30449.08	4781.50
Purchases	529289.19	383788.17
Issued for manufacturing	418857.45	322261.06
Loss	12896.55	609.95
Sales	69882.08	35249.58
Closing Stock	58102.19	30449.08

Polished Diamonds	Current Year(Carats)	Previous Year(Carats)
Opening Stock	1121.52	5101.58
Purchases	34020.39	49454.80
Manufacturing	136982.93	91801.44
Loss	0.00	17.06
Sales	165930.30	145214.24
Closing Stock	6194.54	1121.52

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

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

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

13. Deferred Taxation:

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

Liabilities	As on 31.03.2014	As on 31.03.2013
Depreciation	-5858940.00	-5316152.00
Net Deferred Tax Liability	-1900933.00	-1724826.00

14. Payment to Auditors:

	Current Year (Rs.)	Previous Year (Rs.)
For Audit Fees	50000	25000
For Audit Fees of Subsidiary Company	89865 (USD $ 1500)	NIL

15. Earnings and Expenditure in Foreign exchange:

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

Nature of Transaction	Current Year (US $)	Previous Year (US $)
Export Sales	65580133.89	49324346.15
Import Purchase	61419896.20	47595202.31
CIF value of imports	57238831.00	43185707.02
Foreign Travelling expense	9675.00	5000.00

16. Share Capital:

During the year company has not allotted shares to the public.

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). The earnings per share as computed as per Accounting Standard 20 are as:

Earnings Per Share	31.03.2014	31.03.2013
Profit before tax (Rs.)	11,01,91,561	5,50,67,477
Average number of shares (Nos)	1,40,40,000	1,40,40,000
Nominal value of shares (Rs.)	10.00	10.00
Basic Earnings Per share (Rs.)	7.85	3.92
Diluted earnings Per share (Rs.)	7.85	3.92

18. Cash Flow Statement:

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

on the available information. The difference in parent portion of equity in subsidiary company has been considered as capital reserve in the financial statements.

19. Partnership Firm operations:

The accounts of the company reflects its Investments and Income & Expenditure in Partnership firm which are accounted on the basis of the audited accounts of the firm M/s Lypsa Gems on line-by-line basis with similar items in the company's accounts to theextent 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:

Particulars	As at 31st March 2014	As at 31st March 2013
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	1,40,40,000	1,40,40,000
Add : Bonus shares issued by Capitalization of Securities Premium Account	NIL	NIL
Add : Shares issued at Premium	NIL	NIL
Equity shares at the end of the year	1,40,40,000	1,40,40,000

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	14,04,00,000	14,04,00,000
Add : Amount for Bonus shares issued by Capitalization of Securities Premium Account	NIL	NIL
Add : Amount for shares issued at Premium	NIL	NIL
Amount for Equity share capital at the end of the year	14,04,00,000	14,04,00,000

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

Name of Shareholder	As at March 31st, 2014		As at March 31st, 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manish Jaysukhlal Janani	25,22,500	17.97	25,22,500	17.97
Dipen Babubhai Patwa	25,17,500	17.93	25,17,500	17.93

22. Short term Borrowings:

Loans and advances from related parties:

Particulars	Current Year	Previous Year
Unsecured Loans from Directors	596.33	424.06

23. Investments:

Investment in Partnership Firm:

Name of Firm	As at March 31st, 2014	As at March 31st, 2013
M/s Lypsa Gems		
Fixed Capital	Rs. 45,000/-	Rs. 45,000/-
Current Capital	Rs. 96,71,979/-	NIL

24. Long Term Loans & Advances:

Particulars	As at March 31st, 2014	As at March 31st, 2013
Security Deposits – Considered Good	Rs. 54,88,153/-	Rs. 50,62,257/-
Prepaid Expenses		
Insurance Premium	Rs.6,05,994/-	Rs.6,27,800/-
Domain Registration charges	Rs. 40,326/-	Rs. 3,580/-
Membership Fees	Rs.66,682/-	Rs.10,901/-
Repairs & Maintenance	Rs. 25,181/-	NIL
Telephone Charges	Rs. 24,316/-	NIL
Rent	Rs. 2,02,829/-	NIL
License Fees	Rs. 1,83,938/-	NIL

25. Cash & Cash Equivalents:

Particulars	As on March 31st, 2014	As on March 31st, 2013
Balance in Current Accounts	Rs. 9,01,41,137.00	Rs. 43,02,530.00
Balance in Unclaimed Dividend A/c	Rs. 27,21,892.00	Rs. 21,38,755.00

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

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

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

29. The information required under Section 217 (2A) (b) (ii) of the Companies Act, 1956 read with Companies Employees Amendment Rules, 2011 is not given as there was no employee in receipt of salary exceeding Rs 5,00,000/- per month or Rs 60,00,000/- per annum.

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

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

32. There are certain uncollected dues/receivables in foreign currency which are outstanding for a period of more than six months as on Balance sheet date for which the required permission for extension of time has not been obtained from

appropriate authorities. The amount of foreign currency receivables outstanding for more than six months is Rs. 14, 41,745/- (P Y Rs. 14, 41,745/-).

33. The company has made an investment of USD $ 14000 in its 100% subsidiary company M/s Lypsa Gems & Jewellery DMCC (P.Y. USD $ 14000) by subscribing to 50 shares of 1000 AED each. The Net profit earned from partnership firm M/s Lypsa Gems of Rs -7,43,418/- (P.Y. Rs. 5,32,916/-) is credited 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 and Rs 5,83,137/- for the year 2012-13.

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 is given in Annexure 'A'

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

Sd/-
(Shashank Doshi)
Partner
M.No.: 102585
Place: Mumbai
Dated: 30th May, 2014

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

Resistration No. :	**28270**	State Code :	**04**
Balance Sheet Date :	**31/03/14**		

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 RUPEES)

TOTAL LIABILITIES :	**25,234.82**	**TOTAL ASSETS**	**25,234.82**
SOURCES OF FUNDS :			
Paid up Capital :	**1,404.00**	Reserves & Surplus :	**2,105.51**
Secured Loans :	**1,516.48**	Unsecured Loans :	**596.33**
Deferred Tax Liability	**19.01**		
APPLICATION OF FUNDS :			
Net Fixed Assets :	**338.79**	Investments	**111.36**
Net Current Assets :	**5,191.18**	Misc. Expenditure	**-**
Accumulated Losses :	**-**		

IV PERFORMANCE OF THE COMPANY (AMOUNT IN LACS) :

Turnover/other Income :	**53,490.72**	**Total Expenditure**	**52,388.81**
Profit Before tax :	**1,101.92**	**Profit After tax :**	**945.16**
Earning Per Share (In Rupees)	**7.85**	**Dividend rate :**	**5%**

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

sd/-

ATUL B. DOSHI
PARTNER

FRN : 112187W

PLACE: MUMBAI

DATE: 30/05/2014

FOR LYPSA GEMS & JEWELLERY LIMITED

sd/- **sd/-**

DIPAN PATWA **JEEYAN PATWA**
CHAIRMAN DIRECTOR

DATE: 30/05/2014

LYPSA GEMS & JEWELLERY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

	31-Mar-2014		31-Mar-2013	
A Cash flow from operating activities				
Net profit before Tax		1,101.92		550.67
Adjustments for:				
Depriciation	19.44		6.14	
Preliminary Expenses w/off	2.41		2.41	
Long Term Capital Loss/ (Gain)	-		0.27	
Interest Received	(72.06)		(55.48)	
Dividend Received	-		(0.00)	
		(50.22)		(46.67)
Operating profit before working capital changes		1,051.70		504.00
Decrease/(Increase) in Current Assets	(7,056.46)		(3,221.12)	
Increase in Outstanding Liabilities	6,999.12		2,998.27	
Increase / (Decrease) in other liabilities				
		(57.34)		(222.85)
Cash generated from operations		994.36		281.15
Income Tax Paid		(138.54)		(125.62)
Net cash from operating activities		855.83		155.53
B Cash flow from investing activities:				
Interest Received	72.06		55.48	
Investment in Subsidiary/Capital Reserve	-		0.11	
Dividend Received	-		0.00	
Sale/(Purchase) of Investment	-		(52.83)	
Increase in fixed Assets	(183.34)		(168.27)	
Net cash used in investing activities		(111.28)		(165.50)
C Cash flow from financing activities				
Capital raised during the year				
Increase/(decrease) in Secured Loan Taken				
Increase/(decrease) in Loans	175.53		338.38	
Net cash from financing activities		175.53		338.38
Net Increase/(Decrease) in cash and cash equivalents		920.08		328.41
Cash and cash equivalents (opening balance)	868.90		540.49	
Cash and cash equivalents (closing balance)	1,788.98		868.90	
		920.08		**328.41**

As per our report of even date attached

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

sd/-
ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 30/05/2014

FOR LYPSA GEMS & JEWELLERY LIMITED

sd/- **sd/-**
DIPAN PATWA **JEEYAN PATWA**
CHAIRMAN DIRECTOR

DATE: 30/05/2014

LYPSA GEMS & JEWELLERY LIMITED

Statement Regarding Subsidiary Company persuant to Sec. 212 of the Companies Act, 1956

				LYPSA GEMS & JEWELLERY DMCC
(A)			The "Accounting Year" of Subsidiary Company	**March 31, 2014**
(B)			Shares of Subsidiary held by on the above date and extent of holding	
	(a)		Number and Face Value	50 Shares of 1000 AED each Fully Paid
	(b)		Extent of Holding	100%
(C)			The Net aggregate of Profit/(Losses) of the Subsidiary Company so far as it concern the Members of the LYPSA GEMS & JEWELLERY LIMITED	
	(a)		Not delt with in the accounts of LYPSA GEMS & JEWELELRY LIMITED for year ended March 31, 2014	
		(i)	For the Subsidiary Financial Year ended as in (A) above	NIL
		(ii)	For the Previous Financial year of the Subsidiary since they became the Holding Company's Subsidiary	NIL
	(b)		Delt with in the accounts of LYPSA GEMS & JEWELELRY LIMITED for year ended March 31, 2014	
		(i)	For the Subsidiary Financial Year ended as in (A) above	630.39
		(ii)	For the Previous Financial year of the Subsidiary since they became the Holding Company's Subsidiary	124.70

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

S/d
ATUL DOSHI (PARTNER)
FRN.: 112187W
PLACE: MUMBAI
DATE: 30th MAY, 2014

FOR LYPSA GEMS & JEWELELRY LIMITED

S/d **S/d**
DIPAN B. PATWA **JEEYAN D. PATWA**
CHAIRMAN **DIRECTOR**

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

ATTENDANCE SLIP
ANNUAL GENERAL MEETING – 04th September, 2014 AT 11.30 A.M.

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

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

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on Thursday, the 04th September, 2014 at 11.30 A.M at 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Gujarat – 396445

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

==========

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

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

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

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

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

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

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

Resolution No.
1.....
2.....
3.....

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
www.lypsa.in

If Undelivered, please return to:-

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

Or

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