

Fifteenth Annual Report 2006 - 2007



RGN SECURITIES AND HOLDINGS LIMITED

BOARD OF DIRECTORS

M.R.G. Naghesen	- Director
Dr. P. I. Peter	- Director
Mrs. S. Kala	- Director

Statutory Auditors :

Sri & Co.,
Chartered Accountants
27, Ramakrishna Street,
T. Nagar, Chennai - 600 017.

Bankers :

State Bank of India

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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 Fifteenth Annual General Meeting of the Shareholders of the Company will be held on Friday the 28th September 2007 at 10.30 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 31st March 2007, 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 appoint Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration. Sri & Co., Chartered Accounts, the retiring auditors is eligible for re-appointment.

Chennai

•23rd July 2007

By order of the Board

Sd/-
Dr. P.I. Peter
Director

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

RGN Securities and Holdings Ltd.

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. The Registrar of members and Share Transfer Books of the Company will remain closed from Wednesday 26th September 2007 to Friday 28th September 2007 (both days are inclusive)
3. Members are requested to notify immediately any change in their address to the company.
4. No gifts/refreshments will be provided at the venue of the meeting.

Chennai

By order of the Board

23rd July 2007

Sd/-

Dr. P.I. Peter

Director

Registered Office :

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

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DIRECTORS' REPORT

Your Directors are pleased to present the 15th Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2007.

Financial Results of Your Company are as follows:

	Year ended 31.03.2007 (Rs.)	Year ended 31.03.2006 (Rs.)
Total Income	127000.00	1999030.00
Total Expenditure	103000.00	212674.60
Profit/(loss) before depreciation	(24000.00)	(12771.60)
Less: Depreciation	29944.00	29486.00
Profit/(Loss) after Tax	(9864.00)	(42257.60)

DIVIDEND

In view of Loss, Your Directors do not recommend any dividend for the financial year ended 31st March 2007.

OPERATIONS

The Company is concentrating on forex business and to some extent in securities trading activities, and the company is making only marginal profits from the above business, due to cutthroat competition in the market.

The Forex industry has seen many changes and revisions over the past few years and specifically so in the past one year. Foreign exchange quotas for travel abroad have been relaxed. The industry however still requires government support and streamlining. The recent developments in the Stock markets would appear to have slightly dampened the earlier buoyancy and optimism in the economy.

OUTLOOK

Your company has found a new avenue for expansion of other segments. The need of the hour is to leverage technology to cover the entire length and breadth of the existing market by offering a delightful service to the customers. Your Company has to differentiate its service with the help of technology and human capital. Against this backdrop, your company has been marching ahead to face the competition and improve its market share.

DIRECTORS

Mr. M.R.G. Naghesen is retiring by rotation and being eligible, offers themselves for re-appointment. During the year Mr. G. Sivasubramanian and Mr. R. Jai Shankar have been resigned as Director.

PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor received any deposits from the public.

AUDITORS

M/s. Sri & Co., Chartered Accountant, retires at the Annual General Meeting and is eligible for re-appointment. M/s. Sri & Co., Chartered Accountants, is proposed to be appointed as auditors of the Company to hold office until the conclusion of the next annual general meeting at a remuneration to be fixed by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2007 and of the loss of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken 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;
- iv. that the annual accounts have been prepared on a going concern basis.

AUDITORS' REPORT

The Report of the Auditors being self-explanatory needs no further comments.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings Rs. Nil

(Previous Year Rs. Nil)

Foreign Exchange outgo Rs. Nil

(Previous Year Rs. Nil)

INFORMATION AS PER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956.

The Company has no activity relating to conservation of energy or technology absorption.

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration in excess of monetary ceiling prescribed under Section 217 (2A) of the Companies Act, 1956 read with the

Companies (particulars of Employees) Rules, 1975 during the financial year 2006 - 2007.

INDUSTRIAL RELATIONS

Industrial relations continued to be cordial

LISTING

The securities of the Company are listed on the Bombay Stock Exchange Limited and Madras Stock Exchange Limited. The Company has duly paid the listing fees to all the aforesaid Stock Exchanges for the year 2007-2008.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges, with which the Company's shares have been enlisted. A separate Report on Corporate Governance is enclosed as a part of this Annual Report. A certificate as to Compliance of the conditions of Corporate Governance as stipulated under Clause-49 of the Listing Agreement is annexed to the Report on Corporate Governance.

COMPLIANCE CERTIFICATE

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the listing agreement with Stock Exchanges, the cash flow statement for the year 2006-2007 is annexed hereto.

ACKNOWLEDGEMENTS

The Board placed on record its appreciation for the assistance and co-operation received from the Banks and Government Authorities.

The Board also places on record its gratitude to the employees at all levels for their commitment and dedicated efforts. The Directors are also thankful to the shareholders for their continued support to the Company.

For and on Behalf of the Board of Directors

Place : Chennai
Date : 23rd July 2007

Sd/-
P.I Peter
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of RGN Securities and Holdings Limited presents the Industry Overview, Opportunities and Threats, Initiatives by the Company and overall strategy of RGN Securities and Holdings Limited for the year 2006-2007 and its outlook for the future. This outlook is based on assessment on the current business environment; it may vary due to future economic and other developments.

This Management Discussion and Analysis statement of the Annual Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India.

Macro-Economic and Industry Development

The Indian Economy registered another year of impressive growth during 2006-07, with GDP growth chalking to 9.4% from 8.4% in 2005-06, making it the fastest growing economy after china for the following reasons :

Changing composition of GDP, reduced dependence on agriculture and growing industrial and services sectors.

Strong outsourcing growth momentum I.T. and financial services, healthcare and manufacturing.

Strong improvement in the external sector and a gradual fiscal deficit correction.

Industry Structure and Developments

The Forex industry has seen many changes and revisions over the past few years and specifically so in the past one year. Foreign exchange quotas for travel abroad have been relaxed. The industry however still requires government support and streamlining. The recent developments in the Stock markets would appear to have slightly dampened the earlier buoyancy and optimism in the economy.

Overview of the Business of the Company

The Company is concentrating on forex business and to some extent in securities trading activities, and the company is making only marginal profits from the above business, due to cutthroat competition in the market.

Opportunities and Threats

Opportunities

Your company has found a new avenue for expansion of other segments. The need of the hour is to leverage technology to cover the entire length and breadth of the existing market by offering a delightful service to the customers. Your Company has to differentiate its service with the help of technology and human capital. Against this backdrop, your company has been marching ahead to face the competition and improve its market share.

Threats

- Change in Government policy regarding forex
- Banking Sector, Big players of NBFC and MNCs, has suddenly found good potential in urban and rural pockets to sell their products.

Segmental Analysis

The principal business of the company is dealing in Foreign Exchange. As the percentage of other income does not exceed 10% of the gross turnover of the Foreign Exchange business, segment reporting has not been made.

Internal Controls and Their Adequacy

The company's internal controls are well established. The Company has an internal audit that assesses the internal control systems. The statutory auditor and the audit committee review these controls regularly. The Company also has an information technology system that supports the organization and ensures adequate information.

Human Resources

Your Company attaches significant importance to continue upgrading of human resources for sustaining highest levels of customers' satisfaction. The Company is providing training as a continuous process to its technical people to cater the needs of various customers.

Future Outlook

Your Company is aware of the risks and threats noted above and have devised its business strategy accordingly. The future is very bright for your Company as it has already initiated several steps in achieving excellence in growth.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections are forward looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary depending upon economic conditions, Government policies and other incidental/related factors.

REPORT ON CORPORATE GOVERNANCE

COMPLIANCE WITH CLAUSE 49

OF

THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

In terms of Clause 49 of the Listing Agreement of the Stock Exchanges, the compliance Report on Corporate Governance (in the prescribed format), alongwith the Certificate of Statutory Auditors (Annexure I) is given as under:

Philosophy on code of Governance

RGN Securities and Holdings Limited is committed to standards of Corporate Governance in all activities.

A. Board composition

1. Size of the Board and Independent Directors

The Board, has currently Three Members comprising three non-executive Directors.

B. Board Committees

1. The Committees of the Board

Currently, the Board has Two Committees – the Audit Committee, the Shareholders' Committee

a. Board of directors

❖ **Composition and category of directors as of March 31, 2007 is as follows:**

Category	No. of directors	%
Executive Directors	0	—
Non- Executive Directors	3	100

❖ During the ended 31.3.2007, 5 Board Meetings were held.