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QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company: **Uday Jewellery Industries Limited**

Quarter ending on : **31.12.2014**

Particulars	Clause of Listing agreement	Compliance Status Yes/No/NA	Remarks
II. Board of Directors	49 (II)	-	AS PER THE NOTES ANNEXED HERETO
(A) Composition of Board	49 (IIA)	Yes	
(B) Independent Directors	49 (IIB)	Yes	
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	
(D) Other provisions as to Board and Committees	49 (IID)	Yes	
(E) Code of Conduct	49 (IIE)	Yes	
(F) Whistle Blower Policy	49 (IIF)	Yes	
III. Audit Committee	49 (III)	-	
(A) Qualified & Independent Audit Committee	49 (IIIA)	Yes	
(B) Meeting of Audit Committee	49 (IIIB)	Yes	
(C) Powers of Audit Committee	49 (IIIC)	Yes	
(D) Role of Audit Committee	49 (IIID)	Yes	
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	
IV. Nomination and Remuneration Committee	49 (IV)	Yes	
V. Subsidiary Companies	49 (V)	NA	
VI. Risk Management	49 (VI)	Yes	
VII. Related Party Transactions	49 (VII)	Yes	
VIII. Disclosures	49 (VIII)	-	
(A) Related party transactions	49 (VIII A)	Yes	
(B) Disclosure of Accounting Treatment	49 (VIII B)	Yes	
(C) Remuneration of Directors	49 (VIII C)	Yes	
(D) Management	49 (VIII D)	Yes	
(E) Shareholders	49 (VIII E)	Yes	
(F) Proceeds from public issues, rights issue, preferential issues etc.	49 (VIII F)	NA	
IX. CEO/CFO Certification	49 (IX)	Yes	
X. Report on Corporate Governance	49 (X)	Yes	
XI. Compliance	49 (XI)	Yes	

Note 1: Clause 49 (II)- BOARD OF DIRECTORS

Clause 49 (IIA)

Composition of Board

- | | |
|----------------------------|----------------------|
| 1. Mr. Ritesh Kumar Sanghi | - Managing Director* |
| 2. Mr. Sanjay Kumar Sanghi | - Director* |
| 3. Mr. Ram Prasad Vempati | - Director** |
| 4. Mr. Siddharth Goel | - Director** |
| 5. Mr. Vikram Goel | - Director** |
| 6. Mrs. Pritha Sanghi | - Director*** |

*Executive Directors

** Independent Non-Executive Directors

*** Non-Executive Director

Clause 49 (IIB)

Independent Directors

The Board of Directors of the Company is comprised of requisite number of Independent Directors as per Clause 49(II)(A) and further, all the directors fulfill the criteria of Independent Director as mentioned under Clause 49(II)(B) of the listing agreement.

Clause 49 (IIC)

Non-executive Directors' compensation & disclosures

No remuneration is paid to the Non executive Directors, except sitting fee.

Clause 49 (IID)

Other provisions as to Board and Committees

1. The Company is conducting the Board Meetings regularly and it is also ensured that the gap between two Board Meetings conducted does not exceed a period of one hundred and twenty days.
2. No Director is a Member of more than 10 committees or chairman of more than 5 committees across all companies in which he is a director.

Clause 49 (IIE)

Code of Conduct

Code of conduct for all the Board members and senior management was adopted by the Board. Affirmation of compliance to the Code on annual basis by the Board and senior management is complied with in the Annual Report.

Clause 49 (IIF)

Whistle Blower Policy

The company is in the process of establishing a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy and also to provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism.

Note 2: Clause 49 (III)- AUDIT COMMITTEE

Clause 49 (IIIA)

Qualified & Independent Audit Committee

The following are the members of the Audit Committee:

1. Mr. Ram Prasad Vempati - Chairman*
2. Mr. Siddharth Goel - Member*
3. Mr. Vikram Goel - Member*

* Independent and Non Executive Directors

INVESTORS GRIEVANCE COMMITTEE

The following are the members of Investor Grievance Committee:

1. Mr. Siddharth Goel - Chairman
2. Mr. Ram Prasad Vempati - Member
3. Mr. Vikram Goel - Member

Clause 49 (IIB)

Meeting of Audit Committee

The Audit Committee met as and when required and all the members were present at the meeting and it is ensured that at least four meetings are held in a year with not more than four months gap between two meetings.

Clause 49 (IIC) (III D) (III E)

Powers, Role of and Review of Information by Audit Committee

The power, role of and review of information by the Audit Committee are as per the Listing Agreement and the Companies Act, 2013.

Note 3: Clause 49 (IV)- NOMINATION AND REMUNERATION COMMITTEE

The Committee constituted by the Company is responsible for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

The following are the members of the Remuneration Committee:

1. Mr. Siddharth Goel - Chairman*
2. Mr. Ram Prasad Vempati - Member*
3. Mr. Vikram Goel - Member*

* Independent and Non Executive Directors

Note 4: Clause 49 (V)- SUBSIDIARY COMPANIES

The Company does not have any subsidiary nor is it a subsidiary of any other Company under the Company Act, 2013. Therefore the compliance of the sub clause is not applicable to the Company.

Note 5: Clause 49 (VI)- RISK MANAGEMENT

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures and the Board is responsible for framing, implementing and monitoring the risk management plan for the company.

Note 6: Clause 49 (VII)- RELATED PARTY TRANSACTIONS

The basis of related party transactions are reviewed and approved by the Audit Committee and none of the transactions are in potential conflict with the interests of the Company. The Company has also obtained approval of members by special resolution at the Annual General Meeting for related party transactions proposed to be entered amongst its associate companies.

Note 7: Clause 49 (VIII)- DISCLOSURES

Clause 49 (VIII A)-

Related Party Transactions

The basis of related party transactions are reviewed and approved by the Audit Committee and none of the transactions are in potential conflict with the interests of the Company. The details of Related Party Transactions entered into by the Company during the quarter are as under:

A) Related parties and their relationship**I. Associate Concerns**

1. Sanghi Jewellers Private Limited
2. Trisa Retail Limited

II. Key Managerial Personnel and their relatives

1. Mr. Ritesh Kumar Sanghi
2. Mrs. Sarala Sanghi

B) Transactions with related parties for the quarter ended 31st December, 2014

Nature of Transactions	Amount of Transactions from 01.10.2014- 31.12.2014 (In Rs.)
(a) Transactions during the Quarter	
<u>Purchases:</u>	
Sanghi Jewellers Pvt. Ltd	1,61,05,580/-
<u>Job work Expenses:</u>	
Sanghi Jewellers Pvt. Ltd	51,37,467/-
<u>Rent:</u>	
Sarala Sanghi	1,50,000/-
<u>Inter Corporate Loan Repaid:</u>	
Trisa Retail Ltd.	30,00,000/-
<u>Interest Received on Inter Corporate Loan:</u>	
Trisa Retail Ltd.	9,10,984/-
(b) Balance outstanding as at the end of Quarter	
<u>Trade Payables:</u>	
Sanghi Jewellers Pvt Ltd	89,26,361/-
<u>Inter Corporate Loan:</u>	
Trisa Retail Ltd.	2,55,00,000/-
<u>Interest on Inter Corporate Loan:</u>	
Trisa Retail Ltd.	24,81,925/-
<u>Unsecured Loan:</u>	
Ritesh Kumar Sanghi	3,00,000/-
<u>Rent Payable:</u>	
Sarala Sanghi	50,000/-

Clause 49 (VIIB)-

Disclosure of Accounting Treatment

The Company follows Accounting Standards notified under the Companies Act, 2013 in the preparation of financial statements. The Company has not adopted a treatment different from that prescribed in an Accounting Standards.

Clause 49 (VIIC)-

Remuneration of Directors

The details of remuneration paid to the Directors are complied with in the Annual Report. No remuneration is paid except sitting fees.

Clause 49 (VIID)-

Management

The Management Discussion and Analysis Report are complied in the Annual Report.

Clause 49 (VIIE)-

Shareholders

1. Quarterly results are being sent to the stock exchange on timely basis.
2. There are no pending investor grievances.
3. The share transfers work has been delegated to the Registrars which are attended once in a fortnight.

Clause 49 (VIIF)-

Proceeds from public issues, rights issue, preferential issues etc.

There was no public, rights or preferential issue proceeds outstanding during the quarter under review.

Note 8: Clause 49 (IX)- CEO/CFO CERTIFICATION

The CEO/CFO certification is included in the Annual Report.

Note 9: Clause 49 (X)- REPORT ON CORPORATE GOVERNANCE

The corporate governance report is complied with in the Annual Report.

Note 10: Clause 49 (XI)- COMPLIANCE

Certificate from the Auditors for compliance with clause 49 is complied with in the Annual Report.

Yours truly,
For UDAY JEWELLERY INDUSTRIES LIMITED



RITESH KUMAR SANGHI
Managing Director
DIN: 00628033