

Seventeenth Annual Report

of

*Lypsa Gems &
Jewellery Limited.*

for the year

2011-2012



Board of Directors

Mr. Dipankumar Babulal Patwa	Chairman
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
Mrs. Neelam Maheshwari	Company Secretary

Auditors

M/s Doshi Maru & Associates, Chartered Accountants, Mumbai.

Registered Office

306, Mahavir Chambers, Taratia Hanuman Gally, MahidharPura, Surat, Gujarat-395 003.

Corporate office

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

Bankers

Oriental Bank of Commerce.
Indusind Bank Ltd.

Communication

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

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NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Members of LYPSA GEMS & JEWELLERY LTD will be held at 306, Mahavir Chambers, Taratia Hanuman Gally, Hathfaliyu, Mahidhar Pura, Surat – 395003, Gujarat on 29th September, 2012 at 11.30 A.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as at 31st March 2012 and profit & loss account of the company for the year ended 31st March 2012 and the Report of the Directors' and Auditors.
2. To declare Dividend For the year ended 31st March 2012.
3. To appoint Director in place of Mr. Jeeyan Dipankumar Patwa who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Director in place of Mr. Ravindra Chandulal Sanghavi who retires by rotation and being eligible offers himself for reappointment.
5. 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.

SPECIAL BUSINESS:

6. To consider and if thought fit to pass with or without modifications the following resolution as ordinary resolution:

Shifting of Registered office of the Company from Surat to Navsari.

“RESOLVED THAT the registered office of the Company be shifted from 306, Mahavir Chambers, Taratia Hanuman Galli, Mahidharpura, Surat To 2nd Floor, Diamond Park Building, Opp. Ambika Nagar Society, Dargah Road, Navsari – 396445 effective from dated 29/09/2012”

“RESOLVED FURTHER THAT, Mr. Manish Jaysukhlal Janani, Managing Director of the Company be and is hereby authorized to file the necessary return with the Registrar of Companies, form no 18 pursuant to provisions of Section 146(2) of the Companies, 1956.”

“RESOLVED FURTHER THAT that change in the place of registered office be made in the name plates or board affixed at the registered office as also in the letter heads, official publications, documents etc. pursuant to the provisions contained in Section 147 of the Companies Act, 1956.”

7. To consider and if thought fit to pass with or without modifications the following resolution as ordinary resolution:

Approval of Managerial Remuneration Given To Director:

“RESOLVED THAT in accordance with the provisions of Sections 192, 198, 309, Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), the Company hereby approves increase in remuneration of Mr. Jeeyan Patwa as Director of the Company as set out in the explanatory statement and duly initialled by the Chairman for the purpose of identification is hereby specifically approved with liberty to the Board of Directors of the Company (“the Board”) to alter and vary the terms and conditions of the in such manner as may be agreed to between the Board and Mr. Jeeyan Patwa and in accordance with the applicable provisions of the Act and any amendment thereto or re-enactment thereof.”

“RESOLVED FURTHER THAT subject to the approval of shareholders of the company, if necessary, in the event of any absence or inadequacy of net profit in any financial year, the aforesaid remuneration shall be paid as minimum remuneration”

“RESOLVED FURTHER THAT Mr. Manish Janani, Managing Director of the company be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution.”

8. To consider and if thought fit to pass with or without modifications the following resolution as ordinary resolution:

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

“RESOLVED THAT pursuant to RBI Master Circular No. 15/2011-12 dated July 1, 2011 for foreign investment in India and Circular No. 5 (19) /2011 – FC- I dated 30th September, 2011 under consolidated Foreign Direct Investment Scheme Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India

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as updated from time to time and subject to the approval of the appropriate regulatory bodies, consent of the members of the company be and is hereby granted for allowing holding limits of NRI from the existing permissible ceiling limit of 5% to 24% of the total paid-up capital of the company”

“RESOLVED FURTHER THAT Mr. Manish Janani, Director and Compliance officer of the Company, be and is hereby authorised to take necessary steps for the implementation of the aforesaid resolution”

For Lypsa Gems & Jewellery Limited.

Date: 31/07/2012

Place: Surat

S/d	S/d	S/d
(Dipan Patwa)	(Manish Janani)	(Jeeyan Patwa)
Chairman	Managing Director	Executive 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 Thursday 19th September, 2012 to Saturday, 28th September, 2012 (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: 31/07/2012

Place: Surat

S/d	S/d	S/d
(Dipan Patwa)	(Manish Janani)	(Jeeyan Patwa)
Chairman	Managing Director	Executive 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. 3

Name	:	Mr. Jeeyan Dipankumar Patwa
Date of birth	:	14/08/1989
Qualification	:	BSC Management MSC International Management, LSE.
Expertise	:	Planning & Management
Director of the Company since	:	23/06/2009
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	Nil

ITEM NO. 4

Name	:	Mr. Ravindra Chandulal Sanghavi
Date of birth	:	03/07/1960
Qualification	:	B.Com
Expertise	:	Manufacturing
Director of the Company since	:	23/06/2009
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	Nil

ITEM NO. 7

The Board of Directors appointed Mr. Jeeyan Patwa as Director of the Company as on 23rd June, 2009.

The material terms and conditions of the appointment between the Company and Mr. Jeeyan Patwa are as follows:

(A) General Information:

1. Nature of Industry: Other Apparels & Accessories
2. Financial performance :

	As on 31/03/2012	As on 31/03/2011
	(Rs. In Lacs)	(Rs. In Lacs)
Total Income :	26,824.77	35,765.57
Net Profit After Tax :	209.88	194.72
Earning Per Share :	2.11	2.77
3. Export performance and net foreign exchange collaborations:
Not Applicable
4. Foreign investments of collaborations, if any:
Not Applicable

(B) Information about the appointee:

1. Background details:

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

2. Past remuneration:

	As on 31/03/2011	As on 31/03/2010
	(In Rs.)	(In Rs.)
Mr. Jeeyan Patwa	Nil	Nil

3. Job profile and his suitability:
Mr. Jeeyan Patwa is Director of the Company having experience of 4 years in the field of Gems and Jewellery industry.
4. Remuneration proposed: Maximum Rs. 50,000/- per month.
5. Pecuniary Relationship with the Company: Nil

(C) Other information:

1. Reasons of loss or inadequate profits:
 - (i) Increasing prices of rough gemstones.

- (ii) Volatility in gold and silver prices.
- 2. Steps taken or proposed to be taken for improvement:
 - (i) Modernization of Technology
 - (ii) Sales Promotion
- 3. Expected increase in productivity and profits in measurable terms:
 - (i) Expected increase in Sales
 - (ii) Expected Increase in Net Profit

(D) Disclosures:

Remuneration Package of Mr. Jeeyan patwa

[I] Salary: Rs. 50,000/- per month with authority to the Board of Directors of the Company to grant such increments as it may determine from time to time.

[II] Perquisites:

Category: A

[1] The expenditure incurred by the Company at his residence on gas, electricity, water and furnishing shall be valued as per the Income tax Rules, 1962.

[2] Medical Reimbursement: Actual Expenses incurred for the Self and his family members.

[3] Leave Travel Concession: For Self and his family, once a year, incurred in accordance with any rules framed by the Company.

[4] Club Fees: Fees of Clubs, subject to a maximum of two clubs. This will not include admission and membership fees.

[5] Personal Accident Insurance: Premium on Personal accident policy.

For the purpose of Category 'A' family means the spouse, the dependent children and dependent parents of the appointee.

Category: B

[1] Contribution to Provident Fund will not be included in the computation of the ceiling of perquisites to the extent that these whether singly or put together are not taxable under the Income tax Act.

[2] Gratuity payable shall be calculated as per the provisions of the Payment of Gratuity Act, 1972.

[3] Encashment of unavailed leave as per the rules of the company at the end of tenure will not be included in the computation of the ceiling on perquisites.

Category: C

Use of Company's car for official use for Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company. If he appoints Driver/chauffeur for driving his car then the Driver's salary paid by him will be reimbursed to him on production of Stamped receipt/voucher from the driver.

ITEM NO. 8

The Board of Directors of the Company has been receiving many inquiries from Non Resident Indians (NRI's) showing their willingness to invest in the upcoming projects of the company.

Looking at the funding requirements and financial circumstances of the industry, the Board of Directors have passed resolution allowing holding limit of NRI's from the existing permissible ceiling limit of 5% to 24% of the total paid-up capital of the Company, subject to the approval of the general body pursuant to RBI Master Circular No. 15/2011-12 dated July 1, 2011 for foreign investment in India and Circular No. 5 (19) /2011 – FC- I dated 30th September, 2011 under consolidated Foreign Direct Investment Scheme Policy and Promotion issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India as updated from time to time.

None of the Director of the Company is interested in the aforesaid resolution in any way.

For Lypsa Gems & Jewellery Limited.

Date: 31/07/2012

Place: Surat

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

DIRECTORS' REPORT

To,
The Members,
Lypsa Gems & Jewellery Limited.
(Formerly known as Maloo Gems & Jewellery Limited)

The Directors' present the Annual report on the business and operations of your Company for the year 2011-2012.

FINANCIAL RESULTS AND OPERATIONAL REVIEW:

Particulars	Year Ended 31.03.2012 (Rs. In Lacs)	Year Ended 31.03.2011 (Rs. In Lacs)
Gross Sales/Income	26824.77	35765.57
Less Depreciation	5.29	5.11
Profit/(Loss) before Tax	296.28	291.63
Taxes/Deferred Taxes	86.40	96.91
Profit/(Loss) After Taxes	209.88	194.72
P& L Balance b/f	268.28	167.80
Profit/ (Loss) carried to Balance Sheet	371.84	268.28

Your Directors feel pleasure to profit after tax of Rs. 209.88 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. Jeeyan Dipankumar Patwa and Mr. Ravindra Chandulal Sanghavi, 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 31-03-2012. 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

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Record Date for this purpose is 29th September, 2012 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. 1,87,59,00,721.00

Foreign Exchange Outgoing is : Rs. 1,71,54,05,787.00

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

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: 31/07/2012

Place: Surat

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

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

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.

Name of Director	Category of Director
Mr. Dipankumar Babulal Patwa	Chairman
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 19 times on the following dates:

05/04/2011, 15/04/2011, 17/05/2011, 15/07/2011, 08/08/2011, 10/08/2011, 28/09/2011, 10/10/2011, 15/10/2011, 31/10/2011, 07/11/2011, 09/11/2011, 12/11/2011, 20/12/2011, 30/12/2011, 20/01/2012, 01/03/2012, 06/03/2012, 15/03/2012.

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. Dipankumar Babulal Patwa	Chairman	19	YES
Mr. Manish Jaysukhlal Janani	Managing Director	19	YES
Mr. Jeeyan Dipankumar Patwa	Executive director	19	YES
Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director	19	YES
Mr. Ajit Mangaldas Shah	Independent and Non Executive Director	19	YES
Mr. Bhavesh Shashikant Sheth	Independent and Non-Executive Director	19	YES
Mr. Pankajkumar Vrajlal Shah	Independent and Non-Executive Director	19	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. Jeeyan Patwa and Mr. Ravindra Sanghavi, Directors of the Company who retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment.

Profile of Mr. Jeeyan Patwa, Director being appointed u/s 255 and 256 of the Companies Act, 1956

Name	Mr. Jeeyan Patwa
Date of Birth	14/08/1989

Date of Appointment	23/06/2009
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

Profile of Mr. Ravindra Sanghavi, Director being appointed u/s 255 and 256 of the Companies Act, 1956

Name	Mr. Ravindra Sanghavi
Date of Birth	03/07/1960
Date of Appointment	23/06/2009
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

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

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

Directors who are on the Board of the Company as on 31st March, 2012 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 appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

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

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

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

During the year under review, the 4 Audit Committee were held during Financial Year 2011-12. The dates on which the said meetings were held as follows:

15/04/2011	15/07/2011	15/10/2011	20/01/2012
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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.

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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 2011-12

17/05/2011, 24/08/2011, 19/10/2011, 11/01/2012

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 31st March, 2012 is given below):

Complaints Status: 01.04.2011 to 31.03.2012

- Number of complaints received so far : NIL
- Number of complaints solved : NIL
- 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
2008-09	B 1 Harikrupa Aprt, Nr. Naranpura Railway Cross, Exchange C G Road, Naranpura, Gujarat India – 380013	30/09/2009	12:30 P.M.
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.

- (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:

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.

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- (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

2009

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

- (1) Shifting of Registered Office from B 1, Harikrupa Apt., Nr. Naranpura Railway Cross Exchange, C G Road, Navrangpura- 380013, Gujarat to 306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat 395 003 with effect from 30/09/2009
- (2) Appointment of Mr. Manish Janani as Managing Director of the Company.

EXTRA ORDINARY GENERAL MEETING DURING THE YEAR 2011-2012

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

POSTAL BALLOT RESOLUTION PASSED DURING THE YEAR 2011-12

Resolution for Change of Name From "Maloo Gems & Jewellery Limited to "Lypsa Gems & Jewellery Limited" passed through postal ballot and its results are declared at Board Meeting held on 12th November, 2011.

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 Note 1(xi) of Schedule P 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 2011-12 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 2011-12 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 2011-12;
 - Significant changes in accounting policies during the year 2011-12 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.

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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: 29th September, 2012 at 11.30 a.m. at the Registered Office of the Company.
- b. Financial Year: 1st April 2011 to 31st March 2012.
- c. Financial Calendar:
 - i. 1st quarterly results – last week of June, 2011.
 - ii. 2nd quarter results – last week of September, 2011.
 - iii. 3rd quarter results – last week of December, 2011.
 - iv. 4th quarter results – last week of March, 2012.
- d. Date of Book Closure: 19th September, 2012 to 28th September, 2012.
- e. Dividend Payment Date: 29th September, 2012
- 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 31-03-2012 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 2011-12 are furnished below:

The Company has received trading permission Bombay Stock Exchange Limited w.e.f 2nd July, 2012.
- j. Performance of the Company's shares in comparison with broad-based indices as BSE's Sensex:

The Company has received trading permission Bombay Stock Exchange Limited w.e.f 2nd July, 2012. Thus, the Company has nothing to report on this matter for the year 2011-12.

- 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 31.03.2012

Share Holding of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	No.	% to total	In Rs.	% to total
upto	5000	1,877	87.87	7508000	5.35
5,001	10,000	72	3.37	634000	0.45
10,001	20,000	35	1.64	700000	0.50
20,001	30,000	2	0.09	56000	0.04
30,001	40,000	2	0.09	80000	0.06
50,001	1,00,000	19	0.89	1698000	1.21
1,00,001	and above	129	6.04	129724000	92.40
Total		2136	100.00	140400000	100.00

- n. Shareholding pattern as on 31.03.2012

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	3550200	25.29
c. Indian public	4999800	35.61
d. HUF	450000	3.21
TOTAL	14040000	100

Dematerialization of shares: As on 31-03-12 Demated shares accounted for 81.68% (1,14,68,200 Equity Shares) of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

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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
306, Mahavir Chambers, Taratia Hanuman Gally,
Hatl~faliyuM, ahidhar Pura, Surat – 395003
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, Chairman & 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 2012.

For Lypsa Gems & Jewellery Limited.

Date: 31/07/2012

Place: Surat

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

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE "A" TO DIRECTORS' REPORT

Overview:

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

The Global Economy and the Diamond Industry

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

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

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

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

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

interesting, times indeed. A correction in diamond prices might strengthen to consumer demand.

Outlook

In the short term, we expect rough diamond prices to fall and price stability to return. We also don't see a major decline in polished diamond prices. These two factors together shall ensure a healthy profit margin in the diamond manufacturing and polishing business.

We also expect a revival in demand from Hong Kong and Mainland China. America has not seen a major decline in demand and has been supportive unlike during 2008 and this has been a big positive. We expect American demand to remain stable. The Indian diamond market should also see an increase in demand as we approach the wedding and festival season.

Company's Goal

Lypsa intends to become a fully integrated and profitable diamond company in the next 3 years. We intend to go down the value chain and become closer to the customer through retail diamond and jewelry sales and thereby increase profit margins. We intend to build a well-managed corporate organization with standard processes and controls, competent management and reduced dependency on the promoters to generate revenue – features that are quite unique to Indian diamond companies.

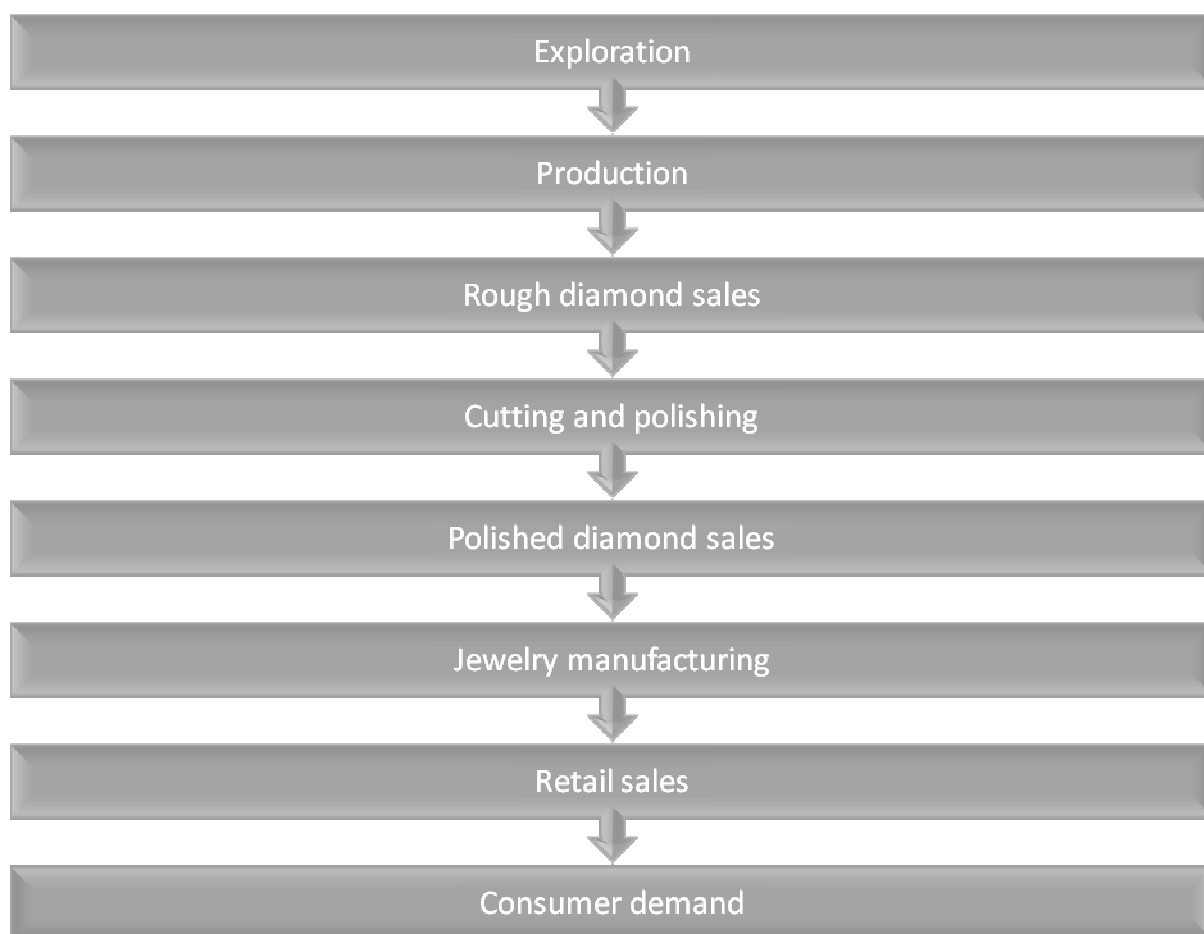
Business Model

Lypsa is in the process of increasing production capacity at its new factory in Navsari, Gujarat. A factory is also proposed in Gujarat to produce small sized diamonds at affordable cost. This year will see substantial revenue from manufacturing activities. This is in line with our aim of generating maximum revenue from the manufacturing business that allows higher value-add than the trading business.

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

Diamond value chain overview: a journey “from mine to finger”

Eight stages define the value chain in the diamond industry; beginning with the exploration of a potential diamond deposit and ending with the demand for diamonds by millions of consumers around the world (see Figure below). Along the way many different players—miners, dealers, craftspeople, jewelers—face distinct market dynamics and economic challenges.



Exploration -In this stage producers seek commercially viable diamond resources, usually by finding and evaluating kimberlite and lamproite pipes that might contain diamond ore. When a promising site is located the producers develop and construct new mines.

Production - Getting the diamondiferous ore out of the ground usually occurs through open-pit or underground mining. Alluvial and marine mining are two other methods of diamond production. Once mined, the diamond ore passes through various processing stages to extract rough diamonds from it.

Rough-diamond sales - Next producers inspect, classify and prepare the diamonds for rough-diamond sales. London, Moscow and Antwerp are the main centers for the purchase and trade of rough diamonds. These primary sales most often take place within the sightholder system, a system specific to the diamond industry in which a select group of verified buyers are allowed to purchase rough product. Other sales channels include auctions and spot sales.

Cutting and polishing - This stage, in which diamonds are transformed from rough

stones into finished gems, comprises five steps: determining the optimal cut, cleaving or sawing to break the rough diamond into pieces, bruising to give the diamond the desired shape, polishing to cut the facets and final inspection to ensure quality. Diamond cutting requires specialized knowledge, tools and equipment. Thousands of small players populate this segment of the industry, mostly in India and elsewhere in Asia. Governments are increasingly requiring diamond producers to keep some profits closer to home by developing a local infrastructure and talent, with the result that countries including Botswana are emerging as cutting and polishing centers.

Polished diamond sales - Polished diamonds get sold to manufacturers for jewelry manufacturing. The sales are transacted either directly by cutters and polishers or through dealers. Antwerp is the key polished diamond sales center, and all major diamond players maintain a presence there. Most of the polished gem sales also take place in Antwerp, but recently the site of sale is shifting closer to jewelry manufacturers in India and China, with many companies opening regional offices.

Jewelry manufacturing - Manufacturers use both in-house and outside designers to create their product, and the sector is quite fragmented. Thousands of players ranging from individual shops to large companies such as Tiffany, Cartier and Chow Tai Fook are integrated into different steps of the value chain, from rough diamond sales to jewelry design and manufacturing to retail. A large share of the mid- to low-range jewelry manufacturing takes place in China and India.

Retail sales - More than a quarter million retailers sell jewelry to consumers around the world. Retail channels include independent stores, mass-market chains such as Wal-Mart for low-end jewelry and high-end specialty chains such as Harry Winston.

Consumer demand - Demand is driven by the millions of people around the world who want to own diamond jewelry. At either end of the value chain a handful of well-known public companies operate and earn the industry's highest profits. In the middle of the chain diamonds pass through a complex and fragmented distribution system in which many thousands of individuals and small businesses, almost all privately owned, are bound together in an intricate web of relationships. These cutters, polishers and manufacturers engage in a significant amount of back-and-forth trading. Outsiders who voice concern about the lack of transparency in the diamond industry point specifically to the accuracy of stock-level estimates and to the setting of prices. A comparison with other commodities and precious minerals, however, shows that the diamond industry is not unique. A similar level of uncertainty also surrounds stock levels at key stages of the value chain in the markets for precious metals such as gold, platinum and palladium.

As the diamonds pass through each stage of the chain, their value grows in relatively small increments until they reach manufacturing and retail. The highest portion of revenues is generated at the retail stage, with revenues in 2010 slightly exceeding \$60

billion worldwide. The highest profit margins are realized in the production and retail segments at either end of the chain. In 2010 players in rough production achieved operating margins of 22 to 26 percent, the highest in the industry. Next highest were the 5 to 10 percent margins achieved by retailers. Margins and revenues are lowest in the middle segments of the value chain. The total industry profit pool was approximately \$11 billion in 2010.

Lypsa's position in the Diamond Value Chain

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

SWOT ANALYSIS

Strengths

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

Weaknesses

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

Opportunities

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

Threats

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

Risk and Concerns

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

Internal Control System and their Adequacy

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.

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

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Results could differ materially from those expressed or implied due to variations in prices of raw materials, seasonal demand and pricing in the Company's principle markets, changes in Government regulations, tax regimes, economic developments and other incidental factors.

Future Plans

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

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

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

For Lypsa Gems & Jewellery Limited.

Date: 31/07/2012

Place: Surat

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

Doshi Maru & Associates

Chartered Accountants

9, Shreepal Building,
S N Road, Tambe Nagar,
Mulund – West,
Mumbai – 400 080.
Tel.: (O) 2347 2578
(R) 2565 4859

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,
The Members,
LYPSA GEMS & JEWELLERY LIMITED
(Formerly known as MALOO GEMS & JEWELLERY LIMITED),
306, Mahavir Chambers,
Taratia Hanuman Gally,
Mahidhar Pura,
Surat Gujrat-395 003

We have examined the compliance of Corporate Governance by Lypsa Gems & Jewellery Limited (Formerly known as Maloo Gems & Jewellery Limited) for the year ended on 31st March, 2012, 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 ensuing the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement of the Company.

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

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

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

For M/s. Doshi Maru & Assocaites
Chartered Accountants

Date: 31/07/2012
Place: Mumbai

S/d
Hiren Maru
(Partner)
FRN. No. 112187W

Doshi Maru & Associates

Chartered Accountants

9, Shreepal Building,
S. N. Road, Tambe Nagar,
Mulund - West,
Mumbai – 400 080.
Tel. : (O) 2347 2578
(R) 2565 4859

AUDITORS REPORT TO THE MEMBERS
OF
LYPSA GEMS & JEWELLERY LIMITED
(Formerly known as MALOO GEMS & JEWELLERY LIMITED)

1. We have audited the attached Balance Sheet of **LYPSA GEMS & JEWELLERY LIMITED** (Formerly known as MALOO GEMS & JEWELLERY LIMITED) as at 31st March, 2012 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 appear 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 31st March, 2012 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 10 annexed thereon gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view :-
 - i) In case of Balance Sheet, of the Company's affairs as at 31st March, 2012
 - 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
(Hiren Maru)
Partner
FRN : 112187W

Place: Mumbai
Dated: 31st JULY, 2012

LYPSA GEMS & JEWELLERY LIMITED.

(Formerly known as MALOO GEMS & JEWELLERY LIMITED)

ANNEXURE TO THE AUDITORS' REPORT

RE: MALOO 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 parties listed in register maintained U/s 301 of the Companies Act, 1956. 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 not 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 and for 2010-11 of Rs. 8.27 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 31.03.2012, 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 31.03.2012, 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 allotted 70,20,000 equity shares of Rs.10 each fully paid up as Bonus shares in ratio of 1:1 by capitalizing Securities Premium account for Rs. 7,02,00,000/-.
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
(Hiren Maru)
Partner
FRN : 112187W

Place: Mumbai
Date : 31/07/2012

LYPSA GEMS & JEWELLERY LIMITED.

(FORMERLY KNOWN AS MALOO GEMS & JEWELLERY LIMITED)

BALANCE SHEET AS ON 31st MARCH 2012

(Rupees in Lacs)

Particulars		Note No.	AS AT 31st MARCH 2012		AS AT 31st MARCH 2011	
			3	4	5	6
1	2					
I. EQUITY AND LIABILITIES						
1 Shareholders' funds						
(a) Share capital	1	1,404.00		702.00		
(b) Reserves and surplus	2	969.84		1,568.28		
(c) Money received against share warrants		-		-		
			2,373.84			2,270.28
2 Share application money pending allotment			-			-
3 Non-current liabilities						
(a) Long-term borrowings			-			-
(b) Deferred tax liabilities (Net)	3		0.69			0.98
(c) Other Long term liabilities			-			-
(d) Long-term provisions			-			-
4 Current liabilities						
(a) Short-term borrowings	4		82.42			243.37
(b) Trade payables	5		10,724.07			3,207.86
(c) Other current liabilities	6		123.88			1,803.66
(d) Short-term provisions	7		89.05			134.69
TOTAL			13,393.94			7,660.84
II. ASSETS						
Non-current assets						
1 (a) Fixed assets	8					
(i) Tangible assets		12.76		15.57		
(ii) Intangible assets		-		-		
(iii) Capital work-in-progress		-		-		
(iv) Intangible assets under development		-	12.76	-		15.57
(b) Non-current investments	9		25.72			49.83
(c) Deferred tax assets (net)			-			-
(d) Long-term loans and advances	10		67.14			109.41
(e) Other non-current assets			-			-
2 Current assets						
(a) Current investments	11		149.84			-
(b) Inventories	12		2,267.71			669.88
(c) Trade receivables	13		10,205.69			3,941.18
(d) Cash and cash equivalents	14		540.49			2,429.33
(e) Short-term loans and advances	15		119.78			438.43
(f) Other current assets	16		4.82			7.22
TOTAL			13,393.94			7,660.84

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

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

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

S/d

HIREN MARU
 PARTNER

FRN : 112187W

PLACE: MUMBAI

DATE: 31/07/2012

For LYPSA GEMS & JEWELLERY LIMITED.

S/d

DIPAN PATWA
 CHAIRMAN

S/d

MANISH JANANI
 MANAGING DIRECTOR

S/d

JEEYAN PATWA
 EXECUTIVE DIRECTOR

DATE: 31/07/2012

LYPSA GEMS & JEWELLERY LIMITED.

(FORMERLY KNOWN AS MALOO GEMS & JEWELLERY LIMITED)

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

(Rupees in Lacs)

Particulars		Refer Note No.	FOR THE YEAR ENDED 31st MARCH 2012	FOR THE YEAR ENDED 31st MARCH 2011
I.	Revenue From Operations	17	25,983.53	33,626.69
II.	Other income	18	841.24	2,138.89
III.	Total Revenue (I + II)		26,824.77	35,765.57
IV.	Expenses:			
	Cost of materials consumed	19	6,380.76	11,809.89
	Purchases of Stock-in-Trade		19,957.84	20,613.94
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	(986.32)	921.21
	Employee benefits expense	21	40.07	19.28
	Finance costs	22	864.77	1,827.51
	Depreciation and amortization expense	23	5.29	5.11
	Other expenses	24	266.08	276.99
	Total expenses		26,528.49	35,473.95
V.	Profit before exceptional and extraordinary items and tax (III-IV)		296.28	291.63
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V - VI)		296.28	291.63
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		296.28	291.63
X.	Tax expense:			
	(1) Current tax		86.70	97.11
	(2) Deferred tax		(0.29)	(0.20)
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)		209.88	194.72
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV.	Profit (Loss) for the period (XI + XIV)		209.88	194.72
XVI.	Earnings per equity share:			
	(1) Basic		2.11	2.77
	(2) Diluted		1.06	1.68

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

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

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

S/d

HIREN MARU
 PARTNER
 FRN : 112187W
 PLACE: MUMBAI
 DATE: 31/07/2012

FOR LYPSA GEMS & JEWELLERY LIMITED

S/d

DIPAN PATWA
 CHAIRMAN

S/d

MANISH JANANI
 MANAGING DIRECTOR

S/d

JEEAN PATWA
 EXECUTIVE DIRECTOR

DATE: 31/07/2012

NOTE No. 1 : SHARE CAPITAL**1 SHARE CAPITAL**

RUPEES IN LACS

		AS AT 31st MARCH 2012		AS AT 31st MARCH 2011	
AUTHORISED SHARE CAPITAL 2,00,00,000 (2,00,00,000) Equity Share of Rs. 10/- Each			2,000.00		2,000.00
Issued, Subscribed & Paidup 1,40,40,000 (70,20,000) Equity Share of Rs. 10/- Each Fully paidup.			1,404.00		702.00

NOTE No. 2 : RESERVES & SURPLUS**2 RESERVES & SURPLUS**

RUPEES IN LACS

		AS AT 31st MARCH 2012		AS AT 31st MARCH 2011	
Securities Premium Reserve As per Last Balance Sheet Add: On Issue of Shares Less: On Issue of Bonus Shares		1,300.00 - 702.00	598.00	- 1,300.00 -	1,300.00
Profit & Loss Account As per Last Balance Sheet Add: Profit for the year		268.28 209.88		167.80 194.72	
		478.16		362.52	
Less: Appropriations Provision for Reduction in Value of Investments Proposed Dividend Tax on Dividend		24.73 70.20 11.39	371.84	12.65 70.20 11.39	268.28
Total			969.84		1,568.28

NOTE No. 3 : DEFFERED TAX LIABILITY (NET)			
3 DEFFERED TAX LIABILITY (NET)			RUPEES IN LACS
	AS AT 31st MARCH 2012		AS AT 31st MARCH 2011
Deffered Tax Liability Related to Fixed Assets		0.69	0.98
TOTAL		0.69	0.98

NOTE No. 4 : SHORT TERM BORROWINGS			
4 SHORT TERM BORROWINGS			RUPEES IN LACS
	AS AT 31st MARCH 2012		AS AT 31st MARCH 2011
Secured			
Working Capital Loans			
From Banks			
Foreign Currency Loans	-		-
Rupee Loans	-	-	-
Unsecured			
(I) Loans & Advances			
From Directors		82.42	
From Others			243.37
(II) From Banks			
Foreign Currency Loans - Buyers Credit	-		-
Rupee Loans	-	-	-
TOTAL		82.42	243.37

NOTE No. 5 : TRADE PAYABLES			
5 TRADE PAYABLES			RUPEES IN LACS
	AS AT 31st MARCH 2012		AS AT 31st MARCH 2011
Micro, Small & Medium Enterprises		-	-
Others		10,724.07	3,207.86
TOTAL		10,724.07	3,207.86

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 2012		AS AT 31st MARCH 2011
Principle Amount Due and Remains unpaid		-	-
Interest due on above and the unpaid interest		-	-
Interest Paid		-	-
Payment made beyond the appointed day during the year		-	-
Interest due and payable for the period of delay		-	-
Interest Accrued and remaining unpaid		-	-
Amount of further interest remaining due and payable in succeeding years.		-	-
TOTAL		-	-

NOTE No. 6 : OTHER CURRENT LIABILITIES		
6 TRADE PAYABLES		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Interest Payable	-	164.72
Advances against Order	-	50.00
Recv/Payable For Forward Contract (Import)	-	1,578.38
Deffered Premium (Export)	106.32	-
Unclaimed Dividend (F.Y. 09-10)	7.50	7.50
Unclaimed Dividend (F. Y. 10-11)	8.27	-
Other Payables	1.79	3.06
TOTAL	123.88	1,803.66

NOTE No. 7 : SHORT TERM PROVISIONS		
7 SHORT TERM PROVISIONS		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Proposed Dividend	70.20	70.20
Tax on Dividend	11.39	11.39
Other Provisions	7.46	53.10
TOTAL	89.05	134.69

NOTE No. 8 : FIXED ASSETS

(RUPEES IN LACS)

SR. NO.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01/04/2011	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31/03/2012	AS ON 01/04/2011	ADJUSTMENT FOR THE YEAR	DEPRECIATION FOR THE YEAR	UPTO 31/03/2012	AS ON 31/03/2012	AS ON 31/03/2011
	TANGIBLE ASSETS : OWN ASSETS:										
1	Air Conditions	0.85	-	-	0.85	0.44	-	0.04	0.48	0.37	0.41
2	Aquaguard	0.07	-	-	0.07	0.04	-	0.00	0.04	0.03	0.03
3	Furniture & Fixture	19.48	-	-	19.48	12.99	-	1.24	14.22	5.25	6.49
4	Motor Car	13.00	-	-	13.00	7.41	-	1.24	8.65	4.35	5.59
5	Office Equipments	0.73	0.07	-	0.81	0.11	-	0.04	0.14	0.66	0.63
6	Water coolers	0.16	-	-	0.16	0.08	-	0.01	0.09	0.07	0.08
7	Computers	1.70	-	-	1.70	0.25	-	0.28	0.52	1.17	1.45
8	Safe	0.90	-	-	0.90	0.01	-	0.04	0.06	0.84	0.89
SUB-TOTAL RUPEES		36.88	0.07	-	36.96	21.32	-	2.88	24.20	12.76	15.57
LEASE ASSETS :		-	-	-	-	-	-	-	-	-	-
TOTAL - A		36.88	0.07	-	36.96	21.32	-	2.88	24.20	12.76	15.57
INTANGIBLE ASSETS :		-	-	-	-	-	-	-	-	-	-
TOTAL - B		-	-	-	-	-	-	-	-	-	-
TOTAL A + B		36.88	0.07	-	36.96	21.32	-	2.88	24.20	12.76	15.57
PREVIOUS YEAR		(34.33)	(2.56)	-	(36.88)	(18.61)	-	(2.70)	(21.32)	(15.57)	(15.71)
CAPITAL WORK IN PROGRESS										-	-
INTANGIBLE ASSETS UNDER DEVELOPMENT										-	-

NOTE No. 9 : NON CURRENT INVESTMENTS					
9 NON CURRENT INVESTMENTS					RUPEES IN LACS
		AS AT 31st MARCH 2012		AS AT 31st MARCH 2011	
TRADE INVESTMENTS		-	-	-	-
TOTAL OF TRADE INVESTMENTS (A)		-	-	-	-
OTHER INVESTMENTS					
In Equity Shares of Companies - Quoted, Fully paidup					
	Purchase cost	AS AT 31st MARCH 2012		AS AT 31st MARCH 2011	
90,300 Shares of Kingfisher Airlines	43.94	14.94		36.03	
56237 Shares of JIK Industries	8.31	2.62	17.56	4.53	40.56
In Mutual Funds of Companies - Quoted, Fully paidup					
97799.511 Units of Reliance Infrastructure Fund	10.00		7.32		9.04
Investments in Commodities					
Goldcoins	0.84		0.84		0.23
TOTAL OF OTHER INVESTMENTS (B)			25.72		49.83
TOTAL NON - CURRENT INVESTMENTS (A+B)			25.72		49.83

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			RUPEES IN LACS
		AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Advance Income Tax & TDS (Net of Provisions)		55.08	30.99
Vat Refundable		9.63	9.38
Deposites		2.42	2.67
Capital Advances		-	66.38
TOTAL		67.14	109.41

NOTE No. 11 : CURRENT INVESTMENTS			
11 CURRENT INVESTMENTS			RUPEES IN LACS
		AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Fixed Capital with Partnership Firm M/s. LYPSA GEMS		0.45	-
Current Capital with Partnership Firm M/s. LYPSA GEMS		149.39	-
TOTAL		149.84	-

NOTE No. 12 : INVENTORIES			
12 INVENTORIES			RUPEES IN LACS
		AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Raw Materials		611.51	-
Stock In Process		-	-
Finished Goods		1,656.20	669.88
TOTAL		2,267.71	669.88

NOTE No. 13 : TRADE RECEIVABLES		
13 TRADE RECEIVABLES		RUPEES IN LACS
(Unsecured & considered Good)	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
More than Six Months	131.58	133.09
Others	10,074.11	3,808.09
TOTAL	10,205.69	3,941.18

NOTE No. 14 : CASH & CASH EQUIVALENTS		
14 CASH & CASH EQUIVALENTS		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Balance with Banks	33.53	310.63
Cash In Hand	6.98	4.87
Fixed Deposites with Banks (Maturity of Less than 12 Months)	499.97	2,113.83
TOTAL	540.49	2,429.33

NOTE No. 15 : SHORT TERM LOANS & ADVANCES		
15 SHORT TERM LOANS & ADVANCES		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Prepaid Expenses	3.20	1.48
Deffered Premium	-	436.94
Receivables on Forward Contracts	116.59	-
TOTAL	119.78	438.43

NOTE No. 16 : OTHER CURRENT ASSETS		
16 OTHER CURRENT ASSETS		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Deffered Revenue Expenditures	4.82	7.22
TOTAL	4.82	7.22

NOTE No. 17 : REVENUE FROM OPERATION		
17 REVENUE FROM OPERATION		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Sales of Products	25,946.70	33,626.69
Income From Services	-	-
Share of Profit From Partnership Firm (M/s LYPSA GEMS)	36.83	-
TOTAL	25,983.53	33,626.69
17.1 PARTICULARS OF SALES OF PRODUCTS		
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Rough & Cut and Polished Diamonds	25,946.70	33,626.69
TOTAL	25,946.70	33,626.69

NOTE No. 18 : OTHER INCOME		
18 OTHER INCOME		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
INTEREST		
From Current Investments	1,101.65	1,972.25
DIVIDEND		
From Long Term Investment	0.00	0.00
Net Gain on Sale of Investments		
From Current Investments	-	2.87
OTHER NON-OPERATING INCOME	(260.41)	163.77
TOTAL	841.24	2,138.89

NOTE No. 19 : COST OF MATERIALS CONSUMED					
19 COST OF MATERIALS CONSUMED				RUPEES IN LACS	
	AS AT 31st MARCH 2012		AS AT 31st MARCH 2011		
	RUPEES	% OF CONSUMPTION	RUPEES	% OF CONSUMPTION	
IMPORTED	6,380.76	100.00	10,862.76	91.98	
LOCAL	-	-	947.13	8.02	
TOTAL	6,380.76	100.00	11,809.89	100.00	
19.1 PARTICULARS OF MATERIAL CONSUMED					
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011			
Rough Diamonds	6,380.76	-	11,809.89	-	

NOTE No. 20 : CHANGES IN INVENTORIES OF FINISHED GOODS STOCK IN PROCESS & STOCK IN TRADE.		
20		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Inventories (At Close)		
Finished Goods	(1,656.20)	(669.88)
Inventories (At Commencement)		
Finished Goods	669.88	1,591.09
TOTAL	(986.32)	921.21

NOTE No. 21 : EMPLOYEES BENEFIT EXPENSES		
21 EMPLOYEES BENEFIT EXPENSES		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Salary	16.07	9.28
Directors Remuneration	24.00	10.00
TOTAL	40.07	19.28

NOTE No. 22 : FINANCE COST		
22 FINANCE COST		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Interest Expenses	500.55	1,277.42
Forward Premium	364.22	550.09
TOTAL	864.77	1,827.51

NOTE No. 23 : DEPRICIATION & AMORTIZATION EXPENSES		
23 DEPRICIATION & AMORTIZATION EXPENSES		RUPEES IN LACS
	AS AT 31st MARCH 2012	AS AT 31st MARCH 2011
Depriciation & Amortization	5.29	5.11
TOTAL	5.29	5.11

NOTE No. 24 : OTHER EXPENSES				
24 OTHER EXPENSES				RUPEES IN LACS
		AS AT 31st MARCH 2012	AS AT 31st MARCH 2011	
Manufacturing Expenses				
Clearing & Forwarding Expenses	7.45	-	11.46	-
Labour Charges	164.94	-	194.56	-
Re-Assortment Charges	10.71	183.09	-	206.02
Selling & Distribution Expenses				
Clearing & Forwarding Expenses	7.30	-	-	-
Business Pramotion	0.43	-	0.31	-
Commission & Brokrage	43.11	50.83	41.95	42.26
Establishment Expenses				
Professional Fees	12.05		11.10	
General Expenses	4.19		1.92	
Rent	6.35		5.75	
Insurance	2.98		3.34	
Rates & taxes	-		0.85	
Travelling Expenses	4.24		1.50	
Payment to Auditors	0.28		0.25	
Charity & Donation	1.31		3.26	
Electricity Charges	0.76	32.15	0.74	28.71
TOTAL	266.08	266.08	276.99	276.99

LYP SA GEMS & JEWELLERY LIMITED
(Formerly known as MALOO GEMS & JEWELLERY LIMITED)

**SCHEDULE '25' OF NOTES ON ACCOUNTS ANNEXED TO & FORMING PART OF
BALANCE SHEET AS ON 31/03/2012.**

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. 24,72,927/- (P Y Rs.12,64,930.90) and the same is reduced from the value of investments as carried on in Balance Sheet.

5. **Secured Loans** :

The company has utilized loans against pledge of fixed deposits receipts with Indusind Bank Ltd., Oriental Bank of Commerce, IDBI Bank Ltd and Axis Bank

Ltd. The secured loans amounting to Rs. 1722.84 Lacs (P Y Rs. 22233.04 Lacs) has been Netted off against Fixed Deposits with various banks of Rs. 2060.17 Lacs (P Y Rs. 23413.06 Lacs) and Net amount of Rs. 337.33 Lacs (P Y Rs. 1180.02 Lacs) is reflected in Balance sheet under Head of Cash and Cash Equivalents under Current Assets group. Accrued Interest of Rs.1,62,63,662/- (P Y Rs. 9,33,80,744/-) is also included in fixed deposits with bank under the Head Cash & Cash Equivalents.

6. **Cash and Bank Balances :**

Fixed Deposits Receipts :

The company has total fixed deposits of Rs. 2060.17 Lacs (P Y Rs. 23413.06 Lacs) with Indusind Bank Ltd., Oriental Bank of Commerce, IDBI Bank Ltd, Axis Bank Ltd. The company has utilized overdraft facility and /or buyer's credit facility of Rs. 1722.84 Lacs (P Y Rs. 22233.04 Lacs) against 100% cash margin in form of FDR's. The company has in contravention of Disclosures norms as provided by Companies (Accounting Standard) Rules, 2006, has adjusted overdraft and buyer's credit facility against fixed deposits and disclosed net amount in the Balance sheet. The disclosure is in the following manner :

	Current Year (Rs.)	Previous Year (Rs.)
Total Fixed deposits	2060.17 Lacs	23413.06 Lacs
Less : Overdraft and/or buyer's credit Adjusted against fixed deposits	1722.84 Lacs	22233.05 Lacs
Net fixed deposits as included in Balance sheet	337.33 Lacs	1180.02 Lacs

Current Assets, Loans & Advances and Current Liabilities :

The Deferred premium on export of Rs. 106.32 Lacs is reflected in Balance Sheet under other current liabilities.

The company has reflected Receivable on forward contract against Exports of Rs. 116.59 in Balance Sheet under short term loans & advances.

7. **Revenue Recognition :**

- Sales, net of taxes are accounted for when property in the goods are transferred to the customers.
- Dividend is recognized, when right to receive the dividend arises.
- 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.
- Interest income is recognized on time proportion method.
- Amounts received or billed in advance of goods sold are recorded as advances from customers.
- Revenue from operations include share of profit from partnership firm M/s Lypsa Gems of Rs. 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 amortised as expense or income over the life of contract. Exchange difference on such a contract are recognized in the Profit and Loss account in the year in which the exchange rates change. Any Profit or Loss arising on cancellation of such a contract is recognized as income or expense for the year. The company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

10. **Taxation :**

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

11. **Employee Benefits :**

Presently, employee benefits such as Provident fund, Gratuity or other benefits are not applicable to 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 equipments 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 Director	Remuneration	12,00,000.00	5,00,000.00
Dipan Patwa Director	Remuneration	12,00,000.00	5,00,000.00
Manish Janani	Interest on Loan	11,803.00	NIL
Dipan Patwa	Interest on Loan	2,57,050.00	NIL
Lypsa Gems (Partnership Firm)	Share of Profit of Firm	36,82,528.00	NIL

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 First in First out 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 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 :-

<u>Rough Diamonds</u>	<u>Current Year(Carats)</u>	<u>Previous Year(Carats)</u>
Opening Stock	NIL	43,039.94
Purchases	98,645.32	240,043.23
Issued for manufacturing	79,903.23	87,546.71
Sales	13,960.59	195,536.46
Closing Stock	4,781.50	NIL
<u>Polished Diamonds</u>	<u>Current Year(Carats)</u>	<u>Previous Year(Carats)</u>
Opening Stock	3,051.14	20,322.20
Purchases	99,977.57	124,341.56
Manufacturing	20,958.42	26,428.08
Sales	118,885.55	168,040.70
Closing Stock	5,101.58	3,051.14

18. Deferred Taxation :

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

Liabilities	As on 31.03.2012	As on 31.03.2011
Depreciation	-88,215.00	-19,506.00
Net Deferred Tax Liability	-68,738.00	-98,041.00

19. Payment to Auditors :

	Current Year (Rs.)	Previous Year (Rs.)
For Audit Fees	25,000	25,000

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	39,544,499.85	45,080,007.82
Import Purchase	35,500,026.97	62,957,316.71
CIF value of imports	52,341,750.04	65,915,611.84
Foreign Travelling expense	3,290.00	1,000.00

21. Share Capital :

During the year company has allotted 70,20,000 equity shares of Rs.10 fully paid up as Bonus shares in ratio of 1:1 by capitalizing Securities Premium account for Rs. 7,02,00,000/-.

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 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 :

<u>Earnings Per Share</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
Profit before tax (Rs.)	29,628,054	19,443,559
Average number of shares (Nos)	14,040,000	7,020,000
Nominal value of shares (Rs.)	10/-	10/-
Basic Earnings Per share (Rs.)	2.11	2.77
Diluted earnings Per share (Rs.)	1.06	1.68

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.

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 st March 2012	As at 31 st March 2011
	No. of Shares	No. of Shares
Equity shares at the beginning of the year	70,20,000	50,20,000
Add : Bonus shares issued by Capitalisation of Securities Premium Account	70,20,000	NIL
Add : Shares issued at Premium	NIL	20,00,000

Equity shares at the end of the year	1,40,40,000	70,20,000
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Particulars	As at 31 st March 2012	As at 31 st March 2011
	Amount of Equity Capital (Rs.)	Amount of Equity Capital (Rs.)
Amount for Equity share capital at the beginning of the year	7,02,00,000	5,02,00,000
Add : Amount for Bonus shares issued by Capitalisation of Securities Premium Account	7,02,00,000	NIL
Add : Amount for shares issued at Premium	NIL	2,00,00,000
Amount for Equity share capital at the end of the year	14,04,00,000	7,02,00,000

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

Name of Shareholder	As at March 31 st , 2012		As at March 31 st , 2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manish Jaysukhlal Janani	25,22,500	17.97	12,61,250	17.97
Dipen Babubhai Patwa	25,17,500	17.93	12,58,750	17.93

27. Short term Borrowings :

Loans and advances from related parties :

Particulars	Current Year	Previous Year
Unsecured Loans from Directors	82.42	NIL

28. Investments :

Investment in Partnership Firm :

Name of Firm	As at March 31 st , 2012	As at March 31 st , 2011
M/s Lypsa Gems		
Fixed Capital	Rs. 45,000/-	NIL
Current Capital	Rs. 1,49,39,352/-	NIL

29. Long Term Loans & Advances :

Particulars	As at March 31 st , 2012	As at March 31 st , 2011
Security Deposits – Considered Good	Rs. 62,257/-	Rs. 60,000/-
<u>Prepaid Expenses:</u>		
Insurance Premium	Rs. 1,02,018/-	Rs. 1,40,846/-
Prepaid Stamp Duty(Import)	Rs. 2,09,216/-	NIL
Domain Registration charges	Rs. 8,310/-	NIL
Membership Fees	NIL	Rs. 4,060/-
Cable charges	NIL	Rs. 3,483/-

30. **Cash & Cash Equivalentents :**

Particulars	As on March 31 st , 2012	As on March 31 st , 2011
Balance in Current Accounts	Rs. 17,45,572.31	Rs. 3,03,13,236.86
Balance in Unclaimed Dividend A/c	Rs. 15,77,060.00	Rs. 7,50,000.00

31. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of the amounts reasonably necessary.
32. The Balances of Debtors, Creditors, Loans and advances are subject to reconciliation and confirmation.
33. Balance of Unsecured Loans includes interest charged on such loans, wherever applicable.
34. The information required under Section 217 (2A) (b) (ii) of the Companies Act, 1956 read with Companies Employees Amendment Rules, 2011 is not given as there was no employee in receipt of salary exceeding 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. 1,31,58,023/- (P Y Rs. 1,33,09,095/-) . However the receivables of Rs. 1,15,04,162/- were received during the month of April 2012.
38. During the year, company has made an investment in partnership firm M/s Lypsa Gems of Rs.45000/- as fixed capital and Rs. 1,49,39,352/- as current capital. The Net profit earned from partnership firm M/s Lypsa Gems of Rs. 36,82,528/- is credited to share of profit in companies current capital account.
39. The company has paid an advance for investment in SEZ and the same is transferred to current account of partnership firm M/s Lypsa Gems as investment in partnership firm.

40. The company has outstanding unclaimed dividend of Rs. 7,50,000/- for the year 2009-10 and Rs. 8,27,200/- for the year 2010-11.

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

Signature to Schedule 1 to 11
As per our report of even date

For M/s. Doshi Maru & Associates
Chartered Accountants

S/d
(Hiren Maru)
Partner
FRN : 112187W
Place: Mumbai
Dated: 31st JULY, 2012.

LYPSA GEMS & JEWELLERY LIMITED.

(Formerly Known as Maloo 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)

Resitration No. :	28270	State Code :	04
Balance Sheet Date :	31/03/2012		

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES)

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

III POSITION OF MOBILISATION AND EMPLOYMENT OF FUNDS

(AMOUNT IN RUPEES)

TOTAL LIABILITIES :	13,393.94	TOTAL ASSETS	13,393.94
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SOURCES OF FUNDS :

Paid up Capital :	1,404.00	Reserves & Surplus :	969.84
Secured Loans :	-	Unsecured Loans :	-
Deferred Tax Liability	0.69		

APPLICATION OF FUNDS :

Net Fixed Assets :	12.76	Investments	92.86
Net Current Assets :	2,264.10	Misc. Expenditure	4.82
Accumulated Losses :	-		

IV PERFORMANCE OF THE COMPANY (AMOUNT IN LACS) :

Turnover/other :	26,824.77	Total Expenditure	26,528.49
Income			
Profit Before tax :	296.28	Profit After tax :	209.88
Earning Per Share	2.11	Dividend rate :	5%
(In Rupees)			

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

Product Description

I) Manufacturing & trading in diamonds

**FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS**

S/d

HIREN MARU
Partner
FRN : 112187W
PLACE: MUMBAI
DATE: 31/07/2012

For LYPSA GEMS & JEWELLERY LIMITED.

S/d

DIPAN PATWA
CHAIRMAN

S/d

MANISH JANANI
MANAGING DIRECTOR

S/d

JEEYAN PATWA
EXECUTIVE DIRECTOR

DATE: 31/07/2012

LYPSA GEMS & JEWELLERY LIMITED.

(FORMERLY KNOWN AS MALOO GEMS & JEWELLERY LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

(Currency - Rs in Lacs)

	31-Mar-2012		31-Mar-11	
A Cash flow from operating activities				
Net profit before Tax		296.28		291.64
Adjustments for:				
Depreciation	2.88		2.70	
Preliminary Expenses w/off	2.41		2.41	
Interest Received	(1,101.65)		(1,972.25)	
Dividend Received	(0.00)		(0.00)	
		(1,096.36)		(1,967.14)
Operating profit before working capital changes		(800.08)		(1,675.50)
Decrease/(Increase) in Current Assets	(7,627.17)		5,733.46	
Increase in Outstanding Liabilities	5,548.25		1,043.67	
Increase / (Decrease) in other liabilities		(2,078.92)		6,777.13
Cash generated from operations		(2,879.00)		5,101.63
Income Tax Paid		(110.81)		(126.20)
Net cash from operating activities		(2,989.81)		4,975.42
B Cash flow from investing activities:				
Interest Received	1,101.65		1,972.25	
Dividend Received	0.00		0.00	
Sale/(Purchase) of Investment	(0.61)		(3.82)	
Increase in fixed Assets	(0.07)		(2.56)	
Net cash used in investing activities		1,100.96		1,965.88
C Cash flow from financing activities				
Capital raised during the year	-		1,500.00	
Increase/(decrease) in Secured Loan Taken	-		(2.08)	
Increase/(decrease) in Loans	-		(6,822.53)	
Net cash from financing activities		-		(5,324.61)
Net Increase/(Decrease) in cash and cash equivalents		(1,888.84)		1,616.69
Cash and cash equivalents (opening balance)	2,429.33		812.64	
Cash and cash equivalents (closing balance)	540.49	(1,888.84)	2,429.33	1,616.69

As per our report of even date attached

FOR DOSHI MARU & ASSOCIATES
CHARTERED ACCOUNTANTS

S/d

HIREN MARU

Partner

FRN : 112187W

PLACE: MUMBAI

DATE: 31/07/2012

FOR LYPSA GEMS & JEWELLERY LIMITED.

S/d

S/d

S/d

DIPAN PATWA

CHAIRMAN

MANISH JANANI

MANAGING DIRECTOR

JEEYAN PATWA

EXECUTIVE DIRECTOR

DATE: 31/07/2012

Annual Report 2011-12



Regd. Add.: 306, Mahavir Chambers, Taratia Hanuman Galli, Mahidharpura, Surat – 395003, Gujarat.

ATTENDANCE SLIP SEVENTEENTH ANNUAL GENERAL MEETING – 29th SEPTEMBER, 2012 AT 11.30 A.M.

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

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

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on Saturday, the 29th September, 2012 at 11.30 A.M at 306, Mahavir Chambers, Taratia Hanuman Galli, Mahidharpura, Surat – 395003, Gujarat

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

Signature

LYPSA GEMS & JEWELLERY LIMITED

(Formerly Known as Maloo Gems & Jewellery Limited)

Reg. Add; 306, Mahavir Chambers, Taratia Hanuman Galli, Mahidharpura, Surat – 395003, Gujarat.

PROXY FORM SEVENTEENTH ANNUAL GENERAL MEETING – 29th SEPTEMBER 2012 AT 11.30 A.M.

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

I/We _____ resident of _____ in the district of _____ being a shareholder(s) of the Company, hereby appoint _____ resident of _____ in the district of _____ 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 17th Annual General Meeting of the Company to be held on Saturday, 29th Day of September, 2012 at 11.30 a.m. at 306, Mahavir Chambers, Taratia Hanuman Galli, Mahidharpura, Surat – 395003, Gujarat

Signed this _____ day of _____, 2012.

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 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.

Annual Report 2011-12



If undelivered, please return to :-

LYPSA GEMS AND JEWELLERY LIMITED.

306, Mahavir Chambers,
Taratia Hanuman Gally,
Mahidhar Pura,
Surat-395 003
