

# **Fourteenth Annual Report 2005 - 2006**



**RGN SECURITIES AND HOLDINGS LIMITED**

**BOARD OF DIRECTORS**

M.R.G. Naghesen	- Chairman
R. Jaishankar	- Director
G. Siva Subramanian	- Director
Dr. P. I. Peter	- Director
Mrs. S. Kala	- Director

**Statutory Auditors :**

M.C. Mehta & Co.,  
Chartered Accountants  
67, Devaraja Mudali Street,  
Chennai - 600 003.

**Bankers :**

Bharat Overseas Bank Limited  
Global Trust Bank Limited  
Indian Bank  
Syndicate Bank

**Registered Office :**

85, First Main Road, Gandhi Nagar, Adyar, Chennai - 600 020.

**Listing :**

Madras Stock Exchange Limited  
Bombay Stock Exchange Limited

## **RGN SECURITIES AND HOLDINGS LIMITED**

**Registered Office : 85, I Main Road, Gandhi Nagar, Adyar, Chennai - 600 020**

### **NOTICE TO THE MEMBERS**

Notice is hereby given that the Fourteenth Annual General Meeting of the Shareholders of the Company will be held on Saturday the 30<sup>th</sup> September 2006 at 11.00 A.M. at, Noni Penthouse, 7/32, Dev Apartments I Main Road, Kasturibai Nagar, Chennai-600 020 to transact the following business.

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Directors' Report, the profit and loss Account for the year ended 31<sup>st</sup> March 2006, the Balance Sheet as at the date and the Auditors' Report there on.
2. To elect a director in place of Mr. M.R.G. Naghesen who retires by rotation and being eligible offers himself for reappointment.
3. To elect a director in place of Mr. G. Sivasubramanian who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“Resolved that M/s. Sri & Co., Chartered Accountants, be and are hereby appointed as auditors of the company in place of retiring auditors M/s. M.C. Mehta & Co., Chartered Accountants, to hold office until the conclusion of the next annual general meeting at a remuneration to be fixed by the Board.”

#### **SPECIAL BUSINESS :**

5. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

Resolved that pursuant to the provisions of Section 255, 257 and other applicable provisions, if any, of the Companies Act, 1956 Dr. P.I. Peter, retiring Additional Director be and is hereby appointed as a Director of the Company liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

Resolved that pursuant to the provisions of Section 255, 257 and other applicable provisions, if any, of the Companies Act, 1956 Mrs. S. Kala, retiring Additional Director be and is hereby appointed as a Director of the Company liable to retire by rotation.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

RESOLVED THAT pursuant to Section 94 (1) (a) of the Companies Act, 1956 and Articles of Association of the Company, and all other applicable provisions, if any, subject to approval of Shareholders the Authorised Capital of the Company be and is hereby increased from Rs. 4 Crores to Rs. 6 Crores by further creation of 20,00,000/- (Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 6,00,00,000/- (Rupees Six Crores Only) ranking pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as it may deem fit and proper in this regard.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

RESOLVED THAT subject to the provisions of the Section 16 of the Companies Act, 1956 and all other relevant provisions, if any, subject to approval of Shareholders the existing Clause V of the Memorandum of Association of the Company relating to the Share Capital be and is hereby altered by substituting in its place, following new clause:

“V. The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores Only) divided into of 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, with a right to Board of Directors to classify/ reclassify them into any class of Shares and / or any denomination with such preferential, deferred, specified or special rights, privileges or conditions as the Board of Directors may decide”.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

RESOLVED THAT subject to the provisions of Section 31 of the Companies Act, 1956 and all other relevant provisions, if any, subject to approval of shareholders the existing Clause 4 of the Articles of Association of the Company relating to the Share Capital be and is hereby altered by substituting the following new Article:

4. “The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores Only) divided into of 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, with a right to Board of Directors to classify/ reclassify them into any class of Shares and / or any denomination with such preferential, deferred, specified or special rights, privileges or conditions as the Board of Directors may decide.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as it may deem fit and proper in this regard.

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

**RESOLVED THAT** subject to the Shareholders approval pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Disclosure and Investor Protection Guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable Regulations/ Guidelines, wherever applicable, such other approvals, permissions, sanctions, consents as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions, alterations and modifications as may be considered appropriate by the Board of Directors, (hereinafter referred to as "Board" which shall include any Committee of Directors) consent of the Company be and is hereby accorded to the Board to offer, issue and allot on preferential basis to the following persons up to 15,00,000 (Fifteen Lacs) Equity Shares, at a price of Rs. 10.00 (Rs. Ten Only) per equity which is the price determined in accordance with SEBI (Disclosure and Investor Protection) Guidelines on Preferential Issue and that the Board be and is hereby authorised to finalise all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force in that behalf.

<i>Name of the Person to whom Equity Shares are being offered</i>	<i>Number of Equity Shares offered</i>
Sudarshan Gopal Matadoo	47500
Dr. Satish Kumar Gangakhed	40000
Sadashiva Honnojirao Kulakarni	140000
Kashinath Kalakusa Dalabanjan	100000
Prakash Govind Vibhandik	120000
Biswajit Deb	125000
P. Venkatesh	40000
K. Jaya Rao	15000
Hemant Babasaheb Chavan	77500
Shobha Devi Mlikarjun	25000
C. Ravi Subramani	20000
M.T.Maninee Prabakar Bedakar	40000
R. Nagaraju	30000

<i>Name of the Person to whom Equity Shares are being offered</i>	<i>Number of Equity Shares offered</i>
Ramesh Seshagiri Rao Kinnal	55000
Sankarsan Sahu	40000
Jaishankar	40000
Dr. J. Subramani	15000
M.S. Bhuvaneswari	10000
Abdul Samad	15000
Parvathinathan	10000
Dipali Maitra	20000
Ambadass Reddy	10000
Bogala Bhargav	10000
Amrutha Bai	10000
Sudip Manjumdar	10000
Manisha Suresh Waychal	10000
Gangakhed Rajesh Kumar	20000
Savitribai Dalabanjan	20000
Sudha Dalabanjan	20000
Dynamic Mercantile Corporation	10000
H.S. Nagaraj	10000
K. Gayatri Bai	10000
John Wesley Danieal	10000
Supe Sunil Ninaji	10000
Indra Deo Goyal	10000
Sangita Ravindra Patel	20000
P. Satya Narayana Murthy	10000
Shital Deelip Shevale	10000
M. Vidyashri	10000
Prakash Ganapat Khalate	10000
Madhubala Chandrakant Misal	100000
Stan Serrao	145000
<b>TOTAL</b>	<b>1500000</b>

RESOLVED FURTHER THAT the "Relevant Date" under SEBI Guidelines on Preferential issue in relation to Equity shares for the purpose of determining the issue price shall be 31.08.2006 being the date, 30 days prior to the date of passing this Resolution.

RESOLVED FURTHER THAT the equity shares so issued and allotted directly, shall rank pari passu with the existing equity shares of the Company in all respects including payment of dividend.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorised to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modifications(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.

Chennai

By order of the Board

25<sup>th</sup> August 2006

M.R.G. NAGHESEN  
Chairman

Registered Office :

85, First Main Road, Gandhi Nagar, Adyar,  
Chennai-600 020

NOTES :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE LODGED WITH THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**

**Revenue Stamp for 15 paise should be affixed on the Proxy Form. Forms which are not stamped or inadequately stamped are liable to be considered invalid. Further, for identification purposes etc., it is advisable that the proxy holder's signature may also be furnished in the Proxy Form.**

- 2. Explanatory Statement pursuant to the provisions of section 173 (2) of the Companies Act, 1956 is annexed.**



3. All documents referred to in the Notice and Explanatory Statement will be available for inspection by the members at the registered office of the Company between 10.00 a.m. to 5.30 p.m. on all working days upto the date of Annual General Meeting.
4. The Registrar of members and Share Transfer Books of the Company will remain closed from Tuesday 26<sup>th</sup> September 2006 to Saturday 30<sup>th</sup> September 2006 (both days are inclusive)
5. Members are requested to notify immediately any change in their address to the company.
6. No gifts/refreshments will be provided at the venue of the meeting.
7. A Special Notice in terms of section 190 of the Companies Act, 1956 has been received from a members proposing the appointment of M/s. Sri & Co., Chartered Accountants as auditors of the Company in place of M/s. M.C. Mehta & Co., the retiring auditors of the Company.

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

**ITEM NO. 5**

Dr. P.I. Peter, was appointed as an additional Director on the Board of the Company with effect from 25.08.2006 pursuant to the provisions of section 260 and Articles of Association of the Company, he will hold office only upto the date of this Annual General Meeting. The Company has received a Notice in writing from a member in accordance with Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Dr. Peter, as a Director of the Company. The information relating to the Directors containing requisite disclosures are given at the end of the notice. A profile of the Director is also given in Board of Directors section in the Annual Report.

Dr. P.I. Peter, It will be in the best interest of the Company to appoint him as a Director. The appointment of Dr. Peter, as a Director of the Company, is recommended for approval by the members.

None of the Directors, except the appointee himself, who is interested in the respective resolution relating to his appointment, is concerned or interested in the resolution.

**ITEM NO. 6**

Mrs. S. Kala, was appointed as an additional Director on the Board of the Company with effect from 25.08.2006 pursuant to the provisions of section 260 and Article of Association of the Company, he will hold office only upto the date of this Annual General Meeting. The Company has received a Notice in writing from a member in accordance with Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Mrs. S. Kala, as a Director of the Company. The information relating to the Directors containing requisite disclosures are given at the end of the notice. A profile of the Director is also given in Board of Directors section in the Annual Report.



Mrs. S. Kala, It will be in the best interest of the Company to appoint him as a Director.

The appointment of Mrs. S. Kala, as a Director of the Company, is recommended for approval by the members.

None of the Directors, except the appointee himself, who is interested in the respective resolution relating to his appointment, is concerned or interested in the resolution.

#### **ITEM NO. 7, 8 and 9**

To enable the Company to raise resources to meet its growth requirements, the Company proposes to issue further shares, thereby increasing its capital base and net worth. To accommodate such further issue, it necessary for the Company to increase its current Authorised Capital from the present level of Rs.4 Crores to Rs.6 Crores.

The Board of Directors recommends Ordinary Resolution in time No.7 & 8 and Special Resolution for Item No.9 for approval.

None of the Directors are interested in the Resolution.

#### **ITEM NO. 10**

##### **I. Objects of the Issue through Preferential Offer**

The Company has emphasised upon an ambitious growth plan and expects significant growth in its business of new projects and also in new growth areas.

Taking into account the opportunities in the areas specified above, the Company needs additional funds for the same and is also required to increase its debt equity ratio and net worth in order to successfully bid, manage & execute larger projects.

For the reason stated supra and to augment the working capital requirements, the Board of Directors, subject to the approval of the shareholders have decided to offer issue and allot on Preferential basis issue of 15 Lacs Equity shares of Rs.10/- each which is the price determined in accordance with SEBI (Disclosure and Investor Protection) Guidelines on Preferential Issue.

##### **II. Intention of the key persons to subscribe to the offer**

Sudarshan Gopal Matadoo	47500
Dr. Satish Kumar Gangakhed	40000
Sadashiva Honnojirao Kulakarni	140000
Kashinath Kalakusa Dalabanjan	100000
Prakash Govind Vibhandik	120000
Biswajit Deb	125000
P. Venkatesh	40000
K. Jaya Rao	15000

Hemant Babasaheb Chavan	77500
Shobha Devi Malikarjun	25000
C. Ravi Subramani	20000
M.T.Maninee Prabakar Bedakar	40000
R. Nagaraju	30000
Ramesh Seshagiri Rao Kinnal	55000
Sankarsan Sahu	40000
Jaishankar	40000
Dr. J. Subramani	15000
M.S. Bhuvaneswari	10000
Abdul Samad	15000
Parvathinathan	10000
Dipali Maitra	20000
Ambadass Reddy	10000
Bogala Bhargav	10000
Amrutha Bai	10000
Sudip Manjumdar	10000
Manisha Suresh Waychal	10000
Gangakhed Rajesh Kumar	20000
Savitribai Dalabanjan	20000
Sudha Dalabanjan	20000
Dynamic Mercantile Corporation	10000
H.S. Nagaraj	10000
K. Gayatri Bai	10000
John Wesley Danieal	10000
Supe Sunil Ninaji	10000
Indra Deo Goyal	10000
Sangita Ravindra Patel	20000
P. Satya Narayana Murthy	10000
Shital Deelip Shevale	10000
M. Vidyashri	10000
Prakash Ganapat Khalate	10000
Madhubala Chandrakant Misal	100000
Stan Serrao	145000
<b>TOTAL</b>	<b><u>1500000</u></b>

None of the Promoters/Directors/Key Management persons would be subscribing to the preferential issue authorized by the resolution.