



25TH ANNUAL REPORT 2016-17



Beautiful flat diamond jewellery





BOARD OF DIRECTORS

| | |
|--------------------------|---------------------------|
| Shri Sanjay Kumar Sanghi | - Managing Director |
| Shri Ritesh Kumar Sanghi | - Director |
| Shri Siddharth Goel | - Director |
| Shri Ram Prasad Vempati | - Director |
| Shri Vinod Agarwal | - Director |
| Smt. Bhavna Sanghi | - Director |
| Shri Bajranglal Agarwal | - Chief Financial Officer |

AUDITORS

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

BANKERS

Kotak Mahindra Bank Ltd
Himayatnagar Branch
Hyderabad- 500029

State Bank of India
Commercial Branch
Koti, Hyderabad

REGISTERED OFFICE

3-6-290/18, 1st Floor, Sadana Building
Hyderguda, Hyderabad- 500029

REGISTRAR & SHARE TRANSFER AGENTS

M/s CIL Securities Limited
208, Raghava Ratna Towers
Chirag Ali Lane, Abids
Hyderabad- 500001
Phone- 23202465 Fax: 010-23203028
Email- rta@cilsecurities.com

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 MCA 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 comsec@narbadajewellery.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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NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held at Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001 on Thursday, 16th day of November, 2017 at 12:30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement for the year ended on 31st March, 2017 together with the Reports of Directors and Auditors thereon.
2. To appoint director in place of Mrs Bhavna Sanghi, Director (DIN:02681438), who retires by rotation and being eligible, offers herself for re-appointment
3. To appoint auditors and to authorise the Board to fix their remuneration and in that connection, to pass the following resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Company (Audit & Auditors) Rules, 2014, M/s D.V Aditya & Co., Chartered Accountants, (Firm Reg. No. 000044S, M. No. 0022646), Hyderabad be and are hereby appointed as the Statutory Auditors of the Company, to hold office until the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2022, subject to ratification at every Annual General Meeting and on a remuneration, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized, to inform the Statutory Auditors of the said appointment, file Form ADT-1 with the Registrar of Companies, Andhra Pradesh and Telangana and to do all such acts, deeds and things as may be necessary to give effect to the above resolution."

SPECIAL BUSINESS:

4. Reappointment of Mr. Sanjay Kumar Sanghi as the Managing Director of the Company

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

"RESOLVED THAT pursuant to provisions of Section 196 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent of the member be and is hereby accorded for the re-appointment of Mr. Sanjay Kumar Sanghi (DIN- 00629693) as the Managing Director of the Company with effect from 28th August, 2017, for a further period of five years, at similar terms and conditions of appointment and without any remuneration."

"RESOLVED FURTHER THAT all items of business during the period after his tenure till reappointment stands approved and ratified unanimously and that the Board of Directors of the Company be and is hereby authorized to file the above resolution and the requisite e-forms with the Registrar of Companies, Hyderabad and to sign such other documents and do all other activities as needed to execute the aforementioned resolution."

5. Increase in Authorized Share Capital of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 61, 64 and other applicable provisions, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) read with the Companies (Share Capital and Debentures) Rules, 2014, the consent of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 6,50,00,000/- (Rupees Six Crores and Fifty Lakhs only) divided into 65,00,000 (Sixty Fifty Five Lakhs only) Equity

Shares of Rs. 10/- each to Rs. 13,50,00,000/-(Rupees Thirteen Crores and Fifty Lakhs only) divided into 1,35,00,000 (One Crore Thirty Five Lakhs only) Equity Shares of Rs. 10/- each by creation of further 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10/- each ranking pari passu with the existing equity shares of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file requisite e-forms with the Registrar of Companies, Hyderabad and to sign and execute the related documents and do all the ancillary activities as needed to give effect to the above resolution."

6. Alteration of Capital Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) read with the Companies (Share Capital and Debentures) Rules, 2014, the consent of the members be and is hereby accorded to alter the Clause V of the Memorandum of Association of the Company by substituting it with the following Clause:

V. The Share Capital of the Company is Rs. 13,50,00,000/- (Rupees Thirteen Crores and Fifty Lakhs only) divided into 1,35,00,000 (One Crore Thirty Five Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary modify on any such rights, privileges or conditions in such manner as may for the time being, be provided by the regulations of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to sign and file necessary e-forms with the Registrar of Companies, Andhra Pradesh and Telangana and other authorities/agencies, and to do other related activities to give effect to the foregoing resolution"

7. Adoption of new set of Memorandum of Association as per Table A, Schedule I of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 13(1) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the Memorandum of Association of the Company be altered in the manner that "The Act" or "the said Act" means the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force) applicable for Companies limited by shares and effecting the Company and wherever specific reference of Sections of the Companies Act, 1956 has been mentioned in the Memorandum, the same shall be deemed to be referring to the corresponding provisions of the Companies Act, 2013 or the Act for the time being in force and the rules made there under and in case of inconsistency or variation of any of the contents of the Memorandum of Association of the Company with the Companies Act, 2013, its rules or the Act for the time being in force, the provisions of the Companies Act, 2013, its rules or the Act for the time being in force, shall prevail and the said contents of the Memorandum of Association of the Company shall be deemed to have been amended to that extent to conform with the provisions of Section 4 (6) of the Act".

"RESOLVED FURTHER THAT the altered Memorandum of Association incorporating the changes prescribed in Table A of Schedule I of the Companies Act, 2013 as circulated, be and is hereby approved and adopted."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the requisite E-Forms with the Registrar of Companies, Andhra Pradesh and Telangana and perform all such duties, acts and deeds as may be required to carry out the aforesaid resolution."

8. Adoption of new set of Articles of Association as per Table F, Schedule I of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the Articles of Association of the Company be altered in the manner that "The Act" or "the said Act" means the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force) applicable for Companies limited by shares and effecting the Company and wherever specific reference of Sections of the Companies Act, 1956 has been mentioned in the Articles, the same shall be deemed to be referring to the corresponding provisions of the Companies Act, 2013 or the Act for the time being in force and the rules made there under and in case of inconsistency or variation of any of the Articles with the Companies Act, 2013, its rules or the Act for the time being in force, the provisions of the Companies Act, 2013, its rules or the Act for the time being in force, shall prevail and the said Article(s) shall be deemed to have been amended to that extent, in accordance with Section 5 (6) of the Act".

"RESOLVED FURTHER THAT the altered Articles of Association incorporating the changes prescribed in Table F of Schedule I of the Companies Act, 2013 as circulated, be and is hereby approved and adopted."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to file the requisite E-Forms with the Registrar of Companies, Andhra Pradesh and Telangana and take all decisions and steps necessary or expedient, from time to time, to implement the foregoing resolution."

9. Preferential Allotment of Equity Warrants of the Company to Promoter/ Promoter Group/ Non Promoter Resident Individuals convertible into equity shares in one or more tranches.

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended ("the Companies Act") read with the Rules made there under and such other applicable provisions, as amended and in accordance with the provisions of the Securities and Exchange Board of India (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") and any other guidelines and clarifications issued by any other competent authority, from time to time, to the extent applicable including the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the permissions, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such permissions, sanctions and which may be agreed to by the Board of Directors of the Company (herein after referred to as "the Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) and subject to any other modifications, conditions and variations that may be decided by the Board in its absolute discretion, the consent of the Company be and is hereby accorded to the Board to issue and allot upto 79,02,000 warrants ("Equity Warrants") on

a preferential basis; to persons within the Promoter/ Promoter Group (as defined in the ICDR Regulations) and to persons belonging to the Non-Promoter Group; each convertible into one Equity Share of face value of Rs. 10/- (Rupees Ten only) each, from time to time in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of Equity Warrants, at a price (including the warrant subscription price and the warrant exercise price) of Rs. 12.50/- each (Rupees Twelve and Fifty paise only) aggregating to upto Rs. 9,87,75,000/- (Rupees Nine Crores Eighty Seven Lakhs Seventy Five Thousand only), on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the ICDR Regulations or other applicable laws."

"RESOLVED FURTHER THAT, in accordance with the provisions of Chapter VII of the ICDR Regulations, the "Relevant Date" for the purpose of calculating the price for the issue of Equity Shares pursuant to the exercise of the Equity Warrants is 17th October, 2017, which is 30 days prior to the date of this Annual General Meeting i.e. 16th November, 2017 and the price so calculated is Rs. 12.50/- (Rupees Twelve and Fifty paise only) per equity share.

"RESOLVED FURTHER THAT the said Equity Warrants shall be issued and allotted by the Company to the proposed allottee within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Equity Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Equity Warrants shall be subject to following terms:

- a. The Equity Shares to be so allotted on exercise of the Equity Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company. The Equity Warrants may be exercised by the Equity Warrants holder(s) at any time before the expiry of 18 months from the date of allotment of the Equity Warrants, upon full payment.
- b. An Equity Warrant subscription price equivalent to 25% of the issue price of the Equity Shares will be payable at the time of subscription to the Equity Warrants, as prescribed under Regulation 77 of the ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. An Equity Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares shall be payable by the Equity Warrant holder(s), in tranches, at the time of exercising the proportionate Equity Warrants.
- c. The issue of the Equity Warrants as well as Equity Shares arising from the exercise of the Equity Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority, as the case may be or any modifications thereof.
- d. In the event the Equity Warrant holder(s) does not exercise the Equity Warrants within 18 months from the date of allotment of the Equity Warrants, the Equity Warrants shall lapse and the amount paid thereon shall stand forfeited by the Company.
- e. The Equity Warrants issued and allotted to the Promoters Group will be transferable within the Promoter Group subject to the approval of the Board and such other approvals as may be necessary.
- f. In the event of the Company making a bonus issue by way of capitalization of its reserves, or a rights offer by way of issue of new Equity Shares, prior to allotment of Equity Shares resulting from the exercise of the Equity Warrants, the issue price of the Equity Shares to be allotted against such Equity Warrants shall be subject to appropriate adjustment, subject to the SEBI ICDR Regulations and other applicable law.

- g. The Equity Shares to be issued and allotted by the Company on exercise of the Equity Warrants in the manner aforesaid shall rank pari passu in all respects including dividend, with the existing Equity Shares of the Company.
- h. The Equity warrants and the Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter VII of the ICDR Regulations relating to preferential issues."

"RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary for giving effect to above resolutions, to file the necessary forms with the Registrar of Companies, Andhra Pradesh and Telangana, SEBI, BSE 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 authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any professional advisors, consultants and legal advisors to give effect to the aforesaid resolution."

10. Preferential Allotment of Equity Warrants of the Company to Non Promoter Group convertible into equity shares in single tranche.

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended ("the Companies Act") read with the Rules made there under and such other applicable provisions, as amended and in accordance with the provisions of the Securities and Exchange Board of India (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") and any other guidelines and clarifications issued by any other competent authority, from time to time, to the extent applicable including the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the permissions, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such permissions, sanctions and approval and which may be agreed to by the Board of Directors of the Company (herein after referred to as "the Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) and subject to any other modifications, conditions and variations that may be decided by the Board in its absolute discretion, the consent of the Company be and is hereby accorded to the Board to issue and allot upto 20,90,000 warrants ("Equity Warrants") on a preferential basis; to persons belonging to the Non-Promoter Category being Resident Indians; each convertible into one Equity Share of face value of Rs. 10/- (Rupees Ten only) each, in single tranche, within a period of 18 (Eighteen) months from the date of allotment of Equity Warrants, at a