

*Eighteenth Annual Report Of*

*Lypsa Gems & Jewellery Ltd*

*For The Year*



*2012-2013*

**LYPSA**

[www.lypsa.in](http://www.lypsa.in)

### Board of Directors

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

### Auditors

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

### Registered Office

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

### Corporate office

32 Kala Bhavan, 3 Mathew Road, Opera House, Mumbai 400 004.

### Bankers

Oriental Bank of Commerce  
Indusind Bank Ltd  
Bank Of India

### Communication

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

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**LYPSA GEMS & JEWELLERY LTD**  
**ANNUAL REPORT 2012-13**



**NOTICE FOR ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Annual General Meeting of the Members of LYPSA GEMS & JEWELLERY LTD will be held at 2<sup>nd</sup> Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari – 396445 Gujarat on 27<sup>th</sup> September, 2013 at 11.30 A.M. to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive and adopt the audited balance sheet as at 31<sup>st</sup> March, 2013 and profit & loss account of the company for the year ended 31<sup>st</sup> March, 2013 and the Report of the Directors' and Auditors.
2. To appoint Director in place of Mr. Bhavesh Shashikant Sheth who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Pankajkumar Vrajlal Shah who retires by rotation and being eligible offers himself for reappointment.
4. To Appoint Auditors, M/s. Doshi Maru & Associates, Mumbai, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and to authorized the Board of Director to fix their remuneration.
5. To Declare Dividend on Company's equity shares.

**For Lypsa Gems & Jewellery Limited.**

**Date: 30/05/2013**

**Place: Navsari**

s/d	s/d	s/d
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	Chairman	Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
Proxies, in order to be effective, must be lodged at the registered office of the Company not later than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013(both days inclusive).
3. The Company has appointed M/s. Purva Sharegistry (India) Pvt. Ltd., Mumbai, as its Registrars and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, Demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the Registrars directly quoting Folio No., full name and Address to M/s. Purva Sharegistry (India) Pvt. Ltd., Mumbai, Unit: Lypsa Gems and Jewellery Limited.
4. The Register of Directors' shareholding, maintained under section 307 of the Companies act, 1956, will be available for inspection by the members at the AGM.
5. The Register of Contracts, maintained under section 301 of the companies Act, 1956, will be available by the members at the registered office of the Company.
6. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
7. Members are requested to bring their copies of the Annual Report to the Meeting.
8. The Company is concerned about the environment and utilizes natural resources in sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, has by its circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to their shareholders electronically as part of "GREEN INITIATIVES" in corporate governance.  
Members are requested to update their Email ID with their respective depository participant and with the Company's Registrar and Transfer

Agents (RTA) to enable dispatch the communications in electronic form from time to time as your Company have taken a "Green Initiative" as per the directions of Ministry of Corporate Affairs, New Delhi allowing paperless compliances for Companies.

9. Members holding shares in physical form are requested to notify to the company's Registrar and share Transfer Agent, M/s. Purva Sharegistry (India) Pvt. Ltd., Mumbai quoting their folio, any change in their registered address with pin code and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant.
10. Corporate Members intending to send their authorized representatives under Section 187 of the Companies Act, 1956, are requested to send a duly certified copy of the board Resolution authorizing their representatives to attend and vote at the Meeting.
11. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.

**For Lypsa Gems & Jewellery Limited.**

**Date: 30/05/2013**

**Place: Navsari**

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s/d	s/d	s/d
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	Chairman	Director

**Annexure to Notice**

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

**ITEM NO. 2**

Name	:	Mr. Bhavesh Shashikant Sheth
Date of birth	:	16/09/1972
Qualification	:	Undergraduate
Expertise	:	Sales & Marketing
Director of the Company since	:	15/02/2011
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	Nil

**ITEM NO. 3**

Name	:]	Mr. Pankajkumar Shah
Date of birth	:	28/03/1964
Qualification	:	Graduate
Expertise	:	Sales & Marketing
Director of the Company since	:	15/02/2011
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	Nil

**For Lypsa Gems & Jewellery Limited.**

Date: 30/05/2013  
Place: Navsari

s/d	s/d	s/d
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	Chairman	Director

## DIRECTORS' REPORT

To,  
The Members,  
**Lypsa Gems & Jewellery Ltd.**

The Directors' present the Annual report on the business and operations of your Company for the year 2012-2013.

### FINANCIAL RESULTS AND OPERATIONAL REVIEW:

Particulars	Year Ended 31.03.2013 (` In Lacs)	Year Ended 31.03.2012 (` In Lacs)
Gross Sales/Income	30008.64	26824.77
Less Depreciation	8.54	5.29
Profit/(Loss) before Tax	425.97	296.28
Taxes/Deferred Taxes	143.55	86.40
Profit/(Loss) After Taxes	282.42	209.88
P& L Balance b/f	371.84	268.28
Profit/ (Loss) carried to Balance Sheet	547.95	371.84

Your Directors feel pleasure to declare profit after tax of 282.42 Lacs which was made possible through better production planning and customer relations. Directors are exploring various other opportunities to further improve the working results during the current year.

### DIRECTORS:

Mr. Bhavesh Shashikant Sheth and Mr. Pankajkumar Vrajlal Shah, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### DIVIDEND:

The Board of Directors has recommend 5% dividend i.e. 50 paise per share on 1,40,40,000 Equity Shares of Rs. 10/- each for the year ended 31-03-2013. The dividend will entail an outflow of Rs. 81.59 Lacs (Including dividend distribution tax of Rs. 11.39 Lacs). The payment of dividend is subject to the approval of the Members at the ensuing General Meeting of the Company and Record Date for this purpose is 27<sup>th</sup> September, 2013 and no interim dividend was paid during the year.



## **RESPONSIBILITY STATEMENT:**

As required u/s 217(2AA) of the Companies Act, 1956 your Director confirms that in the preparation of the annual accounts:

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

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

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

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

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

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

### **A. Conservation of Energy:**

#### **(1) Energy Conservation Measures Taken:**

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

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

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

### **B. Research and Development:**

R & D forms the basis of Lypsa's efforts in making processes simpler, smoother and faster for the diamond industry. R & D is a highly structured activity at Lypsa and stringent quality control measures have lead to technologically superior products. There is a total concentration on up gradation of technology and standardization of components. Our skilled personnel have a broad range

of experience in designing & producing quality machinery & inspection equipment.

**C. Foreign Exchange Earnings and Outgoings:**

Foreign Exchange Earning is : Rs. 4,93,24,346.15

Foreign Exchange Outgoing is : Rs. 4,75,95,202.31

**APPOINTMENT OF AUDITORS:**

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

**PUBLIC DEPOSITS:**

During the year under review the Company has not accepted any deposits to which the provisions of section 58A of the Companies Act, 1956 read with Acceptance of Deposits Rules, 1975 as amended are applicable.

**PARTICULARS OF EMPLOYEES:**

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

**CHANGE IN THE OBJECT CLAUSE OF THE COMPANY**

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

**MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**CORPORATE SOCIAL RESPONSIBILITY**

Every year 5<sup>th</sup> June is observed as the World Environment Day around the world and is of immense importance for the Lypsa Group. In the year 2012-13, 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 neighbor's, 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.

#### **REPORT ON CORPORATE GOVERNANCE:**

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

#### **SEGMENT:**

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

#### **ACKNOWLEDGEMENT:**

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

**For Lypsa Gems & Jewellery Limited.**

**Date: 30/05/2013**

**Place: Navsari**

<b>s/d</b>	<b>s/d</b>	<b>s/d</b>
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	Chairman	Director

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

**A. Mandatory Requirements**

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

**1. Company's philosophy on code of Corporate Governance**

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

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

**2. Board of Direct**

**2.1 Composition of the Board:**

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

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

**2.2 Responsibilities of the Board**

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board

of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

### **2.3 Meeting and Attendance Record of Directors**

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

During the year under review, the Board met 18 times on the following dates:

05/04/2012, 23/04/2012, 12/06/2012, 02/07/2012, 12/07/2012, 30/07/2012, 31/07/2012, 06/08/2012, 09/08/2012, 17/08/2012, 24/08/2012, 10/09/2012, 12/10/2012, 29/10/2012, 22/11/2012, 04/12/2012, 30/01/2013, 23/02/2013

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

Name of Director	Category of Directorship	No. of Meetings Attended	Attendance at the last AGM
Mr. Manish Jaysukhlal Janani	Managing Director	17	YES
Mr. Dipankumar Babulal Patwa	Chairman & Managing Director	18	YES
Mr. Jeeyan Dipankumar Patwa	Executive director	14	YES
Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director	18	YES
Mr. Ajit Mangaldas Shah	Independent and Non Executive Director	17	YES
Mr. Bhavesh Shashikant Sheth	Independent and Non-Executive Director	18	YES
Mr. Pankajkumar Vrajlal Shah	Independent and Non-Executive Director	18	YES

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

As per the provisions of the Companies Act, 1956, 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. Bhavesh Shashikant Sheth and Mr. Pankajkumar Vrajlal Shah, Directors of the Company who retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment.

### **Profile of Mr. Bhavesh Shashikant Sheth, Director being appointed u/s 255 and 256 of the Companies Act, 1956**

Name	Mr. Bhavesh Shashikant Sheth
Date of Birth	16/09/1972
Date of Appointment	15/02/2011
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

### **Profile of Mr. Pankajkumar Vrajlal<sup>1</sup> Shah, Director being appointed u/s 255 and 256 of the Companies Act, 1956**

Name	Mr. Pankajkumar Vrajlal Shah
Date of Birth	28/03/1964
Date of Appointment	15/02/2011
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

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

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

Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2013 and the same is reproduced herein below:

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

### 3. COMMITTEE OF BOARD:

The Company had Three Board Committees. These are

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

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

#### 3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956, comprises of Two members viz. Mr. Ravindra Sanghavi and Mr. Bhavesh Shashikant Sheth who are well versed with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting. Mr. Ajit Mangaldas Shah is the Chairman of the committee.

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

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

## **TERMS OF REFERENCE:**

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

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



- I. Reviewing the company's financial and risk management policies.
- J. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment 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 apprised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

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

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

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

During the year under review, the 4 Audit Committee were held during Financial Year 2012-13. The dates on which the said meetings were held as follows:

23/04/2012	30/07/2012	29/10/2012	30/01/2013
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The necessary quorum was present at the meetings.

### **3.2 Remuneration Committee**

The remuneration committee of the Company comprises of Mr. Manish Janani, Mr. Ravindra Sanghavi and Mr. Ajit Mangaldas Shah.

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

There are four meetings of Remuneration Committee held during the Financial Year 2012-13.

25/05/2012	20/07/2012	14/08/2012	15/02/2013
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### 3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

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

Sr. No.	Name	Position
1	Mr. Ravindra Sanghavi	Chairman
2	Mr. Manish J. Janani	Member
3	Mr. Ajit Shah	Member

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

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31<sup>st</sup> March, 2013 is given below):

#### Complaints Status: 01.04.2012 to 31.03.2013

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

#### Compliance Officer:

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

### 4. GENERAL BODY MEETINGS:

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

Year	Venue	Date	Time
2009-10	306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat Gujrat-395 003	30/09/2010	11:30 A.M.
2010-11	306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat Gujrat-395 003	30/09/2011	11:30 A.M.
2011-12	306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat Gujrat-395 003	29/09/2012	11:30 A.M.

(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:

#### **2012**

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

- (1) Shifting of Registered office of the Company 306, Mahavir Chambers, Taratia Hanuman Galli, Mahidharpura, Surat To 2<sup>nd</sup> Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari - 396445
- (2) Approval of Managerial Remuneration Given To Mr. Jeeyan Patwa, Director of the Company.
- (3) Approval for increase in NRI holding ceiling limit from 5% to 24% of the paid up capital.

#### **2011**

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

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

## **2010**

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

- (1) Change in terms of Appointment of Mr. Manish Janani as Managing Director of the Company
- (2) Appointment of Mr. Dipankumar Babulal Patwa as Managing Director of the Company
- (3) Issue of equity shares on preferential basis

### **EXTRA ORDINARY GENERAL MEETING DURING THE YEAR 2012-2013**

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

### **POSTAL BALLOT RESOLUTION PASSED DURING THE YEAR 2012-13**

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.

## **CEO/CFO CERTIFICATION:**

(Under Clause 49 (V) of Listing Agreement)

We Certify that --

a. We have reviewed the financial statements and the cash flow statement for the year 2012-13 and that to the best of our knowledge and belief:

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

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2012-13 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 2012-13;
- Significant changes in accounting policies during the year 2012-13 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

## **6. MEANS OF COMMUNICATION:**

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

The Company's financial results and official news releases are displayed on the Company's website i.e [www.lypsa.in](http://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: 27<sup>th</sup> September, 2013 at 11.30 a.m. at the Registered Office of the Company.
- b. Financial Year: 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013.
- c. Financial Calendar:
  - i. 1<sup>st</sup> quarterly results – Second week of August, 2012.
  - ii. 2<sup>nd</sup> quarter results – Second week of November, 2012.
  - iii. 3<sup>rd</sup> quarter results – Second week of February, 2013.
  - iv. 4<sup>th</sup> quarter results – Second week of May, 2013.
- d. Date of Book Closure: 20<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013.
- e. Dividend Payment Date: 27<sup>th</sup> September, 2013

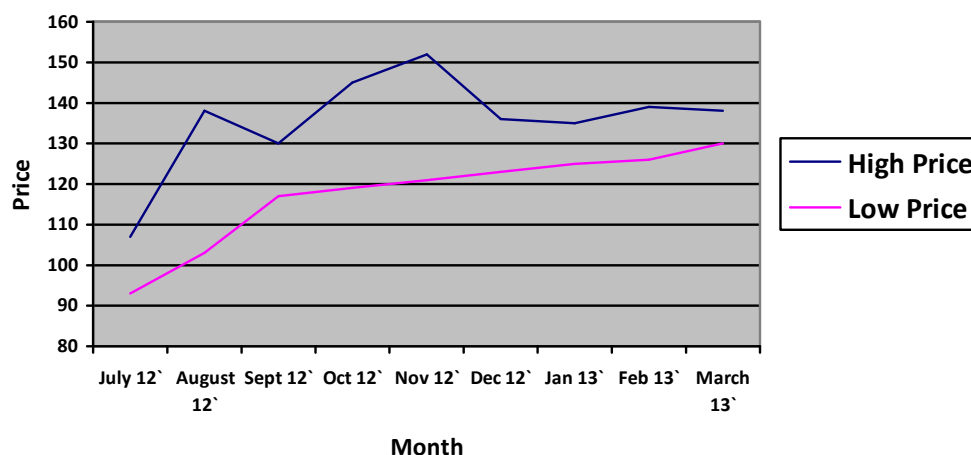
**LYPSA GEMS & JEWELLERY LTD**  
**ANNUAL REPORT 2012-13**



- f. Listing of Equity Shares on Stock Exchanges: The Ahmedabad Stock Exchange Limited and Bombay Stock Exchange limited Annual listing fees for the financial Year upto 31-03-2013 has been paid.
- g. Stock Code: ASE 34628  
BSE 534532
- h. Demat ISIN number: **INE142K01011**
- i. High / Low of Monthly Market Price of the Companies Equity Shares traded on Bombay Stock Exchange during the financial year 2012-13 are furnished below:  
The Company has received trading permission from Bombay Stock Exchange Limited w.e.f 2<sup>nd</sup> July, 2012.

Month	High Price (Rs.)	Low Price (Rs.)
April 2012	-----	-----
May 2012	-----	-----
June 2012	-----	-----
July 2012	107	93
August 2012	138	103
September 2012	130	117
October 2012	145.20	119
November 2012	152	121
December 2012	136	123.15
January 2013	135.45	125.10
February 2013	139	126.50
March 2013	138.50	130

- j. Performance of the Company's shares in comparison with broad-based indices as BSE's Sensex:



- k. Registered and Transfer Agent: The Company has appointed M/s. Purva Sharegistry (India) Pvt. Ltd. No-9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai - 400 011.
- l. 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.
- m. Distribution of Shareholding as on 31.03.2013

Share Holding or Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	No.	% to total	In Rs.	% to total
upto	5000	1,914	87.84	7550480	5.82
5,001	10,000	77	3.53	679100	0.48
10,001	20,000	38	1.74	747750	0.53
20,001	30,000	3	0.14	80000	0.06
30,001	40,000	4	0.18	155000	0.11
40,001	50,000	3	0.14	132000	0.09
50,001	1,00,000	16	0.73	1396140	0.99
1,00,001	and above	124	5.69	129659530	92.35
<b>Total</b>		<b>2179</b>	<b>100.00</b>	<b>140400000</b>	<b>100.00</b>

- n. Shareholding pattern as on 31.03.2013

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	5040000	35.90
b. Other bodies corporate	3530056	25.14
c. Indian public	4905494	34.94
d. HUF	563950	4.02
e. NRI	500	0.00
<b>TOTAL</b>	<b>14040000</b>	<b>100.00</b>

Dematerialization of shares: As on 31-03-2013 Demated shares accounted for 89.55% (1,25,73,500 Equity Shares) of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

**Address for communication:**

1. M/s. Purva Sharegistry (India) Pvt. Ltd.  
No-9, Shiv Shakti Industrial Estate,  
Ground Floor, J. R. Boricha Marg,  
Opp. Kasturba Hospital, Lower Parel,  
Mumbai - 400 011  
Tele No. : 022-2301 6761 / 2301 8261 Fax No. : 022-2301 2517  
E-mail :busicomp@vsnl.com
  
2. Lypsa Gems & Jewellery Ltd  
2<sup>nd</sup> Floor, Diamond Park Building,  
Opp. Ambika Nagar Society,  
Dargah Road, Navsari - 396445  
Email Id: info@lypsa.in  
Website: www.lypsa.in

**Declaration of compliance with the code of conduct**

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Manish Janani, Managing Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 2013.

**For Lypsa Gems & Jewellery Limited.**

**Date: 30/05/2013**

**Place: Navsari**

s/d	s/d	s/d
(Manish Janani)	(Dipan Patwa)	(Jeeyan Patwa)
Managing Director	Chairman	Director



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **ANNEXURE "A" TO DIRECTORS' REPORT**

#### **Macro – Economic Outlook 2013**

The global economic environment in 2012 has been uncertain and unpredictable. Growth has been limited to around 2-3%. Developed markets especially America is seeing a revival of consumer demand due to the economic recovery that has been started. Surprisingly, Japan has also seen some signs of recovery due to measures of the government to revive its economy. However, Europe still remains a cause of worry. Situation has been more upbeat in the emerging markets with reasonably strong demand and spending. BRIC economies have averaged between 5-8% growth. Middle-East and Africa are also showing reasonable consumer demand. It is good to know that even though we are far away from returning to the pre-financial crisis era, governments across the world have charted on a path of tough economic reforms to revive growth.

#### **The Diamond Industry**

##### **Key Changes:**

The Oppenheimer family exited from De Beers after having controlled rough diamond mining for four generations of family ownership. Anglo American, one of the world's largest mining companies bought this stake affirming their belief in the future of the diamond industry.

Alrosa overtook De Beers in sales to become the largest rough miner this year.

2012 has been a relatively stagnant and quiet period for rough prices and it hasn't seen any price upheaval as seen in 2011. This has made it a tough period for rough diamond traders.

Diamond manufacturers also have not been happy with the rough prices. Prices of De Beers, Alrosa and other branded goods have been steep and have not allowed for manufacturers to make a healthy margin. Middle 2012 also saw sightholders rejecting sights and deferring their allocations. In the following period, rough producers dropped prices by 2-3% to pacify manufacturers but it didn't do much to get them very lucrative margins.

Global polished sales grew by around 3% compared to the much higher 10% average of the previous two years. Mainland China and Hongkong continued to be the best performing markets. America too showed steady demand owing to increasing customer spend. The domestic market did not perform as well as expected but this was mainly due to the volatility of the INR.

The US market remains the leading diamond consuming market with a market share of about 37%, followed by China at 11%, Japan at 10% and India at about 9% in terms of polished diamonds sales to the consumer.

### **Outlook for 2013-14**

In the long term, the fundamentals of the industry remain strong. Rough and polished prices continue to show an upward trend. Consumer demand is not showing contraction, even though it is increasing at a slightly reduced pace than expected. A key factor influencing the upward movement of prices remains the scarcity of rough – De Beers and other miners are reducing supply and no new mines are expected to start supply immediately. This year is also seeing revival in demand from the developed countries like USA and Japan in addition to healthy demand from the emerging markets like China and India.

We don't expect rough prices to rise rapidly. Slight decline in rough prices is anticipated. However, we expect polished prices to pick up as the global economy and consumer demand strengthens. The fall in rough prices coupled with increasing polished prices should allow manufacturers to return to healthy profitability.

### **OPERATIONAL PERFORMANCE**

Keeping in mind the market conditions and the bleak economic situation, the performance of the company has been above satisfactory. Manufacturing output has increased owing to increase in output from the Navsari factory as well as the output contribution from the Chaapi factory that was commissioned this year. Both the factories together now employ around 400 workers. We have strengthened our network of outsourcing agents to include more than 100 small manufacturers that exclusively manufacture for Lypsa. This unique model helps to create internal competition and keep the costs of manufacturing lower than our industry peers who have huge factories and the resultant huge costs. Strict controls on these agents allows for a standardized product. This model has also allowed us greater flexibility to change our product mix as per market conditions and react swiftly to demand changes.

The second half of the year has also seen setting up of a subsidiary in Dubai - Lypsa DMCC to conduct trading activity. Its performance has been exceptional adding around 26.53 Crores to our revenues and 1.25 Crores to our profit.

Lypsa recorded a total operating income of 300.09 Crores for the year 2012-13 as compared to revenue of 268.25 Crores in the corresponding last period. The net profit for the period rose to 4.26 Crores from 2.96 Crores resulting in the EPS to increase from 2.11 to 3.03.

### **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**

The Company maintains a system of internal control commensurate with the size and nature of its operations to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly. In order to ensure that all checks and balances are in place and all internal control systems and procedures are in order, periodic internal audit is conducted by qualified Chartered Accountants. The Internal Auditors' independently evaluate adequacy of internal controls. The Internal Audit reports submitted by Internal Auditors are reviewed by Audit Committee on a quarterly basis. Post audit reviews are also carried out to ensure that audit recommendations have been implemented.

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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**

Lypsa plans to increase its production capacity to cater to the increasing demand. However, your company will strive for increasing margins rather than just going for increasing volumes. As a result, a cost cutting exercise has been initiated at the manufacturing facilities. An expert panel is in the process of being commissioned to review the manufacturing facility and process and suggest measures to increase efficiency.

Lypsa has relocated its offices to the Bharat Diamond Bourse – the new hub for the diamond trade in Mumbai. This has had a positive impact on polished sales and has seen a lot of new clients walking in to our offices.

Lypsa plans to set up a wholly owned subsidiary in Hongkong to cater to increasing Chinese demand. In the last two quarters significant sales have been made to Chinese clients from our Mumbai office. We believe that opening an office in HK will allow us to cater to their demands better and also result in our goods fetching higher prices.

This two-way push – manufacturing and marketing side will allow us to increase profit margins while still enjoying increase in volume.

**For Lypsa Gems & Jewellery Limited.**

**Date: 30/05/2013**

**Place: Navsari**

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**s/d**

(Manish Janani)  
Managing Director

**s/d**

(Dipan Patwa)  
Chairman

**s/d**

(Jeeyan Patwa)  
Director

# Doshi Maru & Associates

Chartered Accountants

9, Shreepal Building,  
S N Road, Tambe Nagar,  
Mulund – (West),  
Mumbai – 400080.  
Tel: (O)23472578  
(R) 25654859

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## AUDITORS' REPORT ON CORPORATE GOVERNANCE

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

We have examined the compliance of Corporate Governance by Lypsa Gems & Jewellery Limited for the year ended on 31<sup>st</sup> March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

For M/s. Doshi Maru & Associates  
Chartered Accountants

Date: 30<sup>TH</sup> May 2013  
Place: Mumbai

s/d  
Shashank Doshi  
(Partner)  
FRN. No. 112187W

# Doshi Maru & Associates

Chartered Accountants

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

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## AUDITORS REPORT TO THE MEMBERS OF LYPSA GEMS & JEWELLERY LIMITED

1. We have audited the attached Balance Sheet of **LYPSA GEMS & JEWELLERY LIMITED** as at 31<sup>st</sup> March, 2013 and the Profit & Loss Account and Cash Flow statement for the year ended on that date and report thereon in accordance with the provisions of Section 227 of the Companies Act, 1956. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in Para 3 and on the basis of the audit indicated herein, we report that:
  - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b) In our opinion, the company has kept proper books of account as required by law, so far as appears from our examination of the books of account.
  - c) The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with this report are in agreement with the books of Account.
  - d) In our opinion, the Balance sheet and Profit and Loss account comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the

Companies Act, 1956 to the extent applicable except for disclosures of fixed deposits and secured loans against fixed deposits (Refer Notes to Accounts Point No. 5 and 6).

- e) On the basis of written representation received from the directors, and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2013 from being appointed as director in terms of clause (g) of Section 274(1) of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes appearing in Schedule 25 annexed thereon gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view: -
  - i) In case of Balance Sheet, of the Company's affairs as at 31<sup>st</sup> March, 2013
  - ii) In case of Profit and Loss Account, of the Profit for the year ended on that date.
  - iii) In the case of Cash flow statement, of the cash flows for the year ended on that date.

For M/s. Doshi Maru & Associates  
Chartered Accountants

†

**s/d**

(Shashank Doshi)

Partner

FRN: 112187W

Place: Mumbai

Dated: 30<sup>th</sup> May, 2013

## **LYPSA GEMS & JEWELLERY LIMITED**

### **ANNEXURE TO THE AUDITORS' REPORT**

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

1. The company has maintained fixed assets register showing full particulars including quantitative details and situation of fixed assets. As explained to us, the Management at reasonable intervals physically verified the fixed assets. No material discrepancies were noticed on such verification.
2. The management has physically verified inventory of stock of material, spares parts or finished stocks and frequency of verification is reasonable. In our opinion, the procedure for physical verification of stocks followed by management is reasonable and adequate in relation to the size of the company and nature of its business. The discrepancies noticed on physical verification were not material.
3. (a) The Company has not granted loans to company listed in the register maintained U/s. 301 of the Companies Act, 1956. The Company has not taken loan from companies listed in the register maintained U/s. 301 of the Companies Act, 1956. As company has not granted loans to companies listed in the register maintained u/s 301, clause (b) and (c) are not applicable.  
(b) The company has taken loans from One party listed in register maintained U/s 301 of the Companies Act, 1956 amounting to Rs. 420.80 Lacs. The rate of interest is not pre judiciary in contravention to the interest of the company.  
(c) There are no specific terms for repayment of loan taken from parties listed in register maintained U/s 301 of the Companies Act, 1956.
4. According to the information given to us, in our opinion there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase & sale of goods & fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, there are transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 that are exceeding the value of Rupees five Lacs.  
(b) In our opinion and according to the information and explanations given to us, the transactions exceeding the value of Rupees five Lacs, are reasonable having regard to the prevailing market prices at the relevant time;
6. The Company has not accepted any deposits from the public during the previous year.
7. The Company has internal audit system and is considered as commensurate with the size of the company and nature of the business of the company.
8. As per the information given to us the Central Government has prescribed maintenance of cost records to this company under Section 209 (1) (d) of the Companies Act, 1956.
9. As informed to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax(VAT), Customs Duty, Excise Duty except unclaimed dividend for F Y 2009-10 of Rs. 7.50 Lacs, for 2010-11 of Rs. 8.27 Lacs and for 2011-12 of Rs. 5.62 Lacs as



at last date of financial year, that were outstanding for a period of more than six months from the date they became payable.

10. As on 31.03.2013, the Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit as well as during the immediately preceding financial year. The company is not a sick industrial company within the meaning of clause (o) of sub-section 1 of section 3 of The Sick Industrial Companies (Special Provisions) Act, 1985.
11. On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in payment of dues to a financial institution or bank.
12. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities
13. The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of this clause are not applicable.
14. The Company being Trading and Manufacturing company conducting export sales; proper records has been maintained and timely entries have been made therein of the purchase, sales and income transactions and contracts entered into during the said period, if any. The company is not a chit fund or a nidhi/mutual fund benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company. The company is holding investments in mutual fund and listed securities.
15. As informed to us, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
16. As the Company has no term loan outstanding as at 31.03.2013, the provisions of this clause are not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.
18. The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. During the year the Company has not allotted shares to the public.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For M/s. Doshi Maru & Associates.  
Chartered Accountants

**s/d**

(Shashank Doshi)  
Partner  
FRN: 112187W  
Place: Mumbai  
Date: 30<sup>TH</sup> May 2013

**LYPSA GEMS & JEWELLERY LIMITED**  
**BALANCE SHEET AS ON 31st MARCH 2013**

(Rupees In Lacs)

Particulars		Note No.	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
1	2				3	4
<b>I. EQUITY AND LIABILITIES</b>						
<b>1 Shareholders' funds</b>						
(a) Share capital	1		1,404.00		1,404.00	
(b) Reserves and surplus	2		1,145.95		969.84	
(c) Money received against share warrants			-		-	
				2,549.95		2,373.84
<b>2 Share application money pending allotment</b>						-
<b>3 Non-current liabilities</b>						
(a) Long-term borrowings						-
(b) Deferred tax liabilities (Net)	3		17.25			0.69
(c) Other Long term liabilities						-
(d) Long-term provisions						-
<b>4 Current liabilities</b>						
(a) Short-term borrowings	4		2,104.19			82.42
(b) Trade payables	5		10,026.85			10,724.07
(c) Other current liabilities	6		252.30			123.88
(d) Short-term provisions	7		137.02			89.05
<b>TOTAL</b>				<b>15,087.55</b>		<b>13,393.94</b>
<b>II. ASSETS</b>						
<b>Non-current assets</b>						
<b>1 (a) Fixed assets</b>						
(i) Tangible assets	8		174.89		12.76	
(ii) Intangible assets	8		-		-	
(iii) Capital work-in-progress	8		-		-	
(iv) Intangible assets under development	8		-	174.89	-	12.76
(b) Non-current investments	9		53.56			25.72
(c) Deferred tax assets (net)			-			-
(d) Long-term loans and advances	10		101.46			67.14
(e) Other non-current assets						-
<b>2 Current assets</b>						
(a) Current investments	11		7.94			149.84
(b) Inventories	12		2,075.47			2,267.71
(c) Trade receivables	13		11,739.03			10,205.69
(d) Cash and cash equivalents	14		861.36			540.49
(e) Short-term loans and advances	15		71.44			119.78
(f) Other current assets	16		2.41			4.82
<b>TOTAL</b>				<b>15,087.55</b>		<b>13,393.94</b>

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

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

**AS PER OUR ATTACHED REPORT OF EVEN DATE**

**FOR DOSHI MARU & ASSOCIATES**

**FOR LYPSA GEMS & JEWELLERY LIMITED**

**CHARTERED ACCOUNTANTS**

s/d  
**SHASHANK DOSHI**  
**PARTNER**  
**FRN : 112187W**  
**PLACE: MUMBAI**  
**DATE: 30/05/2013**

s/d  
**MANISH JANANI**  
**MANAGING DIRECTOR**

s/d  
**DIPAN PATWA**  
**CHAIRMAN**

**DATE: 30/05/2013**

LYPSA GEMS & JEWELLERY LIMITED  
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

(Rupees in Lacs)

Particulars		Refer Note No.	FOR THE YEAR ENDED 31st MARCH 2013		FOR THE YEAR ENDED 31st MARCH 2012	
I.	Revenue From Operations	17		30,192.49		25,983.53
II.	Other income	18		(183.85)		841.24
III.	<b>Total Revenue (I + II)</b>			<b>30,008.64</b>		<b>26,824.77</b>
IV.	Expenses:					
	Cost of materials consumed	19		20,633.63		6,380.76
	Purchases of Stock-in-Trade			5,972.14		19,957.84
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20		1,475.57		(986.32)
	Employee benefits expense	21		192.95		40.07
	Finance costs	22		192.88		864.77
	Depreciation and amortization expense	23		8.54		5.29
	Other expenses	24		1,106.95		266.08
	<b>Total expenses</b>			<b>29,582.67</b>		<b>26,528.49</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>			<b>425.97</b>		<b>296.28</b>
VI.	Exceptional items					-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>			<b>425.97</b>		<b>296.28</b>
VIII.	Extraordinary Items					-
IX.	<b>Profit before tax (VII- VIII)</b>			<b>425.97</b>		<b>296.28</b>
X	Tax expense:					
	(1) Current tax			126.99		86.70
	(2) Deferred tax			16.56		(0.29)
XI	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>			<b>282.42</b>		<b>209.88</b>
XII	Profit/(loss) from discontinuing operations					-
XIII	Tax expense of discontinuing operations					-
XIV	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>			<b>-</b>		<b>-</b>
XV	<b>Profit (Loss) for the period (XI + XIV)</b>			<b>282.42</b>		<b>209.88</b>
XVI	Earnings per equity share:					
	(1) Basic			3.03		2.11
	(2) Diluted			3.03		1.06

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

THE SCHEDULES REFERED TO ABOVE FORM AN ENTIGRAL PART OF THE PROFIT & LOSS ACCOUNT  
AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR DOSHI MARU & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

s/d  
SHASHANK DOSHI  
PARTNER  
FRN : 112187W  
PLACE: MUMBAI  
DATE: 30/05/2013

s/d  
MANISH JANANI  
MANAGING DIRECTOR

s/d  
DIPAN PATWA  
CHAIRMAN

DATE: 30/05/2013

NOTE No. 1 : SHARE CAPITAL					
1 SHARE CAPITAL					
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
<b>AUTHORISED SHARE CAPITAL</b> 2,00,00,000 (2,00,00,000) Equity Share of Rs. 10/- Each			2,000.00		2,000.00
<b>Issued, Subscribed &amp; Paidup</b> 1,40,40,000 (1,40,40,000) Equity Share of Rs. 10/- Each Fully paidup.			1,404.00		1,404.00
NOTE No. 2 : RESERVES & SURPLUS					
2 RESERVES & SURPLUS					
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
	<b>Securities Premium Reserve</b> As per Last Balance Sheet Add: On Issue of Shares Less: On Issue of Bonus Shares	598.00 - -	<b>598.00</b>	1,300.00 - 702.00	<b>598.00</b>
	<b>Profit &amp; Loss Account</b> As per Last Balance Sheet Add: Profit for the year	371.84 282.42		268.28 209.88	
		<b>654.26</b>		<b>478.16</b>	
	Less: Appropriations		<b>547.95</b>		<b>371.84</b>
	Provision for Reduction in Value of Investments	24.72		24.73	
	Proposed Dividend	70.20		70.20	
	Tax on Dividend	11.39		11.39	
	<b>Total</b>		<b>1,145.95</b>		<b>969.84</b>

NOTE No. 3 : DEFERRED TAX LIABILITY (NET)		
3 DEFERRED TAX LIABILITY (NET)		
	AS AT 31st MARCH 2013	AS AT 31st MARCH 2012
Deferred Tax Liability Related to Fixed Assets	17.25	0.69
<b>TOTAL</b>	<b>17.25</b>	<b>0.69</b>
NOTE No. 4 : SHORT TERM BORROWINGS		
4 SHORT TERM BORROWINGS		
	AS AT 31st MARCH 2013	AS AT 31st MARCH 2012
<b>Secured</b>		
<b>Working Capital Loans</b>		
<b>From Banks</b>		
Foreign Currency Loans - PSCFC/PCFC	1,088.48	-
Rupee Loans - PSC	556.00	-
	1,644.48	-
<b>Secured</b>		
<b>From Banks - Others</b>		
Rupee Loan - Car Loan	38.91	38.91
<b>Unsecured</b>		
<b>( I ) Loans &amp; Advances</b>		
From Directors	420.80	-
From Others		82.42
<b>( II ) From Banks</b>		
<b>TOTAL</b>	<b>2,104.19</b>	<b>82.42</b>
NOTE No. 5 : TRADE PAYABLES		
5 TRADE PAYABLES		
	AS AT 31st MARCH 2013	AS AT 31st MARCH 2012
Micro, Small & Medium Enterprises	-	-
Others	10,026.85	10,724.07
<b>TOTAL</b>	<b>10,026.85</b>	<b>10,724.07</b>
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 2013	AS AT 31st MARCH 2012
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.	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

<b>NOTE No. 6 : OTHER CURRENT LIABILITIES</b>		
<b>6 TRADE PAYABLES</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Interest Payable	0.70	-
Advances against Order	-	-
Recv/Payable For Forward Contract (Import)	-	-
Deffered Premium (Export)	19.63	106.32
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	-
Other Payables	210.58	1.79
<b>TOTAL</b>	<b>252.30</b>	<b>123.88</b>
<b>NOTE No. 7 : SHORT TERM PROVISIONS</b>		
<b>7 SHORT TERM PROVISIONS</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Proposed Dividend	70.20	70.20
Tax on Dividend	11.39	11.39
Other Provisions	55.43	7.46
<b>TOTAL</b>	<b>137.02</b>	<b>89.05</b>

**NOTE No. 8 : FIXED ASSETS****8** FIXED ASSETS**LYPSA GEMS & JEWELLERY LIMITED.****FIXED ASSETS SCHEDULE AS ON 31ST MARCH 2013****(RUPEES IN LACS)**

SR. NO.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01/04/2012	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31/03/2013	AS ON 01/04/2012	ADJUSTMENT FOR THE YEAR	DEPRECIATION FOR THE YEAR	UPTO 31/03/2013	AS ON 31/03/2013	AS ON 31/03/2012
	<b>TANGIBLE ASSETS :</b>										
	OWN ASSETS:										
<u>1</u>	Air Conditions	0.85	2.90	-	3.75	0.48	-	0.08	0.56	3.19	0.37
<u>2</u>	Aquaguard	0.07	-	-	0.07	0.04	-	0.00	0.04	0.03	0.03
<u>3</u>	Furniture & Fixture	19.48	8.73	-	28.20	14.22	-	1.34	15.56	12.64	5.25
<u>4</u>	Motor Car	13.00	54.91	-	67.91	8.65	-	2.85	11.50	56.41	4.35
<u>5</u>	Office Equipments	0.81	3.19	-	4.00	0.14	-	0.08	0.22	3.78	0.66
<u>6</u>	Water coolers	0.16	0.61	-	0.77	0.09	-	0.02	0.11	0.66	0.07
<u>7</u>	Computers	1.70	3.02	-	4.72	0.52	-	0.57	1.09	3.63	1.17
<u>8</u>	Safe	0.90	1.94	-	2.85	0.06	-	0.09	0.15	2.70	0.84
<u>9</u>	Machinaries	-	92.97	-	92.97	-	-	1.11	1.11	91.86	-
	SUB-TOTAL RUPEES	36.96	168.27	-	205.22	24.20	-	6.14	30.34	174.89	12.76
	LEASE ASSETS :	-	-	-	-	-	-	-	-	-	-
	TOTAL - A	36.96	168.27	-	205.22	24.20	-	6.14	30.34	174.89	12.76
	INTANGIBLE ASSETS :	-	-	-	-	-	-	-	-	-	-
	TOTAL - B	-	-	-	-	-	-	-	-	-	-
	TOTAL A + B	36.96	168.27	-	205.22	24.20	-	6.14	30.34	174.89	12.76
	PREVIOUS YEAR	(36.88)	(0.07)	-	(36.96)	(21.32)	-	(2.88)	(24.20)	(12.76)	(15.57)
	CAPITAL WORK IN PROGRESS									-	-
	INTANGIBLE ASSETS UNDER DEVELOPMENT									-	-

NOTE No. 9 : NON CURRENT INVESTMENTS				
9 NON CURRENT INVESTMENTS				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
TRADE INVESTMENTS				-
<b>TOTAL OF TRADE INVESTMENTS (A)</b>				-
<b>OTHER INVESTMENTS</b> <b>In Equity Shares of Comapanies - Quoted, Fully paidup</b>				
	Purchase cost		AS AT 31st MARCH 2013	AS AT 31st MARCH 2012
5,90,300 (90,300) Shares of Kingfisher Airlines	9,911,830.00	47.11		14.94
NIL (56237) Shares of JIK Industries		-	47.11	<u>2.62</u>
				<b>17.56</b>
<b>In Mutual Funds of Comapanies - Quoted, Fully paidup</b>				
97799.511 Units of Reliance Infrastucture Fund	1,000,000.00		5.61	<b>7.32</b>
<b>Investments in Commodities</b>				
Goldcoins			0.84	<b>0.84</b>
<b>TOTAL OF OTHER INVESTMENTS (B)</b>			<b>53.56</b>	<b>25.72</b>
<b>TOTAL NON - CURRENT INVESTMENTS (A+B)</b>			<b>53.56</b>	<b>25.72</b>
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 2013		AS AT 31st MARCH 2012
Advance Income Tax & TDS (Net of Provisions)			24.62	55.08
Vat Refundable			9.63	9.63
Deposites			56.18	2.42
Loans & Advances			2.04	-
Capital Advances			9.00	-
<b>TOTAL</b>			<b>101.46</b>	<b>67.14</b>
NOTE No. 11 : CURRENT INVESTMENTS				
11 CURRENT INVESTMENTS				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
Fixed Capital with Partnership Firm M/s. LYPSA GEMS			0.45	0.45
Current Capital with Partnership Firm M/s. LYPSA GEMS			-	149.39
Investment with 100% Subsidiary LYPSA GEMS & JEWELLERY DMCC			7.49	-
<b>TOTAL</b>			<b>7.94</b>	<b>149.84</b>
NOTE No. 12 : INVENTORIES				
12 INVENTORIES				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
Raw Materials			1,894.84	611.51
Stock In Process			-	-
Finished Goods			180.63	1,656.20
<b>TOTAL</b>			<b>2,075.47</b>	<b>2,267.71</b>



<b>NOTE No. 13 : TRADE RECEIVABLES</b>		
<b>13 TRADE RECEIVABLES</b>		
<b>(Unsecured &amp; considered Good)</b>	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
More than Six Months	14.42	16.42
Others	11,724.61	10,189.28
<b>TOTAL</b>	<b>11,739.03</b>	<b>10,205.69</b>
<b>NOTE No. 14 : CASH &amp; CASH EQUIVALENTS</b>		
<b>14 CASH &amp; CASH EQUIVALENTS</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Balance with Banks	56.87	33.53
Cash In Hand	10.69	6.98
Fixed Deposits with Banks (Maturity of Less than 12 Months)	793.79	499.97
<b>TOTAL</b>	<b>861.36</b>	<b>540.49</b>
<b>NOTE No. 15 : SHORT TERM LOANS &amp; ADVANCES</b>		
<b>15 SHORT TERM LOANS &amp; ADVANCES</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Prepaid Expenses	19.66	3.20
Deffered Premium	-	-
Receivables on Forward Contracts/Interest Subvention	51.78	116.59
<b>TOTAL</b>	<b>71.44</b>	<b>119.78</b>
<b>NOTE No. 16 : OTHER CURRENT ASSETS</b>		
<b>16 OTHER CURRENT ASSETS</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Deffered Revenue Expenditures	2.41	4.82
<b>TOTAL</b>	<b>2.41</b>	<b>4.82</b>

NOTE No. 17 : REVENUE FROM OPERATION				
17 REVENUE FROM OPERATION				
	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
Sales of Products	30,187.16		25,946.70	
Income From Services	-		-	
Share of Profit From Partnership Firm (M/s LYPSA GEMS)	5.33		36.83	
TOTAL	30,192.49		25,983.53	
17.1 PARTICULARS OF SALES OF PRODUCTS				
	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
PARTICULARS				
Rough & Cut and Polished Diamonds	30,187.16		25,946.70	
TOTAL	30,187.16		25,946.70	
NOTE No. 18 : OTHER INCOME				
18 OTHER INCOME				
	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
INTEREST				
From Current Investments	55.48		1,101.65	
DIVIDEND				
From Long Term Investment	0.00		0.00	
Net Gain on Sale of Investments				
From Current Investments	(0.27)		-	
OTHER NON-OPERATING INCOME	(239.07)		(260.41)	
TOTAL	(183.85)		841.24	
NOTE No. 19 : COST OF MATERIALS CONSUMED				
19 COST OF MATERIALS CONSUMED				
	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
	RUPEES	% OF CONSUMPTION	RUPEES	% OF CONSUMPTION
IMPORTED	17,450.21	85.00	6,380.76	100.00
LOCAL	3,183.42	15.00	-	-
TOTAL	20,633.63	100.00	6,380.76	100.00
19.1 PARTICULARS OF MATERIAL CONSUMED			AS AT 31st MARCH 2012	
Rough Diamonds	20,633.63	100.00	6,380.76	-
NOTE No. 20 : CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS & STOCK IN TRADE.				
20				
	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
Inventories (At Close)				
Finished Goods	(180.63)		(1,656.20)	
Inventories (At Commencement)				
Finished Goods	1,656.20		669.88	
TOTAL	1,475.57		(986.32)	

NOTE No. 21 : EMPLOYEES BENEFIT EXPENSES				
21 EMPLOYEES BENEFIT EXPENSES				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
Salary		140.45		16.07
Directors Remuneration		52.50		24.00
<b>TOTAL</b>		<b>192.95</b>		<b>40.07</b>
NOTE No. 22 : FINANCE COST				
22 FINANCE COST				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
Interest Expenses		192.88		500.55
Forward Premium		-		364.22
<b>TOTAL</b>		<b>192.88</b>		<b>864.77</b>
NOTE No. 23 : DEPRICIATION & AMORTIZATION EXPENSES				
23 DEPRICIATION & AMORTIZATION EXPENSES				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
Depriciation & Amortization		8.54		5.29
<b>TOTAL</b>		<b>8.54</b>		<b>5.29</b>
NOTE No. 24 : OTHER EXPENSES				
24 OTHER EXPENSES				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
<b>Manufacturing Expenses</b>				
Clearing & Forwarding Expenses	7.65		7.45	-
Labour Charges	916.20		164.94	-
Re-Assortment Charges	26.99		10.71	
Consumables/Diamond Tools	18.10			
Repaires & Maintaiance (MFG)	0.91	969.85	-	183.09
<b>Selling &amp; Distribution Expenses</b>				
Clearing & Forwarding Expenses	10.51		7.30	-
Business Pramotion	-		0.43	-
Commission & Brokrage	50.36	60.87	43.11	50.83
<b>Establishment Expenses</b>				
Professional Fees	18.26		12.05	
General Expenses	21.49		4.19	
Rent	9.08		6.35	
Insurance	8.55		2.98	
Rates & taxes	-		-	
Travelling Expenses	7.74		4.24	
Payment to Auditors	0.28		0.28	
Charity & Donation	0.67		1.31	
Electricity Charges	10.16	76.23	0.76	32.15
<b>TOTAL</b>	<b>1,106.95</b>	<b>1,106.95</b>	<b>266.08</b>	<b>266.08</b>

## **LYPSA GEMS & JEWELLERY LIMITED**

### **SCHEDULE '25' OF NOTES ON ACCOUNTS ANNEXED TO & FORMING PART OF BALANCE SHEET AS ON 31/03/2013**

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Basis of preparation of financial statements**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) as a going concern, under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and the provisions of Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied from one period to the other except otherwise stated.

##### **b) Use of estimates**

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

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

##### **c) Revenue recognition**

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

##### **d) Employee benefits**

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

##### **e) Taxation**

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

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

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

**f) Provisions and contingencies**

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

**Notes to accounts:**

**2. Fixed Assets:**

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

**3. Depreciation:**

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

**4. Investments:**

Long Term and Non current investments are valued at Cost. Other investments are valued at lower of cost or fair market value as on the date of Balance Sheet. The group provides for diminution in value of investments, other than temporary in nature. During the year company has provided for diminution in value of investments of Rs. 24,72,461/- (P.Y Rs.24,72,927/-) and the same is reduced from the value of investments as carried on in Balance Sheet.

Current Investments includes Fixed capital with partnership firm M/s Lypsa Gems of Rs. 45,000/- and Investment in 100% subsidiary Lypsa Gems & Jewellery DMCC of Rs. 7,48,720/- (USD \$ 14000).

5. **Secured Loans:**

The company has availed the secured loans amounting to Rs. 1644.48 Lacs (P.Y Rs. 1722.84 Lacs against pledge of fixed deposits receipts) which includes Foreign Currency Loans and Rupee Loans against hypothecation of stocks and receivables

6. **Cash and Bank Balances:**

**Fixed Deposits Receipts:**

The company has total fixed deposits of Rs. 793.79 Lacs with Bank of India (P Y Rs. 2060.17 Lacs with various Banks).

**Current Assets, Loans & Advances and Current Liabilities:**

The Deferred premium on export of Rs. 19.63 Lacs (P.Y. 106.32 Lacs) is reflected in Balance Sheet under other current liabilities.

The company has reflected Receivable on forward contract against Exports of Rs. 51.78 Lacs (P.Y. Rs. 116.59 Lacs) in Balance Sheet under short term loans & advances.

7. **Revenue Recognition:**

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

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

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

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

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

(f) Revenue from operations include share of profit from partnership firm M/s Lypsa Gems of Rs. 5.33 Lacs (P Y 36.83 Lacs)

8. **Preliminary Expenses:**

Preliminary Expenses are amortized over a period of five years.

9. **Foreign Currency Transactions:**

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

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

10. **Taxation:**

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

11. **Employee Benefits:**

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

12. **Lease Accounting:**

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

13. **Treatment of contingent Liability:**

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

14. **Disclosure of Related Parties:**

“Related party Disclosures” as required by Accounting Standard 18 is enumerated below:

Transactions with Group Companies: NIL

Transactions with Key Management Personnel and Related Entities:

**Expenses:**

NAME	NATURE OF TRANSACTION	CURRENT YEAR	PREVIOUS YEAR
Manish Janani	Interest on Loan	93,493.00	11,803.00
Dipan Patwa	Interest on Loan	59,82,371.00	2,57,050.00
Manish Janani	Director Remuneration	24,00,000.00	12,00,000.00
Dipan Patwa	Director Remuneration	24,00,000.00	12,00,000.00
Jeeyan Patwa	Director Remuneration	4,50,000.00	NIL
Lypsa Diamond	Reimbursement of Expenses	8,20,943.00	NIL

**Income:**

NAME	NATURE OF TRANSACTION	CURRENT YEAR	PREVIOUS YEAR
Lypsa Gems (Partnership Firm)	Share of Profit of Firm	5,32,916.00	36,82,528.00

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

**15. Segment Reporting:**

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

**16. Inventories:**

Raw materials are valued at cost or net realizable value whichever is lower. Cost is computed using weighted average method. Work in progress is computed by adding cost of purchase, appropriate share of conversion and other overheads incurred in bringing the inventories to its present location and condition. Finished Goods are valued at weighted average cost (Previous year Finished goods were valued at FIFO basis). During the year, due to change in method of valuation of closing stock, the profits are under stated by Rs.16,97,592/- Finished goods includes cost of purchase, cost of conversion and other overheads incurred in bringing the inventories to its present location and condition.

**17. Stock and Turnover:**

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

<b><u>Rough Diamonds</u></b>	<b><u>Current Year(Carats)</u></b>	<b><u>Previous Year(Carats)</u></b>
Opening Stock	4781.50	NIL
Purchases	383788.17	98645.32
Issued for manufacturing	322261.06	79903.23
Loss	609.95	NIL
Sales	35249.58	13960.59
Closing Stock	30449.08	4781.50
 <b><u>Polished Diamonds</u></b>	 <b><u>Current Year(Carats)</u></b>	 <b><u>Previous Year(Carats)</u></b>
Opening Stock	5101.58	3051.14
Purchases	44586.21	99977.57
Manufacturing	91801.44	20958.42
Loss	17.06	NIL
Sales	140716.13	118885.55
Closing Stock	756.04	5101.58



**Gold****Current Year (Grams)****Previous Year (Grams)**

Opening Stock	NIL	NIL
Purchases	300.00	NIL
Sales	NIL	NIL
Closing Stock	300.00	NIL

**18. Deferred Taxation:**

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

Liabilities	As on 31.03.2013	As on 31.03.2012
Depreciation	-5316152.00	-88215.00
Net Deferred Tax Liability	-1724826.00	-68738.00

**19. Payment to Auditors:**

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

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

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

Nature of Transaction	Current Year (US \$)	Previous Year (US \$)
Export Sales	49324346.15	39544499.85
Import Purchase	47595202.31	35500026.97
CIF value of imports	43185707.02	52341750.04
Foreign Travelling expense	5000.00	3290.00

**21. Share Capital:**

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

**22. Earnings per Share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including post tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). The earnings per share as computed as per Accounting Standard 20 is as :

<b><u>Earnings Per Share</u></b>	<b><u>31.03.2013</u></b>	<b><u>31.03.2012</u></b>
Profit before tax (Rs.)	42,597,130	29,628,054
Average number of shares (Nos)	1,40,40,000	1,40,40,000
Nominal value of shares (Rs.)	10.00	10.00
Basic Earnings Per share (Rs.)	3.03	2.11
Diluted earnings Per share (Rs.)	3.03	1.06

**23. Cash Flow Statement:**

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

**24. Partnership Firm operations:**

The accounts of the company reflects its Investments and Income & Expenditure in Partnership firm which are accounted on the basis of the audited accounts of the firm M/s Lypsa Gems on line-by-line basis with similar items in the company's accounts to the extent of the participating interest of the company as per partnership deed. During the year, company has also invested USD \$ 14000 in its 100% subsidiary company Lypsa Gems & Jewellery DMCC.

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

Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	1,40,40,000	70,20,000
Add : Bonus shares issued by Capitalization of Securities Premium Account	1,40,40,000	70,20,000
Add : Shares issued at Premium	NIL	NIL
Equity shares at the end of the year	1,40,40,000	1,40,40,000

Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	14,04,00,000	7,02,00,000
Add : Amount for Bonus shares issued by Capitalisation of Securities Premium Account	14,04,00,000	7,02,00,000
Add : Amount for shares issued at Premium	NIL	NIL
Amount for Equity share capital at the end of the year	14,04,00,000	14,04,00,000

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

Name of Shareholder	As at March 31 <sup>st</sup> , 2013		As at March 31 <sup>st</sup> , 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manish Jaysukhlal Janani	25,22,500	17.97	25,22,500	17.97
Dipen Babubhai Patwa	25,17,500	17.93	25,17,500	17.93

**27. Short term Borrowings:**

Loans and advances from related parties:

Particulars	Current Year	Previous Year
Unsecured Loans from Directors	420.80	82.42

**28. Investments:**

Investment in Partnership Firm:

Name of Firm	As at March 31 <sup>st</sup> , 2013	As at March 31 <sup>st</sup> , 2012
M/s Lypsa Gems		
Fixed Capital	Rs. 45,000/-	Rs. 45,000/-
Current Capital	NIL	Rs. 1,49,39,352/-

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

Particulars	As at March 31 <sup>st</sup> , 2013	As at March 31 <sup>st</sup> , 2012
Security Deposits – Considered Good	Rs. 50,62,257/-	Rs. 62,257/-
Prepaid Expenses		
Insurance Premium	Rs.6,27,800/-	Rs. 1,02,018/-
Prepaid Stamp Duty(Import)	NIL	Rs. 2,09,216/-
Domain Registration charges	Rs. 3,580/-	Rs. 8,310/-
Membership Fees	Rs.10,901/-	NIL

**30. Cash & Cash Equivalents:**

Particulars	As on March 31 <sup>st</sup> , 2013	As on March 31 <sup>st</sup> , 2012
Balance in Current Accounts	Rs. 35,48,732.03	Rs. 17,45,572.31
Balance in Unclaimed Dividend A/c	Rs. 21,38,755.00	Rs. 15,77,060/-

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

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

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

34. The information required under Section 217 (2A) (b) (ii) of the Companies Act, 1956 read

with Companies Employees Amendment Rules, 2011 is not given as there was no employee in receipt of salary exceeding the limit specified in the section.

35. As defined in "The Micro, Small and Medium Enterprises Development Act, 2006", there are no amounts payable to any Micro and Small Scale Enterprises / Undertaking.
36. Previous year figures have been regrouped and rearranged wherever necessary to make them comparable with those of current year.
37. There are certain uncollected dues/receivables in foreign currency which are outstanding for a period of more than six months as on Balance sheet date for which the required permission for extension of time has not been obtained from appropriate authorities. The amount of foreign currency receivables outstanding for more than six months is Rs. 14,41,745/- (P Y Rs. 16,41,745/-).
38. During the year, company has made an investment of USD \$ 14000 in its 100% subsidiary company M/s Lypsa Gems & Jewellery DMCC. The Net profit earned from partnership firm M/s Lypsa Gems of Rs. 5,32,916/- is credited to share of profit in companies current capital account.
39. The company has outstanding unclaimed dividend of Rs. 7,49,900/- for the year 2009-10, Rs. 8,27,000/- for the year 2010-11 and Rs. 5,61,855/- for the year 2011-12.

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

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

|

**s/d**  
(Shashank Doshi)  
Partner  
FRN: 112187W  
Place: Mumbai  
Dated: 30<sup>th</sup> May, 2013

**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****(Rupees in Lacs)**

Resistration No. : 28270

State Code : 04

Balance Sheet Date : 31/03/2013

**II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES )**

Public Issue : NIL

Right Issue : NIL

Bonus Issue : NIL

Private Placement : NIL

**III POSITION OF MOBILISATION AND EMPLOYMENT OF FUNDS  
(AMOUNT IN RUPEES )****TOTAL LIABILITIES :** 15,087.55**TOTAL ASSETS** 15,087.55**SOURCES OF FUNDS :**

Paid up Capital : 1,404.00

Reserves &amp; Surplus : 1,145.95

Secured Loans : 1,683.39

Unsecured Loans : 420.80

Deferred Tax Liability 17.25

**APPLICATION OF FUNDS :**

Net Fixed Assets : 174.89

Investments 155.02

Net Current Assets : 4,339.07

Misc. Expenditure 2.41

Accumulated Losses : -

**IV PERFORMANCE OF THE COMPANY (AMOUNT IN LACS) :****Turnover/other : 30,008.64**  
**Income****Total Expenditure** 29,582.67**Profit Before tax : 425.97****Profit After tax :** 282.42**Earning Per Share 3.03**  
**(In Rupees)****Dividend rate :** 5%**GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY  
(AS PER MONETARY TERMS)****Product Description**

I) Manufacturing &amp; trading in diamonds

**FOR DOSHI MARU & ASSOCIATES**  
**CHARTERED ACCOUNTANTS****FOR LYPSA GEMS & JEWELLERY LIMITED**s/d  
**SHASHANK DOSHI**  
PARTNERs/d s/d  
**MANISH JANANI** **DIPAN PATWA**  
MANAGING DIRECTOR CHAIRMAN

FRN : 112187W

PLACE: MUMBAI

DATE: 30/05/2013

DATE: 30/05/2013

**LYPSA GEMS & JEWELLERY LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013**

	<b>31-Mar-2013</b>		<b>31-Mar-2012</b>	
<b>A Cash flow from operating activities</b>				
Net profit before Tax		425.97		296.28
Adjustments for:				
Depreciation	6.14		2.88	
Preliminary Expenses w/off	2.41		2.41	
Long Term Capital Loss/ (Gain)	0.27		-	
Interest Received	(55.48)		(1,101.65)	
Dividend Received	(0.00)		(0.00)	
		(46.67)		(1,096.36)
<b>Operating profit before working capital changes</b>		379.30		(800.08)
Decrease/(Increase) in Current Assets	(1,185.17)		(7,627.18)	
Increase in Outstanding Liabilities	1,079.60		5,548.25	
Increase / (Decrease) in other liabilities		(105.58)		(2,078.92)
<b>Cash generated from operations</b>		273.72		(2,879.00)
Income Tax Paid		(125.62)		(110.80)
<b>Net cash from operating activities</b>		148.11		(2,989.79)
<b>B Cash flow from investing activities:</b>				
Interest Received	55.48		1,101.65	
Dividend Received	0.00		0.00	
Sale/(Purchase) of Investment	(52.83)		(0.61)	
Increase in fixed Assets	(168.27)		(0.07)	
<b>Net cash used in investing activities</b>		(165.61)		1,100.96
<b>C Cash flow from financing activities</b>				
Capital raised during the year			-	
Increase/(decrease ) in Secured Loan Taken			-	
Increase/(decrease ) in Loans	338.38		-	
<b>Net cash from financing activities</b>		338.38		-
<b>Net Increase/(Decrease ) in cash and cash equivalents</b>		320.87		(1,888.84)
Cash and cash equivalents (opening balance)	540.49		2,429.33	
Cash and cash equivalents (closing balance)	861.36		540.49	
		<b>320.87</b>		<b>(1,888.84)</b>
<div> <div>As per our report of even date attached FOR DOSHI MARU &amp; ASSOCIATES CHARTERED ACCOUNTANTS</div> <div>FOR LYPSA GEMS &amp; JEWELLERY LIMITED</div> </div>				
s/d	s/d	s/d		
SHASHANK DOSHI PARTNER FRN : 112187W PLACE: MUMBAI DATE: 30/05/2013	MANISH JANANI MANAGING DIRECTOR  DATE: 30/05/2013	DIPAN PATWA CHAIRMAN		

# Doshi Maru & Associates

Chartered Accountants

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

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

1. We have audited the attached Consolidated Balance Sheet of **LYPSA GEMS & JEWELLERY LIMITED** and it's 100% Subsidiary **LYPSA GEMS & JEWELLERY DMCC** (Entities together termed as the **LYPSA GROUP**) as at 31<sup>st</sup> March, 2013 and the Consolidated statement of the Profit & Loss Account and the Consolidated Cash Flow statement for the year ended on that date and report thereon in accordance with the provisions of Section 227 of the Companies Act, 1956. These Consolidated Financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. On the basis of audited Financial Statements of subsidiary produced before us by the management whose financial statements reflect total assets of Rs 20,50,97,382/- as at March 31, 2013 and total revenues Rs 26,53,39,128/- for the period ended on that date and the Net Profit is Rs 1,24,70,347/- for the period ended March 31, 2013. These Financial Statements and other financial information have been subjected to audit by other auditors whose reports have been furnished to us. We have placed reliance on the said reports for the purpose of our opinion on the Consolidated Financial Statements.
4. We report that the consolidated financial statements have been prepared by the management of the Company in accordance with the requirements of Accounting Standards (AS) 21- Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Statements.
5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and also other financial information of the components and to the best of our information and according to the explanations given to us, we are of the

opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India;

- i) In case of Consolidated Balance Sheet, of the state of affairs of the LYPSA GROUP as at 31<sup>st</sup> March, 2013
- ii) In case of Consolidated Statement of Profit and Loss Account, of the Profit of the LYPSA GROUP for the year ended on that date and
- iii) In the case of Consolidated Cash Flow Statement, of the Consolidated Cash flows of the LYPSA GROUP for the year ended on that date.

**For M/s. Doshi Maru & Associates**  
**Chartered Accountants**

**s/d**  
**(Shashank Doshi)**  
**Partner**  
**FRN: 112187W**  
**Place: Mumbai**  
**Dated: 30<sup>th</sup> May, 2013**

1



LYPSA GEMS & JEWELLERY LIMITED  
CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2013

(Rupees in Lacs)

Particulars		Note No.	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
1	2				3	4
<b>I. EQUITY AND LIABILITIES</b>						
<b>1 Shareholders' funds</b>						
(a) Share capital	1		1,404.00		1,404.00	
(b) Reserves and surplus	2		1,270.76		969.84	
(c) Money received against share warrants			-		-	
				2,674.76		2,373.84
<b>2 Share application money pending allotment</b>						-
<b>3 Non-current liabilities</b>						
(a) Long-term borrowings						-
(b) Deferred tax liabilities (Net)	3			17.25		0.69
(c) Other Long term liabilities						-
(d) Long-term provisions						-
<b>4 Current liabilities</b>						
(a) Short-term borrowings	4			2,107.45		82.42
(b) Trade payables	5			11,940.79		10,724.07
(c) Other current liabilities	6			252.30		123.88
(d) Short-term provisions	7			138.49		89.05
<b>TOTAL</b>				<b>17,131.03</b>		<b>13,393.94</b>
<b>II. ASSETS</b>						
<b>Non-current assets</b>						
<b>1 (a) Fixed assets</b>						
(i) Tangible assets	8		174.89		12.76	
(ii) Intangible assets	8		-		-	
(iii) Capital work-in-progress	8		-		-	
(iv) Intangible assets under development	8		-	174.89	-	12.76
(b) Non-current investments	9			53.56		25.72
(c) Deferred tax assets (net)				-		-
(d) Long-term loans and advances	10			101.61		67.14
(e) Other non-current assets						-
<b>2 Current assets</b>						
(a) Current investments	11			0.45		149.84
(b) Inventories	12			2,230.42		2,267.71
(c) Trade receivables	13			13,627.37		10,205.69
(d) Cash and cash equivalents	14			868.90		540.49
(e) Short-term loans and advances	15			71.44		119.78
(f) Other current assets	16			2.41		4.82
<b>TOTAL</b>				<b>17,131.03</b>		<b>13,393.94</b>

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

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

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR DOSHI MARU & ASSOCIATES

CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

s/d  
SHASHANK DOSHI  
PARTNER  
FRN : 112187W  
PLACE: MUMBAI  
DATE: 30/05/2013

s/d  
MANISH JANANI  
MANAGING DIRECTOR

s/d  
DIPAN PATWA  
CHAIRMAN

DATE: 30/05/2013

LYPSA GEMS & JEWELLERY LIMITED  
CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

(Rupees in Lacs)

Particulars		Refer Note No.	FOR THE YEAR ENDED 31st MARCH 2013		FOR THE YEAR ENDED 31st MARCH 2012	
I.	Revenue From Operations	17		32,845.88		25,983.53
II.	Other income	18		(183.85)		841.24
III.	<b>Total Revenue (I + II)</b>			<b>32,662.03</b>		<b>26,824.77</b>
IV.	Expenses:					
	Cost of materials consumed	19		20,633.63		6,380.76
	Purchases of Stock-in-Trade			8,651.31		19,957.84
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20		1,320.62		(986.32)
	Employee benefits expense	21		194.41		40.07
	Finance costs	22		192.88		864.77
	Depreciation and amortization expense	23		8.54		5.29
	Other expenses	24		1,109.95		266.08
	<b>Total expenses</b>			<b>32,111.35</b>		<b>26,528.49</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>			<b>550.67</b>		<b>296.28</b>
VI.	Exceptional items					-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>			<b>550.67</b>		<b>296.28</b>
VIII.	Extraordinary Items					-
IX.	<b>Profit before tax (VII- VIII)</b>			<b>550.67</b>		<b>296.28</b>
X	Tax expense:					
	(1) Current tax			126.99		86.70
	(2) Deferred tax			16.56		(0.29)
XI	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>			<b>407.12</b>		<b>209.88</b>
XII	Profit/(loss) from discontinuing operations					-
XIII	Tax expense of discontinuing operations					-
XIV	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>			<b>-</b>		<b>-</b>
XV	<b>Profit (Loss) for the period (XI + XIV)</b>			<b>407.12</b>		<b>209.88</b>
XVI	Earnings per equity share:					
	(1) Basic			3.92		2.11
	(2) Diluted			3.92		1.06

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

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

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR DOSHI MARU & ASSOCIATES

CHARTERED ACCOUNTANTS

FOR LYPSA GEMS & JEWELLERY LIMITED

s/d

SHASHANK DOSHI

PARTNER

FRN : 112187W

PLACE: MUMBAI

DATE: 30/05/2013

s/d

MANISH JANANI

MANAGING DIRECTOR

s/d

DIPAN PATWA

CHAIRMAN

DATE: 30/05/2013

NOTE No. 1 : SHARE CAPITAL				
1 SHARE CAPITAL				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
<b>AUTHORISED SHARE CAPITAL</b> 2,00,00,000 (2,00,00,000) Equity Share of Rs. 10/- Each		2,000.00		2,000.00
<b>Issued, Subscribed &amp; Paidup</b> 1,40,40,000 (1,40,40,000) Equity Share of Rs. 10/- Each Fully paidup.		1,404.00		1,404.00
NOTE No. 2 : RESERVES & SURPLUS				
2 RESERVES & SURPLUS				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
<b>Securities Premium Reserve</b> As per Last Balance Sheet Add: On Issue of Shares Less: On Issue of Bonus Shares	598.00 - -	598.00	1,300.00 - 702.00	598.00
Capital Reserves		0.11		-
<b>Profit &amp; Loss Account</b> As per Last Balance Sheet Add: Profit for the year	371.84 407.12		268.28 209.88	
Less: Appropriations	778.96		478.16	
Provision for Reduction in Value of Investments	24.72		24.73	
Proposed Dividend	70.20		70.20	
Tax on Dividend	11.39	672.65	11.39	371.84
<b>Total</b>		<b>1,270.76</b>		<b>969.84</b>

<b>NOTE No. 3 : DEFFERED TAX LIABILITY (NET)</b>		
<b>3 DEFFERED TAX LIABILITY (NET)</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
<b>Deffered Tax Liability</b> Related to Fixed Assets	17.25	0.69
<b>TOTAL</b>	<b>17.25</b>	<b>0.69</b>
<b>NOTE No. 4 : SHORT TERM BORROWINGS</b>		
<b>4 SHORT TERM BORROWINGS</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
<b>Secured</b> <b>Working Capital Loans</b> <b>From Banks</b> Foreign Currency Loans - PSCFC/PCFC Rupee Loans - PSC	1,088.48 <u>556.00</u> 1,644.48	- <u>-</u> -
<b>Secured</b> <b>From Banks - Others</b> Rupee Loan - Car Loan	38.91 38.91	- -
<b>Unsecured</b> <b>( I ) Loans &amp; Advances</b> From Directors From Others <b>( II ) From Banks</b>	  420.80 3.26  	  - 82.42  
<b>TOTAL</b>	<b>2,107.45</b>	<b>82.42</b>
<b>NOTE No. 5 : TRADE PAYABLES</b>		
<b>5 TRADE PAYABLES</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Micro, Small & Medium Enterprises Others	- 11,940.79	- 10,724.07
<b>TOTAL</b>	<b>11,940.79</b>	<b>10,724.07</b>
5.1 The details of amounts outstadning to Micrp, Small and Medium Enterprises based on available information with the Company is as under.		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
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.	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

<b>NOTE No. 6 : OTHER CURRENT LIABILITIES</b>		
<b>6 TRADE PAYABLES</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Interest Payable	0.70	-
Advances against Order	-	-
Recv/Payable For Forward Contract (Import)	-	-
Deffered Premium (Export)	19.63	106.32
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	-
Other Payables	210.58	1.79
<b>TOTAL</b>	<b>252.30</b>	<b>123.88</b>
<b>NOTE No. 7 : SHORT TERM PROVISIONS</b>		
<b>7 SHORT TERM PROVISIONS</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Proposed Dividend	70.20	70.20
Tax on Dividend	11.39	11.39
Other Provisions	56.90	7.46
<b>TOTAL</b>	<b>138.49</b>	<b>89.05</b>

**NOTE No. 8 : FIXED ASSETS****8** FIXED ASSETS**LYPSA GEMS & JEWELLERY LIMITED.****FIXED ASSETS SCHEDULE AS ON 31ST MARCH 2013****(RUPEES IN LACS)**

SR. NO.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01/04/2012	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31/03/2013	AS ON 01/04/2012	ADJUSTMENT FOR THE YEAR	DEPRECIATION FOR THE YEAR	UPTO 31/03/2013	AS ON 31/03/2013	AS ON 31/03/2012
	<b>TANGIBLE ASSETS :</b>										
	OWN ASSETS:										
<b>1</b>	Air Conditions	0.85	2.90	-	3.75	0.48	-	0.08	0.56	<b>3.19</b>	<b>0.37</b>
<b>2</b>	Aquaguard	0.07	-	-	0.07	0.04	-	0.00	0.04	<b>0.03</b>	<b>0.03</b>
<b>3</b>	Furniture & Fixture	19.48	8.73	-	28.20	14.22	-	1.34	15.56	<b>12.64</b>	<b>5.25</b>
<b>4</b>	Motor Car	13.00	54.91	-	67.91	8.65	-	2.85	11.50	<b>56.41</b>	<b>4.35</b>
<b>5</b>	Office Equipments	0.81	3.19	-	4.00	0.14	-	0.08	0.22	<b>3.78</b>	<b>0.66</b>
<b>6</b>	Water coolers	0.16	0.61	-	0.77	0.09	-	0.02	0.11	<b>0.66</b>	<b>0.07</b>
<b>7</b>	Computers	1.70	3.02	-	4.72	0.52	-	0.57	1.09	<b>3.63</b>	<b>1.17</b>
<b>8</b>	Safe	0.90	1.94	-	2.85	0.06	-	0.09	0.15	<b>2.70</b>	<b>0.84</b>
<b>9</b>	Machinaries	-	92.97	-	92.97	-	-	1.11	1.11	<b>91.86</b>	-
	SUB-TOTAL RUPEES	36.96	168.27	-	205.22	24.20	-	6.14	30.34	174.89	12.76
	LEASE ASSETS :	-	-	-	-	-	-	-	-	-	-
	TOTAL - A	36.96	168.27	-	205.22	24.20	-	6.14	30.34	174.89	12.76
	INTANGIBLE ASSETS :	-	-	-	-	-	-	-	-	-	-
	TOTAL - B	-	-	-	-	-	-	-	-	-	-
	TOTAL A + B	36.96	168.27	-	205.22	24.20	-	6.14	30.34	174.89	12.76
	PREVIOUS YEAR	(36.88)	(0.07)	-	(36.96)	(21.32)	-	(2.88)	(24.20)	(12.76)	(15.57)
	CAPITAL WORK IN PROGRESS									-	-
	INTANGIBLE ASSETS UNDER DEVELOPMENT									-	-

NOTE No. 9 : NON CURRENT INVESTMENTS				
9 NON CURRENT INVESTMENTS				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
TRADE INVESTMENTS				-
TOTAL OF TRADE INVESTMENTS (A)				-
OTHER INVESTMENTS				
In Equity Shares of Comapanies - Quoted, Fully paidup				
	Purchase cost	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
5,90,300 (90,300) Shares of Kingfisher Airlines	99.12	47.11		14.94
NIL (56237) Shares of JIK Industries		-	47.11	2.62
				17.56
In Mutual Funds of Comapanies - Quoted, Fully paidup				
97799.511 Units of Reliance Infrastucture Fund	10.00		5.61	7.32
Investments in Commodities				
Goldcoins			0.84	0.84
TOTAL OF OTHER INVESTMENTS (B)		53.56		25.72
TOTAL NON - CURRENT INVESTMENTS (A+B)		53.56		25.72
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 2013		AS AT 31st MARCH 2012
Advance Income Tax & TDS (Net of Provisions)		24.62		55.08
Vat Refundable		9.63		9.63
Deposites		56.33		2.42
Loans & Advances		2.04		-
Capital Advances		9.00		-
TOTAL		101.61		67.14
NOTE No. 11 : CURRENT INVESTMENTS				
11 CURRENT INVESTMENTS				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
Fixed Capital with Partnership Firm M/s. LYPSA GEMS		0.45		0.45
Current Capital with Partnership Firm M/s. LYPSA GEMS		-		149.39
Investment with 100% Subsidiary LYPSA GEMS & JEWELLERY DMCC		-		-
		-		-
TOTAL		0.45		149.84
NOTE No. 12 : INVENTORIES				
12 INVENTORIES				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
Raw Materials		1,894.84		611.51
Stock In Process		-		-
Finished Goods		335.58		1,656.20
TOTAL		2,230.42		2,267.71

<b>NOTE No. 13 : TRADE RECEIVABLES</b>		
<b>13 TRADE RECEIVABLES</b>		
<b>(Unsecured &amp; considered Good)</b>	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
More than Six Months	14.42	16.42
Others	13,612.95	10,189.28
<b>TOTAL</b>	<b>13,627.37</b>	<b>10,205.69</b>
<b>NOTE No. 14 : CASH &amp; CASH EQUIVALENTS</b>		
<b>14 CASH &amp; CASH EQUIVALENTS</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Balance with Banks	64.41	33.53
Cash In Hand	10.69	6.98
Fixed Deposites with Banks (Maturity of Less than 12 Months)	793.79	499.97
<b>TOTAL</b>	<b>868.90</b>	<b>540.49</b>
<b>NOTE No. 15 : SHORT TERM LOANS &amp; ADVANCES</b>		
<b>15 SHORT TERM LOANS &amp; ADVANCES</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Prepaid Expenses	19.66	3.20
Deffered Premium	-	-
Receivables on Forward Contracts/Interest Subvention	51.78	116.59
<b>TOTAL</b>	<b>71.44</b>	<b>119.78</b>
<b>NOTE No. 16 : OTHER CURRENT ASSETS</b>		
<b>16 OTHER CURRENT ASSETS</b>		
	<b>AS AT 31st MARCH 2013</b>	<b>AS AT 31st MARCH 2012</b>
Deffered Revenue Expenditures	2.41	4.82
<b>TOTAL</b>	<b>2.41</b>	<b>4.82</b>



NOTE No. 17 : REVENUE FROM OPERATION				
17 REVENUE FROM OPERATION				
	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
Sales of Products	32,840.55		25,946.70	
Income From Services	-		-	
Share of Profit From Partnership Firm (M/s LYPSA GEMS)	5.33		36.83	
TOTAL	32,845.88		25,983.53	
17.1 PARTICULARS OF SALES OF PRODUCTS				
	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
PARTICULARS				
Rough & Cut and Polished Diamonds	32,840.55		25,946.70	
TOTAL	32,840.55		25,946.70	
NOTE No. 18 : OTHER INCOME				
18 OTHER INCOME				
	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
INTEREST				
From Current Investments	55.48		1,101.65	
DIVIDEND				
From Long Term Investment	0.00		0.00	
Net Gain on Sale of Investments				
From Current Investments	(0.27)		-	
OTHER NON-OPERATING INCOME	(239.07)		(260.41)	
TOTAL	(183.85)		841.24	
NOTE No. 19 : COST OF MATERIALS CONSUMED				
19 COST OF MATERIALS CONSUMED				
	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
	RUPEES	% OF CONSUMPTION	RUPEES	% OF CONSUMPTION
IMPORTED	17,450.21	85.00	6,380.76	100.00
LOCAL	3,183.42	15.00	-	-
TOTAL	20,633.63	100.00	6,380.76	100.00
19.1 PARTICULARS OF MATERIAL CONSUMED				
			AS AT 31st MARCH 2012	
Rough Diamonds	20,633.63	100.00	6,380.76	-
NOTE No. 20 : CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS & STOCK IN TRADE.				
20				
	AS AT 31st MARCH 2013		AS AT 31st MARCH 2012	
Inventories (At Close)				
Finished Goods	(335.58)		(1,656.20)	
Inventories (At Commencement)				
Finished Goods	1,656.20		669.88	
TOTAL	1,320.62		(986.32)	

NOTE No. 21 : EMPLOYEES BENEFIT EXPENSES				
21 EMPLOYEES BENEFIT EXPENSES				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
Salary		141.91		16.07
Directors Remuneration		52.50		24.00
<b>TOTAL</b>		<b>194.41</b>		<b>40.07</b>
NOTE No. 22 : FINANCE COST				
22 FINANCE COST				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
Interest Expenses		192.88		500.55
Forward Premium		-		364.22
<b>TOTAL</b>		<b>192.88</b>		<b>864.77</b>
NOTE No. 23 : DEPRICIATION & AMORTIZATION EXPENSES				
23 DEPRICIATION & AMORTIZATION EXPENSES				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
Depriciation & Amortization		8.54		5.29
<b>TOTAL</b>		<b>8.54</b>		<b>5.29</b>
NOTE No. 24 : OTHER EXPENSES				
24 OTHER EXPENSES				
		AS AT 31st MARCH 2013		AS AT 31st MARCH 2012
<b>Manufacturing Expenses</b>				
Clearing & Forwarding Expenses	7.65		7.45	-
Labour Charges	916.20		164.94	-
Re-Assortment Charges	26.99		10.71	
Consumables/Diamond Tools	18.10			
Repaires & Maintaiance (MFG)	0.91	969.85	-	183.09
<b>Selling &amp; Distribution Expenses</b>				
Clearing & Forwarding Expenses	10.51		7.30	-
Business Pramotion	-		0.43	-
Commission & Brokrage	50.36	60.87	43.11	50.83
<b>Establishment Expenses</b>				
Professional Fees	20.56		12.05	
General Expenses	21.59		4.19	
Rent	9.68		6.35	
Insurance	8.55		2.98	
Rates & taxes	-		-	
Travelling Expenses	7.74		4.24	
Payment to Auditors	0.28		0.28	
Charity & Donation	0.67		1.31	
Electricity Charges	10.16	79.23	0.76	32.15
<b>TOTAL</b>	<b>1,109.95</b>	<b>1,109.95</b>	<b>266.08</b>	<b>266.08</b>

**LYPSA GEMS & JEWELLERY LIMITED****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013**

	<b>31-Mar-2013</b>		<b>31-Mar-2012</b>	
<b>A Cash flow from operating activities</b>				
Net profit before Tax		550.67		296.28
Adjustments for:				
Depreciation	6.14		2.88	
Preliminary Expenses w/off	2.41		2.41	
Long Term Capital Loss/ (Gain)	0.27		-	
Interest Received	(55.48)		(1,101.65)	
Dividend Received	(0.00)		(0.00)	
		(46.67)		(1,096.36)
<b>Operating profit before working capital changes</b>		504.00		(800.08)
Decrease/(Increase) in Current Assets	(3,221.12)		(7,627.18)	
Increase in Outstanding Liabilities	2,998.27		5,548.25	
Increase / (Decrease) in other liabilities		(222.85)		(2,078.93)
<b>Cash generated from operations</b>		281.15		(2,879.01)
Income Tax Paid		(125.62)		(110.80)
<b>Net cash from operating activities</b>		155.53		(2,989.80)
<b>B Cash flow from investing activities:</b>				
Interest Received	55.48		1,101.65	
Investment in Subsidiary/Capital Reserve	0.11		-	
Dividend Received	0.00		0.00	
Sale/(Purchase) of Investment	(52.83)		(0.61)	
Increase in fixed Assets	(168.27)		(0.07)	
<b>Net cash used in investing activities</b>		(165.50)		1,100.96
<b>C Cash flow from financing activities</b>				
Capital raised during the year	-		-	
Increase/(decrease ) in Secured Loan Taken			-	
Increase/(decrease ) in Loans	338.38		-	
<b>Net cash from financing activities</b>		338.38		-
<b>Net Increase/(Decrease ) in cash and cash equivalents</b>		328.40		(1,888.84)
Cash and cash equivalents (opening balance)	540.49		2,429.33	
Cash and cash equivalents (closing balance)	868.90		540.49	
		<b>328.40</b>		<b>(1,888.84)</b>

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

**FOR LYPSA GEMS & JEWELLERY LIMITED**

s/d

s/d

s/d

**SHASHANK DOSHI**  
**PARTNER**  
**FRN : 112187W**  
**PLACE: MUMBAI**  
**DATE: 30/05/2013**

**MANISH JANANI**  
**MANAGING DIRECTOR**

**DIPAN PATWA**  
**CHAIRMAN**

**DATE: 30/05/2013**

## **LYPsa GEMS & JEWELLERY LIMITED**

### **SCHEDULE '25' OF NOTES ON ACCOUNTS ANNEXED TO & FORMING PART OF CONSOLIDATED BALANCE SHEET AS ON 31/03/2013**

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Basis of preparation of financial statements**

The Consolidated Financial Statements relate to **LYPsa GEMS & JEWELLERY LIMITED** and its 100% Subsidiary **LYPsa GEMS & JEWELLERY DMCC** (together referred to as the **LYPsa GROUP**) are prepared in accordance with Indian Generally Accepted Accounting Principles (**GAAP**) as a going concern, under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and the provisions of Section 211(3C) of the Companies Act, 1956. Accounting policies have been consistently applied from one period to the other except otherwise stated.

##### **b) Principles of Consolidation**

- i - The Consolidated Financial Statements includes the Financial Statements of LYPsa GEMS & JEWELLERY LIMITED (the Company) and its wholly owned subsidiary LYPsa GEMS & JEWELLERY DMCC (together referred to as the **LYPsa GROUP**) which is accounted on the basis of proportionate line by line consolidation. All the material inter-company accounts and transactions are eliminated on consolidation.
- ii - The managements has classified its foreign operation as non-integral. In translating Financial Statements of non-integral foreign operations for incorporation in Financial Statements, components of Financial Statements of Foreign Subsidiary is translated in to Indian Rupees in accordance with the Accounting Standard (AS) 21 and AS 11 as notified by the companies (Accounting Standards) Rules, 2006. Briefly Stated;
  - a- All income and expenses are translated at the rate prevailing at the date of the financial statements.
  - b- Assets and Liabilities are translated at the rate prevailing at the date of the financial statements. Depreciation is accounted at the same rate at which assets are converted.
- iii - The difference between the cost of investment and net worth at the time of acquisition in the subsidiary is recognised in the financial statements as goodwill or capital reserve, as the case may be.

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

##### **c) Use of Estimates**

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as

at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, income taxes and the useful lives of fixed assets and intangible assets.

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

**d) Revenue recognition**

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

**e) Employee benefits**

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

**f) Taxation**

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

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

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

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

**g) Provisions and contingencies**

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

**h) Fixed Assets:**

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

**i) Depreciation:**

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

**j) Investments:**

Long Term and noncurrent investments are valued at Cost. Other investments are valued at lower of cost or fair market value as on the date of Balance Sheet. The group provides for diminution in value of investments, other than temporary in nature. During the year company has provided for diminution in value of investments of Rs. 24,72,461/- (P.Y Rs.24,72,927/-) and the same is reduced from the value of investments as carried on in Balance Sheet.

Current Investments includes Fixed capital with partnership firm M/s Lypsa Gems of Rs. 45,000/-

**k) Secured Loans:**

The company has availed the secured loans amounting to Rs. 1644.48 Lacs (P.Y Rs. 1722.84 Lacs against pledge of fixed deposits receipts) which includes Foreign Currency Loans and Rupee Loans against hypothecation of stocks and receivables

**l) Cash and Bank Balances:**

**Fixed Deposits Receipts:**

The company has total fixed deposits of Rs. 793.79 Lacs with Bank of India (P.Y. Rs. 2060.17 Lacs with various Banks).

**Current Assets, Loans & Advances and Current Liabilities:**

The Deferred premium on export of Rs. 19.63 Lacs (P.Y. 106.32 Lacs) is reflected in Balance Sheet under other current liabilities.

The company has reflected Receivable on forward contract against Exports of Rs. 51.78 Lacs (P.Y. Rs. 116.59 Lacs) in Balance Sheet under short term loans & advances.

**m) Revenue Recognition:**

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

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

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

- (d) Interest income is recognized on time proportion method.
- (e) Amounts received or billed in advance of goods sold are recorded as advances from customers.
- (f) Revenue from operations include share of profit from partnership firm M/s Lypsa Gems of Rs. 5.33 Lacs (P Y 36.83 Lacs)

## **2. Preliminary Expenses:**

Preliminary Expenses are amortized over a period of five years.

## **3. Foreign Currency Transactions:**

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

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

## **4. Taxation:**

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

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

## **5. Employee Benefits:**

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

## **6. Lease Accounting:**

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

## **7. Treatment of contingent Liability:**

The company recognizes a provision where there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can

be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources is remote. As the company does not have any contingent liability, no disclosure as specified in Accounting Standard 29 – “Provisions, Contingent Liabilities and Contingent Assets” is made.

#### **8. Disclosure of Related Parties:**

“Related party Disclosures” as required by Accounting Standard 18 is enumerated below:

Transactions with Group Companies: NIL

Transactions with Key Management Personnel and Related Entities:

#### **Expenses:**

Manish Janani	Interest on Loan	93,493.00	11,803.00
Dipan Patwa	Interest on Loan	59,82,371.00	2,57,050.00
Manish Janani	Director Remuneration	24,00,000.00	12,00,000.00
Dipan Patwa	Director Remuneration	24,00,000.00	12,00,000.00
Jeeyan Patwa	Director Remuneration	4,50,000.00	NIL
Lypsa Diamond	Reimbursement of Expenses	8,20,943.00	NIL
Nishith Parekh (Manager of Subsidiary Company)	Management Remuneration	1,46,556.00	NIL

#### **Income:**

Lypsa Gems (Partnership Firm)	Share of Profit of Firm	5,32,916.00	36,82,528.00
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The computation of Net Profit for the purpose of calculation of director’s remuneration under Section 349 of the Companies Act 1956 is not enumerated, since no commission has been paid to the Directors.

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

Name of the company	Country of Incorporation	Percentage of Ownership interest as at 31/03/2013	Percentage of Ownership interest as at 31/03/2012	Relationship
LYPSA GEMS & JEWELRY DMCC	U.A.E.	100%	NIL	SUBSIDIARY

#### **10. Segment Reporting:**

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

#### **11. Inventories:**

Raw materials are valued at cost or net realizable value whichever is lower. Cost is computed using weighted average method. Work in progress is computed by adding cost of purchase, appropriate share of conversion and other overheads incurred in



bringing the inventories to its present location and condition. Finished Goods are valued at weighted average cost (Previous year Finished goods were valued at FIFO basis). During the year, due to change in method of valuation of closing stock, the profits are under stated by Rs.16,97,592/- Finished goods includes cost of purchase, cost of conversion and other overheads incurred in bringing the inventories to its present location and condition.

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

## **12. Stock and Turnover:**

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

Quantitative details of materials:

<b><u>Rough Diamonds</u></b>	<b><u>Current Year (Carats)</u></b>	<b><u>Previous Year (Carats)</u></b>
Opening Stock	4781.50	NIL
Purchases	383788.17	98645.32
Issued for manufacturing	322261.06	79903.23
Loss	609.95	NIL
Sales	35249.58	13960.59
Closing Stock	30449.08	4781.50

<b><u>Polished Diamonds</u></b>	<b><u>Current Year(Carats)</u></b>	<b><u>Previous Year(Carats)</u></b>
Opening Stock	5101.58	3051.14
Purchases	49454.80	99977.57
Manufacturing	91801.44	20958.42
Loss	17.06	NIL
Sales	145214.24	118885.55
Closing Stock	1121.52	5101.58

<b><u>Gold</u></b>	<b><u>Current Year (Grams)</u></b>	<b><u>Previous Year (Grams)</u></b>
Opening Stock	NIL	NIL
Purchases	300.00	NIL
Sales	NIL	NIL
Closing Stock	300.00	NIL

The current year quantitative details include quantity of subsidiary company.

## **13. Deferred Taxation:**

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

<b>Liabilities</b>	<b>As on 31.03.2013</b>	<b>As on 31.03.2012</b>
Depreciation	-5316152.00	-88215.00
Net Deferred Tax Liability	-1724826.00	-68738.00

## **14. Payment to Auditors:**

	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
For Audit Fees	25000	25000

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

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

<b>Nature of Transaction</b>	<b>Current Year (US \$)</b>	<b>Previous Year (US \$)</b>
Export Sales	49324346.15	39544499.85
Import Purchase	47595202.31	35500026.97
CIF value of imports	43185707.02	52341750.04
Foreign Travelling expense	5000.00	3290.00

**16. Share Capital:**

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

**17. Earnings per Share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including post tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). The earnings per share as computed as per Accounting Standard 20 are as:

<b><u>Earnings Per Share</u></b>	<b><u>31.03.2013</u></b>	<b><u>31.03.2012</u></b>
Profit before tax (Rs.)	5,50,67,477	29,628,054
Average number of shares (Nos)	1,40,40,000	1,40,40,000
Nominal value of shares (Rs.)	10.00	10.00
Basic Earnings Per share (Rs.)	3.92	2.11
Diluted earnings Per share (Rs.)	3.92	1.06

**18. Cash Flow Statement:**

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

**19. Partnership Firm operations:**

The accounts of the company reflects its Investments and Income & Expenditure in Partnership firm which are accounted on the basis of the audited accounts of the firm M/s Lypsa Gems on line-by-line basis with similar items in the company's accounts to the extent of the participating interest of the company as per partnership deed.

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

Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
	<b>No. of Shares</b>	<b>No. of Shares</b>
Equity shares at the beginning of the year	1,40,40,000	70,20,000
Add : Bonus shares issued by Capitalization of Securities Premium Account	1,40,40,000	70,20,000
Add : Shares issued at Premium	NIL	NIL
Equity shares at the end of the year	1,40,40,000	1,40,40,000

Particulars	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
	<b>Amount of Equity Capital (Rs.)</b>	<b>Amount of Equity Capital (Rs.)</b>
Amount for Equity share capital at the beginning of the year	14,04,00,000	7,02,00,000
Add : Amount for Bonus shares issued by Capitalization of Securities Premium Account	14,04,00,000	7,02,00,000
Add : Amount for shares issued at Premium	NIL	NIL
Amount for Equity share capital at the end of the year	14,04,00,000	14,04,00,000

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

Name of Shareholder	As at March 31 <sup>st</sup> , 2013		As at March 31 <sup>st</sup> , 2012	
	<b>No. of Shares</b>	<b>% of Holding</b>	<b>No. of Shares</b>	<b>% of Holding</b>
Manish Jaysukhlal Janani	25,22,500	17.97	25,22,500	17.97
Dipen Babubhai Patwa	25,17,500	17.93	25,17,500	17.93

**22. Short term Borrowings:**

Loans and advances from related parties:

Particulars	Current Year	Previous Year
Unsecured Loans from Directors	424.06	82.42

**23. Investments:**

Investment in Partnership Firm:

Name of Firm	As at March 31 <sup>st</sup> , 2013	As at March 31 <sup>st</sup> , 2012
M/s Lypsa Gems		
Fixed Capital	Rs. 45,000/-	Rs. 45,000/-
Current Capital	NIL	Rs. 1,49,39,352/-

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

<b>Particulars</b>	<b>As at March 31<sup>st</sup>, 2013</b>	<b>As at March 31<sup>st</sup>, 2012</b>
Security Deposits – Considered Good	Rs. 50,62,257/-	Rs. 62,257/-
<b>Prepaid Expenses</b>		
Insurance Premium	Rs.6,27,800/-	Rs. 1,02,018/-
Prepaid Stamp Duty(Import)	NIL	Rs. 2,09,216/-
Domain Registration charges	Rs. 3,580/-	Rs. 8,310/-
Membership Fees	Rs.10,901/-	NIL

## **25. Cash & Cash Equivalents:**

<b>Particulars</b>	<b>As on March 31<sup>st</sup>, 2013</b>	<b>As on March 31<sup>st</sup>, 2012</b>
Balance in Current Accounts	Rs. 43,02,530.00	Rs. 17,45,572.31
Balance in Unclaimed Dividend A/c	Rs. 21,38,755.00	Rs. 15,77,060/-

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

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

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

**29.** The information required under Section 217 (2A) (b) (ii) of the Companies Act, 1956 read with Companies Employees Amendment Rules, 2011 is not given as there was no employee in receipt of salary exceeding the limit specified in the section.

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

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

**32.** There are certain uncollected dues/receivables in foreign currency which are outstanding for a period of more than six months as on Balance sheet date for which the required permission for extension of time has not been obtained from appropriate authorities. The amount of foreign currency receivables outstanding for more than six months is Rs. 14, 41,745/- (P Y Rs. 16, 41,745/-).

**33.** During the year, company has made an investment of USD \$ 14000 in its 100% subsidiary company M/s Lypsa Gems & Jewellery DMCC by subscribing to 50 shares of 1000 AED each. The Net profit earned from partnership firm M/s Lypsa Gems of Rs. 5,32,916/- is credited to share of profit in companies current capital account.

**34.** The company has outstanding unclaimed dividend of Rs. 7,49,900/- for the year 2009-10, Rs. 8, 27,000/- for the year 2010-11 and Rs. 5, 61,855/- for the year 2011-12.

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

Signature to Schedule 1 to 24

As per our report of even date

**For M/s. Doshi Maru & Associates**

**Chartered Accountants**

s/d

**(Shashank Doshi)**

**Partner**

**FRN: 112187W**

**Place: Mumbai**

**Dated: 30<sup>th</sup> May, 2013**

**LYPSA GEMS & JEWELLERY LIMITED**

Statement regarding subsidiary company pursuant to Section 212 of the Companies Act, 1956.

(Rupees In Lacs)

	<b>LYPSA GEMS &amp; JEWELLERY DMCC (*)</b>
(A) The "Accounting Period" of the Subsidiary Company	March 31, 2013
(B) Shares of Subsidiary held by held on the above date and extent of holding	
(a) Number and Face Value	50 Shares of 1000 AED Each Fully Paid
(b) Extent of Holding	100%
(C) The net aggregate of profit/(Losses) of the Subsidiary Company so far as it concern the members of the LYPSA GEMS & JEWELLERY LIMITED	
(a) Not delt with in the accounts of LYPSA GEMS & JEWELLERY LIMITED for the period ended March 31, 2013	
(i) For the Subsidiary Financial period ended as in (A) above	NIL
(ii) For the Previous Financial period of the Subsidiary since they became the Holding Company's Subsidiary	NIL
(b) Delt with in the accounts of LYPSA GEMS & JEWELRLRY LIMITED for the period ended March 31, 2013 amounted to	
(i) For the Subsidiary Financial period ended as in (A) above	124.70
(ii) For the Previous Financial period of the Subsidiary since they became the Holding Company's Subsidiary	NIL

(\*) LYPSA GEMS &amp; JEWELRLRY DMCC became subsidiary of the Company on November 27, 2012

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

s/d  
**SHASHANK DOSHI (PARTNER)**  
 FRN : 112187W  
 PLACE: MUMBAI  
 DATE: 30th May, 2013

**FOR LYPSA GEMS & JEWELLERY LIMITED**

s/d  
**MANISH JANANI**  
 MANAGING DIRECTOR

s/d  
**DIPAN PATWA**  
 CHAIRMAN

**LYPSA GEMS & JEWELLERY LTD**  
**ANNUAL REPORT 2012-13**



**Reg. Add: 2<sup>nd</sup> Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road,  
Navsari, Gujarat - 396445**

**ATTENDANCE SLIP**  
**ANNUAL GENERAL MEETING - 27<sup>th</sup> September, 2013 AT 11.30 A.M.**

<b>DP Id.</b>		<b>Client Id. / Ben. A/c.</b>	
<b>Folio No.</b>		<b>No. of Shares</b>	

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

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on Friday, the 27<sup>th</sup> September, 2013 at 11.30 A.M at 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Gujarat - 396445

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

Signature

-

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**LYPSA GEMS & JEWELLERY LIMITED**

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

**PROXY FORM**  
**ANNUAL GENERAL MEETING - 27<sup>th</sup> September, 2013 AT 11.30 A.M.**

<b>DP Id.</b>		<b>Client Id. / Ben. A/c.</b>	
<b>Folio No.</b>		<b>No. of Shares</b>	

I/We \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ being a shareholder(s) of the Company, hereby appoint \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to attend and to vote for me/us on my/our behalf at the 18<sup>TH</sup> Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> September, 2013 at 11.30 a.m. at 2<sup>nd</sup> Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari, Gujarat - 396445.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

Name & Signature of the Proxy \_\_\_\_\_

**Affix  
Rs. 1 /-  
Revenue  
Stamp**

**Notes:**

1. This form in order to be effective should be duly stamped, completed and signed and must be deposited at the the Registered Office of the Company not less than 48 HOURS before the commencement of the meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.



If Undelivered, please return to:-

**LYPSA GEMS & JEWELLERY LTD**

2<sup>nd</sup> Floor, Diamond Park Building,

Opp. Ambika Nagar Society,

Dargah Road, Navsari - 396445

Gujarat.