



Date: 29.09.2018

✓
To
The Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

To
The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata – 700001

BSE Scrip Code: 539518

CSE Scrip Code: 18358

Sub: Submission of Annual Report 2017-18

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed, copy of Annual Report of the Company for the Financial Year 2017-18 which has been approved and adopted by the members in the 19th Annual General Meeting held on Saturday, 29th September, 2018 at 11:30 A.M. at Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001.

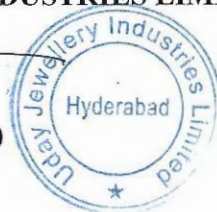
This is for your information and records in compliance with the Listing Regulations.

Thanking You

Yours Faithfully

For UDAY JEWELLERY INDUSTRIES LIMITED


(RITESH KUMAR SANGHI)
Managing Director
DIN: 00628033



Encl: As stated above

Uday Jewellery Industries Limited
manufacturers • exporters • distributors

2017 - 2018



19th ANNUAL
REPORT

UDAY JEWELLERY INDUSTRIES 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 *

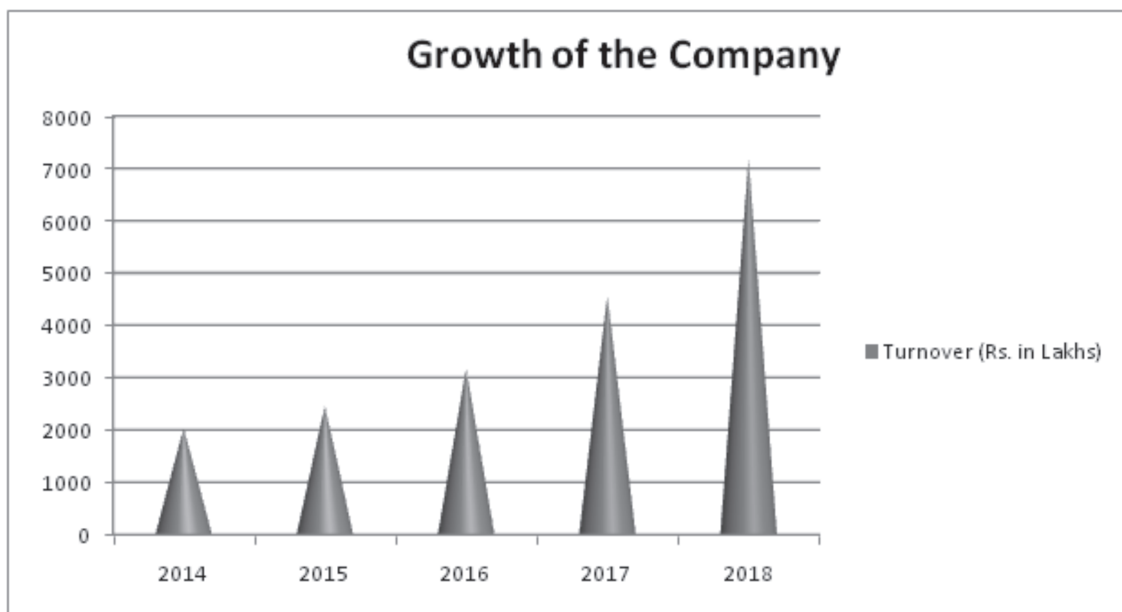
Contact no. :

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@udajewellery.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. Ramprasad Vempati | - Independent Director |
| Mr. Vikram Goel | - Independent Director |
| Mr. Rakesh Agarwal | - Chief Financial Officer |
| Ms. Pragya Sarada | - Company Secretary (Upto 10.01.2018) |

AUDITORS

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

BANKERS

Kotak Mahindra Bank Limited
State Bank of India

REGISTERED OFFICE

Plot No. 5-9-60, Flat No. 301, Moghuls Court Building,
Deccan Tower Complex, Basheerbagh
Hyderabad - 500029
Ph:- 040-48538411

REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Private Limited

306, Right Wing, 03rd Floor, Amrutha Ville
Opp Yashoda Hospital, Somajiguda
Raj Bhavan Road, Hyderabad- 500082
Telangana
Phone: 040- 40144967 / 582
Fax: 040-23370295
Email: bsshyd@bigshareonline.com
Website: www.bigshareonline.com

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held on Saturday, 29th September, 2018 at 11:30 A.M. at Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001, Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement for the year ended on 31st March, 2018 together with the Reports of Directors and Auditors thereon.
2. To re-appoint Shri Sanjay Kumar Sanghi, Director (DIN:00629693), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Ratification of the Pre-Preferential allotment shareholding, Post-allotment shareholding and percentage of shareholding of Mr. Vinay Kumar Agarwal (PAN: AEMPK0188B) and Mrs. Jashoda Devi (PAN: ACEPJ2201Q), pursuant to issue of Warrants under Preferential Issue and conversion into shares thereof:

To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the In-principle approval letter No. DCS/PREF/SD/PRE/2433/2017-18 from BSE Ltd. under Regulation 28(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in furtherance to the Special Resolution passed in the 18th Annual General Meeting of the Company held on 16th November, 2017 and as per the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("the ICDR Regulations"), the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the LODR Regulations"), the Pre-Preferential allotment shareholding, Post-allotment shareholding and Post-allotment shareholding percentage of Mr. Vinay Kumar Agarwal (PAN: AEMPK0188B) and Mrs. Jashoda Devi (PAN: ACEPJ2201Q) as given hereunder, in accordance with Disclosure requirements of Regulation 73 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, pursuant to issue of Warrants under Preferential Issue and conversion thereof, be and is hereby ratified."

| Name and Type of the allottee | PAN | Pre-Preferential Allotment Shareholding and % of shareholding | Share Warrants and Shares Allotted on conversion | Post Issue Shareholding | Post Issue Shareholding % (On issued capital of Rs. 16,86,41,200/-) | Shareholding percentage based on diluted capital (On total diluted capital of Rs. 22,02,19,000/- after full conversion of warrants) |
|---|------------|---|--|-------------------------|---|---|
| Mr. Vinay Kumar Agarwal (Non- Promoter) | AEMPK0188B | 1,94,200 | 1,50,000 | 3,44,200 | 2.04 | 1.56 |
| Mrs. Jashoda Devi (Non- Promoter) | ACEPJ2201Q | 1,50,000 | 1,00,000 | 2,50,000 | 1.48 | 1.14 |

"RESOLVED FURTHER THAT:

1. The Equity shares are issued in accordance with the provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and same are ranking Pari-Passu to existing shares.
2. The above mentioned Pre-Preferential allotment holding is Locked-In in accordance with Regulation 78(6) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the allotted Equity shares shall be Locked-In for 1 (One) year from the date of trading approval received from the BSE Ltd.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution, to file the necessary e-form(s) with the Registrar of Companies, Hyderabad, for the state of Andhra Pradesh and Telangana, to make application for Listing at concerned Stock Exchange(s) and to authorize all such persons in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the shareholders of the Company and to take all other steps which may be ancillary in this connection."

"RESOLVED FURTHER THAT the Board be and is hereby further authorized to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolution, including making necessary filings with the Stock Exchange(s) and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any regulatory authority, if required, to give effect to the aforesaid resolution."

Date: 14.08.2018
Place: Plot No. 5-9-60, Flat No. 301,
Moghuls Court, Basheerbagh,
Hyderabad- 500 001.

By order of the Board
Sd/-
Ritesh Kumar Sanghi
Managing Director
DIN: 00628033
Address: 8-2-686/DR/7, Road No. 12,
Banjara Hills, Hyderabad – 500034, Telangana.

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 22nd September, 2018 to 29th September, 2018 (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 and Bank details to 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 01.00 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 postal 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 Business mentioned to be conducted by e-voting and Poll.
16. The Results of the e-voting and Poll will be declared by the Directors by 1st October, 2018, by 05:00 P.M. at the Registered Office of the Company at Hyderabad and shall be hosted on the website of the Company; www.udayjewellery.com and on website of the Stock Exchange; www.bseindia.com.
17. The Explanatory Statement under Section 102(1) of the Companies Act, 2013 in respect of Item No.3 is annexed herewith.

18. The details pertaining to Director(s) liable to retire by rotation and director(s) proposed to be appointed/re-appointed as required to be provided pursuant to the Listing Agreement with the Stock Exchange are as follows:

Mr. Sanjay Kumar Sanghi, aged about 51 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 25 years of experience in business of dealing and trading in Gems and Jewellery. His shareholding in the Company is 37,90,800 Equity shares representing 22.48% of total share capital of the Company as on 31st March, 2018

His directorships held in other public companies as on 31.03.2018 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). The e- voting particulars are as under:

| EVSN(Electronic Voting Sequence Number) | Remote e-Voting start on | Remote e-Voting end on |
|---|--|--|
| 180823023 | 26th September, 2018 at 09:00 A.M. (IST) | 28th September, 2018 at 05:00 P.M. (IST) |

- 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 Wednesday, 26th September, 2018 at 09:00 A.M and ends on Friday, 28th September, 2018 at 05:00 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 21st September, 2018** 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
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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** Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- * 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 company records for your folio in dd/mm/yyyy format
- Bank Account Number** 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.

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- (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, 2018, upto 5:00 P.M. 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 21st September, 2018**. 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 / beneficiary owners as at closing hours of business, on 24th August, 2018.
23. The shareholders shall have one vote per equity share held by them as on the cut-off date of 21st September, 2018. 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 21st September, 2018 and not casting their vote electronically, may only cast their vote at the Annual General Meeting by Poll.
-

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. 21st September, 2018 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 stock exchange viz. the BSE Limited and the Calcutta Stock Exchange.

EXPLANATORY STATEMENT
{Section 102(1) of the Companies Act, 2013}

Item No. 3:

In furtherance to the approval of members in 18th Annual General Meeting of the Company held on 16th November, 2017, for issue of 1,10,57,000 Equity warrants to Promoter/ promoter Group and Non-Promoter Allottees, the Company received In-Principle approval from BSE Ltd. on 15th December, 2017 for issue of 1,03,31,300 Equity warrants.

Pursuant to the above mentioned in-Principle approval of BSE Ltd , the Company issued 1,03,31,300 Equity warrants to the Promoter/ Promoter Group and Non-Promoter Allottees on 28th December, 2018 and further, upon conversion of warrants in first tranche, the Company issued 51,73,520 Equity shares on 29th March, 2018.

In respect of the same, members are informed that the Post issue shareholding percentage of Mr. Vinay Kumar Agarwal and Mrs. Jashoda Devi was not correctly enumerated in the disclosures made to the shareholders in the last Annual General Meeting. However, there was no malafide intention of the management of the Company behind this mistake and after the Company got to know about this omission, the Company submitted an Undertaking with BSE Ltd. to carry the matter before the shareholders in general meeting for the approval of Pre-Issue and Post-Issue Shareholding and Post-issue Shareholding percentage of Mr. Vinay Kumar Agarwal and Mrs. Jashoda Devi.

Further, the Company made the application for Listing of 51,73,520 Equity shares allotted upon the above mentioned conversion of warrants within the prescribed time limits of Twenty (20) days from the date of allotment in accordance with Regulation 108(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Company received the Listing and Trading approval from BSE Ltd. for 49,23,520 Equity shares while 1,50,000 Equity shares allotted to Mr. Vinay Kumar Agarwal and 1,00,000 shares allotted to Mrs. Jashoda Devi are not listed because of pending disclosure requirements as per Regulation 73 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and approval/ ratification thereof by shareholders of the Company, which are as under:

i. The Pre-Preferential allotment and Post-allotment shareholding and Post-allotment shareholding percentage of Mr. Vinay Kumar Agarwal and Mrs. Jashoda Devi:

| Name and Type of the allottee | PAN | Pre- Preferential Allotment Shareholding and % of shareholding | Share Warrants and Shares Allotted on conversion | Post Issue Shareholding | Post Issue Shareholding % (On issued capital of Rs. 16,86,41,200/-) | Shareholding percentage based on diluted capital (On total diluted capital of Rs. 22,02,19,000/- after full conversion of warrants) |
|--|------------|--|--|-------------------------|--|---|
| Mr. Vinay Kumar Agarwal (Non- Promoter) | AEMPK0188B | 1,94,200 | 1,50,000 | 3,44,200 | 2.04 | 1.56 |
| Mrs. Jashoda Devi (Non- Promoter) | ACEPJ2201Q | 1,50,000 | 1,00,000 | 2,50,000 | 1.48 | 1.14 |

ii. The Shareholding Pattern of the Company before issue of warrants and after the full conversion of warrants issued under the Preferential Issue, as revised in accordance with the In-Principle approval received from BSE Ltd.:

| S. No. | Category | Pre Issue | | Post Issue | |
|----------|--------------------------------|--------------------|-------------------|--|-------------------|
| | | No. of Shares held | % of shareholding | No. of Shares held post conversion of all warrants | % of shareholding |
| A | Promoters Holding: | | | | |
| 1. | Indian: | | | | |
| | Individual | 75,42,681 | 64.52 | 1,61,38,981 | 73.29 |
| | Bodies Corporate | | | | |
| | Sub Total | | | | |
| 2. | Foreign Promoters | - | - | - | - |
| | Sub Total (A) | 75,42,681 | 64.52 | 1,61,38,981 | 73.29 |
| B | Non Promoters' Holding: | | | | |
| 1. | Institutional Investors | - | - | - | - |
| 2. | Non Institution: | | | | |
| | Bodies Corporate | 2,85,961 | 2.45 | 2,85,961 | 1.30 |
| | Directors and relatives | - | - | | |
| | Indian Public | 38,56,578 | 32.99 | 55,91,578 | 25.39 |
| | Others (Including NRIs) | 5,380 | 0.04 | 5380 | 0.02 |
| | Sub Total (B) | 41,47,919 | 35.48 | 58,82,919 | 26.71 |
| | GRAND TOTAL | 1,16,90,600 | 100.00 | 2,20,21,900 | 100.00 |

The same is required to be approved / ratified by shareholders of the Company in the Annual General Meeting. Hence, the Board recommends the resolution for the approval of shareholders as Special resolution.

None of the Directors and KMPs, are in any way interested or concerned in the said resolution.

Date: 14.08.2018

Place: Plot No. 5-9-60, Flat No. 301,
Moghuls Court, Basheerbagh,
Hyderabad- 500 001.

By order of the Board

Sd/-

Ritesh Kumar Sanghi

Managing Director

DIN: 00628033

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

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the audited Financial Statement of the Company for the financial year ended 31st March, 2018

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

| Particulars | 31.03.2018 | 31.03.2017 |
|-------------------------|-------------------|-------------------|
| Revenue from operations | 7154.79 | 4516.54 |
| Other Income | 27.53 | 69.64 |
| Profit before tax | 300.52 | 166.46 |
| Provision for Taxation | 62.53 | 44.88 |
| Profit after Tax | 237.99 | 121.58 |

2. STATE OF COMPANY'S AFFAIRS:

The revenue from operations during the year under review stood at Rs. 7154.79 lakhs as compared to Rs. 4516.54 lakhs in the previous financial year ending 31st March, 2017. The net profit after tax for the financial year ending 31st March, 2018 is Rs. 237.99 lakhs. The Company is in the constant drive for growth and development. With its light weight precious stone studded gold jewellery, the Company has been able to meet the recent trends in the market. Further, the Company intends to introduce assorted brands of jewellery, each specializing in different categories for the interest of all groups of consumers. After the end of period under review, the Company has entered into the international market through export of its exclusive gold jewellery.

3. FUTURE OUTLOOK

With growth oriented plans, the Company is optimistic about various intended business transformations that would boost its performance on the whole and increase its stakeholders' value. In view of the same and the Company's endeavors to achieve maximum customer satisfaction, there are plans to launch creative products under various brands. Products of white gold jewellery studded with precious stones, 'Aira'- concept jewellery using variety of colored gemstones, 21ct gold jewellery for the purpose of export are few amongst the various themes on which the Company is seeking to create its niche in the national as well as international markets.

In line with its expansion plans and to augment the Company's financial resources, the Company has allotted Warrants to Promoter/ Promoter Group and Non-Promoters which is convertible into equal number of Equity shares within a period of 18 months from the date of issue for the purpose of infusing funds in the business.

4. DIVIDEND

In order to conserve resources for further expanding business of the Company, your directors have opined to not recommend any dividend for the year under review.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as the Company has not declared and paid dividend.

6. RESERVES

Amount to be carried forward to the reserves is Rs. (154.30) Lakhs.

7. CHANGE IN NATURE OF BUSINESS:

During the year under review, there was no change in the nature of business of the Company.

8. SHARE CAPITAL

The Issued, Subscribed and Paid up Equity Share Capital of the Company is Rs. 16,86,41,200/- (Rupees Sixteen Crores Eighty Six Lakhs Forty One Thousand Two Hundred only) divided into 1,68,64,120 (One Crore Sixty Eight Lakhs Sixty Four Thousand One Hundred and Twenty only) Equity shares of Rs. 10/- each. During the year under review, the Company has allotted 51,73,520 new Equity shares upon conversion of warrants issued under Preferential Issue out of which 2,50,000 shares are pending for listing at BSE Ltd. due to pending disclosure requirements. Further, during the financial year 2017-18, there were no

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

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Sanjay Kumar Sanghi retires by rotation at the ensuing Annual General Meeting and being eligible offers 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 year under review, Mr. Ritesh Kumar Sanghi, was re-appointed as Managing Director of the Company for a period of Five years with effect from 29th August, 2017, in accordance with the provisions of Section 196 of the Companies Act, 2013 and the rules made there under.

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

The declaration by all Independent Director(s) that 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.

11. NUMBER OF MEETINGS OF THE BOARD

Eight 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.

12. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in consultation with its Nomination & Remuneration Committee, the Board has formulated the performance evaluation policy that specifies the manner and process of formal evaluation of the performance of the Board, its Committees and individual Directors, including Independent Directors. The said policy is available at the website of the Company at www.udayjewellery.com. The Independent Directors had met separately on January 18, 2018 without the presence of Non-Independent Directors to discuss the performance of the Non-Independent Directors and the Board as a whole.

In accordance with Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the entire Board of Directors of the Company shall evaluate the performance of Independent Directors of the Company. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

13. MANAGERIAL REMUNERATION

The Company's policy on Director's appointment and remuneration in accordance with Section 178 (3) of the Companies Act, 2013 is available at the website of the Company at www.udayjewellery.com. No remuneration is being paid to the Managing Director or any other Director of the Company. 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. 76,408/- for the Financial Year 2017-18.

ii) **Details of percentage increase in the remuneration of each Director and CFO and Company Secretary in the Financial Year 2017-18 are as follows:**

| Name | Designation | Remuneration (in Rs.) | | Increase % |
|---------------------|-------------------------|-----------------------|-----------|------------|
| | | 2017-18 | 2016-17 | |
| Ritesh Kumar Sanghi | Managing Director | - | - | - |
| Sanjay Kumar Sanghi | Director | - | - | - |
| Rakesh Agarwal | Chief Financial Officer | 596850 | 5,00,000* | 19.37% |
| Pragya Sarada | Company Secretary | 409640* | 4,40,021 | - |

*For part of the current year only

iii) **Percentage increase in the median remuneration of all employees in the financial year 2017-18:**

| Particulars | 2017-18 (Amt in Rs.) | 2016-17 (Amt in Rs.) | Increase / Decrease)% |
|--|----------------------|----------------------|-----------------------|
| Median remuneration of all employees per annum | 76,408/- | 1,73,756/- | (56.03%) |

iv) Numbers of permanent employees on the rolls of the Company as on 31st March, 2018 are 23.

14. 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

15. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

16. STATUTORY AUDITORS AND THEIR REPORT:

The Auditors, M/s Venugopal & Chenoy, Chartered Accountants, Hyderabad, (Firm Regn. No.- 004671S) were 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 was ratified in the last 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.

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer of the Auditors that may call for any explanation from the Directors. 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 have been submitted with the Stock Exchanges.

17. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, Shri Ajay S. Shrivastava, Practicing Company Secretary, Hyderabad (COP No.- 3479) had been appointed as Secretarial Auditor of the Company for the financial year 2017-18. The Secretarial Audit report does not contain any qualification, reservations or adverse remark. The report of the Secretarial Auditors in the prescribed Form MR-3 is enclosed as Annexure I to this report.

18. VIGIL MECHANISM

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct. It also provides for adequate safeguards against victimization of persons who use this mechanism. The said policy is updated on the website of the Company at www.udayjewellery.com.

19. INTERNAL AUDIT & CONTROLS

The Company has a well placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company has appointed M/s Krishna and Suresh, Chartered Accountant, Hyderabad (Firm Regn No- 001461S) as its Internal Auditors who, independently evaluate the adequacy of internal controls, audit the majority of the transactions in value terms and review the operational efficiency, effectiveness of systems and processes..

20. CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your management is concerned about the safety of women workforce and has constituted an Internal Complaints Committee under Sexual Harrassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013. During the financial year 2017-18 there was no such instances reported.

21. RISK MANAGEMENT:

The Management has put in place adequate and effective system and manpower for the purposes of risk management. The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The Company proactively manages these risks through forward booking and inventory management. It has the best quality products and a vigorous marketing team that helps to mitigate risk relating to price fluctuation of finished goods.

22. 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 prescribed Form MGT 9 is attached as a part of this Annual Report as Annexure II.

23. 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.

24. 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.

25. 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.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has entered into an agreement with Trisa Retail Limited to provide unsecured loan to an extent of Rs. 314 Lakhs under Section 186 of the Companies Act, 2013. Out of which, the Company provided Rs. 250 Lakhs Loan to Trisa Retail Limited. As on the end of period under review the outstanding amount of such unsecured loan is Rs. 274.84 Lakhs (including interest). 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.

27. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of every contract or arrangements entered into by the Company with related parties during the Financial Year 2017-18 referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is disclosed in Form No. AOC-2 as Annexure III to this report.

28. CORPORATE GOVERNANCE CERTIFICATE:

The Compliance certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with this report as Annexure- IV.

29. MANAGEMENT DISCUSSION AND ANALYSIS:

The report on Management Discussion and Analysis for the year ended 31st March, 2018 forms part of the annual report.

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**A. CONSERVATION OF ENERGY**

The Company is engaged in manufacturing of gems and jewellery and as such its operations do not account for substantial energy consumption. However, the Company makes its best efforts to conserve energy in a more efficient and effective manner including the use of LED lights and bulbs in its office and manufacturing unit. The machinery used in the unit is light weight with low power consumption supported by stabilizers for dealing with current fluctuations.

B. TECHNOLOGY ABSORPTION

The company has not carried out any specific research and development activities. Accordingly, the information related to technology absorption, adaptation and innovation is reported to be NIL.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year 2016-17, there were NIL Foreign Exchange Earnings & Outgo.

31. 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 Crores for any financial year, the provisions of section 135 of the Companies Act, 2013 are not applicable.

32. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors would like to inform the members that the Audited Financial Statements for the financial year ended 31st March, 2018 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 M/s Venugopal&Chenoy, Chartered Accountants, Statutory Auditors of the Company.

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 in case of listed company 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.

33. LISTING:

Your Company's equity shares are listed on BSE limited and Calcutta Stock Exchange Limited. The Company has duly complied with all the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments therein except as stated in point no.8 above. There is no trading platform available at Calcutta Stock Exchange, during the period under review.

34. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

During the year under review, there has been no significant and material order passed by any regulators or courts or tribunal.

35. ACKNOWLEDGMENT:

Your Directors place on record their gratitude to the Company's employees, customers, vendors and investors for their continuous support. The Directors also wish to place on record their appreciation of Banks, Governments and other authorities for their able guidance and support.

Date: 14.08.2018

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

Court, Basheerbagh, Hyderabad - 500 001

For and on behalf of Board of Directors

Sd/-
(Ritesh Kumar Sanghi)
Managing Director
DIN: 00628033

Sd/-
(Sanjay Kumar Sanghi)
Director
DIN: 00629693

ANNEXURE INDEX

| ANNEXURE | CONTENTS |
|-----------------|--|
| I | Secretarial Audit Report- Form MR-3 |
| II | Extract of Annual Return- Form MGT-9 |
| III | Particulars of Contract with related parties- Form AOC-2 |
| IV | Compliance Certificate for Corporate Governance |

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

UDAY JEWELLERY INDUSTRIES LIMITED

Plot No. 5-9-60, Flat No. 301, Moghuls Court-Building, Deccan Tower Complex, Basheerbagh, Hyderabad- 500 029, Telangana.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 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, during the audit period covering the financial year ended on 31st March, 2018, has complied with the statutory provisions listed hereunder, except specifically stated and also that the Company has proper Board processes and compliance-mechanisms 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, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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: Not applicable to the Company during the Audit period.
- 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; - To the extent applicable for Preferential issue of warrants and consequent first conversion into shares except for some disclosure requirement under Regulation 73, to be ratified in ensuing Annual General Meeting.

- (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 and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015
- (j) Labour Laws as under:
 - ☆ Industrial Dispute Act, 1947;
 - ☆ The Payment of Wages Act, 1936;
 - ☆ The Minimum Wages Act, 1948;
- (k) Other environmental laws are not applicable as the Company is a non- polluting business Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

During the Audit period under review and as per the clarification, representations provided by the Management in writing and 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 subject to the below mentioned:

- i. The Company issued and allotted 51,73,520 Equity shares upon conversion of warrants on 29.03.2018 and made the Application for listing. The listing and trading approval was granted by BSE Limited for 49,23,520 shares and listing was deferred for 2,50,000 shares due to pending completion of disclosure requirements under Regulation 73 of ICDR, 2009.
- ii. The Company's Key Managerial person namely Company Secretary resigned wef 10.01.2018 and no replacement was appointed. However, there is an agenda item/ proposal for appointment of the Company Secretary in the ensuing Board meeting to be held on 14.08.2018.

There are no fresh transactions attracting the provisions of FEMA during the reporting period.

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. There were no changes in the composition of the Board of Directors during the period under review.

- * Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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. Further, this report is to be read with the letter of even date as attached in Annexure 1 and forms part of this report

Place: Hyderabad

Date: 14.08.2018

Sd/-

Name of Company Secretary in Practice: **AJAY SUMAN SHRIVASTAVA**
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, Basheerbagh,
Hyderabad- 500 029, Telangana.

This report is to be read with my 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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. My 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: 14.08.2018

Sd/-

Name of Company Secretary in Practice: **AJAY SUMAN SHRIVASTAVA**
FCS No.: 3489
C.P. No.: 3479

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

[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 Court building, Deccan Tower Complex, Basheer Bagh, Hyderabad - 500029 |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Bigshare Services Private Limited 306, Right Wing, 03rd Floor, Amrutha Ville Opp Yashoda Hospital, Somajiguda Raj Bhavan Road, Hyderabad- 500082, Telangana Phone: 040- 40144967 / 582; Email: bsshyd@bigshareonline.com |

a. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl No. | Name and Description of main products / services | NIC Code of the Product /service | % to total turnover of The company |
|--------|--|----------------------------------|------------------------------------|
| 1. | Jewellery Manufacturing Services | 321 | 100.00 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL**III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Shareholding

| Category of Share Holders | 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 | 7327060 | 0 | 7327060 | 62.68 | 10981201 | 0 | 10981201 | 65.12 | 2.44 |
| b) Central Government | | | | | | | | | |
| c) State Government | | | | | | | | | |
| d) Bodies Corporate | | | | | | | | | |
| e) Banks/Financial Institutions | | | | | | | | | |
| f) Any Other | | | | | | | | | |
| Sub-total (A)(1) | 7327060 | 0 | 7327060 | 62.68 | 10981201 | 0 | 10981201 | 65.12 | 2.44 |

| | | | | | | | | | |
|---|----------------|----------|----------------|--------------|-----------------|----------|-----------------|--------------|--------------|
| (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) | 7327060 | 0 | 7327060 | 62.68 | 10981201 | 0 | 10981201 | 65.12 | 2.44 |
| 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 |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 475910 | 36700 | 512610 | 4.39 | 176893 | 36700 | 213593 | 1.27 | (3.12) |
| ii) Overseas | | | | | | | | | |

| | | | | | | | | | |
|---|-----------------|---------------|-----------------|--------------|-----------------|---------------|-----------------|--------------|---------------|
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs 1 lakh | 381921 | 166782 | 548703 | 4.69 | 529706 | 162782 | 692488 | 4.11 | (0.58) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs | 3294037 | 0 | 3294037 | 28.18 | 4807708 | 0 | 4807708 | 28.51 | 0.33 |
| c) Others Specify | | | | | | | | | |
| 1. NRI | 3000 | 0 | 3000 | 0.03 | 1002 | 0 | 1002 | 0.01 | (0.02) |
| 2. Overseas Corporate Bodies | | | | | | | | | |
| 3. Foreign Nationals | | | | | | | | | |
| 4. Clearing Members | 5190 | 0 | 5190 | 0.04 | 168128 | 0 | 168128 | 1.00 | 0.96 |
| 5. Trusts | | | | | | | | | |
| 6. Foreign Bodies - D.R. | | | | | | | | | |
| Sub-total (B)(2) | 4160058 | 203482 | 4363540 | 37.32 | 5683437 | 199482 | 5882919 | 34.88 | (2.44) |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 4160058 | 203482 | 4363540 | 37.32 | 5683437 | 199482 | 5882919 | 34.88 | (2.44) |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| GRAND TOTAL (A+B+C) | 11487118 | 203482 | 11690600 | 100 | 16664638 | 199482 | 16864120 | 100 | - |

(ii) Shareholding of Promoters

| SI. NO. | SHARE HOLDER'S NAME | SHAREHOLDING AT THE BEGINNING OF THR YEAR | | | SHAREHOLDING AT THE END *OF THR YEAR | | | % Change in Share holding during the year |
|---------|---------------------|---|---------------------------------|--|--------------------------------------|----------------------------------|--|---|
| | | No. of shares | %of total shares of the company | % of Shares pledge/ encumbered to total shares | No. of shares | % of total shares of the company | % of Shares pledge/ encumbered to total shares | |
| 1 | RITESH KUMAR SANGHI | 3116060 | 26.65 | 0.000 | 3727460 | 22.10 | 0.000 | (4.55) |
| 2 | SANJAY KUMAR SANGHI | 3318800 | 28.39 | 0.000 | 3790800 | 22.48 | 0.000 | (5.91) |
| 3 | TEJAS SANGHI | 455600 | 3.90 | 0.000 | 793516 | 4.71 | 0.000 | 0.81 |
| 4 | UDAY SANGHI | 436600 | 3.74 | 0.000 | 725545 | 4.30 | 0.000 | 0.56 |
| 5 | HANUMANTHRAI SANGHI | 0 | 0 | 0.000 | 109880 | 0.65 | 0.000 | 0.65 |
| 6 | SARALA SANGHI | 0 | 0 | 0.000 | 198080 | 1.17 | 0.000 | 1.17 |
| 7 | PRITHA SANGHI | 0 | 0 | 0.000 | 818120 | 4.85 | 0.000 | 4.85 |
| 8 | BHAVNA SANGHI | 0 | 0 | 0.000 | 817800 | 4.85 | 0.000 | 4.85 |
| | T O T A L | 6829860 | 58.422 | 0.000 | 7327060 | 62.675 | 0.000 | 4.253 |

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 | 26.65 | | |
| | b) Changes during the year | -- | -- | -- | -- |
| | Allotment on 29.03.2018 | 611400 | | | |
| | c) At the End of the Year | | | 3727460 | 22.10 |
| 2 | SANJAY KUMAR SANGHI | | | | |
| | a) At the Beginning of the Year | 3318800 | 28.39 | | |
| | b) Changes during the year | -- | -- | -- | -- |
| | Allotment on 29.03.2018 | 472000 | | | |
| | c) At the End of the Year | | | 3318800 | 28.39 |
| 3 | TEJAS SANGHI | | | | |
| | a) At the Beginning of the Year | 455600 | 3.90 | | |
| | b) Changes during the year | | | | |
| | i. Acquisition | 120396 | | | |
| | ii. Allotment on 29.03.2018 | 217520 | | 793516 | 4.71 |
| | c) At the End of the Year | | | | |
| 4 | UDAY SANGHI | 436600 | 3.74 | | |
| | a) At the Beginning of the Year | 197500 | 1.689 | | |
| | b) Changes during the year | | | | |
| | i. Acquisition | 95225 | | | |
| | ii. Allotment on 29.03.2018 | 193720 | | | |
| | c) At the End of the Year | | | 725545 | 4.30 |
| 5 | HANUMANTHRAI SANGHI | | | | |
| | a) At the Beginning of the Year | 0 | 0 | | |
| | b) Changes during the year | | | | |
| | i. Allotment on 29.03.2018 | 109880 | | | |
| | c) At the End of the Year | | | 109880 | 0.65 |
| 6 | SARALA SANGHI | | | | |
| | a) At the Beginning of the Year | 0 | 0 | | |
| | b) Changes during the year | | | | |
| | i. Allotment on 29.03.2018 | 198080 | | | |
| | c) At the End of the Year | | | 198080 | 1.17 |
| 7 | PRITHA SANGHI | | | | |
| | a) At the Beginning of the Year | 0 | 0 | | |
| | b) Changes during the year | | | | |
| | i. Allotment on 29.03.2018 | 818120 | | | |
| | c) At the End of the Year | | | 818120 | 4.85 |
| 8 | BHAVNA SANGHI | | | | |
| | a) At the Beginning of the Year | 0 | 0 | | |
| | b) Changes during the year | | | | |
| | i. Allotment on 29.03.2018 | 817800 | | | |
| | c) At the End of the Year | | | 817800 | 4.85 |
| | TOTAL | | | | |

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

| 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. | RAJESH GUPTA | | | | |
| | a) At the Beginning of the Year | 450000 | 3.85 | | |
| | b) Changes during the year | - | - | - | - |
| | c) At the End of the Year | | | 450000 | 2.67 |
| 2. | DARSHAN GUPTA | | | | |
| | a) At the Beginning of the Year | 360790 | 3.09 | | |
| | b) Changes during the year | - | - | - | - |
| | c) At the End of the Year | | | 360790 | 2.14 |
| 3. | VINAY KUMAR HUF | | | | |
| | a) At the Beginning of the Year | 0 | 0 | | |
| | b) Changes during the year | - | - | - | - |
| | c) At the End of the Year | | | 300000 | 1.78 |
| 4. | MOHIT GUPTA | | | | |
| | a) At the Beginning of the Year | 0 | 0 | | |
| | b) Changes during the year | 300000 | | | |
| | c) At the End of the Year | | | 300000 | 1.78 |
| 5. | ANISHA GUPTA | | | | |
| | a) At the Beginning of the Year | 299679 | 2.56 | | |
| | b) Changes during the year | - | - | | |
| | c) At the End of the Year | | | 299679 | 1.78 |
| 6. | VINAY KUMAR AGARWAL | | | | |
| | a) At the Beginning of the Year | 194200 | 1.66 | | |
| | b) Changes during the year | 150000 | | | |
| | c) At the End of the Year | | | 344200 | 2.04 |
| 7. | JASHODA DEVI | | | | |
| | a) At the Beginning of the Year | 150000 | 1.28 | | |
| | b) Changes during the year | 100000 | | | |
| | c) At the End of the Year | | | 250000 | 1.48 |
| 8. | RAJENDER KUMAR AGARWAL | | | | |
| | a) At the Beginning of the Year | 0 | 0 | | |
| | b) Changes during the year | 200000 | | | |
| | c) At the End of the Year | | | 200000 | 1.19 |
| 9. | RADHESHYAM GUPTA | | | | |
| | a) At the Beginning of the Year | 180000 | | | |
| | b) Changes during the year | - | - | | |
| | c) At the End of the Year | | | 180000 | 1.07 |
| 10. | SANJAY GUPTA | | | | |
| | a) At the Beginning of the Year | 450000 | 3.85 | | |
| | b) Changes during the year | (297749) | | | |
| | c) At the End of the Year | | | 152251 | 0.90 |
| | TOTAL | 2084669 | 16.29 | 2836920 | 16.83 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Share Holder's Name | Shareholding at the Beginning of The year | | | Shareholding at the end of the year | | | % Change in Share holding during the year |
|---------|---------------------|---|---------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of shares | %of total shares of the company | % of Shares pledge/ encumbered to total shares | No. of shares | % of total shares of the company | % of Shares pledge/ encumbered to total shares | |
| 1 | RITESH KUMAR SANGHI | 3116060 | 26.65 | 0.00 | 3727460 | 22.10 | 0.00 | (4.55) |
| 2 | SANJAY KUMAR SANGHI | 3318800 | 28.39 | 0.00 | 3790800 | 22.48 | 0.00 | (5.91) |
| 3 | PRITHA SANGHI | 0 | 0 | 0.00 | 818120 | 4.85 | 0.00 | 4.85 |
| | T O T A L | 6434860 | 55.04 | 0.00 | 8336380 | 49.43 | 0.00 | - |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs. In Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | - | - | - | - |
| i) Principal Amount | 947.90 | - | - | 947.90 |
| ii) Interest due but not paid | - | - | - | |
| iii) Interest accrued but not due | | - | - | |
| Total (i+ii+iii) | 947.90 | - | - | 947.90 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | | - | | |
| * Reduction | 250.98 | - | - | 250.98 |
| Net Change | (250.98) | - | - | (250.98) |
| Indebtedness at the end of the financial year | 696.92 | | | 696.92 |
| i) Principal Amount | | - | - | |
| ii) Interest due but not paid | - | - | - | |
| iii) Interest accrued but not due | | - | - | |
| Total (i+ii+iii) | 696.92 | - | - | 696.92 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Rs. in lakhs

| SN. | Particulars of Remuneration | Name of MD/WTD/ CS/CFO | | | | Total Amount |
|-----|---|-------------------------|--------------------------------|-----------------------------------|---------------------|--------------|
| | | Ritesh Kumar Sanghi- MD | Sanjay Kumar Sanghi - Director | Pragya Sarda-CS (upto 10.01.2018) | Rakesh Agarwal -CFO | |
| 1 | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | 4.10 | 5.97 | 10.07 |
| | (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) | - | - | 4.10 | 5.97 | 10.07 |
| | 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, 2018.

Date: 14.08.2018

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

Court, Basheerbagh, Hyderabad - 500 001

For and on behalf of Board of Directors

Sd/-
(Ritesh Kumar Sanghi)
Managing Director
DIN: 00628033

Sd/-
(Sanjay Kumar Sanghi)
Director
DIN: 00629693

ANNEXURE - III**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:

| SL. No. | Particulars | Details |
|----------------|---|----------------|
| a) | Name (s) of the related party & nature of relationship | - |
| b) | Nature of contracts/arrangements/ transaction | - |
| c) | Duration of the contracts/ arrangements/transaction | - |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | - |
| e) | Justification for entering into such contracts or arrangements or transactions | - |
| f) | Date of approval by the Board | - |
| g) | Amount paid as advances, if any | - |
| h) | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | - |

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 | i. Sanghi Jewellers Private Limited- Company having common directors; ii. Smt. Sarala Sanghi- Relative of directors. |
| b) | Nature of contracts/arrangements/ transaction | i. Purchase and sales of manufactured products and availing Job work Services; ii. Payment of lease rent. |
| c) | Duration of the contracts/ arrangements/transaction | Approval of members at the 17th Annual General Meeting held on 29th September, 2016 for contracts with Sanghi Jewellers Private Limited between 01.10.2016 to 31.12.2020 upto the limit of Rs. 100 Crores only. |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if anyz | During the year 2017-18 the total value of such transactions are as follows: i. Sanghi Jewellers Private Limited: a.Purchases: Rs. 792.38 Lakhs b.Sales: Rs. 175.01 Lakhs c.Job work charges: Rs. 183.45 Lakhs ii. Smt. Sarala Sanghi: Payment of rent: Rs. 7.80 Lakhs |
| e) | Date of approval by the Board | Not applicable, since the contracts were entered into in the ordinary course of business and on arm's length basis. |
| f) | Amount paid as advances, if any | -- |

For and on behalf of Board of Directors

Sd/-
(Sanjay Kumar Sanghi)
Director
DIN: 00629693

Sd/-
(Ritesh Kumar Sanghi)
Managing Director
DIN: 00628033

ANNEXURE - IV

Certificate on Compliance with the Provisions of Corporate governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors,
Uday Jewellery Industries Limited
Hyderabad.

I have examined all the records of **Uday Jewellery Industries Limited, Hyderabad** for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C,D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with BSE Limited and The Calcutta Stock Exchange Limited for the financial year ended 31st March, 2018. I have obtained all the information which is to 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. My examination has been in the manner prescribed 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. It is neither an assurance of the efficacy or effectiveness with which the management has conducted the affairs of the Company 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 me, and based on my reliance upon the representations made by the management, that there were no transactions of material nature with the management including those approved u/s 188 of the Companies Act, 2013.

I 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.

Sd/-

Place: Hyderabad
Date: 14.08.2018

AJAY S. SHRIVASTAVA
Practicing Company Secretary
Membership No: 3489; PCS: 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.

DISCLAIMER:

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.

INDUSTRY STRUCTURE AND DEVELOPMENTS

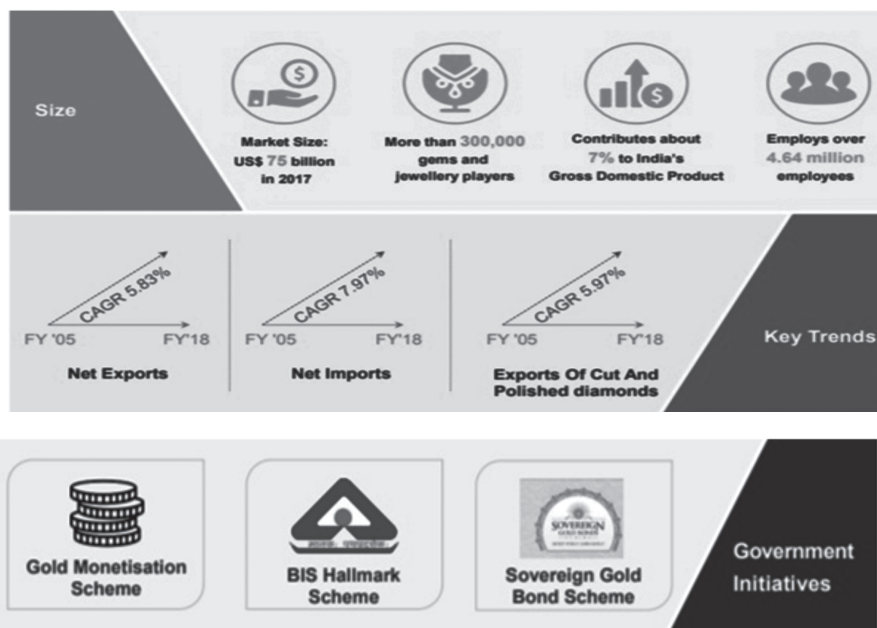
Indian jewellery demand jumped from exceptionally low level of last couple of years as market conditions improved according to a report from World Gold Council.

The gems and jewellery market in India is home to more than 3,00,000 players, with the majority being small players. India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major portion to the total foreign currency reserves of the country.

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7 per cent of the country's GDP and 15.71 per cent to India's total merchandise exports. It also employs over 4.64 million workers. The Indian Gems and Jewellery industry has gained popularity worldwide because of its talented craftsmen and its superior practices in cutting and polishing flat diamonds and precious stones. According to an industry report, the gems and jewelry market in India is projected to grow at a CAGR of 11.26%, during 2016-2021 on account of growing presence of international and domestic players, significant decline in jewelry making charges, increasing westernization and aggressive marketing strategies adopted by various players in the country.

In addition, the Government of India has adopted various measures such as tax cuts for the middle class and other sections of society and reduction in corporate tax rates for micro, small and medium enterprises (MSMEs). These measures will drive consumption which will be favourable for the gems and jewellery industry and also encouraging for the exporters from MSME category. The implementation of Goods and Services Tax (GST) is another major change in the economy. It can make the gold industry more transparent which coupled with recent hallmarking legislation, should ensure gold buyers have confidence in the gold products they buy, rather than continuing to suffer from the gross level of under-carating they have previously endured.

India is the largest consumer of gold in the world. Rising middle class population and increasing income levels are the key drivers for the demand of gold and other jewellery in India. Gold demand in India rose 11 per cent year-on-year to 737.5 tonnes in 2017. Also, the Government of India has permitted 100 per cent Foreign Direct Investment (FDI) in the sector under the automatic route. The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018, to include a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark on gold jewellery. The move is aimed at ensuring a quality check on gold jewellery. The Government of India launched the Gold Monetisation Scheme to reduce the country's reliance on gold imports to meet the domestic demand.



*Source: <https://www.ibef.org>

OPPORTUNITIES AND THREATS

The opportunities in the following areas can be availed by the gems and jewellery industry for its growth and development

- * Global markets: According to a report, India's gems and jewellery exports dipped by 8 per cent for financial year 2017-18 mainly due to the sharp rise in return of consignments from the United States (US), Hong Kong and the United Arab Emirates (UAE). During the year, consignments worth USD 8.26 billion were returned compared with USD 7.7 billion in 2016-17. As the core product line of the Company is the modern style and trendy jewellery, it can avail the opportunity by presenting its wide range of CZ and other western jewellery in global markets.
- * New market in Europe and Latin America
- * The Government of India's proposal to cut corporate tax rates to 25 per cent for micro, small and medium enterprises having annual turnover up to Rs 50 Crores will benefit a large number of gems and jewellery exporters from MSME category.

While the industry provides various opportunities for its growth and development, it also has to mitigate certain challenges:

- * Stiff competition from other Asian countries like China, Thailand and Sri Lanka which are targeting the machine-made jewellery. China is the biggest competitor of India in the sector.
- * Dependence on imports of raw materials. Raw materials account for the largest share in the industry's cost structure and thus it is vulnerable to fluctuations in exchange rates and raw material price volatility

OUTLOOK

According to a TechSci Research report, gems and jewellery market in India is projected to grow at a CAGR of 11.26%, during 2016-2021 on account of growing presence of international and domestic players, significant decline in jewellery making charges, increasing westernization and aggressive marketing strategies adopted by various players in the country. Changing lifestyle preferences has led to increase in

brand consciousness and inclination of consumers towards western brands, which in turn resulted in increased demand for exclusive designer jewelry, across the country. Your Company has its own manufacturing unit and is offering wide range of light weight jewellery with contemporary designs catering to the current demands and young customer preferences.

Growth in organized manufacturing over recent years has owed much to the growth in exports and the requirements of the organized retail sector. With the implementation of Goods and Service Tax at the rate of 3% on gold articles and polished diamond and 0.25 % on rough diamond, many unorganized businesses will be encouraged to enter the organized trade.

RISKS AND CONCERNS

- * The availability of raw materials is critical for this industry, which relies on gold and diamond imports.
- * The management of price volatility is another area of concern. Prices of jewellery tend to fluctuate because of volatility in gold and diamond prices.
- * Market diversification in the gems and jewellery industry also plays an important role. Companies having an appropriate mix in terms of domestic and exports' share in revenues are able to manage risks in a better manner.
- * Distribution setup- The jewellery industry is known for its localization and geographical concentration. This structure increases the risk of regional demand. Companies that have a wide distribution set up tend to face lower risks as they are hedged against regional demand shocks
- * Availability of skilled labourers- Jewellery making are labour-intensive processes. Hence, labour cost is the second biggest cost component after raw material cost. The industry needs skilled and trained labour to operate efficiently; non-availability of labour increases the business risk of companies.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate internal control system commensurate with the size of the business operations. The systems are updated and monitored on a continuous basis so as to ensure complete alignment with evolving technological requirements. Internal audit is conducted regularly to ensure that the systems and procedures are in place and the applicable rules and regulations are being duly complied with. The audit committee reviews the implementation of management policies to ensure that transactions have been accurately recorded and promptly reported.

FINANCIAL CONDITION

Share Capital

The Authorised Share capital of the Company is Rs. 26,00,00,000/- divided into 2,60,00,000 Equity shares of Rs. 10/- each. The Issued, Subscribed and Paid up Share Capital of the Company is Rs. 16,86,41,200/- divided into 1,68,64,120 Equity shares of Rs. 10/- each for the financial year ended 31st March, 2018. However, the Listed Capital of the Company is Rs. 16,61,41,200 divided into 1,66,14,120 Equity shares of Rs. 10/- each.

Secured Loans

The Company has availed working capital loan from Kotak Mahindra Bank Limited, Himayat nagar branch, Hyderabad. The amount of such loan as on 31st March, 2018 is Rs. 640.95 Lakhs.

Fixed Assets

Fixed Assets (Net Block) is Rs. 115.80 Lakhs as on 31st March, 2018.

HUMAN RESOURCES

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its employees attracting and retaining the best manpower available by providing high degree of motivation. Your Company believes in trust, transparency & teamwork to improve employees productivity at all levels.

REPORT ON CORPORATE GOVERNANCE- 2017-18**I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in its interactions with its stakeholders. Credibility generated by sound Corporate Governance enables an enterprise in enhancing the confidence of the investors and in establishing productive and lasting business relationship with all stakeholders. The Company is committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. It has complied, with the features of corporate governance as applicable and specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

II. BOARD OF DIRECTORS

The Board of Directors of the Company plays a pivotal role in ensuring that good corporate governance practices are followed within the Company. The Board of Directors oversees the functioning of the Company and that of its management; and ensures that every decision taken is in the best interest of the stakeholders of the Company.

1. Composition:

The Composition of the Board of Directors of the Company is in compliance with the Companies Act, 2013 read with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. The Board of Directors of your Company comprises of Six Directors as on 31st March, 2018.

The composition of the Board and category of each Director along with their shareholding in the Company as at 31st March, 2018, is as follows:

| Name | Designation | Date of Appointment at current designation | Category | No. of Equity shares held in the Company |
|-------------------------|-------------------|--|-----------------------------|--|
| Mr. Ritesh Kumar Sanghi | Managing Director | 29.08.2017 | Promoter-Executive | 37,27,460 |
| Mr. Sanjay Kumar Sanghi | Director | 22.08.2011 | Promoter-Non-Executive | 37,90,800 |
| Ms. Pritha Sanghi | Director | 29.09.2014 | Promoter- Non-Executive | 8,18,120 |
| Mr. Siddharth Goel | Director | 29.09.2014 | Independent - Non-Executive | -- |
| Mr. Ramprasad Vempati | Director | 29.09.2014 | Independent - Non-Executive | -- |
| Mr. Vikram Goel | Director | 29.09.2014 | Independent -Non-Executive | -- |

- ♦ Mr. Ritesh Kumar Sanghi (Managing Director) and Mr. Sanjay Kumar Sanghi are sibling.
- ♦ Mr. Sanjay Kumar Sanghi is the spouse of Mrs. Pritha Sanghi.

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

In accordance with the provisions of Section 165(1) of the Companies Act, 2013 read with Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, All the Directors are compliant with said 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 | - | - |
| Mr. Sanjay Kumar Sanghi | 4 | - | - |
| Mr. Siddharth Goel | 1 | 4 | 1 |
| Mr. Ramprasad Vempati | 3 | 4 | 2 |
| Mr. Vikram Goel | 3 | 2 | - |
| Mrs. Pritha Sanghi | 2 | - | - |

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

1. Board Meetings

In accordance with Section 173(1) of the Companies Act, 2013 read with Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors meets at least four times in a year, with a maximum time gap not exceeding one hundred and twenty days between any two meetings. Additional Board Meetings are held by the Company for 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 meeting of the Board. The notice of the each Board meeting along with the Agenda is circulated to all the Directors well in advance.

During the Financial Year ended 31st March, 2018, Eleven Board Meetings were held on 16th May, 2017, 29th May, 2017, 2nd August, 2017, 14th August, 2017, 28th August, 2017, 16th October, 2017, 14th December, 2017, 28th December, 2017, 22nd January, 2018, 14th February, 2018 and 29th March, 2018. 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 16th November, 2017 |
|--------|-------------------------|---------------|----------|---------------------------------|
| | | Held | Attended | |
| 01 | Mr. Ritesh Kumar Sanghi | 11 | 9 | Not Present |
| 02 | Mr. Sanjay Kumar Sanghi | 11 | 11 | Present |
| 03 | Mrs. Pritha Sanghi | 11 | 11 | Not Present |
| 04 | Mr. Siddharth Goel | 11 | 11 | Present |
| 05 | Mr. Ram Prasad Vempati | 11 | 11 | Present |
| 06 | Mr. Vikram Goel | 11 | 11 | 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 11th January, 2018 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 of the Company has three committees- Audit Committee, Stakeholders' Grievance Committee and the Nomination and Remuneration Committee. The Committees play a pivotal role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and need a closer review. The Committees meet at regular intervals and the minutes of the meetings of all Committees are placed before the Board for review.

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. The Committee oversees the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible. It also reviews the annual financial statements, auditor's report thereon, quarterly financial results and monitors the auditor's independence and performance and effectiveness of audit process and other roles in accordance with Part C of Schedule II of the SEBI Listing Regulations.

During the Financial Year 2017-18, the Committee met five times on 29th May, 2017, 28th August, 2017, 16th October, 2017, 14th December, 2017 and 14th February, 2018 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 2017-18 | |
|-------|-----------------------------------|-----------------------------|--|----------|
| | | | Held | Attended |
| 1. | Mr. Ramprasad Vempati- (Chairman) | Independent, Non- Executive | 5 | 5 |
| 2. | Mr. Siddharth Goel | Independent, Non- Executive | 5 | 5 |
| 3. | Mr. Vikram Goel | Independent, Non- Executive | 5 | 5 |

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. The roles and responsibilities of the Committee and the terms of reference are in accordance with the requirements as specified in accordance with Para A of Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

During the Financial Year 2017-18, the Committee met once on 28th August, 2017 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 2017-18 | |
|-------|-------------------------------|-----------------------------|--|----------|
| | | | Held | Attended |
| 1. | Mr. Siddharth Goel (Chairman) | Independent, Non- Executive | 1 | 1 |
| 2. | Mr. Ramprasad Vempati | Independent, Non- Executive | 1 | 1 |
| 3. | Mr. Vikram Goel | Independent, Non- Executive | 1 | 1 |

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

During the Financial Year 2017-18, the Committee met four times on 28th April, 2017, 14th August, 2017, 12th October, 2017 and 11th January, 2018 in accordance with Regulation 19 of SEBI Listing Regulations. The composition of the 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 2017-18 | |
|-------|-------------------------------|-----------------------------|--|----------|
| | | | Held | Attended |
| 1. | Mr. Siddharth Goel (Chairman) | Independent, Non- Executive | 4 | 4 |
| 2. | Mr. Ramprasad 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, was the Compliance Officer of the Company for resolution of Shareholders' / Investors' complaints. However, she has resigned with effect from 10th January, 2018. During the financial year ended 31st March, 2018, no complaints were received from the shareholders and therefore no complaints were pending to be resolved.

IV. ANNUAL GENERAL MEETINGS

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

| Financial Year | Venue | Date / Time |
|----------------|--|------------------------------------|
| 2014-15 | 3-6-290/18, 1st Floor, Sadana Building, Hyderguda, Hyderabad- 500029 | 29th September, 2015 at 3:30 P.M. |
| 2015-16 | Rajasthan Graduate Association, 'Snatak Bhavan', First Floor, Abids, Hyderabad- 500001 | 29th September, 2016 at 11:30 A.M. |
| 2016-17 | Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001 | 16th November, 2017 at 10:30 A.M. |

- There was no Extraordinary General Meeting held by the Company during the Financial Year 2017-18
- Four Special Resolutions were passed in the previous Annual General Meeting held on 16th November, 2017.

4. During the Financial Year 2017-18, one Special Resolution was passed by way of postal ballot.

V. MEANS OF COMMUNICATION

The Company recognizes communication as a key element of the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies. 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 financial results of the Company are made available on the website of the Company at <http://www.udayjewellery.com/investors/performance> and same is also published in the newspapers in one English National daily newspaper viz; "Business Standard" or "Financial Express" and one Regional Language Newspaper "Nava Telangana".

The website also displays vital information relating to the Company and its performance. 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 2017-18

| | |
|-----------------------|---|
| Date | 29th September, 2018 |
| Time | 11:30 A.M. |
| Venue | Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001 |
| Book Closure Date | 22nd September, 2018 to 29th September, 2018 |
| 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, 2019 for approval of quarterly financial results is as follows:

| | |
|--|---------------------------------|
| Results for the quarter ending June 30, 2018 | : Second week of August, 2018 |
| Results for the quarter ending September 30, 2018 | : Second week of November, 2018 |
| Results for the quarter ending December 31, 2018 | : Second week of February, 2019 |
| Results for the quarter and year ending March 31, 2019 | : Last week of May, 2019 |

| | |
|-------------------------------------|--------------|
| 3. Listing Details | |
| Name and Address of Stock Exchange | Stock Code |
| BSE Limited | 539518 |
| The Calcutta Stock Exchange Limited | 018358 |
| ISIN of the Company | INE551B01012 |

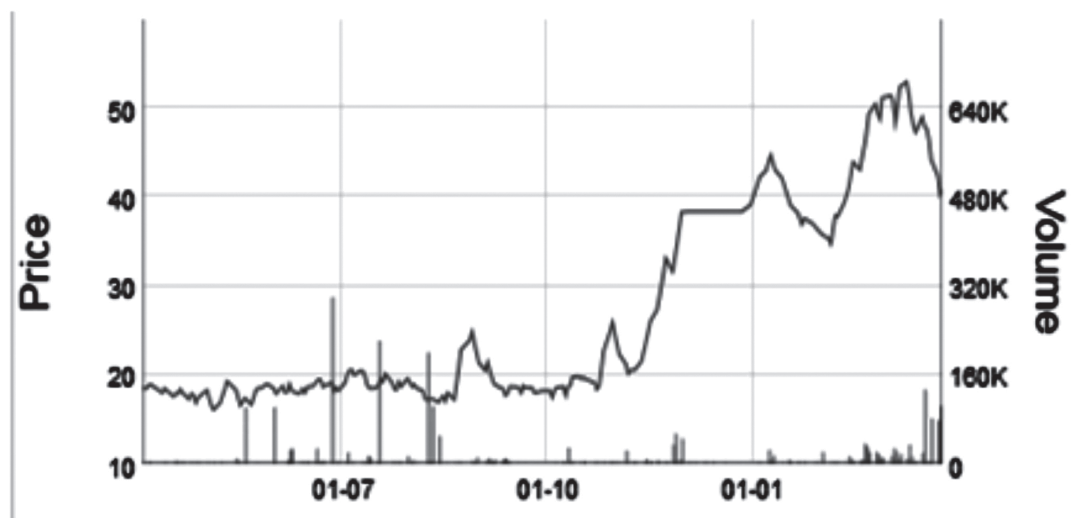
The Annual Listing fee for the Financial Year 2018-19 has been paid to the respective Stock Exchanges.

4. Market Price Data

The Equity shares of the Company are listed at BSE Limited and Calcutta Stock Exchange Limited. There is no trading platform available on the Calcutta Stock Exchange Limited. The market price data of the shares of the Company traded during each month for the financial year ended 31st March, 2018 at Bombay Stock Exchange (BSE Limited) is as under:

| Month | High | Low | Volume |
|-----------------|-------|-------|--------|
| April, 2017 | 19.40 | 16.15 | 28096 |
| May, 2017 | 19.95 | 16.00 | 121851 |
| June, 2017 | 20.00 | 17.45 | 521854 |
| July, 2017 | 21.55 | 17.55 | 309432 |
| August, 2017 | 25.25 | 15.85 | 393813 |
| September, 2017 | 23.00 | 17.00 | 61163 |
| October, 2017 | 26.00 | 17.00 | 57600 |
| November, 2017 | 36.55 | 19.50 | 161675 |
| December, 2017 | 38.40 | 36.55 | 58785 |
| January, 2018 | 45.60 | 36.25 | 73487 |
| February, 2018 | 51.75 | 34.70 | 210716 |
| March, 2018 | 53.75 | 38.50 | 644359 |

5. Market performance of the Company during the Financial Year 2017-18:



6. Registrar and Share Transfer Agent

During the year, the Registrar and Share Transfer Agent of the Company have been changed from Niche Technologies Private Limited to Bigshare Services Private Limited. The same has been approved by CDSL vide their letter no. CDSL/ISS/SK/RTA-CH/2017-18/1091 dated August 31, 2017 and NSDL vide their letter no II/PP/DEMAT/2017/0633 dated September 08, 2017. Therefore, with effect from September 09, 2017, Bigshare Services Private Limited is acting as the new Registrar and Share Transfer Agent of the Company, the details of whom are as under:

Bigshare Services Private Limited
306, Right Wing, 3rdFloor Amrutha Ville,
Opp. Yashoda Hospital, Somajiguda
Rajbhavan Road, Hyderabad - 500082
Ph:-040- 40144967/582
Fax:-040-23370295
Email:- bsshyd@bigshareonline.com
Website:-www.bigshareonline.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, 2018

| Category (No. of shares) | Number of holders | % of total holders | Number of shares | % of total shares |
|-----------------------------|----------------------|-----------------------|---------------------|----------------------|
| Upto 500 | 598 | 87.31 | 431874 | 2.56 |
| 501-1000 | 17 | 2.48 | 142926 | 0.85 |
| 1001- 2000 | 9 | 1.31 | 123396 | 0.73 |
| 2001- 3000 | 4 | 0.58 | 105000 | 0.62 |
| 3001- 4000 | 4 | 0.58 | 138198 | 0.82 |
| 4001-5000 | 2 | 0.29 | 82649 | 0.49 |
| 5001- 10000 | 4 | 0.58 | 384225 | 2.28 |
| 10001 and above | 47 | 6.87 | 15455852 | 91.65 |
| Total | 685 | 100.00 | 16864120 | 100 |

9. Dematerialization of Shares and Liquidity:

The Company's shares are available for trading in both "National Securities Depository Limited" and "Central Depository Services (India) Limited". As on 31st March, 2018, 68.13% of the total issued Equity shares representing 1,14,91,118 Equity shares are held in dematerialized form. As on 31st March, 2018, the total issued Equity shares is 1,68,64,120, including 51,73,520 Equity shares of Rs. 10/- each issued on 29th March, 2018 upon conversion of warrants issued under Preferential Issue. 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

VII. OTHER DISCLOSURES

1. Disclosure on materially significant related party transactions

During the Financial Year 2017-18, 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 SEBI 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 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-compliances 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 Obligations and Disclosure Requirements) Regulations, 2015, 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 www.udayjewellery.com.

4. Details of compliance with Mandatory requirements

During the financial year 2017-18, the Company has complied with all mandatory requirements as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except those stated elsewhere in the Annual Report.

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, 2018 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

We 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, 2018.

For and on behalf of Board of Directors

Sd/-
(Ritesh Kumar Sanghi)
Managing Director
DIN: 00628033

Sd/-
(Sanjay Kumar Sanghi)
Director
DIN: 00629693

Date: 14.08.2018

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

COMPLIANCE CERTIFICATE

[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Board of Directors,
Uday Jewellery Industries Limited, Hyderabad

We, the Managing Director and Chief Financial Officer of the Company, do here by certify in accordance with Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II thereto, that :

- A. A. We have reviewed the financial statements including the cash flow statement for the financial year ended 31st March, 2018 and to the best of our knowledge and belief:
- 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. 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. C. We jointly accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors namely M/s Venugopal & Chenoy, Chartered Accountants, Hyderabad and the Board Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that have been taken or proposed to be taken to rectify these deficiencies.
- D. D. We have indicated, to the Auditors and Audit Committee:
- i) significant changes, in the internal control over financial reporting during the year; if any;
 - ii) significant changes, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements, if any; 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: 25.05.2018
Place: Plot No 5-9-60,
Flat No 301, MoghulsCourt,
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 March 31, 2018, the Statement of Profit and Loss, the cash flow statement for the year then ended on that date, and a summary of the 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 in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 there under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements 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 auditors' 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 true and fair view 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 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, 2018; 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, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraphs 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 appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, 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 written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2018, 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".

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**

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

Hyderabad
Date: 30.05.2018

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 2018, we report that:

(i) In respect of its fixed assets:

a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, on the basis of available information.

b. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were 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) In respect of Inventories:

a. The Inventory has been physically verified by the management during the year.

b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c. According to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) The Company has granted Inter Corporate Deposit to companies 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 regular.

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, in respect of the grant of loans, making investments, providing guarantees and securities, as applicable

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) In our opinion and according to the information and explanations given to us, the Company is not required to maintain Cost Records under Central Government under sub-section (1) of section 148 of the Act.

(vii) In respect of statutory dues:

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, Goods and Service Tax 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, Goods and Service Tax and other material statutory dues which were in arrears as at March 31,2018, for a period of more than six months from the date they became payable

b. According to the information given to us and records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess or Goods and Services Tax outstanding on account of any disputes.

(viii) According to the information and explanations given to us and on the basis of examination of the records, the company has not defaulted in the repayment of loans along with interest to Banks.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of public issue (including debt instruments). Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud on or by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year, that causes the financial statements to be materially misstated.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(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 given to us and based on our examination of the records of the Company, the Company has made a preferential allotment of 1,03,31,300 Share Warrants at Rs.18.98 each during the year (out of which 51,73,520 have been converted into equity shares of Rs. 10 each) and the requirements of Section 42 of the Companies Act, 2013, have been complied with and the amount raised was used for the purposes for which the funds were raised.

(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**

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

Hyderabad
Date: 30.05.2018

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, 2018 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.

Auditor's 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 authorizations of management and directors of the company; and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorized 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.

The company needs to document its procedures and controls vis-à-vis Internal Controls over Financial Reporting.

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 2018, 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**

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

Hyderabad
Date: 30.05.2018

IND AS BALANCE SHEET AS AT 31.03.2018

(Rs. in Lakhs)

| | Particulars | Note No. | 31.3.2018 | 31.3.2017 | 1.04.2016 |
|----------|--------------------------------------|----------|-----------------|-----------------|-----------------|
| A | Assets | | | | |
| 1 | Non-Current assets | | | | |
| (a) | Property, Plant & Equipment | 1 | 115.80 | 106.96 | 46.15 |
| (b) | Financial assets | | | - | - |
| | (i) Investments | 2 | - | 31.84 | 22.82 |
| | (ii) Loans | 3 | 250.00 | 250.00 | 250.00 |
| | (iii) Others | 4 | 20.89 | 15.75 | 7.31 |
| (c) | Deferred tax Asset (net) | 5 | 1.49 | 2.93 | 5.95 |
| (d) | Other non-current assets | 6 | 9.45 | - | - |
| | Total Non-Current Assets | | 397.63 | 407.48 | 332.23 |
| 2 | Current assets | | | | |
| (a) | Inventories | 7 | 1 202.57 | 1 039.06 | 648.34 |
| (b) | Financial assets | | | | |
| | (i) Trade receivables | 8 | 1 883.04 | 865.06 | 778.97 |
| | (ii) Cash & Cash Equivalents | 9 | 207.99 | 2.54 | 6.01 |
| | (iii) Others | 4 | 24.84 | 56.24 | 45.49 |
| (c) | Current tax assets (net) | 10 | 2.17 | - | - |
| (d) | Other Current assets | 11 | 18.98 | 128.32 | 51.27 |
| | Total Current Assets | | 3 339.59 | 2 091.22 | 1 530.07 |
| | Total Assets | | 3 737.22 | 2 498.71 | 1 862.30 |
| B | Equity & Liabilities | | | | |
| 1 | Equity | | | | |
| (a) | Equity share capital | 12 | 1 765.48 | 1 248.13 | 1 248.13 |
| (b) | Other Equity | 12 | 1 198.13 | 250.83 | 161.61 |
| | Total Equity | | 2 963.62 | 1 498.96 | 1 409.74 |
| 2 | Liabilities | | | | |
| | Non Current liabilities | | | | |
| (a) | Financial liabilities | | | | |
| | (i) Borrowings | 13 | 27.38 | 40.64 | - |
| | Total Non Current Liabilities | | 27.38 | 40.64 | - |
| | Current liabilities | | | | |
| (a) | Financial liabilities | | | | |
| | (i) Borrowings | 13 | 669.54 | 934.50 | 430.57 |
| | (ii) Trade payables | 14 | 68.52 | 9.00 | .00 |
| (b) | Other current liabilities | 15 | 8.15 | 15.18 | 2.53 |
| (c) | Current tax liabilities (net) | 16 | - | 0.42 | 19.46 |
| | Total Current Liabilities | | 746.22 | 959.11 | 452.56 |
| | Total Equity and Liabilities | | 3 737.22 | 2 498.71 | 1 862.30 |

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

For Uday Jewellery Industries Ltd.,

Sd/-
(CA P.V.SRI HARI)
Partner
Membership No. 021961

Sd/-
Sanjay Kumar Sanghi
Director
DIN: 00629693

Sd/-
Pritha Sanghi
Director
DIN: 02681491

Sd/-
Rakesh Agarwal
Chief Financial Officer

Place : Hyderabad
Date: 30.05.2018

Statement of Profit and Loss for the year ended 31st March , 2018

(Rs. in Lakhs)

| Particulars | Note | 31st March, 20187 | 31st March, 20187 |
|--|-----------|-------------------|-------------------|
| Revenue from operations | 17 | 7154.80 | 4516.54 |
| Other income | 18 | 27.53 | 69.64 |
| Total Revenue (I) | | 7182.32 | 4586.17 |
| Expenses: | | | |
| Cost of materials consumed | 19 | 6692.99 | 4481.72 |
| Changes in inventories | 20 | (163.51) | (390.72) |
| Employee benefits expense | 21 | 48.70 | 45.24 |
| Finance costs | 22 | 63.85 | 50.85 |
| Depreciation | 1 | 17.25 | 7.82 |
| Other expenses | 23 | 222.52 | 224.83 |
| Total Expenses (II) | | 6881.80 | 4419.72 |
| Profit before tax and exceptional items (I-II) | | 300.52 | 166.46 |
| Exceptional Items | | - | - |
| Profit before tax | | 300.52 | 166.46 |
| Tax expense: | | | |
| Current tax | | 61.40 | 41.86 |
| Income tax pertaining to earlier years | | (0.30) | |
| Deferred tax | | 1.44 | 3.02 |
| Profit after tax | | 237.99 | 121.58 |
| Other Comprehensive income | | | |
| A (i) Items that will not be reclassified to profit or loss (net of tax) | | - | - |
| B (i) Items that will be reclassified to items that will be reclassified to profit or loss | | - | - |
| Total Comprehensive Income after tax | | 237.99 | 121.58 |
| Earnings per equity share: | 24 | | |
| Basic | | 1.66 | 1.04 |
| Diluted | | 1.66 | 1.04 |
| Accounting Policies | 25 | | |

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

For Uday Jewellery Industries Ltd.,

Sd/-
(CA P.V.SRI HARI)
Partner
Membership No. 021961

Sd/-
Sanjay Kumar Sanghi
Director
DIN: 00629693

Sd/-
Pritha Sanghi
Director
DIN: 02681491

Sd/-
Rakesh Agarwal
Chief Financial Officer

Place : Hyderabad
Date: 30.05.2018

Cash Flow Statement for the year ended 31.03.2018

(Rs. In Lakhs)

| Particulars | 31st March, 2018 | 31st March, 2017 |
|---|-------------------------|-------------------------|
| A. Cash flows from Operating Activities | | |
| Net Profit before tax | 300.52 | 166.46 |
| Adjustments for: | | |
| Depreciation | 17.25 | 7.82 |
| Finance Cost | 63.85 | 50.85 |
| Loss on Sale of Fixed Assets | 0.00 | 1.42 |
| Dividend Income | -0.01 | -0.36 |
| Other Income | 0.00 | -32.36 |
| Interest Income | -24.00 | -27.89 |
| Gain on Shares investment | -3.24 | -9.02 |
| Operating profit before working capital changes | 354.38 | 156.92 |
| Working capital changes: | | |
| (Increase) / Decrease in Inventories | -163.51 | -390.72 |
| (Increase) / Decrease in Trade Receivables | -1017.98 | -86.09 |
| (Increase) / Decrease in Other Current financial Assets | 31.40 | -10.75 |
| (Increase) / Decrease in Other Financial Assets | 26.70 | -17.46 |
| (Increase) / Decrease in Other Non current Assets | -9.45 | 0.00 |
| (Increase) / Decrease in Other Current Assets | 109.34 | -77.05 |
| Increase / (Decrease) in Trade Payables & Provisions | 59.53 | 9.00 |
| Increase / (Decrease) in Other Current Liabilities | -7.03 | 12.65 |
| Cash Generated from Operations | -616.62 | -403.51 |
| Direct Taxes | -63.69 | -60.90 |
| Net Cash Flow from Operating Activities | -680.30 | -464.41 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale of Fixed Assets | 0.00 | 17.50 |
| Purchase of Fixed Assets | -26.09 | -87.55 |
| Interest Income | 24.00 | 27.89 |
| Gain on Shares investment | 3.24 | 9.02 |
| Dividend Income | 0.01 | 0.36 |
| Net Cash used in investing Activities | 1.16 | -32.78 |

| | | |
|---|---------------|---------------|
| C.Cash flows from Financing Activities | | |
| Finance Cost | -63.85 | -50.85 |
| Increase / (Decrease) in Borrowings | -278.22 | 544.58 |
| Issue of share warrents | 1226.67 | 0.00 |
| Net Cash used in Financing Activities | 884.59 | 493.73 |
| Net increase/(decrease) in Cash and Cash Equivalents | 205.45 | -3.46 |
| Cash and Cash equivalents at the beginning of the year | 2.54 | 6.01 |
| Cash and Cash equivalents at the end of the year | 207.99 | 2.54 |

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Ind AS -7 issued by the Institute of Chartered Accountants of India.
2. The Previous years figures have been regrouped wherever necessary in order to confirm to this year's presentation.

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

For Uday Jewellery Industries Ltd.,

Sd/-
(CA P.V.SRI HARI)
Partner
Membership No. 021961

Sd/-
Sanjay Kumar Sanghi
Director
DIN: 00629693

Sd/-
Pritha Sanghi
Director
DIN: 02681491

Place : Hyderabad
Date: 30.05.2018

Sd/-
Rakesh Agarwal
Chief Financial Officer

Notes to Financial statements

NOTE 1: Property, Plant & Equipment

| Asset | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|----------------------|---------------------|---------------------------------|---|---------------------|-----------------|---|---------------------|---------------------|
| | As at 01.04.2015 | Additions during the Year | Sales/ Adjustments during the Year | As at 01.04.2016 | For the Year | Sales/ Adjustments during the Year | As at 01.04.2016 | As at 01.04.2016 |
| Computer | Rs. 0.23 | Rs. 0.49 | Rs. - | Rs. 0.72 | Rs. 0.15 | Rs. - | Rs. 0.17 | Rs. 0.55 |
| Office equipment | 0.54 | 2.36 | - | 2.90 | 0.51 | - | 0.60 | 2.30 |
| Furniture & Fixtures | 3.03 | 1.32 | - | 4.36 | 0.40 | - | 0.86 | 3.50 |
| Plant & Machinery | 7.22 | 1.20 | - | 8.43 | 0.55 | - | 0.73 | 7.70 |
| Vehicles | 52.31 | - | - | 52.31 | 5.92 | - | 20.20 | 32.11 |
| TOTAL | 63.33 | 5.38 | - | 68.71 | 7.53 | - | 22.56 | 46.15 |
| (Previous year) | 40.59 | 22.74 | - | 63.33 | 5.94 | - | 15.03 | 48.30 |

NOTE 1: Property, Plant & Equipment

| Asset | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|----------------------|------------------|---------------------------|------------------------------------|------------------|------------------|--------------|------------------------------------|------------------|------------------|
| | As at 01.04.2016 | Additions during the Year | Sales/ Adjustments during the Year | As at 31.03.2017 | As at 01.04.2016 | For the Year | Sales/ Adjustments during the Year | As at 31.03.2017 | As at 31.03.2017 |
| Computer | Rs. 0.55 | Rs. - | Rs. - | Rs. 0.55 | Rs. 0.00 | Rs. 0.19 | Rs. - | Rs. 0.19 | Rs. 0.37 |
| Office equipment | 2.30 | 7.42 | - | 9.71 | 0.00 | 1.27 | - | 1.27 | 8.44 |
| Furniture & Fixtures | 3.50 | 1.37 | - | 4.87 | 0.00 | 0.52 | - | 0.52 | 4.35 |
| Plant & Machinery | 7.70 | 0.00 | - | 7.70 | 0.00 | 0.56 | - | 0.56 | 7.14 |
| Vehicles | 32.11 | 78.76 | 18.92 | 91.95 | 0.00 | 5.27 | - | 5.27 | 86.67 |
| TOTAL | 46.15 | 87.55 | 18.92 | 114.78 | 0.00 | 7.82 | - | 7.82 | 106.96 |
| (Previous year) | 114.78 | 26.09 | - | 140.86 | 7.82 | 17.25 | - | 25.07 | 115.80 |

NOTE 1: Property, Plant & Equipment

| Asset | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|----------------------|---------------------|---------------------------------|---|---------------------|---------------------|-----------------|---|---------------------|---------------------|
| | As at 01.04.2017 | Additions during the Year | Sales/ Adjustments during the Year | As at 31.03.2018 | As at 01.04.2017 | For the Year | Sales/ Adjustments during the Year | As at 31.03.2018 | As at 31.03.2018 |
| Computer | Rs. 0.55 | Rs. - | Rs. - | Rs. 0.55 | Rs. 0.19 | Rs. 0.17 | Rs. - | Rs. 0.36 | Rs. 0.19 |
| Office equipment | 9.71 | 0.57 | - | 10.28 | 1.27 | 2.08 | - | 3.35 | 6.92 |
| Furniture & Fixtures | 4.87 | 4.95 | - | 9.82 | 0.52 | 0.61 | - | 1.13 | 8.69 |
| Plant & Machinery | 7.70 | 0.69 | - | 8.38 | 0.56 | 0.57 | - | 1.13 | 7.25 |
| Vehicles | 91.95 | 19.88 | - | 111.83 | 5.27 | 13.81 | - | 19.09 | 92.74 |
| TOTAL | 114.78 | 26.09 | - | 140.86 | 7.82 | 17.25 | - | 25.07 | 115.80 |
| (Previous year) | 63.33 | 5.38 | - | 68.71 | 15.03 | 7.53 | 0.00 | 22.56 | 46.15 |

Notes to Financial statements

Note:2 Investments (Financial assets)

(Rs. in Lakhs)

| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
|----------------------|-------------|--------------|--------------|
| Investment In Shares | 0 | 31.84 | 22.82 |
| Total | 0.00 | 31.84 | 22.82 |

Note:3 Long term loans & Advances (Financial assets)

| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
|---------------------------|---------------|---------------|---------------|
| Unsecured Considered good | | | |
| Loans Advanced | 250.00 | 250.00 | 250.00 |
| Total | 250.00 | 250.00 | 250.00 |

Note:4 Other Financial Assets

| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
|---------------------------|--------------|--------------|--------------|
| Unsecured Considered good | | | |
| Deposits(others) | 20.80 | 15.66 | 7.22 |
| Others | 0.09 | 0.09 | 0.09 |
| Interest receivable | 24.84 | 56.24 | 45.49 |
| Total | 45.73 | 71.99 | 52.80 |

Note:5 Deferred tax Asset (Net)

| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
|--------------------------|-------------|-------------|-------------|
| Deferred tax liabilities | | | |
| Opening Balance | 2.93 | 5.95 | 3.08 |
| Less: During the year | (5.89) | (0.20) | 4.40 |
| Less: IND AS Adjustments | 4.45 | (2.82) | (1.54) |
| Total | 1.49 | 2.93 | 5.95 |

Note:6 Non current Assets

| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
|---------------------------|-------------|------------|------------|
| Unsecured Considered good | | | |
| Others | 9.45 | - | - |
| Total | 9.45 | - | - |

| Note:7 Inventories | | | |
|--|----------------|----------------|---------------|
| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| Raw materials | - | - | - |
| Work-in-progress | 996.91 | 1 029.46 | 648.34 |
| Finished goods | 205.66 | 9.61 | - |
| Total | 1202.57 | 1039.06 | 648.34 |
| Note:8 Trade Receivables (Financial assets) | | | |
| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| Unsecured Considered good | | | |
| Trade Recivables | 1883.04 | 865.06 | 778.97 |
| Total | 1883.04 | 865.06 | 778.97 |
| Note:9 Cash & Bank Balances (Financial assets) | | | |
| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| Cash & Cash equivalents: | | | |
| Cash on hand | 4.37 | 1.17 | 4.69 |
| Balances with banks in current accounts | 203.62 | 1.38 | 1.32 |
| Total | 207.99 | 2.54 | 6.01 |
| Note:10 Current tax liabilities/Asset (net) | | | |
| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| Provision for income tax | 2.17 | 0.00 | .00 |
| Total | 2.17 | 0.00 | .00 |
| Note:11 Other Current assets | | | |
| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| VAT Receivable(AP) | - | - | 0.18 |
| VAT Receivable | - | 6.07 | 1.39 |
| GST Receivable | 18.21 | | |
| Others | 0.77 | 122.25 | 49.70 |
| Total | 18.98 | 128.32 | 51.27 |

Note 12:Other Equity:

| Particulars | 01.04.2016 |
|---|-------------------|
| Authorized share capital 15,50,00,000 Equity Shares of Rs. 10/- each | 1 550.00 |
| Issued,Subscribed and Paid up capital (a) 1,16,90,600 Equity shares of Rs.10 Each, Fully paid up (b) Shares Forfeited Account | 1 169.06 79.07 |
| Total | 1 248.13 |

Statement of changes in Equity

(Rs. In Lakhs)

| Particulars | Reserves and Surplus | | | Other Comprehensive income | TOTAL |
|---|----------------------------|-----------------|-------------------|----------------------------|----------|
| | Securities Premium Reserve | Capital Reserve | Retained Earnings | | |
| Balance as at 31st March, 2016 as per IGAAP | 575.00 | 68.12 | (660.23) | - | (17.12) |
| Adjustments:- | | | | | |
| Fair values adjustment on Investments | - | - | 4.97 | - | 4.97 |
| Deferred tax Effect on the above | | | (1.54) | | (1.54) |
| Total comprehensive income | - | - | 175.29 | - | 175.29 |
| Balance as at 1st April, 2016 per Ind AS | 575.00 | 68.12 | (481.51) | - | 161.61 |

Note 12:Other Equity:

| Particulars | 31.03.2017 |
|---|-------------------|
| 15,50,00,000 Equity Shares of Rs.10/- each | 1,550.00 |
| Issued,Subscribed and Paid up capital (a) 1,16,90,600 Equity shares of Rs.10 Each, Fully paid up (b) Shares Forfeited Account | 1,169.06 79.07 |
| Total | 1,248.13 |

Statement of changes in Equity

(Rs. In Lakhs)

| Particulars | Reserves and Surplus | | | Other Comprehensive income | TOTAL |
|--|----------------------------|-----------------|-------------------|----------------------------|----------|
| | Securities Premium Reserve | Capital Reserve | Retained Earnings | | |
| Balance as at 1st April, 2016 | 575.00 | 68.12 | (484.94) | - | 158.17 |
| Opening balance adjustments | - | - | 3.44 | - | 3.44 |
| Opening balance after adjustments as at 01.04.2016 | 575.00 | 68.12 | (481.51) | - | 161.61 |
| Adjustments:- | | | | | |
| Declared under PMGKY 2016 | - | - | (32.36) | | (32.36) |
| Total comprehensive income | - | - | 121.58 | | 121.58 |
| Closing Balance as at 31st March, 2017 | 575.00 | 68.12 | (392.29) | - | 250.83 |

Note 12: Other Equity:

| Particulars | 31.03.2018 |
|--|-----------------|
| Authorized share capital 26,00,00,000 Equity Shares of Rs.10/- each | 2,600.00 |
| Issued,Subscribed and Paid up capital (a) 1,16,90,600 Equity shares of Rs.10 Each,Fully paid up | 1,169.06 |
| (b) Shares Forfeited Account | 79.07 |
| Changes during the year (a)51,73,520 Equity shares of Rs.10 Each,Fully paid up | 517.35 |
| Total | 1,765.48 |

(Rs. In Lakhs)

Statement of changes in Equity

| Particulars | Reserves and Surplus | | | Other Comprehensive income | Money received on issue of share warrants | Total |
|---|----------------------------|-----------------|-------------------|----------------------------|---|-----------|
| | Securities Premium Reserve | Capital Reserve | Retained Earnings | | | |
| Balance as at 31st March, 2017 | 575.00 | 68.12 | (392.29) | - | - | 250.83 |
| Adjustments:- | | | | | | |
| Issue of share warrants | 0 | .00 | - | | 1 226.67 | 1 226.67 |
| Conversion of share warrants into Equity shares | 464.58 | .00 | .00 | (981.93) | | (517.35) |
| Total comprehensive income | - | .00 | 237.99 | | | 237.99 |
| Closing Balance as at 31st March, 2018 | 1 039.58 | 68.12 | (154.30) | - | 244.74 | 1 198.13 |

| Note:13 Borrowings (Financial liabilities) | | | |
|--|----------------|----------------|---------------|
| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| Secured Loan | | | |
| Vehicle loans | 27.38 | 40.64 | - |
| Working capital loan(CC) | 640.95 | 907.26 | 430.57 |
| Vehicle loans | 28.59 | 27.25 | - |
| Total | 696.92 | 975.15 | 430.57 |
| Note:14 Trade payables (Financial liabilities) | | | |
| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| Trade payables | 68.52 | 9.00 | - |
| Total | 68.52 | 9.00 | - |
| Note:15 Other Current liabilities | | | |
| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| Others | 8.15 | 15.18 | 2.53 |
| Total | 8.15 | 15.18 | 2.53 |
| Note:16 Current tax liabilities (net) | | | |
| Particulars | 31.03.2018 | 31.03.2017 | 01.04.2016 |
| Provision for income tax | 0.00 | 0.42 | 19.46 |
| Total | 0.00 | 0.42 | 19.46 |
| Note 17 : Revenue from operations | | (Rs. In Lakhs) | |
| Particulars | 31st Mar, 2018 | 31st Mar, 2017 | |
| Sale of products | | | |
| - Finished Goods | 7173.27 | 4560.22 | |
| - Other Operating Revenue | | - | |
| Less: Excise Duty | (18.47) | (43.68) | |
| Revenue from operations (net) | 7154.80 | 4516.54 | |
| Note 18:Other income | | (Rs. In Lakhs) | |
| Particulars | 31st Mar, 2018 | 31st Mar, 2017 | |
| Discount Received | 0.02 | 0 | |
| Dividend Received | 0.01 | 0.36 | |
| Gain on valuation of Shares | 3.24 | 9.02 | |
| Interest Income | 24.00 | 27.89 | |
| Other Income | 0.26 | 32.37 | |
| | 27.53 | 69.64 | |

Note 19 : Cost of raw material consumed

(Rs. In Lakhs)

| Particulars | 31st Mar, 2018 | 31st Mar, 2017 |
|------------------------|----------------|----------------|
| Purchases | 6692.91 | 4481.37 |
| Stores and Consumables | 0.07 | 0.35 |
| Total | 6692.99 | 4481.72 |

Note 20 : Changes in inventories

(Rs. In Lakhs)

| Particulars | 31st Mar, 2018 | 31st Mar, 2017 |
|--|-----------------|-----------------|
| Work-in-progress | | |
| Inventory at the beginning of the year | 1029.46 | 648.34 |
| Inventory at the closing of the year | (996.91) | (1,029.46) |
| | 32.54 | (381.12) |
| Finished Goods | | |
| Inventory at the beginning of the year | 9.61 | 0.00 |
| Inventory at the closing of the year | (205.66) | (9.61) |
| | (196.05) | (9.61) |
| Changes in Inventories | (163.51) | (390.72) |

Note 21 : Employee benefits expense

(Rs. In Lakhs)

| Particulars | 31st Mar, 2018 | 31st Mar, 2017 |
|--------------------------------|----------------|----------------|
| Salaries, Wages and Bonus | 48.60 | 45.24 |
| Contribution to Provident Fund | 0.07 | - |
| Contribution to ESI | 0.04 | - |
| Total | 48.70 | 45.24 |

Note 22 : Finance costs

(Rs. In Lakhs)

| Particulars | 31st Mar, 2018 | 31st Mar, 2017 |
|---------------------------|----------------|----------------|
| Bank Charges and Interest | 57.26 | 49.78 |
| Interest on Vehicle Loan | 6.60 | 1.07 |
| Total | 63.85 | 50.85 |

Note 23 : Other expenses

(Rs. In Lakhs)

| Particulars | 31st Mar, 2018 | 31st Mar, 2017 |
|---------------------------------|----------------|----------------|
| As Auditor | | |
| - Statutory Audit | 0.50 | 0.50 |
| - Tax Audit | 0.15 | 0.15 |
| | 0.65 | 0.65 |
| Power and Fuel | 1.35 | 0.84 |
| Repairs and Maintenance | 3.07 | 3.30 |
| Rates and Taxes | 0.71 | 1.90 |
| Postage, Telegrams & Telephones | 0.60 | 0.49 |
| Printing & Stationery | 0.38 | 0.45 |
| Insurance | 1.94 | 1.91 |
| Advertisement and publicity | 1.64 | 1.07 |
| Jobwork charges | 183.45 | 172.43 |
| Legal and professional fee | 15.08 | 13.79 |
| Rent | 7.80 | 6.00 |
| Membership fee | 0.10 | 0.10 |
| Security services | 1.30 | 0.93 |
| Exchange rate fluctuation | 0.00 | 4.81 |
| Loss on Sale of Fixed Assets | 0.00 | 1.42 |
| Business Promotion | 0.27 | 13.90 |
| Miscellaneous Expenses | 4.18 | 0.83 |
| Total | 222.52 | 224.83 |

Note 24: Earnings per share (EPS)

(Rs. In Lakhs)

| Particulars | 31st Mar, 2018 | 31st Mar, 2017 |
|--|----------------|----------------|
| Profit after tax | 237.99 | 121.58 |
| Weighted average number of equity shares in calculating basic and diluted EPS (Nos In Lakhs) | 143.51 | 116.91 |
| Basic Earnings per Equity Share | 1.66 | 1.04 |
| Diluted Earnings per Equity Share | 1.66 | 1.04 |

Notes to the Financial Statements**25. General Information**

The Company was incorporated under the Companies Act, 1956 on 13.05.1999 under the name of "Net Trade Innovations Private Limited" at Kolkata. The company was primarily dealing in shipping business. The Company was subsequently converted into a Public Limited Company on February 16, 2000. The name was later changed to "Hifunda.Com Limited" and further to "Hifunda Limited" with the change in its various business activities. The Company was then taken over by the present promoters in 2011 and name was changed to "Uday Jewellery Industries Limited". Subsequently, the Registered Office of the Company has been shifted from the state of West Bengal to the state of Andhra Pradesh (Now Telangana). At present, the Registered Office of the Company is situated at Plot No. 5-9-60, Flat 301, Moghuls Court Building, Deccan Tower Complex, Basheerbagh, Hyderabad- 500001.

The manufacturing unit of the Company is located at Plot No. 5-9-60, Flat No. 301, Moghuls Court Building, Deccan Tower Complex, Basheerbagh, Hyderabad- 500001. The unit was set up in the month of August 2015 in an area of about 1500 sqft, with intent to expand its existing business profile. The unit specializes in creating handmade jewellery studded with cz and colour stones.

26. Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. All amounts included in the financial statements are reported in Indian rupees (in Rupees) except number of equity shares and per share data, unless otherwise stated.

The accounting policies have been applied consistently to all periods presented in these financial statements.

27. Use of estimates and judgment

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

28. Additional information pursuant to Schedule III of the Companies Act, 2013

Value of Raw Materials, Stores and Spares Consumed and Percentage (Rs. In Lakhs)

| Particulars | 31st March, 2018 | | 31st March, 2017 | | 1st April, 2016 | |
|----------------------|------------------|---------|------------------|---------|-----------------|---------|
| | Percentage | Value | Percentage | Value | Percentage | Value |
| a. Raw Materials | | | | | | |
| i. Indigenous | 100.00 | 6692.91 | 100.00 | 4481.37 | 100.00 | 2972.37 |
| ii. Imported | - | - | - | - | - | - |
| | 100.00 | 6692.91 | 100.00 | 4481.37 | 100.00 | 2972.37 |
| b. Stores and Spares | | | | | | |
| i. Indigenous | 100.00 | 0.07 | 100.00 | 0.35 | 100.00 | 0.69 |
| ii. Imported | - | - | - | - | - | - |
| | 100.00 | 0.07 | 100.00 | 0.35 | 100.00 | 0.69 |

29. Financial Instruments- Fair Values and Risk Management

29.1 Financial Instruments by Categories

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Amount in Lakhs as on March 31, 2018)

| Percentage | Cost | Financial assets/liabilities at FVTPL | Financial assets/liabilities at fair value through OCI | Total carrying value | Total fair value |
|--|---------|---------------------------------------|--|----------------------|------------------|
| Assets | | | | | |
| Investments in Shares (Ref Note No. 2): | - | - | - | - | - |
| Cash & Cash Equivalents (Ref Note No. 9) | 207.99 | - | - | 207.99 | 207.99 |
| Trade Receivable (Ref Note No.8) | 1883.04 | - | - | 1883.04 | 1883.04 |
| Loans given (Ref Note No. 3) | 250.00 | - | - | 250.00 | 250.00 |
| Other Financial Assets (Ref Note No.4) | 45.73 | - | - | 45.73 | 45.73 |
| Liabilities: | | | | | |
| Trade Payable (Ref Note No.14) | 68.52 | - | - | 68.52 | 68.52 |
| Borrowings (Ref Note No 13) | 696.92 | - | - | 696.92 | 696.92 |

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2017:

(Amount in lakhs as of March 31, 2017)

| Percentage | Cost | Financial assets/liabilities at FVTPL | Financial assets/liabilities at fair value through OCI | Total carrying value | Total fair value |
|--|--------|---------------------------------------|--|----------------------|------------------|
| Assets | | | | | |
| Investments in Shares (Ref Note No. 2) | 17.84 | - | 14 | 31.84 | 31.84 |
| Cash & Cash Equivalents (Ref Note No. 9) | 2.54 | - | - | 2.54 | 2.54 |
| Trade Receivable (Ref Note No.8) | 865.06 | - | - | 865.06 | 865.06 |
| Loans given (Ref Note No.3) | 250.00 | - | - | 250.00 | 250.00 |
| Other Financial Assets (Ref Note No.4) | 71.99 | - | - | 71.99 | 71.99 |
| Liabilities: | | | | | |
| Trade Payable (Ref Note No.14) | 9.00 | - | - | 9.00 | 9.00 |
| Borrowings (Ref Note No 13) | 975.15 | - | - | 975.15 | 975.15 |

The carrying value and fair value of financial instruments by categories were as follows as on April 01, 2016:

(Amount in lakhs as of April 1, 2016)

| Percentage | Cost | Financial assets/liabilities at FVTPL | Financial assets/liabilities at fair value through OCI | Total carrying value | Total fair value |
|--|--------|---------------------------------------|--|----------------------|------------------|
| Assets | | | | | |
| Investments in Shares (Ref Note No. 2) | 14.91 | - | 7.91 | 22.82 | 22.82 |
| Cash & Cash Equivalents (Ref Note No. 9) | 6.01 | - | - | 6.01 | 6.01 |
| Trade Receivable (Ref Note No.8) | 778.97 | - | - | 778.97 | 778.97 |

The carrying value and fair value of financial instruments by categories were as follows as on April 01, 2016:
(Amount in lakhs as of April 1, 2016)

| Percentage | Cost | Financial assets/ liabilities at FVTPL | Financial assets/liabilities at fair value through OCI | Total carrying value | Total fair value |
|---|--------|--|---|----------------------------|------------------------|
| Assets | | | | | |
| Loans given (Ref Note No. 3) | 250.00 | - | - | 250.00 | 250.00 |
| Other Financial Assets (Ref Note No.4) | 52.80 | - | - | 52.80 | 52.80 |
| Liabilities: | | | | | |
| Trade Payable (Ref Note No.14) | - | - | - | - | - |
| Borrowings (Ref Note No 13) | 430.57 | | | 430.57 | 430.57 |

29.2 Fair Value Hierarchy

* Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.

* Level 2 - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

* Level 3 - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following tables present fair value hierarchy of assets and liabilities measured at fair value:

(Amount in lakhs as at March 31, 2018)

| Percentage | Level 1 | Level 2 | Level 3 | Total | Valuation Technique and key inputs | Significant unobservable inputs |
|-----------------------|---------|---------|---------|-------|---|---------------------------------------|
| Financial Assets | | | | | | |
| Investments in Shares | - | - | - | - | - | - |

(Amount in lakhs as at March 31, 2017)

| Percentage | Level 1 | Level 2 | Level 3 | Total | Valuation Technique and key inputs | Significant unobservable inputs |
|-----------------------|---------|---------|---------|-------|------------------------------------|---------------------------------|
| Financial Assets | | | | | | |
| Investments in Shares | 17.84 | | | 17.84 | Measured at FVTOCI | |

(Amount in lakhs as at April 01, 2016)

| Percentage | Level 1 | Level 2 | Level 3 | Total | Valuation Technique and key inputs | Significant unobservable inputs |
|-----------------------|---------|---------|---------|-------|------------------------------------|---------------------------------|
| Financial Assets | | | | | | |
| Investments in Shares | 14.91 | | | 14.91 | Measured at FVTOCI | |

The following tables show assets and liabilities which are measured at amortized cost for which fair values are disclosed:

(Amount in lakhs as at March 31, 2018)

| Percentage | Level 1 | Level 2 | Level 3 | Total | Valuation Technique and key inputs | Significant unobservable inputs |
|---|---------|---------|---------|--------|------------------------------------|---------------------------------|
| Financial Assets | | | | | | |
| Security deposits | - | - | 20.80 | 20.80 | | |
| Others | - | - | 0.09 | 0.09 | - | - |
| Interest Receivable | - | - | 24.84 | 24.84 | - | - |
| Receivable assets | - | - | 45.73 | 45.73 | - | - |
| Financial Liabilities | | | | | | |
| Borrowings | - | - | 669.54 | 669.54 | - | - |
| Others (current maturities of long term debt) | - | - | 27.38 | 27.38 | - | - |
| Total financial liabilities | | | 696.92 | 696.92 | - | - |

(Amount in lakhs as at March 31, 2017)

| Percentage | Level 1 | Level 2 | Level 3 | Total | Valuation Technique and key inputs | Significant unobservable inputs |
|---|---------|---------|---------|--------|------------------------------------|---------------------------------|
| Financial Assets | | | | | | |
| Security deposits | - | - | 15.66 | 15.66 | - | - |
| Others (specify) | - | - | 0.09 | 0.09 | - | - |
| Interest Receivable | - | - | 56.24 | 56.24 | - | - |
| Total Financial assets | - | - | 71.99 | 71.99 | - | - |
| Financial Liabilities | - | - | - | - | - | - |
| Borrowings | - | - | 934.50 | 934.50 | - | - |
| Others (current maturities of long term debt) | - | - | 40.64 | 40.64 | - | - |
| Total financial liabilities | - | - | 975.15 | 975.15 | - | - |

(Amount in lakhs as at April 01, 2016)

| Percentage | Level 1 | Level 2 | Level 3 | Total | Valuation Technique and key inputs | Significant unobservable inputs |
|---|---------|---------|---------|--------|------------------------------------|---------------------------------|
| Financial Assets | | | | | | |
| Security deposits | - | - | 7.22 | 7.22 | - | - |
| Others (specify) | - | - | 0.09 | 0.09 | - | - |
| Interest Receivable | - | - | 45.49 | 45.49 | - | - |
| Total Financial assets | - | - | 52.80 | 52.80 | - | - |
| Financial Liabilities | - | - | - | - | - | - |
| Borrowings | - | - | 430.57 | 430.57 | - | - |
| Others (current maturities of long term debt) | - | - | - | - | - | - |
| Total financial liabilities | - | - | 430.57 | 430.57 | - | - |

29.3 Financial risk management

The company's activities expose it to the following financial risks:

- market risk (see (a));
- credit risk (see (b)); and
- liquidity risk.(see (c)).

The company has not arranged funds that have any interest rate risk.

a) Market risk

(i) Foreign Exchange Risk

The company has no import and export transactions and hence there is no foreign exchange risk.

(ii) Price Risk

The company is not expose to price risk arises out of the investments in equity shares because the company does not hold any investment in equity shares.

b) Credit Risk

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs

Trade Receivables :

The company has outstanding trade receivables amounting to INR 1883.04(in lakhs), INR 865.06(in lakhs) and INR 778.97(in lakhs) as of March 31, 2018, March 31, 2017 and 1st April, 2016, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

Impairment on trade receivables is recognized based on expected credit loss in accordance with provisions of Ind AS 109. The company's historical experience for customers, present economic condition and present performance of the customers, future outlook for the industry etc are taken into account for the purposes of expected credit loss.

Credit risk exposure:

An analysis of age of trade receivables at each reporting date is summarized as follows:

(As at 31st March 2018, Amount in Rs. Lakhs)

| Particulars | Gross | Impairment | Carrying Value |
|---|---------|------------|----------------|
| Past due less than 30 days | 435.52 | - | 435.52 |
| Past due more than 30 days but not more than 60 days | 734.24 | - | 734.24 |
| Past due more than 60 days but not more than 90 days | 416.20 | - | 416.20 |
| Past due more than 90 days but not more than 120 days | 297.08 | - | 297.08 |
| Past due more than 120 days | - | - | - |
| Total | 1883.04 | - | 1883.04 |

(As at 31st March, 2017, Amount in Rs lakhs)

| Particulars | Gross | Impairment | Carrying Value |
|---|--------|------------|----------------|
| Past due less than 30 days | 213.59 | - | 213.59 |
| Past due more than 30 days but not more than 60 days | 202.99 | - | 202.99 |
| Past due more than 60 days but not more than 90 days | 286.74 | - | 286.74 |
| Past due more than 90 days but not more than 120 days | 86.21 | - | 86.21 |
| Past due more than 120 days | 75.51 | - | 75.51 |
| Total | 865.06 | - | 865.06 |

(As at 1st April, 2016, Amount in Rs lakhs)

| Particulars | Gross | Impairment | Carrying Value |
|---|--------|------------|----------------|
| Past due less than 30 days | - | - | - |
| Past due more than 30 days but not more than 60 days | 246.98 | - | 246.98 |
| Past due more than 60 days but not more than 90 days | 379.10 | - | 379.10 |
| Past due more than 90 days but not more than 120 days | 148.55 | - | 148.55 |
| Past due more than 120 days | 4.34 | - | 4.34 |
| Total | 778.97 | - | 778.97 |

Trade receivables are generally considered credit impaired after 120 days past due, unless the amount is considered receivable, when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables.

Financial assets:

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. There will be no credit risk related to employee loans as they are adjusted against their salaries.

(c) Liquidity Risk

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Due to the dynamic nature of underlying businesses, the company maintains flexibility in funding by maintaining availability under committed credit lines.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. The company maintains sufficient balance in cash and cash equivalents to meet short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities.

(Amount in Rs in lakhs as of March 31, 2018)

| Particulars | Less than 6 months | 6 months to 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|--------------------------------------|--------------------|--------------------|-----------|-----------|-------------------|--------|
| Trade Payables | 68.52 | - | - | - | - | 68.52 |
| Short term borrowings (cash credit)* | 640.95 | - | - | - | - | 640.95 |
| Long Term Borrowings | - | - | 27.38 | - | - | 27.38 |
| Other Financial Liabilities | - | 28.59 | - | - | - | 28.59 |
| Total | 709.47 | 28.59 | 27.38 | - | - | 765.44 |

*Includes interest accrued on borrowings

(Amount in Rs in lakhs as of March 31,2017)

| Particulars | Less than 6 months | 6 months to 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|--------------------------------------|--------------------|--------------------|-----------|-----------|-------------------|--------|
| Trade Payables | 9.00 | - | - | - | - | 9.00 |
| Short term borrowings (cash credit)* | 907.26 | - | - | - | - | 907.26 |
| Long Term Borrowings | - | - | 40.64 | - | - | 40.64 |
| Other Financial Liabilities | - | 27.25 | - | - | - | 27.25 |
| Total | 916.26 | 27.25 | 40.64 | - | - | 948.15 |

*includes interest accrued on borrowings

(Amount in Rs in lakhs as of 1st April,2016)

| Particulars | Less than 6 months | 6 months to 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|--------------------------------------|--------------------|--------------------|-----------|-----------|-------------------|--------|
| Trade Payables | - | - | - | - | - | - |
| Short term borrowings (cash credit)* | 430.57 | - | - | - | - | 430.57 |
| Long Term Borrowings | - | - | - | - | - | - |
| Other Financial Liabilities | - | - | - | - | - | - |
| Total | 430.57 | - | - | - | - | 430.57 |

*Includes interest accrued on borrowings

30. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"

Related Party Disclosures

A. Key Managerial Personnel (KMP):

Sri Ritesh Kumar Sanghi - Managing Director

Sri Rakesh Agarwal - Chief Financial Officer

Ms. Pragya Sarada - Company Secretary upto 10.01.2018

B. Non - Executive Directors

Sri Sanjay Kumar Sanghi

Smt. Pritha Sanghi

Sri Ramprasad Vempati- Independent

Sri Siddharth Goel- Independent

Sri Vikram Goel- Independent

C. Enterprises in which Key Management Personnel has significant influence

1. Sanghi Jewellers Private Limited

2. Trisa Retail Ltd.

D. Relatives of Key Management Personnel

Sri Sanjay Kumar Sanghi - Director

Smt. Pritha Sanghi - Director

Smt. Sarala Sanghi

E. Related Party Transactions

(Amount in Rs. Lakhs)

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April,2016 |
|--|---------------------|---------------------|----------------|
| Sanghi Jewellers Private Limited: | | | |
| Purchases | 792.38 | 184.08 | 479.40 |
| Sales | 175.01 | 34.09 | 5.43 |
| Jobwork Charges | 183.45 | 172.43 | 44.57 |
| Sarala Sanghi - Rent | 7.80 | 6.00 | 6.00 |
| Trisa Retail Limited: | | | |
| Interest on Inter Corporate Loan | 24.00 | 27.50 | 31.96 |
| Amount Payable to Sanghi Jewellers Pvt Ltd as on | 0.23 | - | - |
| Amount Payable to Sarala Sanghi as on | 0.59 | 0.45 | - |
| Amount Receivable from Trisa Retail Ltd as on | | | |
| Interest on Inter Corporate Loan | 24.84 | 56.23 | 45.48 |
| Inter Corporate Loan | 250.00 | 250.00 | 250.00 |

31. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share (EPS)"

a) Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:

(Amount in Rs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|-----------------------------------|-----------------------------------|
| Earnings used in calculation of basic earnings) per share(A) | 237.99 | 121.58 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share(B) | 143.51 | 116.91 |
| Basic EPS(A/B) | 1.66 | 1.04 |

b) Diluted EPS

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

(Amount in Rs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|-----------------------------------|-----------------------------------|
| Earnings used in calculation of basic earnings) per share(A) | 237.99 | 121.58 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share(B) | 143.51 | 116.91 |
| Basic EPS(A/B) | 1.66 | 1.04 |

32. Accounting Policies under Ind AS:

1. Significant Accounting Policies

1.1 Statement of Compliance and basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

1.2 Application of Indian Accounting Standards (Ind-AS)

All companies (listed or unlisted) having net worth of Rs 5,000 Million or more are required to adopt Ind AS

All amounts included in the financial statements are reported in of Indian rupees (Rupees in) except number of equity shares and per share data, unless otherwise stated.

1.3 Use of estimates and judgment

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

1.4 Functional and presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

1.5 Revenue Recognition

i) Operating Income

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, it is probable that economic benefits associated with the transaction will flow to the entity, the associated costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no continuing management involvement with the goods. The point of transfer of risks and rewards depends upon the terms of the contract of sale with individual customers.

ii) Other Income

The income relating to the core activities of the company which are not included in revenue from sales / services , are accounted for under Other Income.

iii) Revenue Recognition on Actual Realization

Revenue is recognized on accrual basis except in the following items which are accounted for on actual realization since realisability of such items is uncertain, in accordance with the provisions of Ind AS-18 :-

- a) Duty credit / exemption under various promotional schemes of EXIM policy in force, Tax credit, refund of custom duty on account of survey shortage, and refund of income-tax/service tax / sales-tax /VAT and interest thereon etc.
- b) Decrees pending for execution/contested dues and interest thereon, if any:
- c) Interest on overdue recoverable where realisability is uncertain.
- d) Liquidated damages on suppliers/underwriters.

1.6 Property, Plant and Equipment's

All Property, Plant and Equipments (PPE) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of

the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

The company has chosen the cost model of recognition and this model is applied to an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

1.7 Depreciation

Depreciation is provided on straight line method as per the useful lives approved by the Board of Directors, which are equal to those provided under schedule II of the Companies Act, 2013. The useful life of an asset is reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and if the useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The useful lives of the assets are taken as under:-

| Name of Assets | Useful life as adopted by the company as per Schedule II |
|----------------------------------|--|
| A. General Assets | |
| Furniture & Fittings | 10 |
| Office Equipment | 5 |
| Vehicles - Car | 8 |
| Computers - Servers and networks | 3 |
| Computers - End User Devices | 3 |

1.8 Borrowing Costs

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset.

The Company recognises other borrowing costs as an expense in the period in which it incurs them.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.9 Inventory

Inventories are valued at lower of cost or net realizable value.

Basis of determination of cost remain as follows:

Raw Materials, Work-in-process and Finished goods - On Weighted average cost basis.

1.10 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.11 Contingent Liabilities / Assets

Contingent Liabilities

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made

Contingent Liabilities are disclosed in the General Notes forming part of the accounts

Contingent Assets

Contingent Assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it's virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

1.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable

profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.13 Impairment

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, The Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified,

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- * Significant financial difficulty of the issuer or counterparty;
- * Breach of contract, such as a default or delinquency in interest or principal payments;
- * It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of zero days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

1.14 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of:

- * financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- * financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non derivative financial instruments are measured as described below:

a) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

- #### b) Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

1.15 Prior Period Errors

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts. Taking into account the nature of activities of the company, prior period errors are considered material if the items of income / expenditure collectively (net) exceed 0.5% of sales turnover of the company.

33. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 30-05-2018.

34. Transition from IGAAP to IND AS

These financial statements, for the year ended March 31st, 2018, are first financial statements prepared by the Company in accordance with Ind AS. For years upto and including the year ended March 31, 2016, the company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the company has prepared IND AS compliant financial statements for year ending on March 31st, 2017. In preparing these financial statements, the company has prepared opening IND AS balance sheet as at 1st April, 2016 the company's date of transition to Ind-AS in accordance with requirement of IND AS 101, "First time Adoption of Indian Accounting Standards". The basic approach adopted is summarized hereunder:

- i) All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.
- ii) All non-current financial assets/liabilities at below market rate of interest or zero interest and outstanding as on 1st April, 2016 have been measured at fair value.
- iii) In accordance with IND AS 101, the resulting adjustments are considered as arising from events and

transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to IND AS.

- iv) The estimates as at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with IGAAP (after adjustments to reflect any differences in accounting policies).
- v) IND AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under IND AS. Accordingly, the company has availed the following exemptions/ mandatory exceptions as per IND AS 101:
- a) Deemed Cost for Property, Plant & Equipment and Intangible Assets: The company has availed exemption under para D7AA of appendix D to IND AS 101 which permits a first time adopter to continue with the carrying values for its PPE as at date of transition to IND ASs measured as per previous GAAP.
- b) Classification & Fair value measurement of financial assets or financial liabilities at initial recognition: The financial assets and financial liabilities have been classified on the basis of facts existing as at the date of transition to IND AS. In addition, the exemption permits prospective application of requirements of IND AS 109 to transactions entered into on or after date of transition.

Impairment of financial assets: The Company has availed exemption under para B8D of appendix B which permits the first time adopter to apply the impairment requirement of Ind AS 109 prospectively

**Our Report attached,
For VENUGOPAL & CHENOY,
Chartered Accountants,**

For Uday Jewellery Industries Ltd.,

**Sd/-
(CA P.V.SRI HARI)
Partner
Membership No. 021961**

**Sd/-
Sanjay Kumar Sanghi
Director
DIN: 00629693**

**Sd/-
Pritha Sanghi
Director
DIN: 02681491**

**Place : Hyderabad
Date: 30.05.2018**

**Sd/-
Rakesh Agarwal
Chief Financial Officer**



ATTENDANCE SLIP
(To be handed over at the entrance of the meeting hall)
(Annual General Meeting -29th September, 2018)

I hereby record my presence at the 19th Annual General Meeting of the Company held on, 29th day of September, 2018 at 11:30 A.M. at Hotel Royalton, 5-9-208, Chappel Road, 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: Uday Jewellery 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 19th Annual General Meeting of the Company, to be held on 29th day of September, 2018 at 11:30 A.M. at Hotel Royalton, 5-9-208, Chappel Road, 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 receive, consider and adopt the Audited Financial Statements for the year ended on 31st March, 2018 together with the Reports of Directors and Auditors thereon. | | |
| 2. | To re-appoint Shri Sanjay Kumar Sanghi, Director (DIN: 00629693), who retires by rotation and being eligible, offers himself for re-appointment. | | |
| Special Business: | | | |
| 3. | Ratification of the Pre-Preferential allotment shareholding, Post-allotment shareholding and percentage of shareholding of Mr. Vinay Kumar Agarwal (PAN: AEMPK0188B) and Mrs. Jashoda Devi (PAN: ACEPJ2201Q), pursuant to issue of Warrants under Preferential Issue and conversion into shares thereof. | | |

Signed this day of 2018
 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 19TH ANNUAL GENERAL MEETING- 29.09.2018
Venue: - Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001



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UDAY JEWELLERY INDUSTRIES LIMITED

REGISTERED OFFICE: Plot No.5-9-60, Flat No. 301, Moghuls Court Building,
Deccan Tower Complex, Basheerbagh, Hyderabad - 500 001.

Tel: +91-40- 4853 8411, Fax: +91-40-23223124, E-mail: info@udayjewellery.com.