



17th ANNUAL REPORT
2015-16

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear shareholders,

The Ministry of Corporate Affairs ("MCA") vide its circulars dated 21.04.2011 and 29.04.2011 has taken a "Green Initiative in Corporate Governance" thereby allowing companies to serve electronic documents to its shareholders.

Environment conservation and sustainable development are continuously on your Company's radar and therefore your Company supports MCS in this initiative. Accordingly, henceforth, we propose to send documents such as notices of general meeting(s), annual reports and other communications to the shareholders through e-mail. Please note that all such documents shall be kept open for inspection at the registered office of the Company during the office hours.

We solicit your valuable cooperation and support in our endeavor to contribute our bit to the environment. You are requested to please fill the details in the format provided below. Please note that the fields marked '*' are mandatory to fill.

Registered Folio or DP Id - Client ID *

Full Name *

Email ID *

Contact no. :

Declaration: (Select whichever is applicable) *

I agree to receive the communication through e-mail

I agree to receive the communication through physical mode

In case there is any change in your e-mail ID or any other details, please e-mail us the details at info@udayjewellery.com or contact us. In case of shares held in electronic form, you are requested to inform your DP as well.

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BOARD OF DIRECTORS

Mr. Ritesh Kumar Sanghi	-	Managing Director
Mr. Sanjay Kumar Sanghi	-	Non Executive Director
Mrs. Pritha Sanghi	-	Non Executive Director
Mr. Siddharth Goel	-	Independent Director
Mr. Ram Prasad Vempati	-	Independent Director
Mr. Vikram Goel	-	Independent Director
Mr. Rakesh Agarwal	-	Chief Financial Officer
Ms. Pragya Sarda	-	Company Secretary

AUDITORS

M/s Venugopal & Chenoy
Chartered Accountants, Tilak Road,
Hyderabad – 500001

BANKERS

State Bank of India
Kotak Mahindra Bank Limited

REGISTERED OFFICE

Plot No. 5-9-60, Flat No. 301, Moghuls Court Building,
Deccan Tower Complex, Basheerbagh
Hyderabad – 500029
Ph:- 040-32918411

REGISTRAR & SHARE TRANSFER AGENTS

Niche Technologies Private Limited
D-511, Bagree Market
71, B. R. B. Basu Road
Kolkata – 700 001
West Bengal, India
Ph:- 033-22343576

NOTICE

Notice is hereby given that the **Seventeenth Annual General Meeting** of the Members of the Company will be held at Rajasthani Graduates Association, 'Snatak Bhavan', First Floor, Abids, Hyderabad- 500001 on Thursday, the **29th day of September, 2016 at 11:30 A.M.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at **31st March, 2016** and Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint director in place of Mr. Sanjay Kumar Sanghi, Director (DIN:00629693), who retires by rotation and being eligible, offers himself for re-appointment
3. To ratify the appointment of Statutory auditors

"RESOLVED THAT pursuant to the provisions of Section 139,142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under, as amended from time to time, and the resolution passed by the Members in their 15th Annual General Meeting, the appointment of M/s Venugopal & Chenoy, Chartered Accountants (Firm Reg. No. 004671S, M. No. 21961), Hyderabad as the Statutory Auditors of the Company to hold office until the conclusion of Annual general meeting of the Company to be held in the calendar year 2019, be and is hereby ratified, at such remuneration as may mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the Section 188(1)(a), and other applicable provisions, if any of the Companies Act, 2013, and Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any committee which the Board may constitute for this purpose) for execution of contracts with M/s Sanghi Jewellers Private Limited, for a period from 01.10.2016 to 31.12.2020, for supply of various manufactured products and undertaking job work and allied services for a total value of Rs. 100,00,00,000/- (Rupees Hundred Crores only) during the proposed period between the Company and M/s Sanghi Jewellers Private Limited as under:

S. No.	Name of the Contracting Party	Period of Contract	Total Value of Contract (Rs. in Cr)
1.	Sanghi Jewellers Private Limite	01.10.2016 – 31.12.2020	100.00

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to enter into contract for and on behalf of the Company with M/s Sanghi Jewellers Private Limited for purchase of various manufactured products and job work services and to make necessary entries in the Register of Contracts maintained under Section 189 of the Companies Act, 2013 and to do all such acts, deeds and things as may be necessary in this regard to give effect to the above resolution."

Date: 25.08.2016

Place: Plot No 5-9-60, Flat No 301, Moghuls

Court, Basheerbagh, Hyderabad - 500001

For and on behalf of the Board

Sd/-

Ritesh Kumar Sanghi

Managing Director

DIN: 00628033

Address: 8-2-686/DR/7, Road No. 12,
Banjara Hills, Hyderabad, 500034,

NOTES

1. Any Member entitled to attend and vote is entitled to appoint proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **23rd September, 2016 to 29th September, 2016** (both days inclusive) for the purpose of Annual General Meeting.
3. All correspondence and share transfer documents must be addressed to the Share Transfer Agents.
4. Member who hold shares in dematerialized form are requested to bring their clients Id and DPID number for easy identification of their attendance at the meeting.
5. Members holding the shares in physical and electronic form are required to inform immediately the changes, if any, in their address of Share Transfer Agents.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
7. Instructions for e-voting facility being provided through CDSL are given elsewhere in the Notice.
8. Members are requested to notify change of address, if any, to the Company's Share Transfer Agents immediately.
9. Members / Proxies are requested to bring their attendance slips along with their copies of Annual Report to the Meeting.
10. The Equity Shares of the Company are in Compulsory Trading in dematerialized form (Scripless trading in electronic form) through Depository Participants. The ISIN Code is **INE551B01012**.
11. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the company or the Registrar and Share Transfer Agents of the Company.
13. The relevant documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the declaration of result.
14. A Member can opt only one mode for voting i.e. either Physical or e-voting. In case a member opts e-voting, he cannot exercise his vote through Physical ballot form and vice-versa. However, in case member(s) cast their vote both by Physical Ballot and e-voting, then the voting done through physical Ballot shall prevail and voting done by e- voting will be treated as invalid. Instructions for e-voting facility being provided through CDSL are given elsewhere in the Notice.
15. Shri Ajay S. Shrivastava, Practicing Company Secretary has been appointed as "Scrutinizer" for the Special business mentioned to be conducted by e-voting/Physical ballot.
16. The Results of the e-voting will be declared by the Directors by **01st October,2016 at 4.30 PM.** at the Corporate Office of the Company at Hyderabad.
17. The Explanatory Statement under Section 102(1) of the Companies Act, 2013 in respect of Item No. 4 is annexed herewith.
18. The details pertaining to Directors liable to retire by rotation and directors proposed to be appointed/reappointed as required to be provided pursuant to the Listing Agreement with the Stock Exchanges are as follows:
"Mr. Sanjay Kumar Sanghi, aged about 49 years has a varied experience in the field of jewellery designing and expert knowledge in gemology. He has an immense skill and expertise in sorting and recognizing diverse range of precious and semi-precious gems used in manufacturing of various colored stone

jewellery. He has more than 23 years of experience in business of dealing and trading in Gems and Jewellery. His shareholding in the Company is 33,18,800 equity shares representing 28.38% of total share capital of the Company as on 31st March, 2016

His directorships held in other public companies as on 31.03.2016 are:

- a) Narbada Gems and Jewellery Limited

19. **VOTING THROUGH ELECTRONIC MEANS**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. **The process and manner for remote e-voting are as under:**
- (i) The remote e-voting period commences on **26th September, 2016 at 9:00 A.M.** and ends on **28th September, 2016 at 5:00 P.M.** During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **22nd September, 2016** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (iii) Click on "Shareholders" tab.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ◆ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the records for your folio in dd/mm/yyyy format
Bank Account Number (DBD)	Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio. ◆ Please Enter the DOB or Bank Account Number in order to Login. ◆ If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e. "**Uday Jewellery Industries Limited**" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders & Custodians :
- ◆ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ◆ After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - ◆ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact them at 1800 200 5533
- (xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
20. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at info@udayjewellery.com with a copy marked to helpdesk.evoting@cdslindia.com on or before **28th September, 2016, upto 5:00 pm** without which the vote shall not be treated as valid.
 21. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **22nd September, 2016**. A person who is not a member as on cut off date should treat this notice for information purpose only.
 22. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 19th August, 2016.
 23. The shareholders shall have one vote per equity share held by them as on the cut-off date of **22nd September, 2016**. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
 24. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **22nd September, 2016** and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
 25. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
 26. Investors, who became members of the Company subsequent to the dispatch of the Notice / Email and hold the shares as on the cut-off date i.e. **22nd September, 2016**, are requested to send the written / email communication to the Company at info@udayjewellery.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
 27. Mr. Ajay S. Shrivastava, Practicing Company Secretary (Certificate of Practice Number 3479) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 3 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 28. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.udayjewellery.com and on the website of CDSL. The same will be communicated to the listed stock exchanges viz. the Calcutta Stock Exchange Limited and BSE Limited.

EXPLANATORY STATEMENT

(Section 102(1) of the Companies Act, 2013)

Item No. 4:

The Members are informed that the Company wishes to expand its business and with that intent, it has also started its own production unit. Further, with intent to continue to support the growth and stability of the business of the Company, the promoters wish to enter into various contracts for purchase of products and to accept Job work services with the company which belongs to the promoter group. In this regard, the Company approached M/s Sanghi Jewellers Private Limited (SJPL); wherein the three Promoter Directors of the Company namely Mr. Sanjay Kumar Sanghi, Mr. Ritesh Kumar Sanghi and Mrs. Pritha Sanghi are also the directors of SJPL; in their prospering business venture.

Details of Contract:

The details of the contract with Sanghi Jewellers Private Limited are as under:-

Sl No.	Particulars	Details
1.	Name of the Related Party and nature of relationship	Sanghi Jewellers Private Limited- Associate Concern
2.	Nature of Contract	Purchase or Sale of various manufactured products and taking jobwork and allied services for dealing and trading in plain and precious stone studded gold jewellery.
3.	Period of Contract	01.10.2016 to 31.12.2020
4.	Approximate Value of Contract	Rs. 100 Cr.
5.	Prior Approvals (if any)	Approval from members taken at the Annual General Meeting held on 29th September, 2015, for entering into such transactions from 01.10.2015 to 30.09.2016 for an amount of Rs. 25 crores.

Majority of the Directors – Mr. Sanjay Kumar Sanghi, Mr. Ritesh Kumar Sanghi and Mrs. Pritha Sanghi are interested persons in the said transactions. Further, in accordance with first proviso to Section 188 of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, prior approval of the members of the Company by way of ordinary resolution is required for entering into such contracts.

The Board recommends for the approval of the resolution.

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the **Seventeenth Annual Report** together with the audited accounts of the Company for the financial year ended **31st March, 2016**

1. FINANCIAL SUMMARY**(Amt in lakhs)**

Particulars	31.03.2016	31.03.2015
Revenue from operations	3162.08	2465.13
Other Income	97.90	39.61
Profit before tax	215.57	146.03
Provision for Taxation	40.28	27.24
Profit after Tax	175.29	118.79
Losses Brought Forward	-660.22	-779.01
Balance carried to Balance Sheet	-484.94	-660.22

2. STATE OF COMPANY'S AFFAIRS:

During the Financial Year 2015-16, your Company has leaped forward in terms of business performance and recognition. This is evident from the financial results for the year ending 31.03.2016. It achieved revenue of Rs. 3162.08 lakhs thereby earning a profit of Rs. 175.29 lakhs in 2015-16. With its latest manufacturing unit and skilled karigars, the Company has been able to cater to varied range of customers and make its presence felt amongst its clients for the exclusive designs of its CZ jewellery. In coming years, the Company plans to build a strong marketing team and carry out widespread promotion of its various products to extend its clientele base and develop new niche market segments with farther reach.

3. DIVIDEND:

In order to conserve resources for further expanding the Company's business, your Directors have opined to not recommend any dividend for the year 2015-16.

4. RESERVES

Amount to be carried forward to the reserves- (Rs. 4,84,94,465)/-

5. SHARE CAPITAL

The Issued, Subscribed and Paid up Equity Share Capital of the Company is Rs. 11,69,06,000/- (Rupees Eleven Crores Sixty Nine Lakhs and Six Thousand only) divided into 1,16,90,600 (One Crore Sixteen Lakhs Ninety Thousand and Six hundred only) equity shares of Rs. 10/- each. Further, during the year, there were no

- (i) Re-issue of forfeited shares
- (ii) Issue of shares with differential rights
- (iii) Issue of sweat equity shares

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Sanjay Kumar Sanghi retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. His profile is given elsewhere in the report. Your Directors recommend his re-appointment.

Pursuant to the provisions of Section 149 of the Companies Act 2013, Mr. Ramprasad Vempati, Mr. Siddharth Goel, and Mr. Vikram Goel were appointed as independent directors at the Annual General Meeting of the Company held on 29th September, 2014 and the terms and conditions of appointment of independent directors are as per Schedule IV of the Act. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

During the period, Mr. Rakesh Agarwal, has been appointed as the Chief Financial Officer of the Company, w.e.f 30th May, 2016 in terms of Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

7. DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT, IF ANY

The declarations by all Independent Director(s) that he/they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 have been obtained as required.

8. NUMBER OF MEETINGS OF THE BOARD

Seven meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

9. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of Independent Directors is done by the entire Board of Directors of the Company except the director who is subject to such evaluation. The Board performance evaluation policy specifies the manner and process of formal evaluation of the performance of the Board. The said policy is attached as **Annexure-I** to this report.

10. MANAGERIAL REMUNERATION

No remuneration is paid to the Managing Director or the Whole-time Directors of the Company. The Company's policy on Director's appointment and remuneration in accordance with Section 178 (3) of the Companies Act, 2013 is attached as **Annexure II** to this report. The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration) Rules, 2014 and Companies (Particulars of Employees) Rules 1975, in respect of employees of the Company and Directors is furnished hereunder:

- i) Median remuneration of the Company for all its employees is Rs 1,12,358/- for the Financial Year 2015-16.
- ii) The ratio of the Remuneration of each Director to the medium remuneration of the employees of the company for the financial year 2015-16. - NA. Since no remuneration is being paid to the directors.

iii) Details of percentage increase in the remuneration of each Director and CFO and Company Secretary in the Financial Year 2015-16 are as follows:

Name	Designation	Remuneration (in Rs.)		Increase %
		2015-16	2014-15	
Ritesh Kumar Sanghi	Managing Director	-	-	-
Sanjay Kumar Sanghi	Director	-	-	-
Pragya Sarda	Company Secretary	4,00,090/-	1,70,511*	N.A.

*For part of the previous year only

iv) Percentage increase in the median remuneration of all employees in the financial year 2015-16

Particulars	2015-16 (Amt in Rs.)	2014-15 (Amt in Rs.)	Increase /(decrease)%
Median remuneration of all employees per annum	1,12,358/-	1,67,839/-	(33.06)%

v). Numbers of permanent employees on the rolls of the Company as on 31st March, 2016 are 23.

11. PARTICULARS OF EMPLOYEES:

There are no employees drawing remuneration equal or more than the limits specified in Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

12. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

There are no subsidiaries or joint ventures to the Company as on the date of this report.

13. STATUTORY AUDITORS:

The Auditors, M/s Venugopal & Chenoy, Chartered Accountants, Hyderabad, (Firm Regn No.- 004671S) was appointed in the Annual General Meeting held on 29th September, 2014 to hold office until the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019. Their appointment is being ratified at the ensuing Annual General Meeting in accordance with the provisions of Section 139(2) of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014.

14. AUDITORS' REPORT

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not require comments. The declaration for unmodified Auditor's Report in accordance with Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 as amended by SEBI vide notification no. SEBI/ LAD-NRO/GN/2016-17/001 dated 25.05.2016 has been submitted with the Stock Exchanges.

15. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, Mr. Ajay S. Shrivastava, Practicing Company Secretary, Hyderabad (CP No- 3479) had been appointed Secretarial Auditor of the Company for the year under review. The report of the Secretarial Auditor in the prescribed Form MR-3 is enclosed as **Annexure III** to this report.

16. VIGIL MECHANISM

In accordance with the provisions of Section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Board has adopted a Vigil Mechanism Policy which is updated on the website of the Company under the link:- <http://www.udayjewellery.com/investors/downloads>.

17. INTERNAL AUDIT & CONTROLS

The Company has appointed M/s Krishna and Suresh, Chartered Accountant, Hyderabad (Firm Regn No-001461S) as its Internal Auditors. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas.

18. RISK MANAGEMENT POLICY

The Management has put in place adequate and effective system and man power for the purposes of risk management. In the opinion of the Board, following are the risks involved in the industry:

1. Volatile raw material prices
2. Competition from other countries including China and Italy.
3. Limited Standardization in terms of purity of Gold.

19. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 is attached as a part of this Annual Report as **Annexure IV**.

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

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

21. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes between the date of balance sheet and the date of this report that could potentially affect the financial position of the Company.

22. DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public as per Section 73 of the Companies Act, 2013 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has entered into an agreement with M/s Trisa Retail Limited to provide unsecured loan to an extent of Rs. 3.14 Cr under Section 186 of the Companies Act, 2013. Further, the Company has not given any guarantee or provided any security in connection with any loan to any other body corporate in accordance with Section 186 of the Companies Act, 2013.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is disclosed in Form No AOC-2 as **Annexure V** to this report.

25. CORPORATE GOVERNANCE CERTIFICATE

The Compliance certificate from practicing company secretaries regarding compliance of conditions of corporate governance as stipulated under Part E of Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed with this report as **Annexure- VI**.

26. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis for the year ended 31st March, 2016 are attached, which form part of this annual report.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

1.EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 are as follows:

CONSERVATION OF ENERGY:

1. The steps taken or impact on conservation of energy.	Your Company, being a manufacturer of jewellery items, uses small machines which require minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
2. The steps taken by the company for utilizing alternate sources of energy.	
3. The capital investment on energy conservation equipments.	

TECHNOLOGY ABSORPTION:

1. The efforts made towards technology absorption.	Since the Company is not engaged in any technology driven business, the information in connection with technology absorption is NIL
2. The benefits derived like product improvement, cost reduction, product development or import substitution.	-NIL
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-- the details of technology imported the year of import;- whether the technology been fully absorbed;- if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NIL
4. The expenditure incurred on Research and Development.	NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars of foreign currency earnings and outgo during the financial year are NIL.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since the Company's net worth does not exceed Rs. 500 crores or Company's turnover does not exceed Rs. 1000 crores or the Company's net profit does not exceed Rs. 5 crore for any financial year, the provisions of section 135 of the Companies Act, 2013 are not applicable.

29. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors would like to inform the members that the audited accounts for the year ended **31st March, 2016** are in full conformity with the requirement of the Act and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. These financial statements are audited by the Statutory Auditors M/s Venugopal & Chenoy, Chartered Accountants.

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, your Directors further confirm that:

- i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 of the profit and Loss of the Company for that period;

- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The directors have laid down internal financial controls to be followed by the company and such controls are adequate and are operating effectively.
- vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

30. LISTING:

The shares of your company are listed on BSE limited and the Calcutta Stock Exchange Limited. The shares on BSE Limited are listed and available for trading with effect from 18th December, 2015. The Company has duly complied with all the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

31. ACKNOWLEDGMENT:

The Directors thank the Company's employees, customers, vendors and investors for their continuous support. The Directors also wish to place on record its appreciation of Banks, Stock Exchange & Other authorities for their able guidance and support.

Date: 25.08.2016

**Place: Plot No 5-9-60, Flat No 301, Moghuls
Court, Basheerbagh, Hyderabad - 01**

On behalf of Board of Directors

Sd/-

**(Ritesh Kumar Sanghi)
Managing Director
DIN: 00628033**

Address:8-2-686/DR/7,
Road No. 12, Banjara Hills,
Hyderabad - 500034

Sd/-

**(Sanjay Kumar Sanghi)
Director
DIN: 00629693**

Address:8-2-686/DR/7,
Road No. 12, Banjara Hills,
Hyderabad - 500034

ANNEXURE INDEX

<u>ANNEXURE</u>	<u>CONTENTS</u>
I	Board's Performance Evaluation policy
II	Nomination and Remuneration Policy
III	Secretarial Audit Report- Form MR-3
IV	Extract of Annual Return- Form MGT-9
V	Particulars of Contract with related parties- Form AOC-2
VI	Compliance Certificate for Corporate Governance

BOARD PERFORMANCE EVALUATION POLICY

The Board of Directors (the "Board") of Uday Jewellery Industries Limited (the 'Company') has adopted this Policy as the Board Performance Evaluation (hereinafter referred as "Policy") under the provisions of the Companies Act, 2013 read with Clause 49/ Regulation 17 of the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, respectively with the Stock Exchanges.

This Policy provides a framework for governance and reporting of the performance evaluation of the Board of Directors of the Company as defined in this policy.

The provisions of this Policy are designed to govern the disclosure requirements to ensure transparency in the conduct of business activities in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

This Policy is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the Company in an ethical manner. The purpose of this Policy is to recognize and provide mechanisms to report the mechanism of the director's performance and to develop a culture of transparency in the system.

Each year the Board of the Company will carry out an evaluation of its own performance. Board performance evaluation is designed to:

- a) review the pre-determined role of the Board collectively and individual Directors in discharge of duties as set out in the Company from time to time;
- b) annually assess how well directors are discharging their responsibilities; collectively by assessing the Board's effectiveness; and individually by assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- c) annually assess the performance of directors in discharging their responsibilities.
- d) regularly evaluate the Directors' confidence in the integrity towards the Company, the quality of the discussions at Board meetings, the credibility of the reports and information they receive, the level of interpersonal cohesion between Board members and the degree of Board knowledge; and
- e) enable Board members, individually and collectively, to develop the key skills required to meet foreseeable circumstances with timely preparation, agreed strategies and appropriate development goals.

This is achieved by collectively assessing the Board's effectiveness and by individually assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;

a) DEFINITIONS & INTERPRETATION

“**Act**” means the Companies Act, 2013 and rules made there under as amended from time to time.

“**Board**” means the Board of Directors of the Company for the time being in force.

“**Board Evaluation Committee**” means a committee of Directors constituted by the Board for the purpose as enumerated in this policy.

“**Company**” shall mean Uday Jewellery Industries Limited.

b) PROCEDURE FOR BOARD PERFORMANCE EVALUATION

- a) The Chairperson will meet with the directors either collectively or separately, as he may deem fit, seeking input in relation to
 - i) the performance of the Board
 - ii) the performance of each Board Committee;
 - iii) the performance of the Managing Directors;
 - iv) the performance of other Whole Time Directors;
 - v) his own performance
- b) Performance should be assessed quantitatively and qualitatively, as appropriate based on the strategic plans and the role/ position description.
- c) The Chairperson will collect the input and provide an overview report for discussion by the Board
- d) The Board as a whole will discuss and analyze the performance collectively of each director individually and its own performance during the year including suggestions for change or improvement, as well as any skills, education or development required over the forthcoming year.

c) PROCEDURE FOR BOARD PERFORMANCE EVALUATION OF MANAGING DIRECTORS AND KEY EXECUTIVES OF THE COMPANY

This Board will ensure that the Managing Directors and key executives will execute the Company's strategy through the efficient and effective implementation of the business objectives. In order to accomplish this:

- a) Each year the Board reviews the Company's strategy.
- b) Following such a review the Board sets the organization performance objectives based on qualitative and quantitative measures
- c) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.
- d) These objectives form part of the performance targets as assigned to the Managing Directors.
- e) Performance against these objectives is reviewed annually by the Board.
- f) The Managing Directors are responsible for assessing the performance of the key executives and a report is provided to the Board Evaluation Committee for review.

4. EXTERNAL CONSULTANTS

The Board or Committee thereof may engage independent external consultants periodically to provide strategic advices and assistance in the evaluation process

5. DISCLOSURE

The provisions of this Policy can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from the date stated therein.

This policy has been issued under the authority of the Board of Directors of the Company and shall remain in force unless Board resolve otherwise or issue a cancellation or modification thereof.

ANNEXURE-II**NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49/ Regulation 19 of the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, respectively as amended from time to time by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.n and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

OBJECTIVE

The objective of the policy is to ensure that

- i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

DEFINITION

“**Act**” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“**Board**” means Board of Directors of the Company

“**Directors**” mean Directors of the Company

“**Key Managerial Personnel**” means

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed

“**Senior Management**” mean the personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

ROLE OF THE COMMITTEE:

The role of the NRC will be the following:

- i) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- ii) To formulate criteria for evaluation of Independent Directors and the Board.
- iii) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- iv) To carry out evaluation of Director’s performance.
- v) To recommend to the Board the appointment and removal of Directors and Senior Management.
- vi) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- vii) To devise a policy on Board diversity, composition, size.
- viii) Succession planning for replacing Key Executives and overseeing.
- ix) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable

- x) To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM/TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary in accordance with the Evaluation policy adopted.

REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of

Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- b) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

3) Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

REVIEW AND AMENDMENT

- a) The NRC or the Board may review the Policy as and when it deems necessary.
- b) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- c) The Committee may Delegate any of its powers to one or more of its members.
- d) This Policy may be amended or substituted by the NRC or by the Board as and when required where there are any statutory changes necessitating the change in the policy.

ANNEXURE-III

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31.03.2016

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

To,
The Members,
UDAY JEWELLERY INDUSTRIES LIMITED
Plot No- 5-9-60, Flat No. 301,
Moghuls Court Building,
Deccan Tower Complex,
Basheer Bagh, Hyderabad- Telangana- 500001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **UDAY JEWELLERY INDUSTRIES LIMITED (CIN- L74900TG1999PLC080813)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the UDAY JEWELLERY INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **NIL during the period under review.**
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **-Not Applicable to the Company during the Audit Period**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable to the Company during the Audit Period**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable to the Company during the Audit Period**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable to the Company during the Audit Period** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable to the Company during the Audit Period**
 - i) The Securities & Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 (After December 2015).
 - j) The Indian Gold (Control) Act, 1962 having being repealed, there are no industry specific Laws that are applicable to the Company, during the period of Audit.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.-As made applicable under the Companies Act, 2013.
- (ii) The Listing Agreements entered into by the Company with BSE Limited under the old Listing Agreement till November, 2015 and thereafter under SEBI-LODR, 2015.

During the Audit period under review and as per the clarification, representations provided by the Management in writing & oral in the Secretarial Audit checklist prepared by me, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement,

SEBI notifications etc. mentioned above.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

I further report that

- ✦ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ✦ Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were largely sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- ✦ Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that *during the audit period, the Company's shares were listed under Direct Listing Norms (notified from 21st January, 2013) for trading at BSE Limited and the trading started w.e.f 18.12.2015.*

Place: Hyderabad

Date:22.08.2016

Sd/-

AJAY S SHRIVASTAVA

Company Secretary in practice:

FCS No. 3489

C P No.: 3479

'ANNEXURE -1'

To,
The Members
UDAY JEWELLERY INDUSTRIES LIMITED
PLOT NO- 5-9-60, FLAT NO. 301,
MOGHULS COURT BUILDING,
DECCAN TOWER COMPLEX,
BASHEER BAGH, HYDERABAD- TELANGANA- 500001

This report is to be read with our letter of even date which is annexed as 'Annexure 1' and forms an integral part of this report.

1.Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2.We have followed the audit practices and processes as were appropriate to obtain reasonable assurance

about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad

Date: 22.08.2016

Sd/-

AJAY S SHRIVASTAVA

Company Secretary in practice:

FCS No. 3489

C P No.: 3479

ANNEXURE-IV

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS

1.	CIN	L74900TG1999PLC080813
2.	Registration Date	13.05.1999
3.	Name of the Company	Uday Jewellery Industries Limited
4.	Category/Sub-category of the Company	Company Limited by shares
5.	Address of the Registered office& contact details	Plot No. 5-9-60, Flat No. 301, Moghuls Courtbuilding, Deccan Tower Complex, Basheer Bagh, Hyderabad - 500029
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Niche Technologies Limited D-511, Bagree Market, 5th Floor, BRB Basu Road, Kolkata- 700001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SI No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of The company
1.	Jewellery Manufacturing Services	99889020	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	6434860	0	6434860	55.043	6829860	0	6829860	58.422	3.379
b) Central Govt.									
c) State Government									
d) Bodies Corporate									
e) Banks / Financial Institutions									
f) Any Other									
Sub-total (A)(1)	6434860	0	6434860	55.043	6829860	0	6829860	58.422	3.379
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate									
d) Banks / Financial Institutions									
e) Any Other									
Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	6434860	0	6434860	55.043	6829860	0	6829860	58.422	3.379
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds									
b) Banks / Financial Institutions									
c) Central									

Governments										
d) State Governments										
e) Venture Capital Funds										
f) Insurance Companies										
g) Foreign Institutional Investors (FII)										
h) Foreign Venture Capital Funds										
i) Others (Specify)										
Sub-total (B)(1)	0	0	0	0.000	0	0	0	0.000	0.000	0.000
(2) Non-Institutions										
a) Bodies Corporate										
i) Indian	2718465	76700	2795165	23.910	1747412	36700	1784112	15.261	-8.649	
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	322687	142782	465469	3.982	389648	167782	557430	4.768	0.786	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1969006	25000	1994006	17.056	2316648	0	2316648	19.816	2.760	
c) Others Specify										
1. NRI	500	0	500	0.004	1000	0	1000	0.009	0.005	
2. Overseas Corporate Bodies										
3. Foreign Nationals										
4. Clearing Members	600	0	600	0.005	201550	0	201550	1.724	1.719	
5. Trusts										
6. Foreign Bodies-D.R.										
Sub-total (B)(2)	5011258	244482	5255740	44.957	4656258	204482	4860740	41.578	-3.379	
Total Public Shareholding (B) = (B)(1)+(B)(2)	5011258	244482	5255740	44.957	4656258	204482	4860740	41.578	-3.379	
C. Shares held by Custodian for GDRs & ADRs										
GRAND TOTAL (A+B+C)	11446118	244482	11690600	100.0	11486118	204482	11690600	100.0	0.000	

ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ Shares encumbered to total	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	RITESH KUMAR SANGHI	3116060	26.654	0.000	3116060	26.654	0.000	0.000
2	SANJAY KUMAR SANGHI	3318800	28.389	0.000	3318800	28.389	0.000	0.000
3	TEJAS SANGHI	0	0.000	0.000	197500	1.689	0.000	1.689
4	UDAY SANGHI	0	0.000	0.000	197500	1.689	0.000	1.689
	TOTAL	6434860	55.043	0.000	6829860	58.422	0.000	3.379

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

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total shares of the company
1	RITESH KUMAR SANGHI				
	a) At the Beginning of the Year	3116060	26.654		
	b) Changes during the year	(NO CHANGES DURING THE YEAR)			
	c) At the End of the Year			3116060	26.654
2	SANJAY KUMAR SANGHI				
	a) At the Beginning of the Year	3318800	28.389		
	b) Changes during the year	(NO CHANGES DURING THE YEAR)			
	c) At the End of the Year			3318800	28.389

3	TEJAS SANGHI				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	31/03/2016 Transfer	197500	1.689	197500	1.689
	c) At the End of the Year			197500	1.689
4	UDAY SANGHI				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	31/03/2016 Transfer	197500	1.689	197500	1.689
	c) At the End of the Year			197500	1.689
	TOTAL	6434860	55.043	6829860	58.422

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total shares of the company
1	CISTRO TELELINK LIMITED				
	a) At the Beginning of the Year	1200000	10.265		
	b) Changes during the year				
	Date Reason				
	08.01.2016 Transfer	-25000	0.214	1175000	10.051
	04.03.2016 Transfer	-300000	2.566	875000	7.485
	31.03.2016 Transfer	-200000	1.711	675000	5.774
	c) At the End of the Year			675000	5.774

2	CLASSIC FILAMENTS LIMITED				
	a) At the Beginning of the Year	1300000	11.120		
	b) Changes during the year				
	Date Reason				
	25.03.2016 Transfer	-300000	2.566	1000000	8.554
	31.03.2016 Transfer	-200000	1.711	800000	6.843
	c) At the End of the Year			800000	6.843
3	RAJESH GUPTA				
	a) At the Beginning of the Year	450000	3.849		
	b) Changes during the year	(NO CHANGES DURING THE YEAR)			
	c) At the End of the Year			450000	3.849
4	SANJAY GUPTA				
	a) At the Beginning of the Year	450000	3.849		
	b) Changes during the year	(NO CHANGES DURING THE YEAR)			
	c) At the End of the Year			450000	3.849
5	DARSHAN GUPTA				
	a) At the Beginning of the Year	360790	3.086		
	b) Changes during the year	(NO CHANGES DURING THE YEAR)			
	c) At the End of the Year			360790	3.086
6	TANEEA SANJJOY PASARRI				
	a) At the Beginning of the Year	360000	3.079		
	b) Changes during the year				
	Date Reason				
	25.12.2015 Transfer	-24400	0.209	335600	2.871
	c) At the End of the Year			335600	2.871

7	V KAMALA DEVI				
	a) At the Beginning of the Year	217330	1.859		
	b) Changes during the year	(NO CHANGES DURING THE YEAR)			
	c) At the End of the Year			217330	1.859
8	CHOICE EQUITY BROKING PRIVATE LIMITED				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the year				
	Date Reason				
	04.03.2016 Transfer	300000	2.566	300000	2.566
	31.03.2016 Transfer	-100000	0.855	200000	1.711
	c) At the End of the Year			200000	1.711
9	PRAVEEN KUMAR				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the year				
	Date Reason				
	18.03.2016 Transfer	30	0.000	30	0.000
	25.03.2016 Transfer	7855	0.067	7885	0.067
	31.03.2016 Transfer	105039	0.898	112924	0.966
	c) At the End of the Year			112924	0.966
10	SANDEEP GUPTA				
	a) At the Beginning of the Year	0	0.00		
	b) Changes during the year				
	Date Reason				
	11.03.2016 Transfer	97880	0.837	97880	0.837
	31.03.2016 Transfer	2120	0.018	100000	0.855
	c) At the End of the Year			100000	0.855

11	AJAY SHRIVASTAVA				
	a) At the Beginning of the Year	35000	0.299		
	b) Changes during the year	(NO CHANGES DURING THE YEAR)			
	c) At the End of the Year			35000	0.299
12	RAJENDRA KUMAR LOHIA				
	a) At the Beginning of the Year	40109	0.343		
	b) Changes during the year	(NO CHANGES DURING THE YEAR)			
	c) At the End of the Year			40109	0.343
13	BAKRA PRATISTHAN LIMITED				
	a) At the Beginning of the Year	40000	0.342		
	b) Changes during the year				
	Date Reason				
	04.05.2015 Transfer	-40000	0.342	0	0.00
	c) At the End of the Year			0	0.00
	TOTAL	4453229	38.092	3776753	32.306

v) Shareholding of Directors and Key Managerial Personnel:

SINo.	Director's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ Shares encumbered to total	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	RITESH KUMAR SANGHI	3116060	26.654	0.000	3116060	26.654	0.000	0.000
2	SANJAY KUMAR SANGHI	3318800	28.389	0.000	3318800	28.389	0.000	0.000
	TOTAL	6434860	55.043	0.000	6434860	55.043	0.000	0.000

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	2,50,00,000	-	2,50,00,000
ii) Interest due but not paid	-	29,72,102	-	29,72,102
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	2,79,72,102	-	2,79,72,102
Change in Indebtedness during the financial year	-	-	-	-
* Addition	4,30,56,686	-	-	4,30,56,686
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	4,30,56,686	2,50,00,000	-	6,80,56,686
ii) Interest due but not paid	-	45,48,712	-	45,48,712
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,30,56,686	2,95,48,712	-	7,26,05,398

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(Rs. in lakhs)

SN.	Particulars of Remuneration	Name of MD/WTD/ CS			Total Amount
		Ritesh Kumar Sanghi- MD	Sanjay Kumar Sanghi- ED	Pragya Sarda-CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	4.14	4.14
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-

3	Sweat Equity	-	-	-	-
4	Commission-as % of profit-				
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

ANNEXURE - V

FORM NO. AOC-2

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

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

- 1. Details of contracts or arrangements or transactions not at Arm's length basis:** Uday Jewellery Industries Limited (UJIL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2015-16.
- 2. Details of material contracts or arrangement or transactions at arm's length basis:**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Sanghi Jewellers Private Limited- Associate Concern
b)	Nature of contracts/ arrangements/transaction	Purchase of Gold Ornaments and Jobwork Services for making the same.
c)	Duration of the contracts /arrangements/transaction	Approval from members at the 16th Annual General Meeting held on 29th September, 2015 for contracts between 01.10.2015 to 30.09.2016.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	—
e)	Date of approval by the Board	Not applicable, since the contract was entered into in the ordinarycourse of business and on arm's length basis.
f)	Amount paid as advances, if any	—

ANNEXURE - VI

CERTIFICATE ON COMPLIANCE WITH THE PROVISIONS OF CORPORATE GOVERNANCE

To
The Members,
UDAY JEWELLERY INDUSTRIES LIMITED
Hyderabad.

We have examined the records of UDAY JEWELLERY INDUSTRIES LIMITED, , Hyderabad for the purpose of certifying compliance of the conditions as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period from 1st April, 2015 to 30th November, 2015 and as per the Schedule V(E) of Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015(Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016. We have obtained all the information, which is best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner suggested in the Guidance Note on certification of Corporate Governance issued by the Institute of Company Secretaries of India and has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance of conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on our reliance upon the representations made by the management, that there were no transactions of material nature with the management. We certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned listing Agreement and Listing Regulations, as applicable.

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.

Place: Hyderabad

Date: 23.08.2016

**Sd/-
Ajay S Shrivastava
Practicing Company Secretary
FCS No.: 3489
C P No.: 3479**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We submit herewith the Management discussion and analysis report on the business of the Company as applicable to the extent relevant.

INDUSTRY STRUCTURE AND DEVELOPMENTS

India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). However, according to a report from the Gem & Jewellery Export Promotion Council, during the year 2015-16, the demand for gems and jewellery exports declined to the lowest due to a slowing global economy.

Moreover, the Government of India in the Union Budget 2016-17 has levied an excise duty of 1 per cent without input tax credit or 12 per cent with input tax credit on articles of jewellery (excluding silver jewellery, other than studded with diamonds and some other precious stones) with a higher exemption and eligibility limits of Rs. 6 crores and Rs.12 crores respectively. The proposal created a nation-wide stir owing to concerns on operational hurdles. This may also lead to an increase in the price of jewellery when their raw material prices are hardening thus biting the profitability.

On the Global scenario, according to various reports, Britain's exit from the European Union is likely to affect India's gems and jewellery exports in the long run, due to depreciation in the Pound (GBP) against global major currencies including the Indian rupee.

To boost the sector further, the Gem & Jewellery Export Promotion Council, an apex body for the gem and jewellery industry, has made various recommendations to the government relating to the current taxation policy thereby inviting business from foreign countries and making the 'Make in India' drive more successful.

OPPORTUNITIES AND THREATS

The following are some of the challenges that the gem and jewellery industry is facing at present:

- ◆ Lack of financial support by financial institutions - Limited financial assistance from the Banks and lack of financing options has been a major challenge for the industry.
- ◆ Exchange rate fluctuations: Gems and jewellery industry is influenced by the rupee/dollar exchange rate because it is hundred per cent export oriented industry. Any variation in the exchange rates affects the margins of the players.
- ◆ Traditional ways: Utilization of high technology, speedy machinery and software has led to the gradual replacement of manual methods of polishing, manufacturing and designing of gems and jewellery. However, utilization of such techniques is relatively low in Indian gems and jewellery industry, because of the small size and unorganized nature of majority of the players.

Apart from various challenges faced by the industry, it can take advantages of the following opportunities:

- ◆ E-Commerce: In recent times, many brands have been doing exclusive retailing of diamond and gold jewellery online. The business of selling precious jewellery through website or an app is high in countries like US and China. Similar trend is coming up in India and that has great potential in future years.
- ◆ Exhibitions and Trade Fairs: The business of gem and jewellery can be developed by participating in various national and international level shows and exhibitions organised by various industry bodies thereby maintaining various business connections and clientele base.

OUTLOOK

According to a report by Research and Markets, the Jewellery Market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.95 per cent over the period 2014-2019. Due to shortage of skilled manpower, the Gems and Jewellery Skill Council of India is planning to train over four million people till 2022. The Reserve Bank of India (RBI) has also liberalised gold import norms. With this, star and premier export houses can import the commodity, while banks and nominated agencies can offer gold for domestic use as loans to bullion traders and jewellers. Besides, Company is focusing on launching newest designs every three months to capture the market.

Further, a report from ICRA suggests that although, the excise duty levy has resulted in a brief impasse impacting industry volumes and margins to an extent during first quarter of current year 2016, it expects the industry to recover as retailers comply with the proposed regulations.

RISKS AND CONCERNS

The Gems and Jewellery industry in India has been indifferent to the adoption and establishment of formal or informal industry standards. However, as the industry has grown and more and more businesses have started transacting on a global basis, a need has arisen for establishing standards. In recent years, attempts have been made to remedy the situation, particularly the establishment of hallmarking standards by the BIS. It is expected that the industry will see an increasing level of adoption of hallmarking in gold and certification in gemstones in years to come and this is critical to its competitiveness.

In addition, the Indian gem and jewellery industry faces a long term threat from China. Although India currently enjoys dominance in the world's cut and polished diamonds market, China may emerge as a viable rival, if not in the near term, certainly in the longer term, says a report from National Skill Development Corporation

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems for its business with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. The internal auditors conduct regular audits and evaluate on a continuous basis, the adequacy and effectiveness of the internal control mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. A qualified and independent Audit Committee reviews the observations from the internal audit reports and suggests improvement for strengthening the control systems according to the changing business needs from time to time.

FINANCIAL CONDITION**Share Capital**

The Authorised Share capital of the Company is Rs. 15,50,00,000/- divided into 1,55,00,000 equity shares of Rs. 10/- each. The Issued, Subscribed and Paid up Share Capital of the Company is Rs. 11,69,06,000/- divided into 1,16,90,600 equity shares of Rs. 10/- each.

Secured Loans

The Company has borrowed a working capital loan from Kotak Mahindra Bank Limited during the Financial Year 2015-16. The amount of such loan as on 31st March, 2016 is Rs.430.57 lakhs.

Fixed Assets

Fixed Assets (Net Block) is Rs. 46.15 lakhs during the year 2015-16

HUMAN RESOURCES

The Company firmly believes that Human Resources and knowledge capital are vital for business success and creating value for stakeholders. The Company therefore, constantly attempts to motivate its staff through various incentives that breeds professionalism and also one which is employee centric.

CAUTIONARY STATEMENT

Statement made in Management Discussion and Analysis report which seeks to describe the Objectives, projections, estimates, predictions may be considered to be forward looking statements and are stated as required by applicable laws and regulations. Actual results could differ from those expressed or implied and are determined by many factors including global and domestic demand - supply conditions, process, raw materials availability, tax laws, governmental policies and other statutes which may affect actual results which may be different from what the Directors envisaged in terms of future performance and outlook.

REPORT ON CORPORATE GOVERNANCE**I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company truly believes in fair, transparent and ethical governance practices. The Company has adopted a code of conduct for its employees including the managing director and the executive directors. Further, the Company has adopted the Code of Conduct for fair disclosure of price sensitive information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

During the year, SEBI has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') on September 2, 2015 vide Notification No SEBI/LAD-NRO/GN/2015-16/013, effective from ninetieth day from the date of its publication, to consolidate and streamline the provisions of existing Listing Agreement. Pursuant to Regulation 109 of the Listing Regulations and SEBI Circular no CIR/CFD/CMD/6/2015 dated October 13, 2015, the Company has entered into fresh Listing Agreement with the Stock Exchanges. The Company is in compliance with the requirements as stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Regulations, as applicable, with regard to corporate governance.

II. BOARD OF DIRECTORS**1. Composition:**

The Composition of the Board of Directors of the Company is in compliance with Regulation 17(1) of the SEBI Listing Regulations. The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. The Board of Director of your Company comprises of six Directors as on 31st March, 2016.

The composition of the Board and category of each Director along with their shareholding in the Company as at March 31, 2016, is as follows:

Name	Designation	Date of Appointment	Category	No. of Equity shares held in the Company
Mr. Ritesh Kumar Sanghi	Managing Director	22.08.2011	Promoter-Executive	31,16,060
Mr. Sanjay Kumar Sanghi	Director	22.08.2011	Promoter-Non-Executive	33,18,800
Mrs. Pritha Sanghi	Director	14.05.2014	Promoter- Non-Executive	--
Mr. Siddharth Goel	Director	12.05.2012	Independent - Non-Executive	--
Mr. Ram Prasad Vempati	Director	18.08.2011	Independent - Non-Executive	--
Mr. Vikram Goel	Director	28.03.2013	Independent -Non-Executive	--

- ◆ Mr. Ritesh Kumar Sanghi (Managing Director) is the brother of Mr. Sanjay Kumar Sanghi and brother-in law of Mrs. Pritha Sanghi.
- ◆ Mr. Sanjay Kumar Sanghi is the spouse of Mrs. Pritha Sanghi.
- ◆ None of the other Directors are related to any other director on the Board.

2. Directorships and Memberships of the Directors in other Companies/ Committees

All the Directors of the Company are compliant with the applicable provisions of Section 165(1) of the Companies Act, 2013 and Regulation 26(1) of SEBI Listing Regulations with respect to their number of Directorship in other Companies and chairmanship/membership on various Committees.

The details of the directorship of each Director on the Board of various other Companies along with their Chairmanship and Membership on the Board Committees are as follows:

Name of Director	No. of Directorships	Member/Chairperson of Committee*	
		Member	Chairperson
Mr. Ritesh Kumar Sanghi	5	Nil	-
Mr. Sanjay Kumar Sanghi	4	Nil	-
Mr. Siddharth Goel	1	2	-
Mr. Ram Prasad Vempati	3	2	1
Mr. Vikram Goel	3	Nil	-
Mrs. Pritha Sanghi	2	Nil	-

*Committees considered to reckon the limit are Audit Committee and Stakeholders Relationship Committee in public listed Companies.

3. Board Meetings

In accordance with Section 173(1) of the Companies Act, 2013 and Regulation 17(2) of SEBI Listing Regulations, the Board of Directors meets at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings. Additional Board Meetings are held by the Company to address specific needs, as and when required. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as per the provisions of Section 175 of the Companies Act, 2013, which is ratified in the subsequent Board meeting. The notice of the Board meeting along with the Agenda is circulated to all the Directors well in advance.

During the Financial Year ended 31st March, 2016, seven Board Meetings were held on 29th May, 2015, 13th August, 2015, 26th August, 2015, 26th September, 2015, 01st October, 2015, 13th November, 2015 and 12th February, 2016. The maximum interval between any two meetings were within the maximum allowed gap of 120 days. The attendance of each director at the Board Meetings and last Annual General Meeting is as follows:

SI No.	Name of Director	Board Meeting		AGM held on
		Held	Attended	29th September, 2015
01	Mr. Ritesh Kumar Sanghi	7	5	Not Present
02	Mr. Sanjay Kumar Sanghi	7	7	Present
03	Mr. Siddharth Goel	7	6	Present
04	Mr. Ram Prasad Vempati	7	7	Present
05	Mr. Vikram Goel	7	5	Not Present
06	Mrs. Pritha Sanghi	7	7	Not Present

4. Independent Directors

The Independent Directors on Board of the Company are non-executive directors and follow the criteria as defined under Regulation 16 of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013.

The Independent Directors met on 12th February, 2016 in accordance with Regulation 25(3) of the SEBI Listing Regulations and discussed the

- ◆ the performance of Non-Independent Directors and the Board as a whole;
- ◆ the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- ◆ the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The familiarization programme for the new and continuing Independent Directors of the Company ensures that they understand the Company's business in depth and that would facilitate their active participation in managing the Company. The details of the familiarization programme are available on the Company's website at <http://www.udayjewellery.com/investors/downloads>.

III. COMMITTEES OF THE BOARD

The Board Committees are formed in accordance with the Companies Act, 2013 and the SEBI Listing Regulations. The Board Committees are set up under the formal approval of the Board to carry out clearly

defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Committees meet at regular intervals and the Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review.

The Board has currently established the following Committees.

1. Audit Committee

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. There are three members in the Audit Committee all of them being Independent Directors. In accordance with Part C Schedule II of the SEBI Listing Regulations, the terms of reference of the Audit committee are broadly as under:

- ◆ 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.
- ◆ Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- ◆ Reviewing with the management, the annual and quarterly financial statements before submission to the board for approval,
- ◆ reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- ◆ approval or any subsequent modification of transactions of the listed entity with related parties;
- ◆ valuing the undertaking or assets of the Company, wherever it is necessary;
- ◆ evaluating internal financial controls and risk management systems;
- ◆ reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- ◆ reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- ◆ discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- ◆ reviewing the functioning of the Whistle Blowing mechanism;
- ◆ approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- ◆ any other function as stipulated under the Companies Act, 2013, SEBI Listing Regulations or any other regulatory authorities from time to time.

During the Financial Year 2015-16, the Committee met four times on 29th May, 2015, 13th August, 2015, 13th November, 2015 and 12th February, 2016 in accordance with Regulation 18(2) of SEBI Listing Regulations. The composition of the Audit Committee and details of meetings attended by its members are as under;

S No.	Name of the Director	Category	Number of meetings during the FY 2015-16	
			Held	Attended
1.	Mr. Ram Prasad Vempati (Chairman)	Independent, Non- Executive	4	4
2.	Mr. Siddharth Goel	Independent, Non- Executive	4	4
3.	Mr. VikramGoel	Independent, Non- Executive	4	4

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations. There are three members in the Nomination and Remuneration Committee all of them being Independent Directors. In accordance with Para A Part D Schedule II of the SEBI Listing Regulations, the terms of reference of the Nomination and Remuneration Committee are broadly as under:

- ◆ Determine/ recommend the criteria for qualifications, positive attributes and independence of Director and for appointment of Executive, Non-Executive and Independent Directors to the Board;
- ◆ Formulating the criteria for evaluating the performance of every director including the Independent Directors. Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;
- ◆ Recommending to the Board a nomination and remuneration policy for the Directors, Key Managerial Personnel and other employees of the Company.
- ◆ Any other functions as may be required under the Companies Act, 2013 and the SEBI Listing Regulations.

During the Financial Year 2015-16, the Committee met once on 12th February, 2016 in accordance with Regulation 19 of SEBI Listing Regulations. The composition of the Nomination and Remuneration Committee and details of meetings attended by its members are as under;

S No.	Name of the Director	Category	Number of meetings during the FY 2015-16	
			Held	Attended
1.	Mr.Siddharth Goel (Chairman)	Independent, Non- Executive	1	1
2.	Mr.Ram Prasad Vempati	Independent, Non- Executive	1	1
3.	Mr.Vikram Goel	Independent, Non- Executive	1	1

The criteria for evaluation of performance of the individual directors included various parameters viz. attendance & participation during the meetings, their active contribution& independent judgment, cohesiveness, discussions/deliberations on important matters, understanding of the Company, etc.

3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations. There are three members in the Stakeholders' Relationship Committee all of them being Independent Directors. In accordance

with Para B Part D Schedule II of the SEBI Listing Regulations, the role of the Stakeholders' Relationship Committee is broadly as under:

- ◆ To consider and resolve the grievances of shareholders of the Company with respect to transfer and transmission of shares, replacement of share certificates, issue of duplicate share certificates and dematerialization of share certificates, non-receipt of annual report, non-receipt of declared dividend, etc;
- ◆ To review the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and related activities
- ◆ To evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company
- ◆ To suggest measures to improve investor service levels for the investors.

During the Financial Year 2015-16, the Committee met four times on 01st April, 2015, 13th August, 2015, 13th November, 2015 and 12th February, 2016 in accordance with Regulation 19 of SEBI Listing Regulations. The composition of the and details of meetings attended by its members are as under;

S No.	Name of the Director	Category	Number of meetings during the FY 2015-16	
			Held	Attended
1.	Mr. SiddharthGoel (Chairman)	Independent, Non- Executive	4	4
2.	Mr. Ram Prasad Vempati	Independent, Non- Executive	4	4
3.	Mr. Vikram Goel	Independent, Non- Executive	4	4

Mr. Siddharth Goel is the Chairman of the Stakeholders' Relationship Committee. Ms. Pragya Sarada, Company Secretary, is the Compliance Officer of the Company for resolution of Shareholders' / Investors' complaints. During the financial year ended 31st March, 2016, no complaints were received from the shareholders and therefore no complaints were pending to be resolved.

IV. GENERAL BODY MEETINGS

1.Details of last three Annual General Meetings held by the Company

Financial Year	Venue	Date / Time
2012-13	Flat No 301, Plot No 5-9-60, Moghuls Court building, Basheerbagh, Hyderabad - 500001	27th September, 2013 at 4.30 P.M.
2013-14	Flat No 301, Plot No 5-9-60, Moghuls Court building, Basheerbagh, Hyderabad - 500001	29th September, 2014 at 3.30 P.M.
2014-15	3-6-290/19, 1st Floor, Sadana Building, Hyderguda, Hyderabad	29th September, 2015 at 3.30 P.M.

2. There was no Extraordinary General Meeting held by the Company during the Financial Year 2015-16.

3. No special resolution was passed in the previous three Annual General Meetings held by the Company.

4. During the Financial Year 2015-16, no special resolution was passed by way of postal ballot.

V. MEANS OF COMMUNICATION

The primary means of Communication to the shareholders, customers, and other stakeholders is through the website of the Company. In accordance with Regulation 46 of the SEBI Listing Regulations, the Company

maintains a functional website containing the basic information about the listed entity at - www.udayjewellery.com. The quarterly, half yearly and annual results of the Company's performance are made available on the website of the Company at <http://www.udayjewellery.com/investors/performance>. These results are also published in one English National daily newspaper viz Financial Express or Business Standard and one Regional Language Newspaper. The Company regularly updates any change in the content of the website within two working days of such change.

The website also displays vital information relating to the Company and its performance, official press releases and other related information. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through BSE Listing Centre, for dissemination on their website.

VI. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting for the Financial Year 2015-16

Date	29th September, 2016
Time	11:30 A.M.
Venue	Rajasthani Graduates Association, 'Snatak Bhavan', First Floor, Abids, Hyderabad- 500001
Book Closure Date	22nd September, 2016 - 29th September, 2016
Dividend Payment date	No dividend has been recommended

2. Financial Year:-

The Company follows April-March as the Financial Year. The Board meeting calendar of the Financial Year ended 31st March, 2016 for approval of quarterly financial results is as follows:

Results for the quarter ending June 30, 2015	: 13th August, 2015
Results for the quarter ending September 30, 2015	: 13th November, 2015
Results for the quarter ending December 31, 2015	: 12th February, 2016.
Results for the quarter and year ending March 31, 2016	: 30th May, 2016

Tentative Calendar of the Financial Year ended 31st March, 2017 is as follows

Results for the quarter ending June 30, 2016	: Second week of August, 2016
Results for the quarter ending September 30, 2016	: Second week of November, 2016
Results for the quarter ending December 31, 2016	: Second week of February, 2017.
Results for the quarter and year ending March 31, 2017	: Last week of May, 2017

3. Listing Details

Name and Address of Stock Exchange	Stock Code
BSE Limited	539518
The Calcutta Stock Exchange Limited	18358
ISIN of the Comapny	INE551B01012

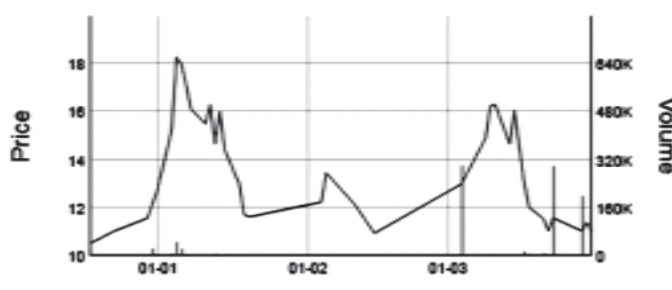
The Annual Listing fee for the Financial Year 2016-17 has been paid to the respective Stock Exchanges.

4. Market Price Data

The shares are not frequently traded on the Calcutta Stock Exchange Limited. The equity shares of the Company were listed on BSE Ltd with effect from 18th December, 2015. The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) for the year ended 31st March, 2016 are as under:

Month	High	Low	Volume
December- 2015	12.14	10	49,717
January-2016	18.28	11.63	97,722
February- 2016	14.8	10.94	593
March- 2016	16.3	10	10,33,337

5. Market Performance of the Company during the Financial Year 2015-16



6. Registrar and Share Transfer Agent

Niche Technologies (P) Limited, D-511,
 Bagree Market, 71, B. R. B. Basu Road,
 Kolkata - 700 001, West Bengal
 Ph:- 033 22343576, 22357270
 E mail: nichetechpl@nichetechpl.com

7. Share Transfer System

The share transfers which are received in physical form are processed by the Registrar and Transfer Agents and the share certificates are returned after affecting the transfer, subject to the documents being valid and complete in all respects.

8. Distribution of Shareholding as at 31st March, 2016

Category (No. of shares)	Number of holders	% of total holders	Number of shares	% of total shares
Upto 500	279	47.45	59,284	0.51
501-1000	174	29.59	1,67,291	1.43
1001-5000	83	14.12	2,14,184	1.83
5001-10000	19	3.23	1,61,697	1.38
10001- 50000	17	2.89	3,71,745	3.18
50001-100000	3	0.51	2,84,895	2.44
100001 and above	13	2.21	1,04,31,504	89.23
Total	588	100.00	1,16,90,600	100.00

9. Dematerialization of Shares and Liquidity:

The Company's shares are available for trading in both National Securities Depository Ltd and Central Depository Services Ltd. As on 31st March, 2016, 98.25% of the total paid up share capital representing 1,14,86,118 equity shares are held in dematerialized form. The processing activities with respect to the requests received for dematerialization are generally completed within 21 days from the date of receipt of request.

10. Outstanding Global depository receipts or American depository receipts or warrants or convertible instruments:- NIL**11. Address for correspondence**

Registered Office: Plot No. 5-9-60, Flat No. 301, Moghuls Court Building, Deccan Tower Complex, Basheerbagh, Hyderabad - 500001

email:- info@udayjewellery.com

Corporate Office: 3-6-290/19, 1st Floor, Sadana Building, Hyderguda, Hyderabad- 500029

VII. OTHER DISCLOSURES**1. Disclosure on materially significant related party transactions**

During the Financial Year 2015-16, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. All Related Party Transactions entered during the year were in ordinary course of the business and on Arm's Length basis. In accordance with the provisions of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website at <http://www.udayjewellery.com/investors/downloads>. The said policy defines the materiality of related party transactions and lays down the procedures of dealing with Related Party Transactions.

All Related Party Transactions are placed before the Board of Directors and the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length.

2. Details of non-compliance by the Company

There were NIL non-compliance by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market, during the last three years.

3. Establishment of vigil mechanism and whistle blower policy

In accordance with Regulation 22 of the SEBI Listing Regulations, the Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. It also provides for adequate safeguards against victimization of Directors and employees who avail the mechanism. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy. The Whistle Blower Policy is available on the website of the Company at <http://www.udayjewellery.com/investors/downloads>.

4. Details of compliance with Mandatory requirements

During the financial year 2015-16, the Company has complied with all mandatory requirements as specified in the SEBI Listing Regulations.

5. Affirmation and Disclosure

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2016 and a declaration to that effect, signed by the Managing Director is attached and forms part of this Report.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the

Regulation 46(2) of the Listing Regulations, to the extent applicable to the Company.

DECLARATION REGARDING CODE OF CONDUCT

To the Shareholders

I hereby declare that in terms of Regulation 26(3) of the SEBI Listing Regulations, all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company as on 31st March, 2016.

Date: 25.08.2016

Place: Plot No 5-9-60, Flat No 301, Moghuls
Court, Basheerbagh, Hyderabad - 29

Sd/
Ritesh Kumar Sanghi
Managing Director
DIN: 00628033

CEO/CFO CERTIFICATION

To

The Board of Directors,
Uday Jewellery Industries Limited, Hyderabad

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

A. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2016 and to the best of our knowledge and belief, we state that:

i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

C. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, improvement in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

i) significant changes, if any, in the internal control over financial reporting during the year;

ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and

iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Date: 25.08.2016

Place: Plot No 5-9-60,
Flat No 301, Moghuls Court,
Basheerbagh, Hyderabad - 500001

Sd/-
Ritesh Kumar Sanghi
Managing Director
DIN: 00628033

Sd/-
Rakesh Agarwal
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

**To
The Members,
Uday Jewellery Industries Limited.
Hyderabad.**

Report on the Financial Statements

We have audited the accompanying financial statements of Uday Jewellery Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A to this report, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
 - i. There are no pending litigations for the company that will impact the financial position of the company;
 - ii. There are no foreseeable losses on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For VENUGOPAL & CHENOY,
Chartered Accountants,
FRN: 004671S**

**(P.V.SRI HARI)
Partner**

Membership No.021961

Place: Hyderabad

Date: 30.05.2016

Annexure A to the Independent Auditors' Report

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

-
- ii) a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of the said stocks. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii) The Company has granted Inter Corporate Deposit to a company covered in the register maintained under section 189 of the Companies Act, 2013.
- a) In our opinion, the terms and conditions on which the Inter Corporate Deposit has been granted to the party listed in the register maintained under section 189 of the Act are not prejudicial to the interest of the Company.
- b) The payment of principal and the interest, wherever applicable, are made from time to time.
- c) There are no overdue amounts in respect of the Inter Corporate Deposits granted to the party listed in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) Company has not accepted any deposits from public.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at March 31,2016, for a period of more than six months from the date they became payable.
- b) As at March 31,2016, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess.
- viii) According to the information and explanation given to us, the Company has not defaulted in the repayment of loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not provided any managerial remuneration. Accordingly, paragraph 3(xi) of the order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act

where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For VENUGOPAL & CHENOY,
Chartered Accountants,
FRN: 004671S**

**(P.V.SRI HARI)
Partner
Membership No.021961**

**Place: Hyderabad
Date: 30.05.2016**

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Uday Jewellery Industries Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For VENUGOPAL & CHENOY,
Chartered Accountants,
FRN: 004671S**

**(P.V.SRI HARI)
Partner**

Membership No.021961

**Place: Hyderabad
Date: 30.05.2016**

BALANCE SHEET AS AT MARCH 31, 2016

(Rs. in Lakhs)

Particulars	Note No.	Figures for the year end of March 31, 2016		Figures for the year end of March 31, 2015	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY & LIABILITIES					
(1) Shareholder's Funds:					
(a) Share Capital	1	1,248.13		1,248.13	
(b) Reserves & Surplus	2	158.17	1,406.30	(17.12)	1,231.02
(2) Current Liabilities:					
(a) Short term borrowings	3	430.57		0.00	
(b) Trade Payables	4	0.00		9.91	
(c) Other Current Liabilities	5	2.53		4.63	
(d) Short term Provisions	6	19.46		11.07	
Total:			452.56		25.62
			1,858.86		1,256.63
II. ASSETS					
(1) Non-Current Assets:					
(a) Fixed Assets					
(i) Tangible Assets	7	46.15		48.30	
(b) Non-Current Investments	8	14.91		31.23	
(c) Deferred Tax Asset	9	7.48		3.08	
(d) Long-Term Loans and Advances	10	257.22		252.00	
			325.77		334.61
(2) Current Assets:					
(a) Current Investments	11	2.93		12.73	
(b) Inventories	12	648.34		575.57	
(c) Trade Receivables	13	778.97		291.07	
(d) Cash and Cash Equivalents	14	6.01		12.65	
(e) Short Term Loans and Advances	15	96.84		30.00	
Total:			1,533.09		922.02
			1,858.86		1,256.63
Significant Accounting Policies and Notes to Accounts	23				

Our Report attached,
For VENUGOPAL & CHENOY,
Chartered Accountants,
Firm Regn. No. 004671S

Sd/-
CA P.V.SRI HARI
Partner
Membership No.21961

Place: Hyderabad
Date: 30.05.2016

For Uday Jewellery industries Ltd.,

Sd/-
Ritesh Kumar Sanghi
Managing Director
DIN: 00628033

Sd/-
Pragya Sarda
Company Secretary
Membership No. 37999

Sd/-
Sanjay Kumar Sanghi
Director
DIN: 00629693

Sd/-
Rakesh Agarwal
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016 (Rs. in Lakhs)

Particulars	Note No.	Figures for the year ended March 31, 2016		Figures for the year ended March 31, 2015	
		Rs.	Rs.	Rs.	Rs.
I. Revenue from Operations	16		3,162.08		2,465.13
II. Other Income	17		97.90		39.61
III. Total Revenue(I + II)			3,259.98		2,504.74
IV. Expenses:					
Cost of Material Consumed	18	2,973.06		2,704.67	
Changes in Inventory of Finished Goods,WIP, Stock-In-Trade	19	(72.77)		(488.71)	
Employee Benefit Expenses	20	36.48		7.42	
Finance Cost	21	16.27		0.16	
Depreciation		7.53		5.94	
Other Expenses	22	83.84		129.23	
V. Profit before Tax(III - IV)			3,044.41		2,358.71
VI. Tax Expense:			215.57		146.03
Current Tax		44.68		29.43	
Deferred Tax		(4.40)		(2.19)	
VII.Profit for the year			40.28		27.24
			175.29		118.79
VIII. Earnings Per Equity Share Basic & Diluted			1.50		1.02
Significant Accounting Policies and Notes to Accounts	23				

Our Report attached,
For VENUGOPAL & CHENOY,
Chartered Accountants,
Firm Regn. No. 004671S

For Uday Jewellery industries Ltd.,

Sd/-
Ritesh Kumar Sanghi
Managing Director
DIN: 00628033

Sd/-
Sanjay Kumar Sanghi
Director
DIN: 00629693

Sd/-
CA P.V.SRI HARI
Partner
Membership No.21961

Sd/-
Pragya Sarda
Company Secretary
Membership No. 37999

Sd/-
Rakesh Agarwal
Chief Financial Officer

Place: Hyderabad
Date: 30.05.2016

NOTE - 1 : SHARE CAPITAL

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Authorised:				
a) 155,00,000 Equity Shares of Rs.10/- each		1,550.00		1,550.00
Total:		1,550.00		1,550.00
Issued, Subscribed & Paid up:				
a) 1,16,90,600 Equity Shares of Rs.10/- each, fully paid up		1,169.06		1,169.06
b) Securities Forfeiture account		79.07		79.07
Total:		1,248.13		1,248.13

Additional Notes:

- 1) No New shares were issued during the current year. Hence, there is no change in number of shares outstanding as at the beginning and as at the end of the reporting period.
- 2) The details of shares in the Company held by each shareholder holding more than 5% shares.

Name of the Shareholder	Financial Year 2015-16		Financial Year 2014-15	
	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares
1. Ritesh Kumar Sanghi	26.654	3,116,060	26.654	3,116,060
2. Sanjay Kumar Sanghi	28.389	3,318,800	28.389	3,318,800
3. Cistro Telelink Limited	5.774	675,000	10.265	1,200,000
4. Classic Filaments Limited	6.843	800,000	11.120	1,300,000

- 3) Terms /Rights attached to equity shares :The company has one class of equity shares having a par value of Rs10/-per share. Each shareholder is eligible for one vote per share. The dividend proposed, if any by the board of directors is subject to the approval. shareholders in the ensuing Annual General Meeting In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the companyafter distribution of all preferential amounts,in proportion to their shareholding.

NOTE - 2 : RESERVES & SURPLUS

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
a) Securities Premium Reserve:				
Opening Balance	200.00		200.00	
Add: Additions during the year	375.00		375.00	
		575.00		575.00
b) Capital Reserve:				
Profit on re-issue of forfeited shares		68.12		68.12
d) Surplus in Profit & Loss Account:				
Opening Balance	(660.23)		(779.02)	
Less: Profit for the year	175.29		118.79	
		(484.94)		(660.23)
Total:		158.17		(17.12)

Note - 3 : Short Term Borrowings

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
From Banks:				
Working Capital Loan		430.57		0.00
Total:		430.57		0.00
Additional Notes:-				
Secured, Considered Good		430.57		0.00
Unsecured, Considered Good		-		-
Doubtful		-		-

NOTE - 4 : TRADE PAYABLES

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs .	Rs.	Rs.
Outstanding dues of Micro and Small Enterprises		-		-
Other than Micro and Small Enterprises		0.00		9.91
Total:		0.00		9.91
<u>Disclosure relating to Micro and Small Enterprises:</u>				
i) (a) The principal amount remaining unpaid to the supplier as at the end of the year		NIL		NIL
i) (b) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year		NIL		NIL

ii) the amount of interest paid in terms of Section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		NIL		NIL
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under Micro,Small and Medium Enterprises Development Act,2006		NIL		NIL
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and		NIL		NIL
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro,Small and Medium Enterprises Development Act,2006		NIL		NIL

NOTE - 5 - OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
VAT Payable		0.00		0.88
Other Payables		2.53		3.75
Total:		2.53		4.63

NOTE - 6- SHORT TERM PROVISIONS

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Provision for Income Tax		19.46		11.07
Total:		19.46		11.07

Note - 7 : Fixed Assets

Asset	(Rs. in Lakhs)											
	GROSS BLOCK					DEPRECIATION					NETBLOCK	
	As at April 1, 2015	Additions during the Year	Sales/ Adjustments during the Year	As at March 31, 2016	As at April 1, 2015	For the Year	Sales/ Adjustments during the Year	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.			
TANGIBLE ASSETS												
Computers	0.23	0.49	-	0.72	0	0.15	-	0.17	0.55	0.21		
Furniture & Fixture	3.03	1.32	-	4.36	0	0.40	-	0.86	3.50	2.57		
Office equipment	0.54	2.36	-	2.90	0	0.51	-	0.60	2.30	0.45		
Plant & Machinery	7.22	1.20	-	8.43	0.18	0.55	-	0.73	7.70	7.04		
Vehicles	52.31	-	-	52.31	14.28	5.92	-	20.20	32.11	38.03		
TOTAL	63.33	5.38	-	68.71	15.03	7.53	-	22.56	46.15	48.30		
(Previous year)	40.59	22.74	-	63.33	9.09	5.94	-	15.03	48.30	31.50		

Note - 8: Non- Current Investment (At Cost)**(Rs. in Lakhs)**

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
NON-TRADE-Quoted Investments:				
- Investment in Equity Instruments of various Limited Companies (fully paid up and valued at cost)		14.91		31.23
Total:		14.91		31.23

Note - 9: Deferred Tax Asset**(Rs. in Lakhs)**

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Asset:				
Related to Fixed Assets		7.48		3.08
Total:		7.48		3.08

Note - 10 : Long Term Loans and Advances**(Rs. in Lakhs)**

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Deposits		7.22		2.00
Other Loans & Advances		250.00		250.00
Total:		257.22		252.00
Secured, Considered good		-		-
Unsecured, Considered good		257.22		252.00
Doubtful		-		-

Note - 11 : Current Investmentmts**(Rs. in Lakhs)**

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Trade - Quoted Investments:				
- Investment in Equity Instruments of various Limited Companies (fully paid up)		2.93		12.73
Total:		2.93		12.73

Note - 12 : Inventories

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Stock-in-Trade (Gold)		648.34		575.57
Total:		648.34		575.57
Inventories are valued at Cost or NRV whichever is lower				

Note - 13 : Trade Receivables

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Outstanding for a period exceeding six months		-		-
Others		778.97		291.07
Total:		778.97		291.07
Notes:				
Particulars of Trade Receivables:				
Secured, Considered good		-		-
Unsecured, Considered good		778.97		291.07
Doubtful		-		-

Note - 14 : Cash & Bank Balances

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Cash & Cash Equivalents:				
Balances with Banks:				
- In Current Accounts		1.32		11.53
Cash on hand		4.69		1.12
Total:		6.01		12.65

Note - 15 - Short term Loans and Advances

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
VAT Receivable from A.P Govt.		0.18		0.18
VAT Receivable		1.39		-
Interest Receivable		45.49		29.72
Income Tax Refund due		0.09		0.09
Others		49.70		-
Total:		96.84		30.00
Secured, Considered good		-		-
Unsecured, Considered good		96.84		30.00
Doubtful		-		-

Note - 16 : Revenue From Operations**(Rs. in Lakhs)**

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Sales		3,162.08		2,462.37
Jobwork		0.00		2.76
Total:		3,162.08		2,465.13

Note - 17 : Other Income**(Rs. in Lakhs)**

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Dividend on shares		0.97		0.91
Exchange rate fluctuation		4.81		0.00
Income From Shares - Long term		59.93		1.44
Income From Shares- Short Term		0.02		0.85
Earlier Provision written back		0.00		3.38
Interest Income		32.16		33.02
Misc Income		0.01		0.00
Total:		97.90		39.61

Note - 18: Cost of Material Consumed**(Rs. in Lakhs)**

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Purchases		2,972.37		2,704.67
Stores & Consumables		0.69		0.00
Total:		2,973.06		2,704.67

Note - 19 : Changes in Inventories**(Rs. in Lakhs)**

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Stock-In-Trade				
Balance as at beginning of the year	575.57		86.86	
Less: Balance as at the close of the year	648.34		575.57	
Total:		(72.77)		(488.71)

Note - 20 : Employee Benefit Expenses**(Rs. in Lakhs)**

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Salaries & Wages		36.48		7.42
Total:		36.48		7.42

Note - 21: Financial Cost

(Rs. in Lakhs)

	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Bank Charges & Interest		16.27		0.16
Total:		16.27		0.16

NOTE - 22 : OTHER EXPENSES

(Rs. in Lakhs)

Particulars	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
Rent		6.00		6.00
Rates & Taxes		2.24		1.35
Payments to Auditors				
Audit fee	0.50		0.50	
Tax Audit fee	0.15	0.65	0.15	0.65
Advertisement & Publicity		0.86		1.00
Computer Expenses		0.04		0.20
Postage, Telephone		0.13		0.24
Electricity Charges		1.19		0.05
Insurance		2.24		0.88
Printing & Stationery		0.60		0.29
Petrol & Fuel		0.11		0.19
Travelling Expenses		0.25		0.00
Legal & Professional Fees		17.28		4.33
Commission		0.00		10.00
Office Expenses		2.09		1.02
Provision for dimunition in value of shares		0.00		1.17
Membership fees		0.10		0.10
Maintanance				
Building Charges	0.87		0.87	
Machinery & Others	1.45	2.32	0.00	0.87
Jobwork Charges		44.57		98.79
Security Charges		0.79		0.00
Service Tax paid		2.39		1.87
Donation		0.00		0.21
Total:		83.84		129.23

ACCOUNTING POLICIES & NOTES TO ACCOUNTS:**(A) ACCOUNTING POLICIES:****1. Basis of preparation of Accounts:**

The financial statements have been prepared on the basis of going concern, under the historic cost convention, to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2. System of Accounting:

The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

3. Fixed Assets:

Fixed Assets are stated at cost of acquisition plus additions/alterations/installation charges.

4. Depreciation:

Depreciation on Fixed Assets is charged on Straight Line Method so as to be amortised over the useful lives prescribed in Schedule-II to the Companies Act, 2013.

5. Investments:

Current Investments are carried at lower of cost and market value. Non-current investments are carried at cost unless the diminution in the value of such investment is considered to be permanent.

6. Sales:

Sales are exclusive of the sales tax collection and are net of return.

7. Inventories:

Inventories are valued at lower of cost or net realisable value

8. Account for claims:

Claims receivable are accounted on acceptance/receipt.

9. Prior period Adjustments:

Income and Expenditure relating to prior period upto Rs.5000/- in each case is accounted under natural heads of account.

(B) NOTES TO ACCOUNTS:

1. The Company has not ascertained, from out of the amounts payable, "dues" to Small Scale undertakings.
2. The Company is in the business of trading Jewellery. It has no separate segments. Hence, Segment reporting as per AS-17 is not applicable.
3. Related party disclosure in accordance with the Accounting Standard 18 is as follows:
 - A. Name of related parties and related party relationships:
Associate Concerns: Sanghi Jewellers Pvt. Ltd, Trisa Retail Limited
 - B. Transactions with related party during the year along with balances at year end:

Nature of Transactions	March 31, 2016	March 31, 2015
(a) Transactions during the year		
<u>Purchases:</u>		
Sanghi Jewellers Pvt. Ltd	4,79,39,517/-	6,13,79,891/-
Narbada Gems and Jewellery Limited	-	49,22,275/-
<u>Sales :</u>		
Sanghi Jewellers Pvt. Ltd	5,43,861/-	-
<u>Jobwork Expenses:</u>		
Sanghi Jewellers Pvt. Ltd	44,56,883/-	98,79,209/-
<u>Rent:</u>		
Sarala Sanghi	6,00,000/-	6,00,000/-
<u>Inter Corporate Loan:</u>		
Trisa Retail Ltd.		
Loan given	-	60,00,000/-
Loan recovered	-	35,00,000/-
<u>Interest on Inter Corporate Loan:</u>		
Trisa Retail Ltd.	31,96,233/-	33,02,336/-
(b) Balance outstanding as at the year end		
<u>Trade Payables:</u>		
Sanghi Jewellers Pvt Ltd	-	3,30,784/-
<u>Inter Corporate Loan:</u>		
Trisa Retail Ltd.	2,50,00,000/-	2,25,00,000/-
<u>Interest on Inter Corporate Loan:</u>		
Trisa Retail Ltd.	45,48,712/-	29,72,102/-

4. The Company has no reportable segments either by geography or by products.

5. Previous year's figures are regrouped wherever necessary.

For and on behalf of the Board

Sd/-
Ritesh Kumar Sanghi
Managing Director
DIN: 00628033

Sd/-
Sanjay Kumar Sanghi
Director
DIN: 00629693

Sd/-
Pragya Sarda
Company Secretary
Membership No. 37999

Sd/-
Rakesh Agarwal
Chief Financial Officer

Place: Hyderabad
Date: 30.05.2016

CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2016

	2015-16		2014-15	
	(Rs. in Lakhs)		(Rs. in Lakhs)	
A) Cash Flow from Operation Activities :				
Net Profit before taxation and extraordinary items	215.56		146.03	
Adjustments for				
Depreciation & Exp. Written off	7.53		5.94	
Provision for diminution in value of shares	0.00		1.16	
Profit on sale of Shares	(59.95)		(2.29)	
Interest received in ICD	(32.16)		(33.02)	
Foreign Exchange	-		-	
Loss on sale of Fixed Asset	-		-	
Finance Charges	-		-	
Dividend received	(0.97)		(0.91)	
Excess provision written back	-		(3.38)	
Operating Profit before working Capital Changes	130.01		113.53	
Adjustments for				
Trade and Other Receivables	(487.90)		(162.30)	
Short term borrowings	430.57		0.00	
Inventories	(72.77)		(488.72)	
Loans & Advances	(72.07)		(53.82)	
Trade Payables & Other liabilities	(3.62)		(11.07)	
Provision for Income Tax	(40.28)		(27.24)	
Cash Used for Operations	(246.07)		(743.15)	
Interest Paid	-		-	
Cash flow before extraordinary items	(116.06)		(629.62)	
Extraordinary item	-		-	
Net Cash Used for operating activities		(116.06)		(629.62)
B) Cash Flows from Investing Activities				
Purchase of Fixed Assets	(5.38)		(22.74)	
Deffered Revenue Expenditure	(4.40)		(2.18)	
Sale of Fixed Assets	-		-	
Acquisition of companies	-		-	
Purchase of Investments	(3.84)		(22.28)	
Sale of Investments	89.91		28.09	
Interest Received on ICD	32.16		33.02	
Dividend received	0.97		0.91	
Net Cash used in Investing Activities		109.42		14.82

C) Cash Flow from Financing Activities				
Proceeds from issue of Share Capital	-		625.00	
Proceeds from Finance Borrowings	-		-	
Proceeds from Lease Finance Borrowings	-		-	
Repayment of Finance Lease Liabilities	-		-	
Dividend Paid	-		-	
Net Cash Used in Financing Activities		0.00		625.00
Net Increase in cash and cash equivalents		(6.64)		10.20
Cash and Cash equivalents as at 31.03.2015 (Opening Balance)		12.65		2.45
Cash and Cash equivalents as at 31.03.2016 (Closing Balance)		6.01		12.65

Sd/-
Ritesh Kumar Sanghi
Managing Director
DIN: 00628033

Sd/-
Sanjay Kumar Sanghi
Director
DIN: 00629693

Place: Hyderabad
Date: 30.05.2016

Sd/-
Pragya Sarda
Company Secretary
Membership No. 37999

Sd/-
Rakesh Agarwal
Chief Financial Officer

AUDITOR'S CERTIFICATE

We have verified the enclosed Cash flow statement for the year ended 31st March 2016 with the books and records maintained by UDAY JEWELLERY INDUSTRIES LTD, and certify that in our opinion, and according to the information and explanations given to us the statement is in accordance there with.

sd/-
For Venugopal & Chenoy
Chartered Accountants
Firm Regn. No. 004671S

Place: Hyderabad
Date :30.05.2016

P.V.SRIHARI
Partner, M.No:21961

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**I. REGISTRATION DETAILS**

Registration No	080813	State Code:	01
Balance Sheet	31-03-2016		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. LAKHS)

Public Issue	Nil	Preferential Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. LAKHS)

Total Liabilities	1858.86	Total Assets	1858.86
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SOURCES OF FUNDS

Paid-up Capital	1248.13	Reserves & Surplus	158.17
Secured Loans	430.57	Unsecured Loans	Nil

APPLICATION OF FUNDS

Net Fixed Assets	46.15	Investments	17.84
Net Current Assets	1533.09	Misc. Expenditure	Nil
Accumulated Losses	(484.94)		

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN Rs THOUSANDS)

Turnover	3162.08	Total Expenditure	3044.41
Profit/ (Loss) before tax	215.57	Profit/ (Loss) after tax	175.29
Earning Per Share (Rs.)	1.50	Dividend Rate %	Nil

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

Product description: Gems & Jewellery



(Annexure to The Notice For the 17th Annual General Meeting of the Company to Be Held on 29th September, 2016)

Name & Registered Address
of Sole/First named Member :
Joint Holders Name (If any) :
Folio No. / DP ID & Client ID :
No. of Equity Shares Held :
Dear Shareholder,

Subject: Process and manner for availing E-voting facility:

Pursuant to Provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide E-voting facility to the members to cast their votes electronically on all resolutions proposed to be considered at the Annual General Meeting (AGM) to be held on Thursday, 29th September, 2016 at 11:30 A.M. at Rajasthani Graduates Association, 'Snatak Bhavan', First Floor, Abids, Hyderabad- 500001 and at any adjournment thereof.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility. The e-voting facility is available at the link <https://www.evotingindia.com>.

The Electronic Voting Particulars are set out below:

EVSN (Electronic Voting Sequence Number)	User ID	PAN / Sequence No.
160825028		

The E-voting facility will be available during the following voting period:

Remote e-Voting Start On	Remote e-Voting End On
26th September, 2016 at 9:00 A.M. (IST)	28th September, 2016 at 5:00 P.M. (IST)

Please read the instructions mentioned in Point No. 19 of the Notice before exercising your vote.

By Order of the Board
For Uday Jewellery Industries Limited
Ritesh Kumar Sanghi
Managing Director
Place: Hyderabad
Date : 25.08.2016

Encl: AGM Notice/Attendance Slip/Proxy Form



ATTENDANCE SLIP

**(To be handed over at the entrance of the meeting hall)
(Annual General Meeting - 29th September, 2016)**

I hereby record my presence at the 17th Annual General Meeting of the Company held on, 29th September, 2016 at 11:30 A.M. at Rajasthani Graduates Association, 'Snatak Bhavan', First Floor, Abids, Hyderabad- 500001

Full name of the member (In BLOCK LETTERS)
Folio No.DP ID No. Client ID No.....
Full name of Proxy (In BLOCK LETTERS):
Member/ Proxy(s) Signature:
..... ****tear here****

FORM NO. MGT-11

PROXY FORM

[Pursuant To Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L74900TG1999PLC080813

Name of the Company: UdayJewellery Industries Limited

Registered Office: Plot No. 5-9-60, Flat No. 301, Moghuls Court Building, Basheerbagh, Hyderabad – 500001

Name of the Member(s):
Registered Address:
E-mail ID:
Folio No/ Client ID:
DP ID:

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

1. Name: Address:
E-mail ID: Signature:

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

3. Name: Address:
E-mail ID: Signature:

As my our proxy to attend and vote (on a poll) for me/ us on my/ our behalf at the 17th Annual General Meeting of the Company, to be held on Thursday, 29th September, 2016 at 11:30 A.M. at Rajasthani Graduates Association, 'Snatak Bhavan', First Floor, Abids, Hyderabad- 500001 and at any adjournment thereof in respect of such resolution(s) as are indicated below

S. No.	Resolution	For	Against
Ordinary Business:			
1.	To consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors for the Financial Year 2015-16.		
2.	For Re-appointment of Mr. Sanjay Kumar Sanghi, who retires by rotation		
3.	To ratify the appointment of the Statutory Auditors of the Company		
Special Business:			
4.	To consider and approve contracts under Section 188(1)(a) of the Companies Act, 2013, with M/s Sanghi Jewellers Private Limited, an associate concern of the Company		

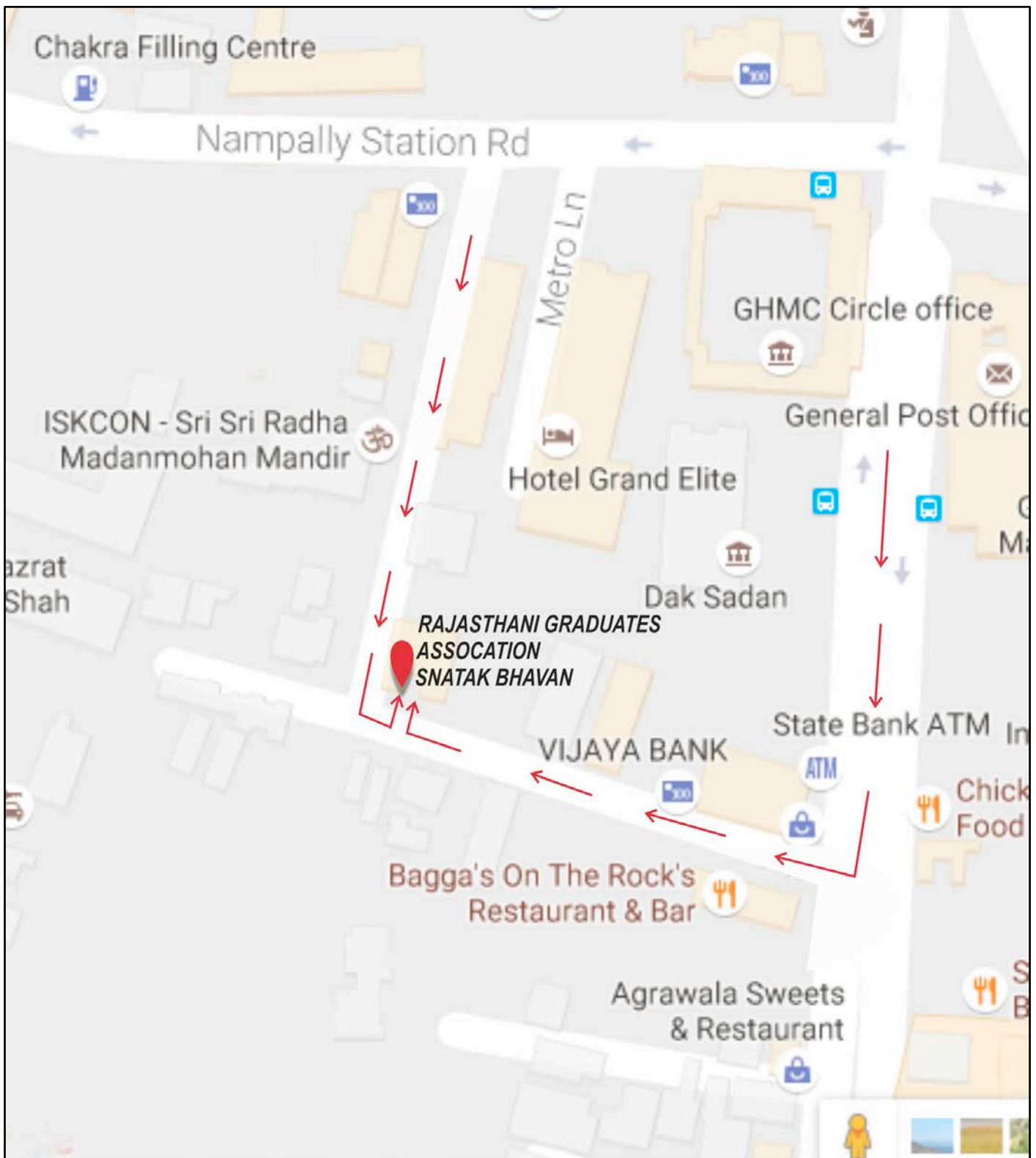
Signed this day of 2016

Signature of the Shareholder(s) Signature of Proxy (s).....

Affix
Revenue
Stamp

Note: The form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

ROUTE MAP FOR THE 17TH ANNUAL GENERAL MEETING- 29.09.2016



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If undelivered, please return to

Uday Jewellery Industries Limited,

Plot No.5-9-60, Flat No.301, Moghuls Court Building,
Deccan Tower Complex, Basheer bagh, Hyderabad - 500 001