

14th
Annual
Report
2012-2013

UDAY JEWELLERY
INDUSTRIES LIMITED
{Formerly Hifunda Limited}

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	Director
Mr. Siddharth Goel	Director
Mr. Ram Prasad Vempati	Director
Mr. Vikram Goel	Additional Director

AUDITORS

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

BANKERS

State Bank of India
Commercial Branch
Kothi, Hyderabad

REGISTERED OFFICE

Plot No. 5-9-60, Flat No. 301, Moghuls Court Building,
Deccan Tower Complex, Basheerbagh
Hyderabad – 500029
Andhra Pradesh, India

REGISTRAR & SHARE TRANSFER AGENTS

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

NOTICE

NOTICE is hereby given that the **Fourteenth Annual General Meeting** of the Members of the Company will be held at the Registered Office of the Company situated at Plot No. 5-9-60, Flat No. 301, Moghuls Court Building, Deccan Tower Complex, Basheerbagh, Hyderabad – 500 001 on Friday, **the 27th day of September, 2013** at **04.30 P.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, 2013** 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. Siddharth Goel**, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint director in place of **Mr. Ram Prasad Vempati**, Director, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint auditors and to authorise the Board to fix their remuneration in consultation with them.

SPECIAL BUSINESS

5. To consider and if thought fit to adopt the following resolution as an Ordinary resolution :

“RESOLVED THAT Mr. Vikram Goel, who was appointed as an Additional Director by the board of Directors of the Company and who holds the office as per Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to the provisions of Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and to do all such things and deeds incidental thereto, as may be considered necessary, proper and expedient to give effect to this resolution.”

Date: 02.09.2013

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

For and on behalf of the Board

Sd/-

Ritesh Kumar Sanghi
Managing Director

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective must be delivered at the Company's Registered Office not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **21.09.2013 to 27.09.2013 (both days inclusive)** for the purpose of Annual General Meeting.
3. The Explanatory statement as per Section 173(2) in respect of Item No 5 is annexed hereto.
4. Members are requested to notify change of address, if any, to the Company's Share Transfer Agents immediately.
5. 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.
6. Members / Proxies are requested to bring their attendance slips along with their copies of Annual Report to the Meeting.
7. Shareholders are requested to bring their copy of Annual Report to the Meeting. Members 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.

8. 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**.

**EXPLANATORY STATEMENT PURSUANT TO
PROVISIONS OF SECTION 173(2) OF THE
COMPANIES ACT, 1956**

Item No. 5

The Board of Directors of the Company appointed Mr. Vikram Goel as an Additional Director of the Company during the period and his term of office expires on the date of ensuing Annual General Meeting and a notice from a member was received proposing his appointment as a Director of the Company under Section 257 of the Companies Act, 1956. Hence the resolution in Item no. 5 is placed before the members for approval.

The Board recommends for approval of the resolution in Item no. 5.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution

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 Exchange are as follows:

S No	Particulars	Mr. Ram Prasad Vempati	Mr. Siddharth Goel	Mr. Vikram Goel
1.	Designation	Director	Director	Additional Director
2.	Date of Birth	06.11.1956	01.03.1985	01.02.1989
3.	Date of Appointment	18.08.2011	12.05.2012	28.03.2013
4.	Qualifications	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Commerce
5.	Expertise in specific functional area	Associated with CA firm for last 25 years holding senior position and involved in advising the cliental on suitable finance controls in accordance with the requirements of clients.	Fairly good experience in strategy and management.	Fairly good experience in Business Administration and management.
6.	Directorships held in other public companies as on 31.03.2013	1. Narbada Gems and Jewellery Limited 2. Vempati Enterprises Private Limited	1. Narbada Gems and Jewellery Limited	1. The Hyderabad Construction Company limited 2. Hitech Iron Foundry
		3. RVK Enterprises and Exports limited		Private Limited 3. HPG Electro and Infra Private Limited
7.	Number of shares held in the Company	Nil	Nil	Nil

DIRECTORS' REPORT**To The Members,**

Your Directors have pleasure in presenting the **Fourteenth Annual Report** together with the audited accounts of the Company for the year ended **31st March, 2013**

FINANCIAL RESULTS:

Particulars	31.03.2013 (Rs. in '000s)	31.03.2012 (Rs. in '000s)
Revenue from operations	185847.65	114281.75
Other Income	69.97	2.09
Profit/(Loss) before tax	15661.70	28798.68
Provision for Taxation	3108.34	NIL
Profit / (Loss) after Tax	12553.37	28798.68
Losses Brought Forward	(98035.46)	(126834.14)
Balance carried to Balance Sheet	(85482.09)	(98035.46)

BUSINESS REVIEW AND FUTURE OUTLOOK:

Members are aware that the Company is performing well after the change in the Company's line of business to Manufacturing and Trading in Gems, Jewellery, bullion and other related activities pursuant to its Takeover by the current Management. Since then the Company has achieved a stable increase in growth and profitability which is reflected by the performance of the company in the financial years 2011-2012 and 2012-2013. In light of this, the Management continues to place its best efforts to generate more revenues in the near future. During the year ended 31st March, 2013, revenue generated from the operations is Rs. 1858.47 Lakhs as against revenue of Rs. 1142.81 Lakhs in the previous year. The Net profit of the Company before taxation in the current year is Rs. 156.61 Lakhs as against a net Profit before taxation of Rs. 287.98 Lakhs in the previous year. This difference in profit is due to the increase in purchases and business expenditure which gives a lucid picture of the Company's business expansion activities and dynamic nature of its business transactions. The above mentioned figures pertaining to operational revenue clearly indicate that the current line of activity continues to be a prospector to the Company as well as beneficial to its members.

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 2012 - 13

OPERATIONS:

Members are aware from the Audited Financials of previous year that the Company's business has entered in to a healthy growth line post takeover by the current Management and the incidental change of name and Main objects. For streamlining and sustaining the new line of business, the Company has entered into various contracts with its associate concerns for purchase and sale of products and rendering job work services by obtaining requisite approvals from Central Government. This has enabled the company to penetrate the market

effectively and avoid the potential competition faced by new comers, which is smooth and effective move by the current Management.

DIRECTORS

Mr. Vikram Goel joined the Board as additional director of the Company on 28.03.2013. Mr. Rakesh Agarwal Tendered his resignation from Directorship of the Company. Mr. Siddharth Goel and Mr. Ram Prasad Vempati retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Mr. Vikram Goel, who was appointed as an Additional Director, his term expires at the ensuing Annual general Meeting. The Board recommends his appointment as Director and also the re-appointment of the Directors liable to retire by rotation and who have offered themselves for re-appointment. Their respective profiles are given elsewhere in the report. Your Directors recommend their re-appointment.

FIXED DEPOSIT

Your Company has not accepted any fixed deposits from public during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform the members that the audited accounts for the year ended 31st March, 2013 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**

Your Directors further confirm:

- (a) that in the preparation of the annual accounts for the year ended on 31st March, 2013, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) that 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;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors have prepared the annual accounts for the year ended on 31st March, 2013 on a going concern basis.

AUDITORS:

M/s. Venugopal & Chenoy, Chartered Accountants, the present statutory auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received confirmation from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. The comments made by the Auditors in their report, if any, have been dealt with in the Notes on Accounts and do not require further comments from Board of Directors

INDUSTRIAL AND PERSONNEL RELATIONS:

The relationship between the management and the staff continued to be cordial.

PARTICULARS OF EMPLOYEES:

In pursuance of the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the Directors are to report that no employee was in receipt of emoluments as provided in the said Section.

ADDITIONAL INFORMATION AS REQUIRED U/S 217 (1) (e) OF THE COMPANIES ACT, 1956:

The statement giving particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is attached to the report.

LISTING:

The shares of your company are listed on Calcutta Stock Exchange Limited. The Company has duly complied with all the applicable provisions of the Listing Agreement.

SUBSIDIARIES:

There are no subsidiaries to the Company as on date of the report

CODE OF CONDUCT

The Company has adopted a uniform Code of Conduct for Directors and Senior Management Personnel to ensure ethical standards and further compliance to such standards. The object of the code is to conduct the Company's business ethically with responsibility, integrity, fairness, transparency and honesty.

INSURANCE

The properties and assets of your Company are adequately insured.

CORPORATE GOVERNANCE CODE:

The Code of Corporate Governance promulgated by Securities & Exchange Board of India is being implemented by your Company on a continuous basis. The Code of Corporate Governance as per Clause 49 of the Listing Agreement is attached herewith. The Compliance Certificate on Corporate Governance received from the Statutory Auditors is also given as an Annexure to this report.

ACKNOWLEDGMENT

Your Directors wish to place on record its appreciation of Banks, Stock Exchange & Other authorities for their able guidance and support.

Date: 02.09.2013

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

For and on behalf of Board of Directors
UDAY JEWELLERY INDUSTRIES LIMITED

(Ritesh Kumar Sanghi)
Managing Director

(Sanjay Kumar Sanghi)
Director

ANNEXURE - 1**INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS' RULES, 1988**

- a) **Energy Conservation Measures taken:** Not Applicable as Company is in the business of Jewellery manufacturing and trading which are more dependent on Human skill than power consumption.
- b) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy :** Nil
- c) **Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :** Not Applicable

FORM-A**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

Particulars	2012 -13	2011 -12
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased : Units (KWH) Total Amount (Rs.) Rate/Unit (Rs.)		NIL
b) Own Generation Through diesel generator: Units (KWH Units per liter of diesel oil Cost per Unit (Rs.)	NIL	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Electricity consumption	NA	NA

FORM B**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

- A. Research And Development (R&D) : Not Applicable
- B. Technology absorption, adaptation and innovation – Not Applicable

FORM - C**FOREIGN EXCHANGE EARNINGS AND OUTGO****(in Rupees)**

Particulars	2012 -13	2011-12
a) Foreign Exchange earned (Recovery of old dues from Sundry Debtors)	Nil	Nil
b) Foreign Exchange used:	Nil	Nil

REPORT ON CORPORATE GOVERNANCE**1. Company's Philosophy On Corporate Governance:**

The Board of Directors is focused on meeting their prime objective of maximization of shareholders wealth. The Listing Agreement entered into by the Company with the Stock Exchanges contemplates for compliance with the Code of Corporate Governance. The Company conducts its affairs with a blend of the following aspects in their required proportions:

- Prudence
- Transparency
- Accountability
- Impartial treatment for all shareholders
- Operating under the purview of the statute.
- Ethical Practices
- Shareholder's wealth maximization

As a part of the compliances of the revised Clause 49 of Listing Agreement, the Company presents hereunder the required disclosures in the form of a Report for information of all the stakeholders.

2. Board of Directors:**2.1. Composition:**

The Board of Director consists of 5 Directors as on date. The Composition and category of Director and the changes during the period is as follows:

Name	Designation	Date of Appointment	Category	No. of other Director-ships	No. of other Board Committee Membership held
Mr. Ritesh Kumar Sanghi	Managing Director	22.08.2011	Promoter & Executive	5	Nil
Mr. Sanjay Kumar Sanghi	Director	22.08.2011	Promoter & Executive	4	Nil
Mr. Siddharth Goel	Director	12.05.2012	Non-Executive - Independent	1	3
Mr. Ram Prasad Vempati	Director	18.08.2011	Non-Executive - Independent	3	3
Mr. Vikram Goel*	Additional Director	28.03.2013	Non- Executive - Independent	3	3
Mr. Rakesh Agarwal**	Director	31.01.2011	Non- Executive - Independent	2	3

*Appointed with effect from 28.03.2013 as Additional Director

**Resigned form directorship with effect from 29.03.2013

2.2. Board Meeting and Procedures:

A. Guidelines:

The Company has been adopting the guidelines set forth for proper corporate governance with respect to the various matters that need to be placed before the Board for its considerations and approvals.

B. Scheduling and selection of Agenda Items for Board Meeting:

- i) According to the Companies Act, 1956, the Company is required to hold minimum of four Board Meetings in a year with one meeting held in each quarter. The Board Meeting is duly called and convened by giving proper notice to all the directors of the Company. The Board is also authorized to pass any resolution of urgent nature by circulation subject to the compliance of provisions of Companies Act, 1956.
- ii) The Agenda for the meeting is prepared in consultation with the Managing Director keeping in view all the matters including operational matters to be discussed by the Board.

C. Board Material Distributed in Advance:

- i) Notice of the Board Meeting and the notes to agenda are sent to all the Directors of the Company in advance.
- ii) Any sensitive matter may be discussed at the meeting without prior intimation to directors in exceptional circumstances.

D. Recording minutes of proceedings at Board Meeting:

The Minutes of the proceedings of each Board and Committee Meeting is prepared and approved by the Chairman within 30 days from the conclusion of the Meeting.

2.3. Attendance of each Director at the Board meetings & last Annual General Meeting:

S No.	Name of the Director	Attendance	
		Board Meetings	AGM held On 28 th September, 2012
1.	Shri Sanjay Kumar Sanghi	8	Present
2.	Shri Ritesh Kumar Sanghi	7	Present
3.	Shri Rakesh Agarwal	8	Present
4.	Shri Siddharth Goel	3	Not present
5.	Shri Ram Prasad Vempati	7	Not Present
6.	Vikram Goel	NA	Not Present

2.3. Number of Board Meetings held and the dates on which held

Nine (9) Board Meetings were held during the year 2012-13 on 21.04.2012, 12.05.2012, 13.08.2012, 31.08.2012, 30.10.2012, 31.12.2012, 14.02.2013, 28.03.2013 and 29.03.2013

2.4. Code of Ethics

The Company has prescribed a code of ethics for its Directors and senior management. A declaration from Mr. Ritesh Kumar Sanghi, Managing Director stating that all the directors and the senior management of the Company have affirmed compliance with the code of ethics for the financial year 2012-13 has been reproduced below:-

Declaration – Code of Conduct

This is to confirm that the Board has laid down a code of conduct for all Directors and senior management personnel of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on 31st March 2013, as envisaged in Clause 49 of the Listing Agreement with Stock Exchange.

Date: 02.09.2013

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

For UDAY JEWELLERY INDUSTRIES LIMITED

**Sd/-
(Ritesh Kumar Sanghi)
Managing Director**

2. AUDIT COMMITTEE:

The reconstituted Audit Committee of the Company as at 31.03.2013 is as under:

S No.	Name of the Director	Status
1.	Mr. Ram Prasad Vempati	Chairman
2.	Mr. Siddharth Goel	Member
3.	Mr. Vikram Goel*	Member

***Mr. Vikram Goel was appointed as additional director of the Company w.e.f 28.03.2013. After his appointment the Audit Committee was reconstituted and Mr. Vikram Goel was appointed as member of the Audit Committee in place of Mr. Rakesh Agarwal who tendered his resignation, with effect from 29.03.2013.**

3.1 Terms of Reference:

The terms of reference of the Audit committee includes the following:

1. To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
2. To oversee the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. To hold periodic discussions with statutory auditors and internal auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of auditors.
4. To make recommendations to the Board on any matter relating to the financial management of the Company, including the audit report.
5. To recommend the appointment and removal of external auditors, fixation of audit fees and also approval of fee for any other services by the auditors.
6. To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice if necessary.
7. To make recommendations to the Board on any matter relating to the financial management of the Company.
8. Discussion with internal auditors on any significant findings and follow up thereon.

3.3. Meeting and attendance during the year:

The meetings of the Audit Committee were held on 12.05.2012, 13.08.2012, 31.08.2012, 30.10.2012 and 14.02.2013. The Committee reviewed the financial statements before being placed before the Board for approval.

4. Remuneration Committee:

The Remuneration Committee constituted by the Company is responsible for looking into the remuneration payable to the Whole-time Directors and other Employees of the Company. The Non-Executive Directors of the Company are not entitled for any remuneration other than fee payable for attending Board & Committee Meetings. The Committee frames the policy on specific remuneration packages for Whole-time Directors including pension rights and compensation payments. The Committee also approves the Remuneration Policy for employees other than Whole-time Directors as may be recommended to it.

Composition

The Remuneration Committee of the Company as at 31.03.2013 comprises of three directors all of them being non-executive independent directors

S No.	Name of the Director	Status
1.	Mr. Siddharth Goel	Chairman
2.	Mr. Ram Prasad Vempati	Member
3.	Mr. Vikram Goel*	Member

***Mr. Vikram Goel was appointed in place of Mr. Rakesh Agarwal with effect from 29.03.2013**

Meetings of the Committee and Attendance

Since none of the Director or senior level Managers were drawing substantial remuneration, no meetings of the Committee were held during the period ended 31st March, 2013

5. Shareholders Grievance Committee:

The Shareholders Grievance Committee of the Company post takeover comprises of following directors:

S No.	Name of the Director	Status
1.	Mr. Siddharth Goel	Chairman
2.	Mr. Ram Prasad Vempati	Member
3.	Mr. Vikram Goel*	Member

***Mr. Vikram Goel was appointed in place of Mr. Rakesh Agarwal with effect from 29.03.2013**

The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of the balance sheet, non-receipt of declared dividends, if any, etc. No Investor complaints were remaining to be redressed as at 31st March, 2013

Meeting and attendance during the year:

During the year there were no complaints from any shareholders and hence no meeting was held.

The Company has appointed Mr. Ritesh Kumar Sanghi as Compliance Officer of the Company. The Company does not have any pending share transfers and investor complaints as on the date of Directors' Report.

6. Annual General Meetings

Location and time for **last three Annual General Meetings** were as follows:

S No.	Year	Venue	Date / Time
1.	2009-10	Suite No. 618, 'Krishna', 6 th Floor, 224, A.J.C. Bose Road, Kolkata - 700017	12 th July, 2010 at 3.30 P.M.
2.	2010-11	Suite No. 618, 'Krishna', 6 th Floor, 224, A.J.C. Bose Road, Kolkata - 700017	18 th July, 2011 at 12.30 P.M.
3.	2011-12	Flat No 301, Plot No 5-9-60, Moghuls Court building, Basheerbagh, Hyderabad – 500 001	28 th September, 2012 at 03.30 P.M.

Disclosures

1. No transaction of material nature has been entered into by the Company with directors or management and their relatives etc that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
2. There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
3. The Company is in compliance with all the mandatory requirements and has fulfilled the non- mandatory requirements as prescribed in Annexure 1D of the revised Clause 49 of the Listing Agreement with Stock Exchanges.
4. The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 49 is as below:

DECLARATION REGARDING CODE OF CONDUCT

To the Shareholders

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Date: 02.09.2013
Place: Plot No 5-9-60, Flat No 301, Moghuls
Court, Basheerbagh, Hyderabad – 29

Sd/-
Ritesh Kumar Sanghi
Managing Director

DECLARATION REGARDING CODE OF CONDUCT

To the Shareholders

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Date: 02.09.2013

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

**Sd/-
Ritesh Kumar Sanghi
Managing Director**

CEO/CFO CERTIFICATION

To
The Board of Directors,
Uday Jewellery Industries Limited

I have reviewed the financial statements, read with the cash flow statement of Narbada Gems and Jewellery Limited for the year ended 31st March, 2013 and that to the best of our knowledge and belief, we state that:

- A. (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that may be misleading;
- (ii) These statements present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the 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 have been disclosed in the notes of 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 a significant role in the company's internal control system over financial reporting.

Date: 02.09.2013

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

**Sd/-
Ritesh Kumar Sanghi
Managing Director**

5. CEO Certification: The Director and Chairman have given a certificate as contemplated in Clause 49 of the Listing Agreement.

6. The requirements of the Audit and other Committees as contemplated in Clause 49 have been complied with as per the report set above in respect of the same.

7. **The Management Discussion and Analysis is provided elsewhere in this report.**

8. **Means of Communication:**

Financial results are published by the Company in the prescribed format in Business Standard and Prajashakti (post shifting of registered office to Andhra Pradesh) within 48 hours of approval by the Board.

9. **General Shareholder Information:**

9.1. **Annual General Meeting:**

Date and Time : 27th September, 2013 at 04.30 PM.

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

9.2. **Financial Calendar (tentative):**

Results for the quarter ending June 30, 2013	:	First week of August, 2013
Results for the quarter ending September 30, 2013	:	First week of November, 2013.
Results for the quarter ending December 31, 2013	:	Last week of January, 2014.
Results for the year ending March 31, 2014	:	Last week of April, 2014
Annual General Meeting	:	September, 2014

9.3. **Date of Book closure** : 21st September, 2013 to 27th September, 2013
(Both days inclusive).

9.4. **Dividend Payment Date** : No dividend has been recommended.

9.5. **Listing on Stock Exchange** : Calcutta Stock Exchange Limited

9.6. **Stock Code** : 18358 at CSE

9.7. **Market Price Data** : **Not applicable as the shares are not being actively traded.**

9.8. **Listing fees** : The Listing Fees for the year 2013 - 2014 has been paid to Calcutta Stock Exchange

9.9. **Registrar and Share Transfer Agents:**

Niche Technologies (P) Ltd.
D-511, Bagree Market
71, B. R. B. Basu Road
Kolkata – 700 001
West Bengal, India
E mail: nichetechpl@nichetechpl.com

9.10. **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.

9.11 SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013

S.No.	Category	No. of Shares held	% of Share holding
A	Promoter's holding		
1	Promoters - Indian Promoters - Foreign Promoters	64,34,860 Nil	70.016 Nil
2	Persons acting in concert		
	Sub-Total	64,34,860	70.016
B	Public Shareholding		
3	Institutions	Nil	Nil
4.	Non Institutions		
a	Bodies Corporate	3,01,665	3.282
b	Indian Public	24,53,575	26.697
c	NRIs / OCBs	500	0.005
d	Any other (Please Specify)	Nil	Nil
	Sub-Total	27,55,740	29.98
	GRAND TOTAL (A+B)	91,90,600	100.00

9.12 DISTRIBUTION OF SHAREHOLDING (AS ON 31ST MARCH, 2013)

Category (No. of shares)	Number of holders	% of total holders	Number of shares	% of total shares
Upto 500	231	44.316	53,361	0.580
501-1000	171	32.948	1,64,585	1.791
1001-5000	77	14.836	2,04,388	2.224
5001-10000	18	3.468	1,51,200	1.645
10001- 50000	16	3.083	3,44,086	3.744
50001-100000	0	0.000	0	0.000
Above 100001	7	1.349	82,72,980	90.016
Total	520	100.000	9190600	100.000

9.13. Dematerialization of Shares and Liquidity:

The Company's shares are available for trading in both National Securities Depository Ltd and Central Depository Services Ltd. The processing activities with respect to the requests received for dematerialization are generally completed within 21days from the date of receipt of request.

9.14. Outstanding Bonds/ Convertible Instruments: NIL**9.15. Address for Correspondence:**

Registered Office: Plot No. 5-9-60, Flat No. 301, Moghuls Court Building, Basheerbagh, Hyderabad – 500 001

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:**Industry Structure**

India's gems and jewellery industry is a bright star of the economy, and one of the important foundations of the country's export-led growth. The consumption of gold and jewellery products in India has grown rapidly over the years at the rate of 10% to 15% per annum and today, the domestic Indian market is estimated to be over US\$ 30 billion. India and China are now emerging as world leaders in the global jewellery industry in terms of consumption, production and trade. India along with China is expected to jointly account for over 30% of global diamond market in 2015. India possesses world's most competitive gems and jewellery market due to its low cost of production, highly skilled, low-cost and best artisan workforce for designing and crafting jewellery, along with strong government support in the form of incentives and establishment of special economic zones (SEZs).

Indian gems and jewellery sector is expected to grow at a compounded annual growth rate of around 16.26% during the financial years 2011 – 2012 to 2016 – 2017 on account of increasing government efforts and incentives coupled with private sector initiatives, according to a report of the working group on 'Boosting India's Manufacturing Exports', by Ministry of Commerce & Industry. Shipment of gems and jewellery makes up about 14 percent of India's total exports, and the sector employs about 3.4 million workers, with the Middle East taking most of the market.

According to the Gem & Jewellery Export Promotion Council (GJEPC) the annual performance of the Indian Gem & Jewellery sector during financial year 2012-2013 was positive with a contribution of US \$ 2,132.82 million to India's coffers in terms of foreign exchange earnings i.e. a 154% as compared to the same period last year. The financial year 2012-13 ended on a positive note with imports of rough diamonds going up by 12.65 percent indicating an increase in cutting, polishing and other manufacturing activities in India.

Opportunities and Threats**Opportunities**

1. The sector is exploring new locations to diversify business and to minimize the risk. Russia, Middle East and China are few of the emerging destinations that are witnessing an increase in jewellery demand. The Indian gems and jewellery players can tap these countries to diversify and increase their business.
2. India is one of the leading diamond processing centers of the world. India's vast, low cost and extremely skilled workforce provides it with a competitive edge over other countries. By moving up the value chain and processing larger stones, India can further increase its value share in total exports.
3. There exists a huge opportunity for Indian players to do value addition to the processed diamonds and to export diamond studded jewellery. India has an advantage of manufacturing affordable diamond jewellery for the world market.
4. The Indian retail sector provides an excellent opportunity for the Indian players to manufacture and sell their jewellery through the retail channels that are fast catching up in the Indian markets.
5. India can become an outsourcing hub for designing and manufacturing jewellery. There is an increased trend of outsourcing designing and manufacturing of jewellery from India by global retail players.

6. When the industry was going through a challenging period, governmental regulations related to the reintroduction of bonded warehouse facility for diamond exporters and revision in duty drawback rate facility for Gold jewellery exporters has helped strengthen the industry further. The government has put in significant efforts for accepting recommendations to make India an International Trading hub for rough diamonds.

Threats

1. The gems and jewellery sector in India is unorganized and fragmented. Around 90% of the players operate in the unorganized sector mostly in family-run operations. The nature of the sector prevents it from achieving economies of scale. Also, being largely unorganized, the sector mainly uses labour-intensive and indigenous technology that affects their growth prospects.
2. The Indian gems and jewellery sector is pre-dominantly dependent on the US markets, which is its top export destination. The growth of gems and jewellery sector is heavily dependent on the growth of demand in the US market.
3. The gems and jewellery sector is affected by the rupee/dollar exchange rate because it is export-oriented. Any volatility in the exchange rates affects the margins of the players.
4. As the gems and jewellery sector is highly dependent on imports for its raw materials, the players have to maintain a high level of inventory. However, maintaining this inventory becomes difficult for the players during the slack season, as it carries inventory price risk.
5. With the increase in disposable income and the change in standard of living, the demand for luxury goods such as perfumes, consumer electronics, leather, automobile, gadgets etc are also increasing. The gems and jewellery sector is experiencing competition from these luxury goods, which is eating into the market share of the sector.
6. India is facing a threat from the emerging cutting and polishing centers in the diamond-producing countries such as South Africa, Ghana, Angola, Botswana, Namibia etc.
7. The global economic slowdown has hit the Indian gems and jewellery sector hard. As the sector was primarily dependent on exports to the US and European countries, the meltdown in these countries affected the gems and jewellery sector to a great extent. The players faced issues relating to inventory build-up and liquidity pressure.

OUTLOOK:

The industry saw an increase in manufacturing activities indicated by the 33 percent growth in the export of gold jewellery contributing significantly to India's foreign exchange earnings and supported balance of payments in the year 2012-2013. Further the year also witnessed a significant drop of 61.45% in the import of cut and polished diamonds indicating a huge cut in India's foreign exchange spending, thereby reducing the country's current account deficit (CAD). Total gem and jewellery exports for the year 2012-13 was US \$ 39.033 billion. The industry has strived hard towards reducing India's current account deficit by controlling imports and increasing exports. The industry's contribution towards India's exchequer has also seen a staggering rise of 154%. This trend will bring the required impetus for the Company's plans to position itself in varied segments of the market and achieve significant increase in turnover and scale of operations in the near future. The Company is in the process of negotiating for marketing tie ups with different Brands for supply to them which will enhance the Company's exposure to the changing market scenarios.

RISKS AND CONCERNS:

Risks form an indispensable part of any business. There are several risks associated with jewellery industry. One such risk is the constant fluctuations in the prices of gold, silver and other precious and semi precious stones. This dynamic nature of prices often tends to affect the sales and cost – profit ratio to a very large extent. Increasing foreign participants in the industry who are more organized is also a risk since Indian industry is majorly unorganized and lacks usage of advanced technology. The Company is implementing required measures so as to minimize the affect of these risks on the profitability of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems are aimed at promoting operational efficiencies. The Company is conducting internal audit with its own staff, at regular intervals to ensure that:

- a) Transactions are executed in accordance with the Company's policies and authorizations.
- b) Deployment of funds is in accordance with the Company's policies and Budgets.

The Audit committee with three independent and non-executive directors meets regularly to investigate any matter relating to the internal control system and reviews the Internal Audit. The committee reviews the quarterly and half yearly financials before they are submitted to the Board of Directors.

The Company has put in place sufficient systems to ensure that assets are safeguarded against loss from unauthorized use or disposition. Also an exhaustive Budgetary Control system is in place to monitor capital related as well as other costs against Budgets on an ongoing basis.

FINANCIAL CONDITION:**Share Capital**

During the year under review Company has not allotted any Equity Shares out of unissued capital.

Secured Loans

The Company has not borrowed any Secured loans as at 31st March, 2013.

Fixed Assets

Amount standing against Fixed Assets of the Company as at 31.03.2013 is Rs. 1,48,848/-.

HUMAN RESOURCES:

The Company strongly believes that a right workforce makes all the difference in catapulting an organization to the highest echelons of success and achievement. Our workforce, thus, is a blend of cohesive and effective knowledge workers, one that is flexible. Working together, we intend to develop and hone a workforce strategy that will be integral to the business strategy of our customers.

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.

Date: 02.09.2013

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

**Sd/-
Ritesh Kumar Sanghi
Managing Director**

10. Auditors' Certificate on Compliance with the Provisions of Corporate governance pursuant to Clause 49 of the Listing Agreement

To
The Members
UDAY JEWELLERY INDUSTRIES LIMITED
Hyderabad.

We have examined the Compliance of conditions of Corporate Governance by Uday Jewellery Industries Limited, Hyderabad, for the period ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner described in the guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on our reliance upon the representations made by the management that there were no transactions of material nature with the management or by relatives that may have potential conflict with the interest of the Company at large.

We certify that the Company has complied in all material respects with the conditions of the Corporate Governance as stipulated in the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders/Investor's Grievance Committee.

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

**For Venugopal & Chenoy.,
Chartered Accountants**

**Sd/-
(P.V SRI HARI)
Partner**

Membership No 21961

**Place: Hyderabad
Date: 02.09.2013**

INDEPENDENT AUDITORS' REPORT

To
The Members,
Uday Jewellery Industries Limited,
Hyderabad.

Report on Financial Statements

We have audited the accompanying financial statements of Uday Jewellery Industries Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss for the year and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation 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 Standards referred to in sub section (3C) of section 211 of Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, together with the Accounting Policies and Notes to Accounts, 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 :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor’s Report) Order, 2003 (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For VENUGOPAL & CHENOY,
CHARTERED ACCOUNTANTS,**

**Hyderabad
28.05.2013**

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

Annexure to Auditors' Report

(Referred to in Paragraph 2 of our report of even date)

1. The Company during the previous year bought one item viz. Plant & Machinery relating to fixed assets which is entered in the Fixed Assets Register. The same is still in use. Hence, the question of physical verification and disposal does not arise.
2. In respect of its inventories:
 - a. The inventories have been physically verified by the management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of the said stocks 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.
3. The company did not take nor granted any loans, secured or unsecured, from or to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, during the year. However, it had taken temporary interest-free unsecured loans from directors in the earlier years and repaid the entire amount during the year. These were not prejudicial to the interests of the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assts and also for the sale of goods.
5. In our opinion and according to the information and explanations given to us, the Company entered into the register the transactions in pursuance of Section 301 of the Companies Act, 1956, aggregating during the year to more than Rs.5,00,000/-(Rupees Five lakhs only) in respect of three parties. These transactions have been made at the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public.
7. The Company is yet to introduce the system of Internal Audit.
8. The Central Government did not prescribe maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956(Act I of 1956) for any of the products of the Company.
9. During the year, there is no person to whom the provisions of P.F. or E.S.I. are applicable. According to information and explanations given to us, there are no other undisputed statutory payments outstanding to be deposited for more than six months from the date they became payable.
10. As per the accounts referred to in this Report, the net-worth of the Company has been eroded beyond 50% as on March 31, 2013. The Company did not incur cash losses during the financial year under report and also in the preceding financial year.

11. The Company does not have any dues to a financial institution or bank during the year.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause-4(xiii) of the Companies(Auditors' Report) Order, 2003, is not applicable to the Company.
14. The Company has not dealt in or traded in shares, securities, debentures and other investments.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any new term loans during the year.
17. The Company during the year did not raise any short term loans and hence the question of their usage does not arise.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

**For VENUGOPAL & CHENOY,
CHARTERED ACCOUNTANTS,**

**Hyderabad
28.05.2013**

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

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY & LIABILITIES					
(1) Shareholder's Funds:					
(a) Share Capital	1	10,66,25,000		10,66,25,000	
(b) Reserves & Surplus	2	(6,54,82,592)		(7,80,35,961)	
			4,11,42,408		28589,039
(3) Non-Current Liabilities:					
(a) Long Term Borrowings	3		-		3,09,090
(4) Current Liabilities:					
(a) Trade Payables	4	6,60,519		2,18,83,895	
(b) Other Current Liabilities	5	33,14,734		129753	
			39,75,253		2,20,13,648
Total:			4,51,17,661		5,09,11,777
II. ASSETS					
(1) Non-Current Assets:					
(a) Fixed Assets					
(i) Tangible Assets	6	1,48,848			
(b) Non-Current Investments	7	30,79,374		4,207,973	
(c) Long-Term Loans and Advances	8	-		5,997,779	
			32,28,222		1,02,05,752
(2) Current Assets:					
(a) Inventories	9	1,90,81,495		17601876	
(b) Current Investments	10	13,70,697			
(c) Trade Receivables	11	2,13,23,190		2,16,63,930	
(d) Cash and Cash Equivalents	12	1,01,933		14,02,085	
(e) Short Term Loans and Advances	13	12,124		38134	
			4,18,89,439		4,07,06,025
Total:			4,51,17,661		5,09,11,777
Significant Accounting Policies and Notes to Accounts	17				

Our Report attached,
For VENUGOPAL & CHENYOY,
Chartered Accountants,

For and on behalf of the Board

CA P.V.SRI HARI
Partner
Membership No.21961

Sd/-
RITESH KUMAR SANGHI
Managing Director

Sd/-
SANJAY KUMAR SANGHI
Director

Place: Hyderabad
Date: 28.05.2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
		Rs.	Rs.	Rs.	Rs.
I. Revenue from Operations	14		18,58,47,654		11,42,81,745
II. Other Income	15		69,972		2,090
III. Prior Period Income			-		99,96,736
IV. Total Revenue(I + II + III)			18,59,17,626		12,42,80,571
V. <u>Expenses:</u>					
Purchase of stock-in-Trade		16,76,33,522		11,24,35,613	
Changes in Inventory of Finished Goods,WIP, Stock-In-Trade	16	(14,79,619)		(1,76,01,876)	
Employee Benefit Expenses	17	4,36,623		1,55,452	
Depreciation		10,122		0	
Other Expenses	18	36,55,272		4,92,701	
			17,02,55,920		9,54,81,890
VI. Profit before Tax(IV - V)			1,56,61,706		2,87,98,681
VII. Tax Expense: Current Tax (Mat)		31,08,337		-	
			31,08,337		-
VIII. Profit for the year			1,25,53,369		2,87,98,681
Significant Accounting Policies and Notes to Accounts		19			

Our Report attached,
For VENUGOPAL & CHENYOY,
Chartered Accountants,

For and on behalf of the Board

CA P.V.SRI HARI
Partner
Membership No.21961

Sd/-
RITESH KUMAR SANGHI
Managing Director

Sd/-
SANJAY KUMAR SANGHI
Director

Place: Hyderabad
Date: 28.05.2013

NOTE - 1 : SHARE CAPITAL

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Authorised:				
a) 155,00,000 Equity Shares of Rs.10/- each (Previous Year -155,00,000 Equity Shares of Rs.10/- each)		15,50,00,000		15,50,00,000
Total:		<u>15,50,00,000</u>		<u>15,50,00,000</u>
Issued, Subscribed & Paid up:				
a) 91,90,600 Equity Shares of Rs.10/- each, fully paid up (Previous Year - 10,000 Equity Shares of Rs.10/- each, fully paid up)		9,19,06,000		9,19,06,000
b) Securities Forfeiture account		1,47,19,000		1,47,19,000
Total:		<u>10,66,25,000</u>		<u>10,66,25,000</u>

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 2012-13		Financial Year 2011-12	
	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares
1. Ritesh Kumar Sanghi	33.905	31,16,060	33.905	31,16,060
2. Sanjay Kumar Sanghi	36.111	33,18,800	36.111	33,18,800

- 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 ensuring 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

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
b) Securities Premium Reserve: Per last Balance Sheet		1,99,99,500		1,99,99,500
d) Surplus in Profit & Loss Account: Opening Balance	(9,80,35,461)		(12,68,34,142)	
Less: Profit for the year	<u>1,25,53,369</u>	(8,54,82,092)	<u>(2,87,98,681)</u>	(9,80,35,461)
Total:		<u>(6,54,82,592)</u>		<u>(7,80,35,961)</u>

NOTE - 3 : LONG TERM BORROWINGS

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Loans from Directors		-		3,09,090
Total:		<u>-</u>		<u>3,09,090</u>
Additional Notes:				
Secured		-		-
Unsecured		-		3,09,090

NOTE - 4 : TRADE PAYABLES

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Outstanding dues of Micro and Small Enterprises		-		-
Other than Micro and Small Enterprises		6,60,518		2,18,83,895
Total:		<u>6,60,518</u>		<u>2,18,83,895</u>
Disclosure relating to Micro and Small Enterprises:				
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

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Provision for MAT		31,08,337		
Other Payables		2,06,397		1,29,753
Total:		33,14,734		1,29,753

NOTE - 6 : TANGIBLE ASSETS

Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK
	As at April 1, 2012	Additions during the Year	Sales/ Adjustments during the Year	As at March 31, 2013	For the Year	Sales/ Adjustments during the Year	As at March 31, 2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Plant & Machinery	1,58,970	0	0	1,58,970	10,122	0	1,48,848
	1,58,970	0	0	1,58,970	10,122	0	1,48,848

NOTE - 7: NON CURRENT INVESTMENTS (AT COST)

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
NON-TRADE-Quoted Investments:				
- Investment in Equity Instruments of various Limited Companies (fully paid up and valued at cost)		30,79,374		42,07,973
Total:		30,79,374		42,07,973

NOTE - 8 : LONG TERM LOANS & ADVANCES

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Loans & Advances to related parties		-		59,72,779
Other Loans & Advances		-		25,000
Total:		-		59,97,779
Secured, Considered good		-		0
Unsecured, Considered good		-		59,97,779
Doubtful		-		0

NOTE - 9 : INVENTORIES

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Stock-in-Trade (Gold)		1,90,81,495		1,76,01,876
Total:		1,90,81,495		1,76,01,876
Inventories are valued at Cost or NRV whichever is lower				

NOTE - 10 : CURRENT INVESTMENTS

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Trade - Quoted Investments:				
- Investment in Equity Instruments of various Limited Companies (fully paid up)		13,70,697		
Total:		13,70,697		0

NOTE - 11 : TRADE RECEIVABLES

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Outstanding for a period exceeding six months		-		-
Others		2,13,23,190		2,16,63,930
Total:		2,13,23,190		2,16,63,930
Notes:				
<u>Particulars of Trade Receivables:</u>				
Secured, Considered good		-		-
Unsecured, Considered good		2,13,23,190		2,16,63,930
Doubtful		-		-

NOTE - 12 : CASH & BANK BALANCES

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Cash & Cash Equivalents:				
<u>Balances with Banks:</u>				
- In Current Accounts		33,120		13,91,729
Cash on hand		68,813		10,356
Total:		1,01,933		14,02,085

NOTE - 13 - SHORT TERM LOANS & ADVANCES

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
VAT Receivable		2,643		28,653
Income Tax Refund due		9,481		9,481
Total:		12,124		38,134
Secured, Considered good		-		-
Unsecured, Considered good		12,124		38,134
Doubtful		-		-

NOTE - 14 : REVENUE FROM OPERATIONS

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Sales		18,58,47,654		11,42,81,745
Total:		18,58,47,654		11,42,81,745

NOTE - 15 : OTHER INCOME

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Dividend on shares		69,972		-
Discount Received		-		2,000
Interest Income		-		90
Total:		69,972		2,090

NOTE - 16 : CHANGES IN INVENTORIES OF STOCK - IN - TRADE

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Stock-In-Trade				
Balance as at beginning of the year	1,76,01,876		-	
Less: Balance as at the close of the year	1,90,81,495		1,76,01,876	
		(14,79,619)		(1,76,01,876)
Total:		(14,79,619)		(1,76,01,876)

NOTE - 17 : EMPLOYEE BENEFIT EXPENSES

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Salaries & Wages		4,36,623		1,55,452
Total:		4,36,623		1,55,452

NOTE - 18 : OTHER EXPENSES

Particulars	Figures at the end of March 31, 2013		Figures at the end of March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
Rent		3,63,000		56,350
Rates & Taxes		76,553		78,958
<u>Payments to Auditors</u>				
Audit fee	56,180		56,180	
Tax Audit fee	11,236		11,236	
		67,416		67,416
Advertisement & Publicity		68,312		1,29,819
Postage, Telephone		7,304		2,348
Printing & Stationery		10,082		15,273
Bank Charges & Commission		2,566		2,480
Legal & Professional Fees		2,05,343		1,21,109
Transport & Conveyance		36,423		3,300
Miscellaneous Expenses		46,748		15,648
Membership fees		25,000		-
Jobwork Charges		25,21,367		-
Short term loss on shares Investment		2,25,158		
Total:		36,55,272		4,92,701

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 Written Down Value Method as per the rates prescribed in Schedule-XIV to the Companies Act, 1956.

5. Investments:

Investments are stated at cost.

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. Balances standing to the debit/credit of the parties are subject to reconciliation and confirmation by them.
2. The Company has not ascertained, from out of the amounts payable, "dues" to Small Scale undertakings.

3. No provision is made towards Income Tax and Deferred Tax, as a matter of prudence, in view of Unabsorbed Depreciation and carried forward losses.
4. The Company is in the business of trading Jewellery. It has no separate segments. Hence, Segment reporting as per AS-17 is not applicable.
5. Related part disclosure in accordance with the Accounting Standard 18:

Name of the related party with whom the transaction is made	Description of relationship with the party	Nature of Transaction	Amount Outstanding as on 31 st March, 2013
Trisa Retail Limited.	Associate Concern	Sales	Rs. 54,22,378/-

6. Quantitative Particulars:

Particulars	OpeningStock	Purchases	Sales	ClosingStock
Gold Ornaments	6649.88 gms	52957.86 gms.	53504.31 gms.	6103.43 gms.

7. The Company has no reportable segments either by geography or by products.
8. Previous year's figures are regrouped wherever necessary.

For and on behalf of the Board

Ritesh Kumar Sanghi
Managing Director

Sanjay Kumar Sanghi
Director

Place: Hyderabad
Date: 28.05.2013

CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2013

(Pursuant to amendment to Clause 32 of listing Agreement)

	2012-13		2011-12	
A) Cash Flow from Operation Activities :				
Net Profit before taxation and extraordinary items	156.62		288.32	
Adjustments for				
Depreciation & Exp. Written off	0.10			
Foreign Exchange	-		-	
Loss on sale of Fixed Asset	-		-	
Finance Charges	-		-	
Excess provision written back			0	
Operating Profit before working	156.72		288.32	
Capital changes				
Adjustments for				
Trade and Other Receivables	3.67		-216.91	
Inventories	-14.80		-176.02	
Loans & Advances	59.98		-59.98	
Trade Payables & Other liabilities	-183.48		219.32	
Provision for Income Tax	-31.08		-	
Cash Used for Operations	-165.71		-233.59	
Interest Paid	-		-	
Cash flow before extraordinary items	-8.99		54.73	
Extraordinary item	-		-	
Net Cash Used for operating activities		-8.99		54.73
B) Cash Flows from Investing Activities				
Purchase of Fixed Assets	-1.59			
Deffered Revenue Expenditure	-		-	
Sale of Fixed Assets	-		-	
Acquisition of companies	-		-	

Purchase of Investments	-2.42		-42.08	
Sale of Investments	-		-	
Interest Received	-		-	
Dividend received	-		-	
Net Cash used in Investing Activities		-4.01		-42.08
C) Cash Flow from Financing Activities				
Proceeds from issue of Share Capital	-		-	
Proceeds from Finance Borrowings			1.34	
Proceeds from Lease Finance Borrowings	-		-	
Repayment of Finance Lease Liabilities	-		-	
Dividend Paid	-		-	
Net Cash Used in Financing Activities		0.00		1.34
Net Incease in cash and cash equivalents		-13.00		13.99
Cash and Cash equivalents as at 31.03.2012 (Opening Balance)		14.02		0.03
Cash and Cash equivalents as at 31.03.2013 (Closing Balance)		1.02		14.02

sd/-
RITESH KUMAR SANGHI
Managing Director

sd/-
SANJAY KUMAR SANGHI
Director

Place:Hyderabad
Date :28.05.2013

AUDITOR'S CERTIFICATE

We have verified the enclosed Cash flow statement for the year ended 31st March 2013 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

Place:Hyderabad
Date :28.05.2013

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

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

Registration No	89399	State Code:	01
Balance Sheet	31-03-2013		

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

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

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

Total Liabilities	45118	Total Assets	45118
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SOURCES OF FUNDS

Paid-up Capital	106625	Reserves & Surplus	(65482)
Secured Loans	Nil	Unsecured Loans	Nil

APPLICATION OF FUNDS

Net Fixed Assets	148	Investments	3079
Net Current Assets	41889	Misc. Expenditure	Nil
Accumulated Losses	85482		

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

Turnover	185847	Total Expenditure	170255
Profit/(Loss) before tax	15661	Profit/ (Loss) after tax	12553
Earning Per Share (Rs.)	1.36	Dividend Rate %	Nil

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

Product description: Gems & Jewellery

**FOURTEENTH ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

Name of the Shareholder / Proxy	Folio No	No. of Shares

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company on Friday, **the 27th SEPTEMBER, 2013** at 04.30 P.M. at **Plot No. 5-9-60, Flat No. 301, Moghuls Court Building, Deccan Tower Complex, Basheerbagh, Hyderabad – 500 029**

Member's/Proxy's signature
(to be signed at the time of
handing over this slip)

Note: Shareholder / Proxy holder wishing to attend the meeting must bring the Admission Slip and hand over at the entrance duly signed.

(Please cut here)

**UDAY JEWELLERY INDUSTRIES LIMITED
FOURTEENTH ANNUAL GENERAL MEETING**

PROXY FORM

I/We _____ of _____ being member(s) of the above named Company, hereby appoint Mr. / Ms. _____ of _____ or failing him / her, Mr. / Ms. _____ as my/our proxy to attend and vote for me/us on my/our behalf at the **ANNUAL GENERAL MEETING** of the Company to be held on **Friday, the 27th SEPTEMBER, 2013** at 04.30 P.M. at **Plot No. 5-9-60, Flat No. 301, Moghuls Court Building, Deccan Tower Complex, Basheerbagh, Hyderabad – 500029**

Regd. Folio No. / Client ID:

No. of Shares held:

As witness my / our hand(s) this _____ day of _____ of 2013

Signed by the said _____

Affix 1 Rupee Revenue Stamp

Note: The Proxy form duly completed must be deposited not less than 48 hours before the time for holding the meeting. A Proxy need not be a member.

