

25th Annual Report Of

Lypsa Gems & Jewellery Ltd

For The Year

2019-2020



LYPSA

www.lypsa.in

Board of Directors

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

Auditors

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

Registered Office

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

Corporate office

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

Bankers

Bank of India
Oriental Bank of Commerce

Communication

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

DIRECTORS' REPORT

2019-2020

To,
The Members,
Lypsa Gems & Jewellery Ltd

The Directors' present the Annual report on the business and operations of your Company for the year **2019-20**.

1. FINANCIAL RESULTS AND OPERATIONAL REVIEW:

Particulars	Year Ended 31.03.2019 (lacs) .	Year Ended 31.03.2020 (in lacs).
Gross Sales/Income	591,1.76,	2069.54
Less Depreciation	34.91	34.16
Profit/(Loss) before Tax	20.30	3.82
Deferred Taxes	1.32	0.17
Profit/(Loss) After Taxes	16.98	2.15
Basic EPS	0.01	0.00
Diluted eps	0.01	0.00

Your Directors earned the low profit after tax of Rs. **2.15 Lacs** which was very low due to some situations. Directors are exploring various other opportunities to further improve the working results during the current year.

2. DIRECTORS:

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

b) **Declaration by an Independent Director(s) and reappointment, if any**
All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c) **Formal Annual Evaluation**
Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance

Report.

Remuneration Policy

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

d) Number of Meetings of the Board of Directors and Audit Committee

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year **4 Board Meetings and 4 Audit Committee Meetings** were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

3. DIVIDEND:

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

4. NATURE OF BUSINESS:

The Company is engaged in the business of trading, import, export, making and polishing activities of diamonds, gems and other precious stones.

There was no change in the nature of the business of the Company during the year under review.

5. REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company has 100% Subsidiary "Lypsa Gems & Jewellery DMCC (entities together termed as the Lypsa Group) in Dubai. Hence, details for the same are not required to mention here.

6. TRANSFER TO RESERVES:

The company has not transferred any amount to General Reserve.

7. SHARE CAPITAL:

There were no changes in share capital of the company during the period under review.

8. FINANCE/BORROWINGS :

Debt of the Company stands to **Rs. 2061.65 Lacs** as on **31st March, 2020.**

9. FIXED DEPOSITS:

The Company has not accepted or renewed any deposits during the year. There are no outstanding and overdue deposits as at **31st March, 2020**.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

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

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

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

12. CORPORATE SOCIAL RESPONSIBILITY:

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

However, every year 5th June is observed as the World Environment Day around the world and is of immense importance for the Lypsa Group. In the year **2019-20**, one specific area was related to our work. Sustainability is a complex concept incorporating a wide range of social, environmental and economic issues. We recognize the holistic nature of a sustainable approach. As such, this commitment is as much about our Trading and Manufacturing of diamonds and business operations as it is about our people, the communities where we work, our suppliers and partners and the clients we work with. This is our commitment to manage our activities, business processes and supply chain safely and in ways that minimize adverse environmental and social impacts.

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

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

13. BUSINESS RISK MANAGEMENT:

Risk management is embedded in your company's operating framework. Your

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

14. Commodity Price Risks--

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

15. Regulatory Risks

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

16. Human Resources Risks

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

17. Strategic Risks

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

18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

observations and corrective actions thereon are presented to the Audit Committee of the Board.

19. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

20. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. that in the preparation of the annual financial statements for the year ended **March 31, 2020**, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

21. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

23. MATERIAL CHANGES AND COMMITMENT:

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

24. DETAIL OF FRAUD AS PER AUDITORS REPORT:

There is no fraud in the Company during the Financial Year ended 31st March, 2020. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the financial year ended 31st March, 2020.

25. BOARD'S COMMENT ON THE AUDITORS' REPORT:

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

26. AUDITORS:

A. Statutory Auditors:

The Company's Auditors, M/s. Doshi Maru & Associates, Mumbai who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

B. Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed CS Shubham Agarwal, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure -A**".

27. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS:

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down

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

As per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Stock Exchanges, the Corporate Governance Report, Management Discussion and Analysis and the Auditor's Certificate regarding compliance of conditions of Corporate Governance are attached separately and form part of the Annual Report.

28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

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

29. EXTRACT OF THE ANNUAL RETURN:

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

30. PARTICULARS OF EMPLOYEES:

No information is required to be furnished as required under Rule, 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

During the financial year 2019-20, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of **31 March, 2020**.

32. SECRETARIAL STANDARDS:

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

33. ACKNOWLEDGMENT:

Your Directors thank the various Central and State Government Departments,

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

For Lypsa Gems & Jewellery Limited

Date: 12/11/2020.

Place: Banaskantha

Sd/-
Manish Janani
Managing Director

Sd/-
Dipan Patwa
Chairman

Sd/-
Jeeyan Patwa
Director

ANNEXURE -B
TO THE DIRECTORS' REPORT FOR THE YEAR 2019-20
Conservation of Energy

The company continues to effect measures for conservation and optimum utilization of energy through a series of audit programs and continues monitoring of processes and manufacturing methods. The total expenditure for power and fuel during the year 2019-20 are as under:

Sr No.	Particulars	2018-2019	2019-20
(A)	Power and Fuel Consumption		
1.	Electricity		
	(a) Purchased		
	Total Amount Rs.		
	Rate/Unit		
	(b) Own Generation	---	
	(i) Through diesel generator	---	---
	Unit	---	---
	Units per ltr. Of diesel oil	---	---
	Cost/unit	---	---
	(ii) Through steam turbine/generator	---	---
	Unit	---	---
	Units per ltr. of diesel oil	---	---
	Cost/unit		
2.	Coal (specify quality and where used)		
	Quantity (tonnes)	---	---
	Total Cost	---	---
	Average Rate	---	---
3.	Furnace oil		
	Quantity (k. ltrs.)	---	---
	Total Cost	---	---
	Average Rate	---	---
4.	Others/internal generation (please give details)		
	Quantity	---	---
	Total cost	---	---
	Rate/unit	---	---
(B)	Consumption per unit of production		
	Products (with details) unit		
	Electricity		
	Furnace oil	---	---
	Coal (specify quality)	---	---
	Others (specify)	---	---

(c) Foreign exchange earnings and Outgo

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2020

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

To,

The Members,

Lypsa Gems & Jewellery Limited (CIN: L28990GJ1995PLC028270)

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lypsa Gems & Jewellery Limited. (hereinafter called "the company") for the audit period covering the financial year ended on **31st March, 2020**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of company's books, papers, minutes book, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company, for the financial year ended on **31st March, 2020**, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956, to the extent it is applicable.
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (effective upto 14th May 2015 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May 2015);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (effective from 1st December, 2015)

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

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

We have relied upon the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under applicable Acts, Laws and Regulations to the Company, as identified and confirmed by the management of the company and listed in Annexure -I to this report.

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

- a) *The Company has not filed form IEPF 2, for unclaimed dividend as per provisions of section 96 read with subsection 2 of section 125 of The Companies Act, 2013 for uploading of information regarding unpaid and unclaimed amounts lying with companies.*
- b) *As per provisions, the company is required to deposit a sum of Rs.7,49,900/- towards unclaimed dividend for 2009-10 to Investor education and protection fund, the company has not deposited the same. And Company has to comply the provisions regarding it.*
- c) *As per information received from the management of the Company, the Company has not filed required returns to respective authorities as required under various acts like, Employees State Insurance Act 1948, PTRC (Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975).*
- d) *The Company is not having factory licence.*
- e) *Various directors of the Company need to file DIR-3 KYC.*
- f) *The company has Exceeding the Limit of Section 197 of Companies Act 2013 with regard To Director's Remuneration.*

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

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

requiring compliance thereof by the Company during the period under review

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists

for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

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

Date:- 12/11/2020
Place: AHMDABAD
UDIN- F008192B001214848

Signature: Sd/-
Shubham Agarwal
FCS No.: 8192 C. P. No.10640

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

ANNEXURE- I

List of applicable laws to the Company

1. The Company has complied with the laws and regulations applicable specifically to the Company and its business belongs to trading, import, export, making and polishing activities of diamonds, gems and other precious stones Industries:
 1. Central Sales Tax Act, 1956
 2. Gujarat Value Added Tax Act, 2003
 3. Employees State Insurance Act 1948
 4. Employees PF & Miscellaneous Provisions Act 1952
 5. Motor Vehicles Act 1988 as amended from time to time till date.
 6. Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
 7. Micro, Small and Medium Enterprises Development Act 2006
 8. Income Tax Act 1961
 9. Customs Act, 1962
 10. Factories Act, 1948

Date: 12/11/2020
Place: Ahmedabad

Signature: Sd/-
Name of Practicing Company Secretary: Shubham Agarwal
C. P. No.10640
FCS No.: 8192

Annexure II

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 12/11/2020
Place: AHMEDABAD

Signature: Sd/-
Name of Practicing Company Secretary: Shubham Agarwal
C. P. No.: 10640
FCS No.: 8192

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L28990GJ1995PLC028270
2.	Registration Date	30/11/1995
3.	Name of the Company	Lypsa Gems & Jewellery Limited
4.	Category/Sub-category of the Company	Public Company
5.	Address of the Registered office & contact details	Wing A, 2nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpur Road, Chhapi, Vadgam Banas Kantha GJ 385210
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Name: Satellite Corporate Services Private Limited. Address: Unit No. 49, Bldg No. 13 A B, 2 nd floor, Samhita Commercial Co. Op. soc. Ltd, off. Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai-400072 Tell. 022-28520461

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

Other	0	0	0	0	0.00	0	0	0	0.00
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B) Shareholding of Promoter-

S. N.	Share holder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	Dipan B. Patwa	5392250	18.29	5392250	18.29	0.00
2	Manish J. Janani	5332250	18.09	5332250	18.09	0.00
	Total	10704500	36.31			

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

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dipan B. Patwa				
	At the beginning of the year	5392250	18.29		
	At the end of the year	5392250	18.29		
2	Manish J. Janani				
	At the beginning of the year	533,2250	18.09%		
	At the end of the year	5332250	18.09		

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholder's Name	No. of Shares at the beginning of the year	% of total shares of the Company	Increase or Decrease in Shareholding	Cumulative No. of shares during the year	% of shares of the Company during the year shares of the company
1.	Keval Share Broking P. Ltd.	184556	0.63%	3.66%	1265840	4.29%
2.	Corporate Stock Broking Pvt Ltd.	630,000	2.14%	0	630,000	2.14%
3.	Antara India Evergreen Fund Ltd.	0	0	+2%	588663	2%
4.	Damodar Chowdary Kuchi	0	0	+1.55%	458178	1.55%
5.	Dhanlaxmi Lease Finance Ltd	441,000	1.50	0	441000	1.5%
6.	Corporate Commodity Brokers Pvt Ltd	420,000	1.42	0	420,000	1.42%
7.	Corporate Share Registry Pvt Ltd	420,000	1.42	0	420,000	1.42%
8.	Manju Jayantilal Lodha	0	0	+1.26%	372932	1.26%
9.	Jayantilal Hansraj HUF	0	0.00	+1.26%	971971	1.26%
10.	Pradhan Dealers Private Limited	0	0	+1%	294000	1%

E) Shareholding of Directors and Key Managerial Personnel:

S N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dipan B. Patwa - Managing Director				
	At the beginning of the year	5392250	18.29		
	At the end of the year				
2.	Manish Janani				
	At the beginning of the year	5332250	18.09		
	At the end of the year				

F) INDEBTEDNESS -**Indebtedness of the Company including interest outstanding/accrued but not due for payment. In lacs**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the <u>beginning of</u> <u>the financial year</u>				
i) Principal Amount	541.48	1835.67	0	2377.15
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	541.48	1835.67	0	2377.15
Change in Indebtedness during the financial year				
* Addition	0	224.79	0	224.79
* Reduction	541.29	0	0	541.29
Net Change				
Indebtedness at the <u>end of the</u> <u>financial year</u>				
i) Principal Amount	0.19	2060.46	0	2060.65
ii) Interest due but not paid				
iii) Interest accrued but not due				

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
			Dipan Patwa (Chairman)	Jeeyan Patwa (Director)	
1	Gross salary		10,50,000	420,000	14,70,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total (A)		10,50,000	420,000	14,70,000
Ceiling as per the Act		The remuneration is not within the limits prescribed under the Companies Act, 2013.			

B. Remuneration to other directors

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

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

SN	Particulars of Remuneration	Key Managerial Personnel		
			Company Secretary	Total
1	Gross salary		144,000	144,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			

2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total			144,000	144,000

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For Lypsa Gems & Jewellery Limited

Date: 12/11/2020

Place: Banaskantha

Sd/- Manish Janani Managing Director	Sd/- Dipan Patwa Chairman	Sd/- Jeeyan Patwa Director
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REPORT ON CORPORATE GOVERNANCE

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

A. MANDATORY REQUIREMENTS

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

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

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

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

2. BOARD OF DIRECTOR:

2.1 Composition of the Board:

The Board of Directors as at **31st March, 2020** comprises of eight directors including of four Executive and four Non-Executive Directors. Mr. Dipankumar Babulal Patwa is the Chairman & Managing Director of the Company and he conducts the day to day management of the Company, subject to the supervision and control of the Board of Directors. The independent directors on the Board are senior, competent and highly respected persons from their receptive fields.

The following is the Composition of the Board as **at 31st March, 2020:**

Sr. No.	Name of Director	Category	No. of Directorship(s) held in Indian public & private Limited Companies	Committee(s) position	
				Member	Chair man
1	Mr. Dipankumar	Chairman & Jt.	Nil	Nil	Nil

	Babulal Patwa	Managing Director			
2	Mr. Manish Jaysukhlal Janani	Managing Director	Nil	Nil	Nil
3	Mr. Jeeyan Dipankumar Patwa	Executive director	Nil	Nil	Nil
4	Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director	Nil	Nil	Nil
5	Mr. Rakesh Bhanuchandra Vakharia	Independent and Non Executive Director	Nil	Nil	Nil
6	Mr. Bhavesh Shashikant Sheth	Independent and Non Executive Director	Nil	Nil	Nil
7	Mr. Deepak Chhaganlal Rathod	Independent and Non Executive Director	Nil	Nil	Nil
8	Mrs. Sonal Dipen Patwa	Non Independent and Non Executive Director	Nil	Nil	Nil

2.2 Responsibilities of the Board:

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

2.2 Meeting and Attendance Record of Directors:

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

During the year under review, the **Board met 4 times on the following dates:**

<u>30/05/2019</u>	<u>14/08/2019</u>	<u>14/11/2019</u>		<u>14/02/2020</u>
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2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting:

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

Mr. JEEYAN PATWA of the Company who retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment.

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

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees [as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015] across all the Companies in which he is a director. The necessary disclosures regarding Directorship and Committee position have been made by the Company.

Directors who are on the Board of the Company as on **31st March, 2020** and the same is reproduced herein below:

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Mr. Dipankumar Babulal Patwa	--	--	--
2.	Mr. Manish Jaysukhlal Janani	--	--	--
3.	Mr. Jeeyan Dipankumar Patwa	--	--	--
4.	Mr. Ravindra Chandulal Sanghavi	--	--	--
5.	Mr. Rakesh Bhanuchandra Vakharia	--	--	--
6.	Mr. Bhavesh Shashikant Sheth	--	--	--
7.	Mr. Deepak Chhaganlal Rathod	--	--	--
8.	Mrs. Sonal Dipen Patwa			

Independent Directors' Meeting:

During the year under review, the Meeting of Independent Directors was held on **14/02/2020**.

Familiarisation Programme for Independent Directors:

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

Evaluation of the Board's Performance:

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

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

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

Code of Conduct for Directors and Senior Management Personnel:

In terms of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2016, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

Prevention of Insider Trading:

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

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

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

The company has also formulated ‘The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)’ in compliance with SEBI (Prohibition of Insider Trading) Regulation, 2015. This Code is displayed on the Company’s website www.lypsa.in.

3. COMMITTEE OF BOARD:

The Company had Three Board Committees. These are

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

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

3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013, comprises of Three members viz. Non Executive and Independent Director Mr. Bhavesh Sheth, Mr. Rakesh Vakharia and Mr. Ravindra Sanghavi who are well versed with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting. Mr. Rakesh Vakharia is the Chairman of the committee.

The Audit Committee of the Board of Directors of the Company, Inter-alias, provides

assurance to the Board on the adequacy of the internal control systems and financial disclosures.

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

Terms of Reference:

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

- a. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries abased on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department. Reporting structure, coverage and frequency of internal audit.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the board.
- h. Discussions with external auditors before the audit commences, the nature and scope of audit, as well as conduct post audit discussions to ascertain any area of concern.
- i. Reviewing the company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of nonpayment of declared dividend) and creditors.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes

of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

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

As required under Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee had reviewed the following information:

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

During the year under review, the **4 Audit Committee meetings** was held during Financial Year **2019-2020**. The dates on which the said meetings were held as follows:

30/05/2019	14/08/2019	14/11/2019	14/02/2020
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The necessary quorum was present at the meetings.

3.2 Nomination and Remuneration Committee:

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

Mr. Bhavesh Sheth is a chairman of the committee.

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

There are two meetings of **Remuneration Committee** held during the Financial Year **2019-2020**.

14/11/2019	14/02/2020	
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Details of Remuneration of Executive / Non-Executive Directors for the financial year ended 31st March, 2020:

Name	Executive/ Non- Executive	Salary	Bonus	Contribution to PF	Perquisites	Total
Manish Jaysukhlal Janani	Executive	0.00	0.00	0.00	0.00	0.00
Dipankumar Babulal Patwa	Executive	10,50,000	0.00	0.00	0.00	10,50,000
Jeeyan Dipan Patwa	Executive	420,000	0.00	0.00	0.00	420,000
Ravindra Chandulal Sanghavi	Non- Executive	0.00	0.00	0.00	0.00	0.00
Ajit Mangaldas Shah	Non- Executive	0.00	0.00	0.00	0.00	0.00
Bhavesh Shashikant Sheth	Non- Executive	0.00	0.00	0.00	0.00	0.00
Pankajkumar Vrajlal Shah	Non- Executive	0.00	0.00	0.00	0.00	0.00
Sonal Dipan Patwa	Director	0.00	0.00	0.00	0.00	0.00

Non- Executive Director

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

Remuneration Policy

Payment of remuneration to the Managing/Whole Time Director is governed by the respective Agreements executed between them and the company. These agreements were approved by the Board and the Shareholders. Their Remuneration structure comprises salary, perquisites and allowances.

Terms of reference of the Committee inter alia, include the following:

Nomination of Directors / Key Managerial Personnel / Senior Management*

- a. To evaluate and recommend the composition of the Board of Directors;
- b. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;

- c. Consider and recommend to the Board appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
- d. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
- e. To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
- f. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- g. To review HR Policies and Initiatives.

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

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

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

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

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

Nomination & Remuneration Policy:

Purpose of this Policy:

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

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

- a) To evaluate the performance of the members of the Board.

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

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

Definitions:

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

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

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

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

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

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

Role of the Committee:-

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other

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

Criteria for Determining the followings:-

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

- a) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- b) Their financial or business literacy/skills;
- c) Other appropriate qualification/experience to meet the objectives of the Company;
- d) As per the applicable provisions of Companies Act, 2013, Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

(iii) Independence Standards

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

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

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

Independence Review Procedures:

(i) Annual Review:

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

(ii) Individual Director's Independence Determinations

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

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

(iii) Notice of Change of Independent Status

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

Criteria for appointment of KMP/Senior Management

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

Term

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

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

Evaluation

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

Removal

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

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

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

Remuneration to Non-executive / Independent Director

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

3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

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

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

There are two meetings of Committee held during the Financial Year 2019-20.

14/11/2019	14/02/2020
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The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2018 is given below):

Complaints Status: 01.04.2019 to 31.03.2020.

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

Compliance Officer:

PREETI AGARWAL, 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
2016-17	Wing A, 2 nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpur Road, Chhapi, Vadgam Banas Kantha – 385210	29/09/2017	11:30 A.M.
2017-18	Wing A, 2 nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpur Road, Chhapi, Vadgam Banas Kantha – 385210	29/09/2018	02.00 P.M
2018- <u>19</u>	Wing A, 2 nd Block, 202-302, Orchid Complex, Opp. HDFC Bank, Chhapi-Pirojpur Road, Chhapi, Vadgam Banas Kantha – 385210	30/09/2019	02.00 P.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:

2019-20

No special resolution passed in the Annual General Meeting.

Extra Ordinary General Meeting During the Year 2019--20

No Extra Ordinary General Meeting held during the year.

Postal Ballot Resolution Passed During the Year 2019-20

No Postal Ballot Resolution passed during the Year.

5. DISCLOSURES:

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

6. MEANS OF COMMUNICATION:

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

The Company's financial results and official 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: Wednesday, **30 DECEMBER,2020 at 02.00 p.m.** at the Registered Office of the Company.
- b. Financial Year: 1st April 2019 to 31st March 2020.
- c. **Date of Book Closure: 23rd December, 2020 to 30th December, 2020 .** (Inclusive Both days)
- d. Due date for Transfer of Unclaimed Dividend to IEPF:

Sr. No	Financial Year	Date of Declaration	Dividend Declare	Dividend Paid	Unclaimed Dividend	Due date for Transfer to IEPF
1	2009-10	30/09/2010	7020000.00	6270100.00	749900.00	30/09/2017
2	2010-11	30/09/2011	7020000.00	6193000.00	827000.00	30/09/2018
3	2011-12	29/09/2012	7020000.00	6458145.00	561855.00	29/09/2019
4	2013-14	27/09/2013	7020000.00	6436863.00	583137.00	27/09/2020
5	2014-15	23/09/2015	7371000.00	7037718.00	333282.00	23/09/2022

- e. Listing of Equity Shares on Stock Exchanges:

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

- f. Stock Code: **BSE: 534532, NSE: LYPSAGEMS**

- g. Demat ISIN number: **INE142K01011**

- h. **Registered and Transfer Agent:** The Company has appointed **Satellite Corporate Services Pvt Ltd Limited.**

Address:-

Unit No. 49, Bldg No. 13 A B, 2nd Floor, Samhita Commercial Co-Op. Soc Ltd, Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai-400072.

- i. 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.

j. Distribution of Shareholding as on 31.03.2020--

SR NO	No of Equity Shares			NO.OF SHAREHOLDERS	%	SHARES	AMOUNT IN PERCENTAGE
1	Less than	-	5,000	5946	63.38	1050015	3.56
2	5,001	to	10,000	1753	18.69	1457037	4.94
3	10001	to	20000	732	7.8	1103744	3.74
4	20,001	to	30,000	314	3.35	782389	2.65
5	30001	to	40000	135	1.44	486649	1.65
6	40,001	to	50,000	152	1.62	703342	2.39
7	50001	to	100000	184	1.96	1346193	4.57
8	100,001	to	Above	165	1.76	22554631	76.5
TOTAL				9381	100.00	29484000	100.00

k. Shareholding pattern as on 31.03.2020

Category	No of Shares held	% of Shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group Companies	10724500	36.37
b. Central Govt.	70000	0.24
c. Financial Institutions	180	0.00
d. Foreign Portfolio Investor	588663	1.99
e. Individual Shareholders Nominal share capital upto rs. 1 Lakh	7339088	24.89
f. Individual Shareholders Nominal share capital in excess of Rs. 1 Lakh	27,44,135	9.30
g. Others	80,17,434	27.19
TOTAL	29484000	100

I. Top 10 Shareholders as on 31st March, 2020 (Other than Promoters)

Sr. No	Name of Shareholders	Shareholding 31/03/2020	%
1	Keval Share Broking P. Ltd.	184556	4.29
2	Corporate Stock Broking Pvt Ltd.	630,000	2.14
3	Antara India Evergreen Fund Ltd.	0	2.00
4	Damodar Chowdary Kuchi	0	1.55
5	Dhanlaxmi Lease Finance Ltd	441,000	1.50
6	Corporate Commodity Brokers Pvt Ltd	420,000	1.42
7	Corporate Share Registry Pvt Ltd	420,000	1.42
8	Manju Jayantilal Lodha	0	1.26
9	Jayantilal Hansraj HUF	0	1.26
10	Pradhan Dealers Private Limited	0	1.00
	Total	526,25,84	17.84

Dematerialization of shares: **As on 31-03-2020** Demated shares accounted for 100.00% (29484000 Equity Shares) of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

Address for communication:

1. Satellite Corporate Services Private Limited
Unit No. 49, Bldg No. 13 A B, 2nd Floor,
Samhita Commercial Co-op. Soc Ltd,
Off Andheri Kurla Road, MTNL Lane,
Sakinaka, Mumbai-400072

2. Lypsa Gems & Jewellery Limited

Reg. Office:

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

Declaration of compliance with the code of conduct

In accordance with Regulation 26 of SEBI (Listing Obligation and Disclosures Requirement) Regulation, 2015 with the Stock Exchanges, Mr. Manish Janani, Managing Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 2020.

For Lypsa Gems & Jewellery Limited

Date: 31/07/2020

Place: Banaskantha

Sd/- Manish Janani Managing Director	Sd/- Dipan Patwa Chairman	Sd/- Jeeyan Patwa Director
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Declaration of compliance with the code of conduct

In accordance with Regulation 26 of SEBI (Listing Obligation and Disclosures Requirement) Regulation, 2015 with the Stock Exchanges, Mr. Manish Janani, Managing Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 2020.

For Lypsa Gems & Jewellery Limited

Date: 12/11/2020

Place: Banaskantha

Sd/- Manish Janani Managing Director	Sd/- Dipan Patwa Chairman	Sd/- Jeeyan Patwa Director
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**AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

To the Members of Lypsa Gems & Jewellery Limited

We have examined the compliance of condition of Corporate Governance by Lypsa Gems & Jewellery Limited, for the year **ended March 31, 2020** as stipulated in Regulation 17,18,19,20,21,22,23,24,25,26,27 and clauses (b) to (i) of sub- regulation (2) of regulation 46 and para C, D and E of schedule V of the securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (collectively referred to as "SEBI Listing Regulation, 2015).

The compliance of conditions of corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance note on certification of corporate Governance, issued by the institute of Chartered Accountant of Indian and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us,

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

**FOR DOSHI MARU & ASSOCIATES
(CHARTERED ACCOUNTANTS)**

**Place: Mumbai
Date: 31/07/2020**

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

Compliance Certificate

To the Members of Lypsa Gems & Jewellery Limited

We have examined the compliance of Corporate Governance by Lypsa Gems & Jewellery Limited for the year ended on **31st March, 2020**, as stipulated in Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015 of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for 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 DOSHI MARU & ASSOCIATES
(CHARTERED ACCOUNTANTS)**

**Place: Mumbai
Date: 31/07/2020**

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

CEO/CFO CERTIFICATION:

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

a. We have reviewed the financial statements and the cash flow statement for the year **2019-2020** and that to the best of our knowledge and belief:

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

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year **2019-2020** 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 **2019-2020**.
- Significant changes in accounting policies **during the year 2019-2020** and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

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

Date: 31/07/2020
Place: Banaskantha

**SD/-
Jeeyan Dipan Patwa
Chief Financial Officer**

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE TO DIRECTORS' REPORT

Overview:

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

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

Indian Overview:

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

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

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

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

Outlook

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

Key Developments during the year:

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

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

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

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

Company's Goal

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

Business Model

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

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

Lypsa's position in the Diamond Value Chain

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

SWOT ANALYSIS

Strengths

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

Weaknesses

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

Opportunities

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

Threats

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

Risk and Concerns

Lypsa Gems & Jewellery Limited is exposed to various risks that are particular to its businesses and environment within which it operates including loss of key managerial personnel, increase in input costs, political instability, changes in economies or government policies, geographic concentration risk, raw material risk, seasonality risk and government regulations. The completion factor also affects the performance of the Company. The Company's current and fixed assets as well as products are adequately insured against various risks. The Company's risk management and control procedures involve prioritization and continuing assessment of these risks and devise

appropriate controls, evaluating and reviewing the control mechanism. Through this approach, the Company strives to identify opportunities that enhance organizational values while managing or mitigating risks that can impact its future performance.

Internal Control System and their Adequacy

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

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

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

Cautionary Statement

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

Future Plans

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

Increasing production capacity has been proposed through expansion of the current facility and setting up of a new factory in Gujarat. A program has been initiated to cut down manufacturing

costs without compromising on quality.

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

For Lypsa Gems & Jewellery Limited

Date: 31/07/2020

Place: Banaskantha

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

Form No. AOC- 2

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

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

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

There were no contracts or arrangements or transactions entered in to during the year **ended March 31, 2020**, which were not at arm's length basis.

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

Name of Related Party	Nature of Relationship	Nature of Contract/ Arrangement /transaction	Duration of Contract	Salient term of Contract/ Arrangement /transactions including the value, if any	Date of Approval by Board, If any	Amount Paid as advance, if any
NIL			Nil	Nil	-	Nil
NIL			Nil	Nil	-	Nil

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

Date: 31/07/2020

Place: Banaskantha

For Lypsa Gems & Jewellery Limited

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

Particulars		Note No.	AS AT 31st MARCH 2020		AS AT 31st MARCH 2019	
I. ASSETS						
Non-current assets						
1	(a) Fixed assets					
	(i) Tangible assets	8	434.23		468.39	
	(ii) Intangible assets	8				
	(iii) Capital work-in-progress	8	-		-	
	(iv) Intangible assets under development	8	-	434.23	-	468.39
	(b) Non-current investments	9		1.25		0.91
	(c) Deferred tax assets (net)			-		-
	(d) Long-term loans and advances	10		20.00		49.65
	(e) Other non-current assets					
2 Current assets						
	(a) Current investments	11		5.13		30.74
	(b) Inventories	12		61.36		100.40
	(c) Trade receivables	13		8,560.65		14,461.93
	(d) Cash and cash equivalents	14		44.34		51.72
	(e) Short-term loans and advances	15		-		-
	(f) Other current assets	16		-		1.50
TOTAL ASSETS				9,126.96		15,165.24
II. EQUITY AND LIABILITIES						
1 Shareholders' funds						
	(a) Share capital	1	2,948.40		2,948.40	
	(b) Reserves and surplus	2	246.08		168.60	
	(c) Money received against share warrants		-		-	
				3,194.48		3,117.00
2 Share application money pending allotment						
3 Non-current liabilities						
	(a) Long-term borrowings			-		-
	(b) Deferred tax liabilities (Net)	3		31.05		30.89
	(c) Other Long term liabilities			-		-
	(d) Long-term provisions			-		-
4 Current liabilities						
	(a) Short-term borrowings	4		2,060.65		2,377.15
	(b) Trade payables	5		3,689.44		9,479.27
	(c) Other current liabilities	6		154.27		155.26
	(d) Short-term provisions	7		(2.93)		5.69
TOTAL LIABILITIES				9,126.96		15,165.24

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

THE SCHEDULES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT & LOSS ACCOUNT

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR DOSHI MARU & ASSOCIATES

CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d
ATUL B. DOSHI
PARTNER
FRN : 112187W
PLACE: MUMBAI
DATE: 31/07/2020

S/d
DIPAN PATWA
CHAIRMAN
DIN - 02579405
PLACE: MUMBAI
DATE: 31/07/2020

S/d
JEEYAN D. PATWA
DIRECTOR
DIN - 02579461
PLACE: MUMBAI
DATE: 31/07/2020

Particulars		Refer Note No.	FOR THE YEAR ENDED 31st MARCH 2020		FOR THE YEAR ENDED 31st MARCH 2019	
I.	Revenue From Operations	17		2,069.54		5,895.55
II.	Other income	18		-		16.21
III.	Total Revenue (I + II)			2,069.54		5,911.76
IV.	Expenses:					
	Cost of materials consumed	19		510.31		30.44
	Purchases of Stock-in-Trade			1,459.35		5,624.34
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20		39.04		121.80
	Employee benefits expense	21		18.86		37.89
	Finance costs	22		(15.85)		17.74
	Depreciation and amortization expense	23		34.16		34.92
	Other expenses	24		19.85		24.32
	Total expenses			2,065.72		5,891.46
V.	Profit before exceptional and extraordinary items and tax (III-IV)			3.82		20.30
VI.	Exceptional items					
VII.	Profit before extraordinary items and tax (V - VI)			3.82		20.30
VIII.	Extraordinary Items					
IX.	Profit before tax (VII- VIII)			3.82		20.30
X.	Tax expense:					
	(1) Current tax			1.50		2.00
	(2) Deferred tax			0.17		1.32
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)			2.15		16.98
XII.	Profit/(loss) from discontinuing operations					
XIII.	Tax expense of discontinuing operations					
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)					
XV.	Profit (Loss) for the period (XI + XIV)			2.15		16.98
XVI.	Earnings per equity share:					
	(1) Basic EPS			0.00		0.01
	(2) Diluted EPS			0.00		0.01

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

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d
 ATUL B. DOSHI
 PARTNER
 FRN : 112187W
 PLACE: MUMBAI
 DATE: 31/07/2020

S/d
 DIPAN PATWA
 CHAIRMAN
 DIN - 02579405
 DATE: 31/07/2020

S/d
 JEEYAN D. PATWA
 DIRECTOR
 DIN - 02579461
 DATE: 31/07/2020

NOTE No. 1 : SHARE CAPITAL

(Rupees in Lacs)

1 SHARE CAPITAL

	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
AUTHORISED SHARE CAPITAL 3,00,00,000 (3,00,00,000) Equity Share of Rs. 10/- Each	3,000.00	3,000.00
Issued, Subscribed & Paidup 2,94,84,000 (2,94,84,000) Equity Share of Rs. 10/- Each Fully paidup.	2,948.40	2,948.40

Particulars	As at 31st March 2020	As at 31st March 2019
Equity shares at the beginning of the year	29484000	29484000
Add : Bonus shares issued by Capitalization of Securities Premium Account	-	-
Add : Shares issued at Premium	-	-
Equity shares at the end of the year	29484000	29484000

Particulars	As at 31st March 2020	As at 31st March 2019
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	2,948.40	2,948.40
Add : Amount for Bonus shares issued by Capitalisation of Securities Premium A ₹	-	₹ -
Add : Amount for shares issued at Premium	-	-
Amount for Equity share capital at the end of the year	2,948.40	2,948.40

RESERVES & SURPLUS

2 RESERVES & SURPLUS

	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Securities Premium Reserve		
As per Last Balance Sheet	-	-
Add: On Issue of Shares	-	-
Less: On Issue of Bonus Shares	-	-
Profit & Loss Account		
As per Last Balance Sheet	168.60	210.27
Add: Profit for the year	2.15	16.98
Add: Excess Provision for the Earlier Year		
	170.75	227.25
Less: Appropriations		
Less: On Issue of Bonus Shares	-	-
Less: Prov. for Depreciation on FA (Sch II of Co. Act, 2013)	-	-
Provision for Taxation	1.50	
Provision for Reduction in Value of Investments	(0.34)	(94.58)
Long Term Capital Loss Previous Year	-	76.65
Deffered Tax	-	
Previous Year Adjustment	(76.50)	76.58
Tax on Dividend	-	-
	246.08	168.60
Total	246.08	168.60

NOTE No. 3 : DEFFERED TAX LIABILITY (NET)

(Rupees in Lacs)

3 DEFFERED TAX LIABILITY (NET)		
	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Deffered Tax Liability Related to Fixed Assets	31.05	30.89
TOTAL	31.05	30.89

NOTE No. 4 : SHORT TERM BORROWINGS

4 SHORT TERM BORROWINGS		
	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Secured Working Capital Loans From Banks Foreign Currency Loans - PSCFC/PCFC Rupee Loans - PSC/PC/CC/Term Loan	- -	442.34 93.33 535.67
Secured From Banks - Others Rupee Loan - Car Loan	0.19 0.19	5.81 5.81
Unsecured (I)Loans & Advances From Directors From Others (II) From Banks	2,060.46	1,835.67
TOTAL	2,060.65	2,377.15

NOTE No. 5 : TRADE PAYABLES

5 TRADE PAYABLES		
	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Micro, Small & Medium Enterprises Others	3,689.44	9,479.27
TOTAL	3,689.44	9,479.27

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

	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
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

(Rupees in Lacs)

6 OTHER CURRENT LIABILITIES		
	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Interest Payable	-	19.74
Advances against Order	-	-
Recv/Payable For Forward Contract (Import)	-	-
Deffered Premium (Export)	-	-
Unclaimed Dividend (F.Y. 09-10)	7.50	7.50
Unclaimed Dividend (F. Y. 10-11)	8.27	8.27
Unclaimed Dividend (F. Y. 11-12)	5.62	5.62
Unclaimed Dividend (F. Y. 12-13)	4.34	4.34
Unclaimed Dividend (F. Y. 13-14)	14.30	14.30
Unclaimed Fraction Shares (F. Y. 13-14)	0.03	0.03
Unclaimed Dividend (F. Y. 14-15)	3.33	3.33
Other Payables	110.88	92.13
TOTAL	154.27	155.26

NOTE No. 7 : SHORT TERM PROVISIONS

7 SHORT TERM PROVISIONS		
	AS AT 31st MARCH 2019	AS AT 31st MARCH 2019
Proposed Dividend	-	-
Tax on Dividend	-	-
Other Provisions	(2.93)	5.69
TOTAL	(2.93)	5.69

NOTE No. 8 : FIXED ASSETS

8 FIXED ASSETS

LYP SA GEMS & JEWELLERY LIMITED.**FIXED ASSETS SCHEDULE AS ON 31st March 2020**

SR. NO.	DESCRIPTION	Usefull Life in Years	GROSS BLOCK				Residual Value (5% of Original Cost)	DEPRECIATION				NET BLOCK	
			AS ON 01/04/2019	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31/03/2020		AS ON 01/04/2019	ADJUSTMENT FOR THE YEAR	DEPRECIATION FOR THE YEAR	UPTO 31/03/2020	AS ON 31/03/2020	AS ON 31/03/2019
	TANGIBLE ASSETS : OWN ASSETS :												
1	Electric Installation	10 Years	10.86	-	-	10.86	0.54	5.75	-	0.98	6.73	4.13	5.11
2	Furniture & Fixture (General)	10 Years	47.82	-	-	47.82	2.39	31.65	-	2.77	34.42	13.40	16.17
3	Motor Cars other than used in Business of Running them on Hire	8 Years	78.72	-	-	78.72	3.94	52.99	-	8.03	61.02	17.71	25.74
4	Office Equipments	5 Years	17.28	-	-	17.28	0.86	15.85	-	0.50	16.35	0.93	1.43
5	Computers (Desktops & Laptops, End users)	3 years	13.07	-	-	13.07	0.65	11.88	-	-	11.88	1.19	1.19
6	Plant & Machinaries (Other than Continuous Proceess Plant)	15 Years	286.65	-	-	286.65	15.09	90.49	-	16.19	106.68	179.97	196.16
7	Factory Building (Orchid Complex 202 & 302)	30 Years	178.16	-	-	178.16	8.91	23.73	-	5.68	29.41	148.75	154.43
8	Factory Land	-	68.16	-	-	68.16	-	-	-	-	-	68.16	68.16
	SUB-TOTAL RUPEES		700.73	-	-	700.73	32.38	232.34	-	34.16	266.49	434.23	468.39
	LEASE ASSETS :		-	-	-	-	-	-	-	-	-	-	-
	TOTAL - A		700.73	-	-	700.73	32.38	232.34	-	34.16	266.49	434.23	468.39
	INTANGIBLE ASSETS :		-	-	-	-	-	-	-	-	-	-	-
	TOTAL - B		-	-	-	-	-	-	-	-	-	-	-
	TOTAL A + B		700.73	-	-	700.73	32.38	232.34	-	34.16	266.49	434.23	468.39
	PREVIOUS YEAR		700.73	-	-	700.73	32.38	197.42	-	34.92	232.34	468.39	503.31
	CAPITAL WORK IN PROGRESS											-	-
	INTANGIBLE ASSETS UNDER DEVELOPMENT											-	-

NOTE No. 9 : NON CURRENT INVESTMENTS				
(Rupees in Lacs)				
9 NON CURRENT INVESTMENTS				
			AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
TRADE INVESTMENTS				
TOTAL OF TRADE INVESTMENTS (A)				
OTHER INVESTMENTS				
In Equity Shares of Companies - Quoted, Fully paidup				
	Purchase cost		AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
5,90,300 (5,90,300) Shares of Kingfisher Airlines				
	9,911,830.00	-	0.00	-
Investments in Commodities				
Goldcoins				
			1.25	0.91
TOTAL OF OTHER INVESTMENTS (B)				
			1.25	0.91
TOTAL NON - CURRENT INVESTMENTS (A+B)				
			1.25	0.91
9.1 The valuation of shares and Mutual Funds is after considering the diminution in value of investments.				
NOTE No. 10 : LONG TERM LOANS & ADVANCES				
10 LONG TERM LOANS & ADVANCES				
			AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Advance Income Tax & TDS (Net of Provisions)				
			-	9.75
Vat / GST Refundable				
			-	3.38
Deposites				
			2.31	3.98
Loans & Advances				
			17.69	32.53
Capital Advances				
			-	-
TOTAL				
			20.00	49.65
NOTE No. 11 : CURRENT INVESTMENTS				
11 CURRENT INVESTMENTS				
			AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Fixed Capital with Partnership Firm M/s. LYPSA GEMS				
			0.45	0.45
Current Capital with Partnership Firm M/s. LYPSA GEMS				
			(2.80)	22.80
Investment with 100% Subsidiary LYPSA GEMS & JEWELLERY DMCC				
			7.49	7.49
			-	-
TOTAL				
			5.14	30.74
NOTE No. 12 : INVENTORIES				
12 INVENTORIES				
			AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Raw Materials				
			28.38	12.10
Stock In Process				
			-	-
Finished Goods				
			32.98	88.30
TOTAL				
			61.36	100.40

NOTE No. 13 : TRADE RECEIVABLES**13 TRADE RECEIVABLES**

(Unsecured & considered Good)	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
More than Six Months	8,050.15	13,186.89
Others	510.50	1,275.04
TOTAL	8,560.65	14,461.93

NOTE No. 14 : CASH & CASH EQUIVALENTS**14 CASH & CASH EQUIVALENTS**

	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Balance with Banks	44.08	51.33
Cash In Hand	0.26	0.39
Fixed Deposites with Banks (Maturity of Less than 12 Months)	-	-
TOTAL	44.34	51.72

NOTE No. 15 : SHORT TERM LOANS & ADVANCES**15 SHORT TERM LOANS & ADVANCES**

	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Prepaid Expenses	-	-
Deffered Premium	-	-
Receivables on Forward Contracts/Interest Subvention	-	-
TOTAL	-	-

NOTE No. 16 : OTHER CURRENT ASSETS**16 OTHER CURRENT ASSETS**

	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Deffered Revenue Expenditures	-	1.50
TOTAL	-	1.50

NOTE No. 17 : REVENUE FROM OPERATION

(Rupees in Lacs)

17 REVENUE FROM OPERATION		
	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Sales of Products	2,069.54	5,895.55
Income From Services	-	-
Share of Profit From Partnership Firm (M/s LYPSA GEMS)	-	-
TOTAL	2,069.54	5,895.55

17.1 PARTICULARS OF SALES OF PRODUCTS		
PARTICULARS	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Rough & Cut and Polished Diamonds	1,665.25	5,820.69
Gold & Jewellery	404.30	74.86
TOTAL	2,069.54	5,895.55

18 : OTHER INCOME

18 OTHER INCOME		
	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
INTEREST		
From Current Investments	-	-
DIVIDEND		
From Long Term Investment	-	-
Net Gain on Sale of Investments		
From Current Investments	-	-
OTHER NON-OPERATING INCOME		16.21
TOTAL	-	16.21

NOTE No. 19 : COST OF MATERIALS CONSUMED

19 COST OF MATERIALS CONSUMED				
	AS AT 31st MARCH 2020		AS AT 31st MARCH 2019	
	RUPEES	% OF CONSUMPTION	RUPEES	% OF CONSUMPTION
IMPORTED	-	-	-	-
LOCAL	510.31	100.00	30.44	100.00
TOTAL	510.31	100.00	30.44	100.00

19.1 PARTICULARS OF MATERIAL CONSUMED				
Rough Diamonds	510.31	100.00	30.44	100.00

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

20		
	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Inventories (At Close)		
Finished Goods	(49.26)	(88.30)
Inventories (At Commencement)		
Finished Goods	88.30	210.11
TOTAL	39.04	121.80

NOTE No. 21 : EMPLOYEES BENEFIT EXPENSES

(Rupees in Lacs)

21 EMPLOYEES BENEFIT EXPENSES		
	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Salary	4.16	7.89
Directors Remuneration	14.70	30.00
TOTAL	18.86	37.89

NOTE No. 22 : FINANCE COST

22 FINANCE COST		
	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Interest Expenses	(15.85)	17.74
Forward Premium	-	-
TOTAL	(15.85)	17.74

NOTE No. 23 : DEPRICIATION & AMORTIZATION EXPENSES

23 DEPRICIATION & AMORTIZATION EXPENSES		
	AS AT 31st MARCH 2020	AS AT 31st MARCH 2019
Depriciation & Amortization	34.16	34.92
TOTAL	34.16	34.92

NOTE No. 24 : OTHER EXPENSES

24 OTHER EXPENSES				
	AS AT 31st MARCH 2020		AS AT 31st MARCH 2019	
Manufacturing Expenses				
Clearing & Forwarding Expenses	-		-	
Labour Charges	0.12		5.18	
Re-Assortment Charges	-		-	
Consumables/Diamond Tools	-		0.04	
Repaires & Maintaiance (MFG)	-	0.12	-	5.22
Selling & Distribution Expenses				
Clearing & Forwarding Expenses	-		-	
Business Pramotion	-		-	
Commission/Brokrage & Marketing Research Fees	-	-	-	-
Establishment Expenses				
Professional Fees	2.37		1.55	
General Expenses	15.91		8.80	
Rent	-		0.14	
Insurance	0.89		0.43	
Penalties	-		2.13	
Travelling Expenses	0.06		-	
Payment to Auditors	0.50		1.00	
Charity & Donation	-		-	
Electricity Charges	-		0.65	
Loss on sale of fixed assets	-		-	
Long Term Capital Loss	-		4.39	
Prior Period Expenses	-	19.73	-	19.10
TOTAL	19.85	19.85	24.32	24.32

LYP SA GEMS & JEWELLERY LIMITED.**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2020****(Rupees in Lacs)**

	31-Mar-2020	31-Mar-2019
A Cash flow from operating activities		
Net profit before Tax	3.82	20.30
Adjustments for:		
Depreciation	34.16	34.92
Provision for Taxation	(1.50)	
Long Term Capital Loss/ (Gain) of Previous Year		(76.65)
Previous Year Adjustment	76.50	(76.58)
Provision for reduction in value of investments	0.34	94.58
Interest Received	-	-
Dividend Received		
	109.49	(23.73)
Operating profit before working capital changes	113.31	(3.43)
Decrease/(Increase) in Current Assets	5,996.75	1,249.26
Increase in Outstanding Liabilities	(5,799.45)	(1,255.47)
Increase / (Decrease) in other liabilities	-	-
	197.30	(6.21)
Cash generated from operations	310.61	(9.64)
Income Tax Paid	1.50	2.00
Net cash from operating activities	309.11	(11.64)
B Cash flow from investing activities:		
Interest Received	-	-
Dividend Received	-	-
Sale/(Purchase) of Investment	-	-
Decrease/ (Increase) in fixed Assets	-	-
Net cash used in investing activities	-	-
C Cash flow from financing activities		
Capital raised during the year	-	-
Increase/(decrease) in Secured Loan Tak	(541.29)	(1,259.90)
Increase/(decrease) in Unsecured Loans	224.79	1,278.84
Net cash from financing activities	(316.49)	18.94
Net Increase/(Decrease) in cash and cash equivalents	(7.38)	7.30
Cash and cash equivalents (opening balance)	51.72	44.42
Cash and cash equivalents (closing balance)	44.34	51.72
	(7.38)	7.30
As per our report of even date attached		
FOR DOSHI MARU & ASSOCIATES	FOR LYP SA GEMS & JEWELLERY LIM FOR LYP SA GEMS	
CHARTERED ACCOUNTANTS		
S/d	S/d	S/d
ATUL B. DOSHI	DIPAN PATWA	DIPAN PATWA
PARTNER	CHAIRMAN	CHAIRMAN
FRN : 112187W	DIN - 02579405	DIN - 02579405
PLACE: MUMBAI		
DATE: 31/07/2020	DATE: 31/07/2020	DATE: 31/07/2020

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

I REGISTRATION DETAILS

Registration No. : 28270 State Code : 04
 Balance Sheet Date : 31/03/2020

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES)

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

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

TOTAL LIABILITIES : 9,126.96 **TOTAL ASSETS** 9,126.96

SOURCES OF FUNDS :

Paid up Capital : 2,948.40 Reserves & Surplus : 246.08
 Secured Loans : 0.19 Unsecured Loans : 2,060.46
 Deferred Tax Liability 31.05

APPLICATION OF FUNDS :

Net Fixed Assets : 434.23 Investments 5.13
 Net Current Assets : 20.00 Misc. Expenditure -
 Accumulated Losses : -

IV PERFORMANCE OF THE COMPANY (AMOUNT IN LACS) :

Turnover/other : 2,069.54 **Total Expenditure** 2,065.72
Income

Profit Before tax : 3.82 **Profit After tax :** 2.15

Earning Per Share 0.00 **Dividend rate :** NIL
(In Rupees)

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

Product Description

I) Manufacturing & trading in diamonds

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d	S/d
DIPAN PATWA	JEEYAN D. PATWA
CHAIRMAN	DIRECTOR
DIN - 02579405	DIN - 02579461
DATE: 31/07/2020	DATE: 31/07/2020