



## *Regency Ceramics Limited*

Registered Office at Plot No.5-8-356,  
N. N. House, Chirag Ali Lane, Abids, Hyderabad – 500 001. Andhra Pradesh.

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IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH :  
AT HYDERABAD  
(ORIGINAL JURISDICTION)

COMPANY APPLICATION No. 646 OF 2009

In the matter of Companies Act, 1956 (1 of 1956)

And

In the matter of Sections 391 and 394 of the said Act

And

In the matter of M/s. Regency Ceramics Limited

And

It's Shareholders and it's Secured Creditors

**M/s. Regency Ceramics Limited,**

a company incorporated under the Companies Act, 1956

having its Registered Office at Plot No.5-8-356,

N. N. House, Chirag Ali Lane, Abids, Hyderabad – 500 001. Andhra Pradesh.

Represented by its Chairman and Managing Director, Dr. G. N. Naidu.

... Applicant Company

**NOTICE CONVENING MEETING**

To  
The Members of  
M/s. Regency Ceramics Limited,

Take notice that by an order made on the 2<sup>nd</sup> day of June, 2009 the Hon'ble High Court of Andhra Pradesh, Hyderabad has directed that the meeting of the shareholders of the M/s. Regency Ceramics Limited be held at Indira Priyadarshini Auditorium, Public Gardens, Nampally, Hyderabad on Friday the 24<sup>th</sup> day of July, 2009 at 10:00 a. m. for the purpose of considering and if thought fit, approving, with or without modification(s) the proposed scheme of arrangement between M/s. Regency Ceramics Limited and it's shareholders and it's secured creditors.

Take further notice that in pursuance of the said order, the meeting of the shareholders of the applicant company will be held on Friday the 24<sup>th</sup> day of July, 2009 at 10:00 a. m. at Indira Priyadarshini Auditorium, Public Gardens, Nampally, Hyderabad which you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form duly signed by you or your authorised representative is deposited at the registered office of the applicant company at Plot No.5-8-356, N. N. House, Chirag Ali Lane, Abids, Hyderabad – 500 001, Andhra Pradesh, not later than 48 hours before the meeting.

The Hon'ble High Court has appointed Sri Gopala Krishnamacharyulu Attili, Advocate to be the Chairman of the said meeting.

A copy of the statement under section 393 of the Companies Act, 1956 the scheme of arrangement and a form of proxy are enclosed.

**Gopala Krishnamacharyulu Attili**

Advocate

Chairman appointed for the meeting.

Address : Flat No.502, Raghavendra

Heavens, Road No.1, Telephone Colony,

Kothapet, Dilsukhnagar, Hyderabad – 500 035.

Place : Hyderabad,

Date : 22.6.2009

**SUPPLEMENT TO THE NOTICE OF THE EXTRA ORDINARY GENERAL MEETING TO BE HELD ON FRIDAY, JULY 24,2009 AT 10.00AM AT INDIRA PRIYADARSHINI AUDITORIUM, PUBLIC GARDENS, NAMPALLY, HYDERABAD.**

This supplement to the notice of Extraordinary General Meeting to be held on July 24,2009 is issued after considering the conversion of unsecured loan to equity whereby an amount of Rs. 15,89,90,000 will be converted into equity shares @ Rs 12.37/- each (calculated as per Chapter XIII, Guidelines for Preferential Issues).

Details of the Unsecured loan ( as on 31.03.2008) to be converted into equity shares:

S.No.	Name of the Creditor	Category	Amount of Unsecured loan (Rs)	No of Shares to be allotted
1	Dr G N Naidu	Promoter	4,15,00,000	33,54,891
2	G Radhika	Promoter	5,18,00,000	41,87,551
3	Bindu G Naidu	Promoter	95,00,000	7,67,987
4	G Sarojini	Promoter	75,00,000	6,06,306
5	Regency Transport Carriers Ltd	Non Promoter	4,10,00,000	33,14,470
6	Green Wave Marines Ltd	Non Promoter	65,00,000	5,25,465
7	Regency Farms Pvt Ltd	Non Promoter	10,90,000	88,116
<b>Total</b>			<b>15,88,90,000</b>	<b>1,28,44,786</b>

Point no 4.1 and 4.2 of the explanatory statement under section 393 of the Companies Act, 1956 be read as follows:

4.1 The Shares held / to be held by the directors of the applicant Company pre and post arrangement as set out below :

S.No.	Name of the Director	No. of share held (as on 31.05.2009) in the "Regency"/ Applicant Company	No. of shares to be held post arrangement
1.	Dr. G.N.Naidu, Chairman and Managing Director	36,59,907	70,14,798
2.	Smt. G. Radhika, Whole Time Director	5,16,485	47,04,036
3.	Smt. Bindu G. Naidu, Director	7,90,420	15,58,407
4.	Sri G. Srinivasulu Naidu, Director	1,42,100	1,42,100
5.	Sri T. V. Chowdary, Director	-	-
6.	Sri S. V. Jagannath, Director	-	-
7.	Sri P. J. V. Sarma, Director	-	-
8.	Dr. M. V. G. Rao, Director	-	-

4.2 The shareholding pattern of the pre and post scheme of arrangement of the applicant Company is given below :-

Category of Shareholder	PRE ARRANGEMENT		POST ARRANGEMENT	
	No. of Shares held	Percentage of holding	No. of Shares held	Percentage of holding
<b>Promoters and Promoter Group</b>				
<b>Indian Promoters</b>				
Individuals/HUFamily	62,34,762	45.85	1,51,51,496	57.30
Central Govt. / State Government	0	0	0	0
Bodies Corporate	0	0	39,28,052	14.86
Financial Institutions / Banks	0	0	0	0
<b>Foreign Promoters</b>				
Individuals	0	0	0	0
<b>TOTAL (A)</b>	<b>62,34,762</b>	<b>45.85</b>	<b>1,90,79,548</b>	<b>72.16</b>
<b>Public Shareholding Institutions</b>				
(a) Mutual funds/UTI	2,650	0.02	2,650	0.01
(b) Financial Institutions / Banks	1,200	0.01	1,200	0.00
(c) Central Govt./State Government	82,800	0.61	82,800	0.31
<b>(2) Non Institutions</b>				
(a) Bodies Corporate	13,15,027	9.67	13,15,027	4.97
(b) Individuals	57,67,761	42.42	57,67,761	21.81
(c) Any other- NRI	1,85,579	1.37	1,85,579	0.70
Clearing Member	7,021	0.05	7,021	0.03
<b>TOTAL (B)</b>	<b>73,62,038</b>	<b>54.15</b>	<b>73,62,038</b>	<b>27.84</b>
<b>TOTAL (A) + (B)</b>	<b>135,96,800</b>	<b>100.00</b>	<b>2,64,41,586</b>	<b>100.00</b>

The paid up equity capital of the applicant company after the arrangement will be **Rs. 29,48,58,000/-** as against Rs13,59,68,000/- before the arrangement.

#### **SCHEME OF ARRANGEMENT BETWEEN REGENCY CERAMICS LTD AND ITS SHAREHOLDERS AND ITS SECURED CREDITORS**

The Part IV of the Scheme be read as follows:-

##### **Part -IV:-Conversion of Unsecured Loans into Equity**

- Out of the unsecured loans to the extent of **Rs.15,88,90,000/-** as on 31.3.2008 advanced by the promoters group, **Rs.15,88,90,000/-** shall be converted into equity at Rs 12.37/- which shall not exceed 75% of their holdings in the company .
- Upon sanction of the scheme and without any further approval, the paid up share capital of the company shall be **Rs.29,48,58,000/-** divided into **264,41,586** no of equity shares, where new equity shares -**1,28,44,786** would be priced at **Rs 12.37/- per share** each after derating and conversion of the unsecured loans of Rs.15,88,90,000/- brought-in by the promoters group.

The company shall increase its authorized share capital suitably by complying with the requirements of sections 94 and 97 of the Companies Act, 1956 before such conversion of unsecured loans.

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AT HYDERABAD  
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**M/s. Regency Ceramics Limited,**

a company incorporated under the Companies Act, 1956  
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N. N. House, Chirag Ali Lane, Abids, Hyderabad – 500 001. Andhra Pradesh.  
Represented by its Chairman and Managing Director, Dr. G. N. Naidu.

... Applicant Company

**STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956**

1. The accompanying notice has been sent for convening meeting of the shareholders of M/s. Regency Ceramics Limited for the purpose of considering and, if thought fit, approving with or without modifications, the proposed scheme of arrangement between M/s. Regency Ceramics Limited (hereinafter referred to as "Regency" / Applicant Company) and it's shareholders and it's secured creditors with effect from 1<sup>st</sup> May, 2008.
- 2.0 The circumstances which justify and / or necessitate the said scheme of arrangement, inter alia, as follows:-
- 2.1 That the applicant company has set up the unit at Yanam, Union Territory of Pondicherry in the year 1983 for the manufacture of and trading of ceramic tiles.
- 2.2 That the business and growth of the company is highly depending upon high production levels, brand building depending upon the market requirements.
- 2.3 That the manufacture of ceramic tiles is mainly depending upon the supply of gas by GAIL (India) Limited.
- 2.4 That the growth of the company has come down due to the slower growth of the consumer durables combined with increase in price of fuel, power, raw material and insufficient supply of gas and also delayed realizations.
- 2.5 That the applicant company is also facing several hurdles due to the economy slow down and coupled with increase in insufficient slow down of United States market, ups and down in sectorial commodity markets.
- 2.6 That due to the factors beyond its control the applicant company has incurred losses continuously for a period of three years and not in a position to serve its debts and it is unable to pay the interests due to the Banks.
- 2.7 That the applicant company has made proposals for the settlement of its dues and negotiated with the secured creditors namely banks and they have agreed for corporate restructuring of its loans under the Corporate Debt Restructuring as per the Reserve Bank of India Guidelines.
- 2.8 That a Flash Report was filed by State Bank of Indore with the CDR.
- 2.9 That the CDR Empowered Group meeting held on 24<sup>th</sup> June 2008, conveyed their approval for admission of the company in the CDR Forum for a comprehensive financial restructuring.