

UDAY Jewellery Industries Limited
Manufacturers • Exporters • Distributors

13th
ANNUAL REPORT
2011-12

13th
Annual
Report
2011 - 2012

**UDAY JEWELLERY
INDUSTRIES LIMITED**

{Formerly Hifunda Limited}

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear shareholders,

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

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

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

Registered Folio or DP Id – Client ID *

Full Name *

Email ID *

Contact no. :

Declaration: (Select whichever is applicable) *

I agree to receive the communication through e-mail

I agree to receive the communication through physical mode

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

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BOARD OF DIRECTORS

Mr. Sanjay Kumar Sanghi	Director
Mr. Ritesh Kumar Sanghi	Managing Director
Mr. Siddharth Goel	Director
Mr. Ram Prasad Vempati	Director
Mr. Rakesh Agarwal	Director

AUDITORS

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

BANKERS

State Bank of India
Commercial Branch
Kothi, Hyderabad

REGISTERED OFFICE

Plot No. 5-9-60, Flat No. 301, Moghuls' Court Building,
Deccan Towers Complex, Basheerbagh
Hyderabad – 500001
Andhra Pradesh, India

REGISTRAR & SHARE TRANSFER AGENTS

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

NOTICE

NOTICE is hereby given that the **Thirteenth Annual General Meeting** of the Members of the Company will be held at the Registered Office of the Company situated at Plot No. 5-9-60, Flat No. 301, Moghuls Court Building, Deccan Towers Complex, Basheerbagh, Hyderabad – 500001 on **Friday, the 28th day of September, 2012** at **03.30 P.M.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at **31st March, 2012** and Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint director in place of **Mr. Sanjay Kumar Sanghi**, Director, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint director in place of **Mr. Ram Prasad Vempati**, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and to authorise the Board to fix their remuneration in consultation with them.

SPECIAL BUSINESS

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

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

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

6. To consider and if thought fit to adopt the following resolution as a Special Resolution :

“RESOLVED THAT in accordance with the provisions of section 269, 198, 309 and other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956 and other provisions thereto, as amended, the Company hereby accords its approval and consent to the appointment of Shri Ritesh Kumar Sanghi as Managing Director of the Company with effect from 29th August, 2012 for a period of 5 years without any remuneration.

“RESOLVED FURTHER THAT the Managing Director shall exercise substantial powers of management as defined under section 316 of the Companies Act, 1956 and shall act under the superintendence of the Board of Directors of the Company

RESOLVED FURTHER THAT Shri Ritesh Kumar Sanghi, Managing Director is further authorized to appoint any attorneys under General Power of Attorney or otherwise in ordinary course of business, as may be required from time to time, for and on behalf of the Company for the beneficial interest of the Company and he be further authorized to sign such Power of Attorney document or such other document as may be required on behalf of the Company.

FURTHER RESOLVED THAT Board of Directors be and are hereby authorized to do all such acts, deeds, things as may be necessary in this regard”

Place: Hyderabad
Date: 31.08.2012

For and on behalf of the Board

Ritesh Kumar Sanghi
Managing Director

NOTES

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective must be delivered at the Company's Registered Office not less than 48 hours before the commencement of the Annual General Meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from **22.09.2012 to 28.09.2012 (both days inclusive)** for the purpose of Annual General Meeting.
3. The Explanatory statement as per Section 173(2) in respect of Item Nos. 5 and 6 is annexed hereto.
4. Members are requested to notify change of address, if any, to the Company's Share Transfer Agents immediately.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
6. Members / Proxies are requested to bring their attendance slips along with their copies of Annual Report to the Meeting.
7. Shareholders are requested to bring their copy of Annual Report to the Meeting. Members who hold shares in dematerialized form are requested to bring their clients Id and DPID number for easy identification of their attendance at the meeting.
8. The Equity Shares of the Company are in Compulsory Trading in dematerialized form (Scripless trading in electronic form) through Depository Participants. The ISIN Code is **INE551B01012**.

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

Item No. 5

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

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

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

Item No. 6

Shri Ritesh Kumar Sanghi was appointed as Managing Director by the Board of Directors w.e.f. 29.08.2012 without any remuneration. He is a commerce graduate and one of the Promoters after the takeover of the Company in the year 2011.

Since the Company has now started operations in jewellery segment, his wide experience of over 15 years in the field will be beneficial to the Company.

No other Director except Shri Sanjay Kumar Sanghi, promoter and relative of the appointee is concerned or interested in the resolution.

The note above may be construed as a statement under Section 302 of the Companies Act, 1956.

Members are requested to approve the resolution.

The details pertaining to Directors liable to retire by rotation and directors proposed to be appointed / reappointed as required to be provided pursuant to the Listing Agreement with the Stock Exchange are as follows:

S. No	Particulars	Mr. Ritesh Kumar Sanghi	Mr. Ram Prasad Vempati	Mr. Siddharth Goel	Mr. Sanjay Kumar Sanghi
1.	Designation	Managing Director	Director	Additional Director	Director
2.	Date of Birth	24.12.1971	06.11.1956	01.03.1985	08.07.1968
3.	Date of Appointment	22.08.2011	18.08.2011	12.05.2012	22.08.2011
4.	Qualifications	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Commerce
5.	Expertise in specific functional area	Rich and varied experience in the field of production, strategy and management. He has an experience of more than 20 years in the field of Jewellery Industry.	Associated with CA firm for last 25 years holding senior position and involved in advising the cliental on suitable finance controls as per the specific requirement of the clients.	Fairly good experience in strategy and management.	He is a Cer tified Gemologist and a visionary. He has an experience of more than 25 years in the field of Jewellery Industry. He is also a member of the Governing Board of Directors of Gem and Jewellery Trade Federation.
6.	Directorships held in other public companies as on 31.03.2012	Narbada Gems and Jewellery Limited Trisa Retail Limited	Narbada Gems and Jewellery Limited RVK Exports and Enterprises Limited	Narbada Gems and Jewellery Limited	Narbada Gems and Jewellery Limited
7.	Number of shares held in the Company	31,16,060	Nil	Nil	33,18,800

DIRECTORS' REPORT**To The Members,**

Your Directors have pleasure in presenting the **Thirteenth Annual Report** together with the audited accounts of the Company for the year ended **31st March, 2012**

FINANCIAL RESULTS:

Particulars	31.03.2012 (Rs. in '000s)	31.03.2011 (Rs. in '000s)
Revenue from operations	114281	NIL
Other Income	2.090	11
Profit/(Loss) before tax	28798.68	(738.47)
Provision for Taxation	NIL	NIL
Profit / (Loss) after Tax	28798.68	(738.47)
Losses Brought Forward	(126834)	(126096)
Balance carried to Balance Sheet	(98035)	(126834)

BUSINESS REVIEW AND FUTURE OUTLOOK:

Members are aware that after the Takeover of the Company as per SEBI Takeover Code by the present Management, the Company had changed its line of business to Manufacturing and Trading in Gems, Jewellery, bullion and other related activity in accordance with the changed Main Objects approved by members. Hence, the business undertaken in new activity is only five months which is reflected in the Audited Accounts as at 31st March, 2012. However, the new Management is placing their best efforts to generate substantial revenues in the current full year of operations. During the year ended 31st March, 2012, revenue generated from the operations post alteration in main objects of the Company is Rs. 1142.81 lakhs as against NIL revenue in the previous year. The Net profit of the Company in the current year is Rs. 288 Lakhs as against a net loss of Rs. 7.38 Lakhs in the previous year. The above mentioned figures clearly indicate that the current line of activity is beneficial to the Company as well as to its members.

DIVIDEND:

Due to inadequate profits and in order to conserve resources for expanding the business, your Directors have opined to not recommend any dividend for the year 2011 -12.

OPERATIONS:

Members are aware that the Company had undergone a takeover as per the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1998 on completion of which the old management of the Company has resigned and was taken over by the new management. Subsequent to the takeover of the Company, the main objects of the Company were altered to carry on the business related to gems and jewellery since the new management has rich experience in the field of Jewellery manufacturing and trading. Further, for the name of the Company to be in consonance with the Main Objects, was changed from Hifunda Limited to Uday Jewellery Industries Limited.

The Registered Office of the Company has also been shifted from Kolkata, West Bengal to Hyderabad, Andhra Pradesh.

DIRECTORS:

After the change in management on 29.08.2011, the erstwhile directors of the Company namely Mr. Vijay Jain, Ms. Shivani Jain, Mr. Shri Ram Chaudhary and Mr. Rahul Basu resigned and Mr. Sanjay Kumar Sanghi and Mr. Ritesh Kumar Sanghi were appointed as directors through an Extra Ordinary General Meeting held on 22.08.2011. Mr. Ram Prasad Vempati joined the Board as additional director and was appointed as director in the Extra Ordinary General Meeting of the Company held on 11th October, 2011.

Mr. Sanjay Kumar Sanghi and Mr. Ram Prasad Vempati retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. Mr. Siddharth Goel was appointed as an Additional Director and his term expires at the ensuing Annual general Meeting. The Board recommends his appointment as Director liable to retire by rotation. Shri Ritesh Kumar Sanghi has been appointed as Managing Director w.e.f. 31.08.2012 for five years. Their respective profiles are given elsewhere in the report. Your Directors recommend their re-appointment.

FIXED DEPOSIT

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform the members that the audited accounts for the year ended **31st March, 2012** are in full conformity with the requirement of the Act and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. These financial statements are audited by the Statutory Auditors **M/s Venugopal & Chenoy**

Your Directors further confirm:

- (a) that in the preparation of the annual accounts for the year ended on 31st March 2012, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit and Loss of the Company;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors have prepared the annual accounts for the year ended on 31st March 2012 on a going concern basis.

AUDITORS:

M/s. Venugopal & Chenoy, Chartered Accountants, the present statutory auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received confirmation from them to the effect that their appointment, if made, would be within the

prescribed limits under Section 224 (1B) of the Companies Act, 1956. The comments made by the Auditors in their report, if any, have been dealt with in the Notes on Accounts and do not require further comments from Board of Directors

INDUSTRIAL AND PERSONNEL RELATIONS:

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

PARTICULARS OF EMPLOYEES:

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

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

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

LISTING:

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

SUBSIDIARIES:

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

CODE OF CONDUCT

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

INSURANCE

The properties and assets of your Company are adequately insured.

CORPORATE GOVERNANCE CODE:

The Code of Corporate Governance promulgated by Securities & Exchange Board of India is being implemented by your Company on a continuous basis. The Code of Corporate Governance as per

Clause 49 of the Listing Agreement is attached herewith. The Compliance Certificate on Corporate Governance received from the Statutory Auditors is also given as an Annexure to this report.

ACKNOWLEDGMENT

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

For and on behalf of the Board
For **UDAY JEWELLERY INDUSTRIES LIMITED**

Place: Hyderabad
Date: 31.08.2012

Ritesh Kumar Sanghi
Managing Director

Sanjay Kumar Sanghi
Director

ANNEXURE - 1

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

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

FORM-A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	2011 -12	2010 -11
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased : Units (KWH) Total Amount (Rs.) Rate/Unit (Rs.)	NIL	NIL
b) Own Generation		
Through diesel generator: Units (KWH Units per liter of diesel oil Cost per Unit (Rs.)	NIL	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Electricity consumption	Nil	Nil

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

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

FORM - C

FOREIGN EXCHANGE EARNINGS AND OUTGO

(in Rupees)

Particulars	2011 -12	2010 -11
a) Foreign Exchange earned (Recovery of old dues from Sundry Debtors)	Nil	Nil
b) Foreign Exchange used:	Nil	Nil

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

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

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

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

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

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

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

Mr. Praveen Kumar	**Director	31.01.2011	Non- Executive - Independent	1	3
Mr. Vijay Jain #	Managing Director	-	Promoter & Executive	4	Nil
Ms. Shivani Jain #	Director	-	Promoter & Non executive	1	Nil
Mr. Shri Ram Chaudhary #	Director	-	Non-Executive-Independent	12	Nil
Mr. Rahul Basu #	Director	-	Non-Executive-Independent	2	Nil

*Appointed with effect from 29th August, 2012 as Managing Director

**Resigned form directorship with effect from 13.08.2012

Resigned from directorship with effect from 29.08.2011

2.2. Board Meeting and Procedures:

A. Guidelines:

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

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

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

C. Board Material Distributed in Advance:

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

D. Recording minutes of proceedings at Board Meeting:

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

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

S No.	Name of the Director	Attendance	
		Board Meetings	AGM held On 18 th July, 2011
1.	Shri Sanjay Kumar Sanghi	7	Not Present
2.	Shri Ritesh Kumar Sanghi	7	Not Present
3.	Shri Rakesh Agarwal	7	*Not Present
4.	Shri Siddharth Goel	NA	Not present
5.	Shri Ram Prasad Vempati	4	Not Present
6.	Shri Praveen Kumar	6	Not Present
7.	Mr. Vijay Jain	2	Present
8.	Ms Shivani Jain	2	Present
9.	Mr. Shri Ram Chowdhary	2	Present
10.	Mr. Rahul Basu	2	Present

*Present at the Adjourned AGM held on 30.09.2011

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

Nine (9) Board Meetings were held during the year 2011-12 on 10.06.2011, 30.07.2011, 22.08.2011, 25.08.2011, 29.08.2011, 17.10.2011, 14.11.2011, 12.01.2012 and 14.02.2012.

2.5. Code of Ethics

The Company has prescribed a code of ethics for its directors and senior management. A declaration from Mr. Ritesh Kumar Sanghi, Managing Director stating that all the directors and the senior management of the Company have affirmed compliance with the code of ethics for the financial year 2011-12 has been reproduced below:-

Declaration – Code of Conduct

This is to confirm that the Board has laid down a code of conduct for all Directors and senior management personnel of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on 31st March 2012, as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

Place: Hyderabad
Date: 31.08.2012

For Uday Jewellery Industries Limited

Ritesh Kumar Sanghi
Managing Director

3. AUDIT COMMITTEE:

The reconstituted Audit Committee of the Company post takeover comprised of the following: -

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

Mr. Siddharth Goel was appointed as additional director of the Company w.e.f 12.05.2012. After his appointment the Audit Committee was reconstituted and Mr. Siddharth Goel was appointed as member of the Audit Committee in place of Mr. Praveen Kumar.

3.1 Terms of Reference:

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

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

3.3. Meeting and attendance during the year:

The meetings of the Audit Committee were held on 10.06.2011, 30.07.2011, 14.11.2011 and 14.02.2012 The Committee reviewed the financial statements before being placed before the Board for approval.

4. Remuneration Committee:

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

Composition

The Remuneration Committee of the Company post takeover comprises of three directors all of them being non-executive independent directors.

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

***Appointed Mr. Siddharth Goel in place of Shri Praveen Kumar with effect from 12.05.2012**

Meetings of the Committee and Attendance

Since none of the Director or senior level Managers were drawing substantial remuneration, no meetings of the Committee were held during the period ended 31st March, 2012.

5. Shareholders Grievance Committee:

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

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

***Appointed Mr. Siddharth Goel in place of Shri Praveen Kumar with effect from 12.05.2012**

The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of the balance sheet, non-receipt of declared dividends, if any, etc. No Investor complaints were remaining to be redressed as at 31st March, 2012

Meeting and attendance during the year:

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

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

6. Annual General Meetings

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

S No.	Year	Venue	Date / Time
1.	2008-09	Suite No. 618, 'Krishna', 6 th Floor, 224, A.J.C. Bose Road, Kolkata - 700017	12 th August, 2009 at 11.00 A.M.
2.	2009-10	Suite No. 618, 'Krishna', 6 th Floor, 224, A.J.C. Bose Road, Kolkata - 700017	12 th July, 2010 at 3.30 P.M.
3.	2010-11	Suite No. 618, 'Krishna', 6 th Floor, 224, A.J.C. Bose Road, Kolkata - 700017	18 th July, 2011 at 12.30 P.M.

- An extra Ordinary General Meeting of the members of the Company was held on 22.08.2011
 - (a) for the appointment of Mr. Sanjay Kumar Sanghi and Mr. Ritesh Kumar Sanghi as Directors of the Company; and
 - (b) for the appointment of M/s Venugopal & Chenoy, Chartered Accountants as the Statutory Auditors of the Company to fill in the casual vacancy caused by the resignation of Sultania Sanjay & Co., Chartered Accountants.
 - An extra Ordinary General Meeting of the members of the Company was held on 11.10.2011 for
 - (a) Change in name of the Company from **Hifunda Limited** to **Uday Jewellery Industries Limited**.
 - (b) Approval of Central Government under Section 297 of the Companies Act, 1956.
 - (c) Appointment of Mr. Ram Prasad Vempati as director of the Company.
 - (d) Declaration of the result of postal ballot conducted for seeking the approval of the shareholders under Section 17 of the Companies Act, 1956 for
 - § Shifting the Registered Office of the Company from the State of West Bengal to the State of Andhra Pradesh
 - § Replacing the existing Clause III (A) of the Memorandum of Association of the Company by deleting the existing Main Objects with the New Main Objects Clauses.
- All the above mentioned resolutions were passed with the requisite majority as per the applicable rules.
- An extra Ordinary General Meeting of the members of the Company was held on 09.02.2012 for obtaining the consent of the shareholders to carry on the business activities as covered under the Other Objects Clause No. III (C) sub clause 11 of the Memorandum of Association of the Company to effectively commence the business mentioned in the said Clause which was duly approved by the shareholders.

Disclosures

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

DECLARATION REGARDING CODE OF CONDUCT

To the Shareholders

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

Place: Hyderabad

Date: 31.08.2012

RITESH KUMAR SANGHI

MANAGING DIRECTOR

CEO/CFO CERTIFICATION

To

The Board of Directors,

Uday Jewellery Industries Limited

I have reviewed the financial statements, read with the cash flow statement of Narbada Gems and Jewellery Limited for the year ended 31st March, 2012 and that to the best of our knowledge and belief, we state that:

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

Place: Hyderabad

Date: 31.08.2012

RITESH KUMAR SANGHI

MANAGING DIRECTOR

5. CEO Certification: The Director and Chairman have given a certificate as contemplated in Clause 49 of the Listing Agreement.
6. The requirements of the Audit and other Committees as contemplated in Clause 49 have been complied with as per the report set above in respect of the same.
7. The Management Discussion and Analysis is provided elsewhere in this report.

8. Means of Communication:

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

9. General Shareholder Information:

9.1. Annual General Meeting:

Date and Time : 29th September, 2012 at 3.30 PM.

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

9.2. Financial Calendar (tentative):

Results for the quarter ending June 30, 2012	:	First week of August, 2012
Results for the quarter ending September 30, 2012	:	First week of November, 2012.
Results for the quarter ending December 31, 2012	:	Last week of January, 2013.
Results for the year ending March 31, 2013	:	Last week of April, 2013
Annual General Meeting	:	September, 2013

9.3. Date of Book closure : 22nd September, 2012 to 28th September, 2012
(Both days inclusive).

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

9.5. Listing on Stock Exchange : a) Calcutta Stock Exchange Limited

9.6. Stock Code : 18358 at CSE

9.7. Market Price Data : **Not applicable as the shares are not being traded.**
The last traded price was Rs. 1/-

9.8. Listing fees : The Listing Fees for the year 2012 - 2013 has been paid to Calcutta Stock Exchange

9.9. Registrar and Share Transfer Agents:

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

9.10. Share Transfer System

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

9.11 SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012

S.No.	Category	No. of Shares held	% of Share holding
A	Promoter's holding		
1	Promoters - Indian Promoters - Foreign Promoters	64,34,860 Nil	70.016 Nil
2	Persons acting in concert		
	Sub-Total	64,34,860	70.016
B	Public Shareholding		
3	Institutions	Nil	Nil
4.	Non Institutions		
A	Bodies Corporate	3,03,665	3.304
B	Indian Public	24,51,575	26.675
C	NRIs / OCBs	500	0.005
D	Any other (Please Specify)	Nil	Nil
	Sub-Total	27,55,740	29.98
	GRAND TOTAL (A+B)	91,90,600	100.00

9.12 DISTRIBUTION OF SHAREHOLDING (AS ON 31ST MARCH, 2012)

Category (No. of shares)	Number of holders	% of total holders	Number of shares	% of total shares
Upto 500	230	44.316	53,361	0.580
501-1000	171	32.948	1,64,585	1.791
1001-5000	77	14.836	2,04,388	2.224
5001-10000	18	3.468	1,51,200	1.645
10001- 50000	16	3.083	3,44,086	3.744
50001-100000	0	0.000	0	0.000
Above 100001	7	1.349	82,72,980	90.016
Total	519	100.000	9190600	100.000

9.13. Dematerialization of Shares and Liquidity:

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

INDUSTRY STRUCTURE:

The Gem and Jewellery industry occupies an important position in the Indian economy. It is a leading foreign exchange earner as well as fastest growing industry in the country and accounts for more than 13% of India's total exports. The two major sectors in India are gold jewellery and diamonds. Gold jewellery forms around 80 percent of the Indian Jewellery market, with the balance comprising fabricated studded jewellery that includes diamond studded as well as gemstone studded jewellery.

Gold has always been the jewellers' favorite metal given its intrinsic luster and ease of fabrication. Gold jewellery enjoys the leading position in most markets across the world, and in many ways forms the backbone of the precious jewellery industry. Given the fact that gold is also one of the traded metals, gold jewellery consumption is also impacted by gold price movements.

India is also one of the premier locations for diamond manufacturing. Further, India has also emerged as the largest cutting and polishing industry for diamond in the world. India possesses world's most competitive gems and jewellery market due to its low cost of production and availability of traditionally competent workforce. Highly skilled and low cost manpower, along with strong government support in the form of incentives and establishment of SEZs, has been the major driver for the Indian gems and jewellery market. Currently the Indian market remains highly fragmented, but is rapidly transforming into an organized sector.

At present, the Indian gems and jewellery market is dominated by the unorganized sector; however, the trend is set to change in near future with the branded jewellery market growing at an expected CAGR (Compound Annual Growth Rate) of more than 41% in the coming four years.

OPPORTUNITIES AND THREATS:

The Company is now a Jewellery manufacturing and trading Company and the field is wide enough for many players to operate in the arena. However, changing fashion concepts with dynamic designing flavors from across the world are a constant threat since inventories tend to hook up with every change. On the brighter side, this also offers opportunities to explore other markets in the World where the fashion concepts are late to reach. Indian designs are catching the fancy of markets in USA and Europe while serious competition is within India. However, proper marketing strategies with an effort to position a Brand will open up new vistas for the Company in future.

OUTLOOK:

The ever changing fashion statements fuel up the demand amongst the new riches from High Net worth Individuals to young employed individuals who are employed or doing small businesses. The increase in the prices of gold have made a dent in the ever increasing demand but the scenario is now changing since the customers have realized that these increased prices are not likely to fall over a period. This trend will bring the required impetus for the Company's plans to position itself in varied segments of the market in the period to come. The Company is also negotiating for marketing tie ups with already existing Mega Brands for regular supplies to them which could also enhance Company's exposure to the changing market scenarios.

RISKS AND CONCERNS:

Risks form an indispensable part of any business. There are several risks associated with jewellery industry.

One such risk is the continuous inflation in the prices of gold, silver and other precious and semi precious stones. This continuous increase in the prices will tend to affect the sales to a very large extent. Increasing foreign participants in the industry who are more organized is also a risk since Indian industry is majorly unorganized and lacks usage of advanced technology. The Company is drawing plans so as to minimize the affect of these risks on the profitability of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

FINANCIAL CONDITION:

Share Capital

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

Secured Loans

The Company has not borrowed any Secured loans as at 31st March, 2012.

Fixed Assets

Fixed Assets (Net Block) is NIL as the Company has no fixed assets during the financial year.

HUMAN RESOURCES:

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

CAUTIONARY STATEMENT:

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

Place: Hyderabad

Date: 31.08.2012

RITESH KUMAR SANGHI

MANAGING DIRECTOR

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

To
The Members
UDAY JEWELLERY INDUSTRIES LIMITED
Hyderabad.

We have examined the Compliance of conditions of Corporate Governance by Uday Jewellery Industries Limited, Hyderabad, for the period ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

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

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

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

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

**Place: Hyderabad
Date: 31.08.2012**

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

AUDITORS' REPORT

To
The Members,
Uday Jewellery Industries Ltd.,
Hyderabad.

We have audited the attached Balance Sheet of **Uday Jewellery Industries Ltd.**, Hyderabad, as at March 31, 2012, and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section(3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on March 31, 2012, from being appointed as directors in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;
 - f) In our Opinion and to the best of our information and according to the explanations given to us, the said accounts read together with and subject to the Significant Accounting Policies and Notes to Accounts thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) In so far as it relates to the Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Place : Hyderabad
Date : 31.08.2012

For VENUGOPAL & CHENOY,
CHARTERED ACCOUNTANTS,

P.V. SRI HARI
Partner
Membership No.21961

Annexure to Auditors' Report

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

1. The Company does not have any fixed assets..
2. In respect of its inventories:
 - a. The inventories have been physically verified by the management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of the said stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of the said stocks. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The company did not take nor granted any loans, secured or unsecured, from or to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, during the year. However, it had taken temporary interest-free unsecured loans from directors in the earlier years. These are not prejudicial to the interests of the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assts and also for the sale of goods.
5. In our opinion and according to the information and explanations given to us, the Company entered into the register the transactions in pursuance of Section 301 of the Companies Act, 1956, aggregating during the year to more than Rs.5,00,000/-(Rupees Five lakhs only) in respect of three parties. These transactions have been made at the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public.
7. The Company is yet to introduce the system of Internal Audit.
8. The Central Government did not prescribe maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956(Act I of 1956) for any of the products of the Company.
9. During the year, there is no person to whom the provisions of P.F. or E.S.I. are applicable. According to information and explanations given to us, there are no other undisputed statutory payments outstanding for more than six months from the date they became payable.
10. As per the accounts referred to in this Report, the net-worth of the Company has been eroded beyond 50% as on March 31, 2012. The Company did not incur cash losses during the financial year under report and but also in the preceding financial year, after taking into account the income accounted for in the financial year under report pertaining to the preceding financial year.
11. The Company does not have any outstandings to a financial institution or bank during the year.

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

**For VENUGOPAL & CHENYO,
CHARTERED ACCOUNTANTS,**

**Place : Hyderabad
Date : 31.08.2012**

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

BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note No.	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY & LIABILITIES					
(1) Shareholder's Funds:					
(a) Share Capital	1	10,66,25,000		10,66,25,000	
(b) Reserves & Surplus	2	(7,80,35,961)		(10,68,34,642)	
			2,85,89,039		(2,09,642)
(3) Non-Current Liabilities:					
(a) Long Term Borrowings	3		3,09,090		1,76,000
(4) Current Liabilities:					
(a) Trade Payables	4	2,18,83,895		48,090	
(b) Other Current Liabilities	5	1,29,753		0	
			2,20,13,648		48,090
Total:			5,09,11,777		14,448
II. ASSETS					
(1) Non-Current Assets:					
(a) Non-Current Investments	6	42,07,973		0	
(b) Long-Term Loans and Advances	7	59,97,779		0	
			1,02,05,752		0
(2) Current Assets:					
(a) Inventories	8	1,76,01,876		0	
(b) Trade Receivables	9	2,16,63,930		11,230	
(c) Cash and Cash Equivalents	10	14,02,085		3,218	
(d) Short Term Loans and Advances	11	38,134		0	
			4,07,06,025		14,448
Total:			5,09,11,777		14,448
Significant Accounting Policies and Notes to Accounts	17				

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

For UDAY JEWELLERY INDUSTRIES LTD.,

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

SANJAY KUMAR SANGHI
Director

RITESH KUMAR SANGHI
Managing Director

Place: Hyderabad
Date: 31.08.2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
		Rs.	Rs.	Rs.	Rs.
I. Revenue from Operations	12		11,42,81,745		0
II. Other Income	13		2,090		11,470
III Prior Period Income			99,96,736		0
IV Total Revenue(I + II + III)			<u>12,42,80,571</u>		<u>11,470</u>
V. Expenses:					
Purchase of stock-in-Trade		11,24,35,613		0	
Changes in Inventory of Finished Goods,WIP,	14				
Stock-In-Trade		(1,76,01,876)		0	
Employee Benefit Expenses	15	1,55,452		0	
Other Expenses	16	4,92,701	9,54,81,890	7,49,945	7,49,945
VI. Profit before Tax(IV - V)			<u>2,87,98,681</u>		<u>(7,38,475)</u>
Significant Accounting Policies and Notes to Accounts	17				

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

For UDAY JEWELLERY INDUSTRIES LTD.,

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

SANJAY KUMAR SANGHI
Director

RITESH KUMAR SANGHI
Managing Director

Place: Hyderabad
Date: 31.08.2012

NOTE - 1 : SHARE CAPITAL

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Authorised:				
a) 155,00,000 Equity Shares of Rs.10/- each (Previous Year -155,00,000 Equity Shares of Rs.10/- each)		15,50,00,000		15,50,00,000
Total:		<u>15,50,00,000</u>		<u>15,50,00,000</u>
Issued, Subscribed & Paid up:				
a) 91,90,600 Equity Shares of Rs.10/- each, fully paid up (Previous Year - 10,000 Equity Shares of Rs.10/- each, fully paid up)		9,19,06,000		9,19,06,000
b) Securities Forfeiture account Amount paid on 56,62,900 shares		1,47,19,000		1,47,19,000
Total:		10,66,25,000		10,66,25,000

Additional Notes:

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

Name of the Shareholder	Financial Year 2011-12		Financial Year 2010-11	
	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares
1. Ritesh Kumar Sanghi	33.905	3,116,060	33.905	3,116,060
2. Sanjay Kumar Sanghi	36.111	3,318,800	36.111	3,318,800

NOTE - 2 : RESERVES & SURPLUS

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
b) Securities Premium Reserve:				
Per last Balance Sheet		1,99,99,500		1,99,99,500
d) Surplus in Profit & Loss Account:				
Opening Balance	(12,68,34,142)		(12,60,95,667)	
Less: Profit for the year	2,87,98,681		(7,38,475)	
		(9,80,35,461)		(12,68,34,142)
Total:		(7,80,35,961)		(10,68,34,642)

NOTE - 3 : LONG TERM BORROWINGS

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Loans from Directors		3,09,090		1,76,000
Total:		3,09,090		1,76,000
Additional Notes:				
Secured		0		0
Unsecured		309090		176000

NOTE - 4 : TRADE PAYABLES

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Outstanding dues of Micro and Small Enterprises		0		0
Other than Micro and Small Enterprises		2,18,83,895		48,090
Total:		2,18,83,895		48,090

Disclosure relating to Micro and Small Enterprises:

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

NOTE - 5: OTHER CURRENT LIABILITIES

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Other Payables		1,29,753		0
Total:		1,29,753		0

NOTE - 6: NON CURRENT INVESTMENTS

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Trade - Quoted Investments:				
- Investment in Equity Instruments of various Limited Companies (fully paid up and valued at cost)		42,07,973		0
Total:		42,07,973		0

NOTE - 7 : LONG TERM LOANS & ADVANCES

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Loans & Advances to related parties		59,72,779		0
Other Loans & Advances		25,000		0
Total:		59,97,779		0
Secured, Considered good		0		0
Unsecured, Considered good		59,97,779		0
Doubtful		0		0

NOTE - 8 : INVENTORIES

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Stock-in-Trade		1,76,01,876		0
Total:		1,76,01,876		0
Inventories are valued at Cost or NRV whichever is lower				

NOTE - 9 : TRADE RECEIVABLES

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Outstanding for a period exceeding six months		0		0
Others		2,16,63,930		11,230
Total:		2,16,63,930		11,230
Notes:				
<u>Particulars of Trade Receivables:</u>				
Secured, Considered good		0		0
Unsecured, Considered good		2,16,63,930		11,230
Doubtful		0		0

NOTE - 10 : CASH & BANK BALANCES

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Cash & Cash Equivalents:				
<u>Balances with Banks:</u>				
- In Current Accounts		13,91,729		492
Cash on hand		10,356		2,726
Total:		14,02,085		3,218

NOTE - 11 - SHORT TERM LOANS & ADVANCES

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
VAT Receivable		28,653		0
Income Tax Refund due		9,481		0
Total:		38,134		0
Secured, Considered good		0		0
Unsecured, Considered good		38,134		0
Doubtful		0		0

NOTE - 12 : REVENUE FROM OPERATIONS

Particulars	Figures at the end of March 31, 2012		Figures at the end of March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
Sales		11,42,81,745		0
Total:		11,42,81,745		0

NOTE - 13 : OTHER INCOME

Discount Received		2,000		0
Interest Income		90		11,470
Total:		2,090		11,470

NOTE - 14 : CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

Stock-In-Trade				
Balance as at beginning of the year	0		0	
Less: Balance as at the close of the year	1,76,01,876		0	
		(17,601,876)		0
Total:		(1,76,01,876)		0

NOTE - 15 : EMPLOYEE BENEFIT EXPENSES

Salaries & Wages		1,55,452		0
Total:		1,55,452		0

NOTE - 16 : OTHER EXPENSES

Rent		56,350		0
Rates & Taxes		10,630		5,400
<u>Payments to Auditors</u>				
Audit fee	56,180		22,060	
Tax Audit fee	<u>11236</u>		<u>11030</u>	
		67416		33090
Depository fees & Listing fees		68,328		68,937
Advance for employees provident fund contribution written off		0		4,00,518
Tds, FBT Written off		0		1,46,931
Advertisement & Publicity		129819		18,664
Postage, Telephone		2,348		0
Printing & Stationery		15,273		6,656
Bank Charges & Commission		2480		22,394
Legal & Professional Fees		1,21,109		16,500
Transport & Conveyance		3,300		0
Miscellaneous Expenses		15,648		30,855
Total:		4,92,701		7,49,945

NOTE : 17 - SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS:**(A) ACCOUNTING POLICIES:****1. Basis of preparation of Accounts:**

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

2. System of Accounting:

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

3. Fixed Assets:

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

4. Depreciation:

Depreciation on Fixed Assets is charged on Written Down Value Method as per the rates prescribed in Schedule-XIV to the Companies Act, 1956.

5. Investments:

Investments are stated at cost.

6. Sales:

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

7. Inventories:

Inventories are valued at lower of cost or net realisable value

8. Account for claims:

Claims receivable are accounted on acceptance/receipt.

9. Prior period Adjustments:

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

(B) NOTES TO ACCOUNTS:

1. Balances standing to the debit/credit of the parties are subject to reconciliation and confirmation by them.
2. No provision is made towards Income Tax and also Deferred Tax, as a matter of prudence, in view of Unabsorbed Depreciation and carried forward losses.
3. Transactions during the year with related parties:

Associate concerns:

- i) Sanghi Jewellers Pvt Ltd
- ii) Narbada Gems & Jewellery Ltd
- iii) Trisa retail Ltd

Nature of Transaction	Associate(Rs)
(a) Purchases	11,54,81,185/-

Note : Necessary approval from the Regional Director has been taken by the Company

4. Quantitative Particulars:

Particulars	OpeningStock	Purchases	Sales	ClosingStock
Gold Ornaments	0	47588.60 gms.	40938.72 gms.	6649.88 gms.
Real Stones	0	83699.00 cts	83699.00 cts	0

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

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

For and on behalf of the Board

Sanjay Kumar Sanghi
Director

Ritesh Kumar Sanghi
Managing Director

Place: Hyderabad
Date: 31.08.2012

CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2012
(Pursuant to amendment to Clause 32 of listing Agreement)

	2011-12		2010-11	
A) Cash Flow from Operation Activities :				
Net Profit before taxation and extraordinary items	288.32		-5.92	
Adjustments for				
Depreciation & Exp. Written off	-			
Foreign Exchange	-		-	
Loss on sale of Fixed Asset	-		-	
Finance Charges	-		-	
Excess provision written back			-1.47	
Operating Profit before working	288.32		-7.39	
Capital changes				
Adjustments for				
Trade and Other Receivables	-216.91			
Inventories	-176.02			
VAT Receivable	0.00			
Loans & Advances	-59.98		6.24	
Trade Payables & Other liabilities	219.32		-0.49	
Provision for Income Tax	-		-	
Cash Used for Operations	-233.59		5.75	
Interest Paid	-		-	
Cash flow before extraordinary items	54.73		-1.64	
Extraordinary item	-		-	
Net Cash Used for operating activities		54.73		-1.64
B) Cash Flows from Investing Activities				
Purchase of Fixed Assets				
Deffered Revenue Expenditure	-		-	
Sale of Fixed Assets	-		-	
Acquisition of companies	-		-	

Purchase of Investments	-42.08		-	
Sale of Investments	-		-	
Interest Received	-		-	
Dividend received	-		-	
Net Cash used in Investing Activities		-42.08		0.00
C) Cash Flow from Financing Activities				
Proceeds from issue of Share Capital	-		-	
Proceeds from Finance Borrowings	1.34		-0.6	
Proceeds from Lease Finance Borrowings	-		-	
Repayment of Finance Lease Liabilities	-		-	
Dividend Paid	-		-	
Net Cash Used in Financing Activities		1.34		-0.60
Net Incease in cash and cash equivalents		13.99		-2.24
Cash and Cash equivalents as at 31.03.2011 (Opening Balance)		0.03		2.27
Cash and Cash equivalents as at 31.03.2012 (Closing Balance)		14.02		0.03

SANJAY KUMAR SANGHI
Director

RITESH KUMAR SANGHI
Managing Director

Place:Hyderabad
Date : 31.08.2012

AUDITOR'S CERTIFICATE

We have verified the enclosed Cash flow statement for the year ended 31st March 2012 with the books and records maintained by UDAY JEWELLERY INDUSTRIES LTD, and certify that in our opinion, and according to the information and explanations given to us the statement is in accordance there with.

For Venugopal & Chenoy
Chartered Accountants

Place:Hyderabad
Date : 31.08.2012

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

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

Registration No	89399	State Code:	01
Balance Sheet	31-03-2012		

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

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

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

Total Liabilities	50912	Total Assets	50912
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SOURCES OF FUNDS

Paid-up Capital	106625	Reserves & Surplus	(78035)
Secured Loans	Nil	Unsecured Loans	309

APPLICATION OF FUNDS

Net Fixed Assets	NIL	Investments	4207
Net Current Assets	18692	Misc. Expenditure	Nil
Accumulated Losses	98035		

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

Turnover	114281	Total Expenditure	95481
Profit/(Loss) before tax	28798	Profit/ (Loss) after tax	28798
Earning Per Share (Rs.)	3.13	Dividend Rate %	Nil

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

Product description: Gems & Jewellery

THIRTEENTH ANNUAL GENERAL MEETING ATTENDANCE SLIP

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

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company on **Friday, the 28th SEPTEMBER, 2012** at 3.30 P.M. at **Plot No. 5-9-60, Flat No. 301, Moghuls Court Building, Deccan Tower Complex, Basheerbagh, Hyderabad – 500029**

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

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

_____ (Please cut here) _____

UDAY JEWELLERY INDUSTRIES LIMITED THIRTEENTH ANNUAL GENERAL MEETING PROXY FORM

I/We _____ of _____ being member(s) of the above named Company, hereby appoint Mr. / Ms. _____ of _____ or failing him / her, Mr. / Ms. _____ as my/our proxy to attend and vote for me/us on my/our behalf at the **ANNUAL GENERAL MEETING** of the Company to be held on **Friday, the 28th SEPTEMBER, 2012** at 3.30 P.M. at **Plot No. 5-9-60, Flat No. 301, Moghuls Court Building, Deccan Tower Complex, Basheerbagh, Hyderabad – 500029**

Regd. Folio No. / Client ID:

No. of Shares held:

As witness my / our hand(s) this _____ day of _____ of 2012

Signed by the said _____

Affix Re 1 Revenue Stamp

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

PRINTED MATTER BOOK - POST

If undelivered, please return to
Uday Jewellery Industries Limited,
Plot No.5-9-60,Suit No.301,
Moghul's Court Building,
Deccan Tower's Complex, Basheer bagh,
Hyderabad - 500 001, A.P. INDIA.