

Eighteenth Annual Report 2009 - 2010

RGN SECURITIES AND HOLDINGS LIMITED

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

BOARD OF DIRECTORS

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

Statutory Auditors :

B.Balasubramaian
Chartered Accountants
52-North Mada Street,
First Floor, Nungambakkam,
Chennai 600 034

Bankers :

State Bank of India

Registrar and Transfer Agents

17/9, Thiruvengadam Street, Mandaveli,,
Chennai 600 028
Tel: 044 - 24614424/24615006
Fax: 044 - 42100092
E-Mail: knackcorp@gmail.com

Regd. Office :

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

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 Eighteenth Annual General Meeting of the Shareholders of M/s. RGN SECURITIES AND HOLDINGS LIMITED will be held on Thursday, the 30th day of September 2010 at the Registered Office of the Company at 85, First Main Road, Gandhi Nagar, Adyar, Chennai- 600 020 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the Audited Profit and Loss Account for the financial year ended 31st March 2010, the Balance Sheet as at that date and the Auditor's Report thereon.
2. To elect a director in place of Mr. M.R.G. Nageshan who retires by rotation and being eligible offers herself for reappointment.

SPECIAL BUSINESS :

3. To Consider and if thought fit to pass the following Resolution with or without modification as a SEPCIAL RESOLUTION

"RESOLVED THAT Mr. B. Balasubramanian, Chartered Accountant, Chennai, be and is hereby appointed Auditor of the Company in place of the retiring Auditor, M/s. Sri & Co, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors."

Date : 27.08.2010

Place : Chennai

By Order of the Board
for RGN Securities and Holdings Limited

-SD-
Dr. P.I. Peter
Director

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING IN HIS STEAD. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY TO BE VALID SHOULD BE DEPOSITED WITH THE COMPANY NOT LATER THAN FOURTY EIGHT HOURS BEFORE THE ANNUAL GENERAL MEETING OF THE COMPANY.

- 1 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. The Registrar of members and Share Transfer Books of the Company will remain closed from 27th September 2010 to 30th September 2010 (both days are inclusive)
3. Explanatory Statement pursuant to the provisions of section 173 (2) of the Companies Act, 1956 is annexed.
4. Members who are holding Company's shares in dematerialized form requested. To bring details of their Depository Account Number for identification.
5. Members holding shares in physical form are requested to notify any change in their address To the Company's Registrar and Transfer Agent and Members holding shares in Electronic form may intimate any such change to their Respective Depository Participants (DPs).
6. No gifts/refreshments will be provided at the venue of the meeting.

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

The present Auditors M/s. Sri & Co, Chartered Accountants, expressed their unwillingness for re-appointment.

The Company has received Special Notice as required under Section 225 of the Companies Act, 1956, proposing the appointment of B. Balasubramanian, as the Statutory Auditors of the Company. As required B. Balasubramanian, have forwarded a Certificate to the Company stating that the appointment, if made, will be within the limits specified in the Sub-Section (1B) of Section 224 of the Companies Act, 1956. Further, they have confirmed that they are not disqualified from being appointed as Auditors under Section 226 of the Companies Act, 1956.

Date : 27.08.2010
Place : Chennai

By Order of the Board
for RGN Securities and Holdings Limited

DIRECTORS' REPORT

To,

The Members,
RGN Securities and Holdings Limited
Chennai.

The Directors of your company are pleased to present the 18th Annual Report of the company together with the audited accounts for the period ended 31st March 2010.

OPERATIONS :

	(Amount in Rs.)	
	2009-2010	2008-2009
Income	NIL	NIL
Expenditure	92,060	52,057
Profit before tax	(92,060)	(52,057)
Less Depreciation	11,567	13,079.19
Profit brought forward from previous year	(1,26,70,852.06)	(1,26,05,715.87)
Balance Carried to Balance Sheet	(1,27,74,479.06)	(1,26,70,852.06)

DIVIDEND

In view of Loss, Your Directors do not recommend any dividend for the financial year ended 31st March 2010.

OPERATIONS

There is no business activity in the Company temporarily.

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.

There is no scope in continuing with the existing business in future and The Board of Directors have decided to start a new business instead of old business in the forthcoming financial year.

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

Dr. M.R.G. Naghesan is retiring by rotation and being eligible offers themselves for re-appointment.

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, Chennai, retire at the ensuing Annual General Meeting and eligible for re-appointment. However M/s. Sri & Co., are not seeking re-appointment. Notice has been received under section 225 of the Companies Act read with the section 190 proposing the appointment of Mr. B. Balasubramanian as Auditors of the Company.

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 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 as at March 31, 2010 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; 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.

SECRETARIAL COMPLIANCE CERTIFICATE

A Certificate from Practicing Company Secretary in pursuant to Section 383A of the Companies Act 1956 is being Annexed.

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 2009-2010.

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 2009-2010.

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.

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

-sd-

Place : Chennai
Date : 27. 08.2010

Dr. 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 2009-2010 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

In India, the economic recovery, which began around the second quarter of 2009-2010, has since shown sustained improvement. Industrial recovery has become more broad-based and is expected to continue in the wake of rising domestic and external demand. Reversing a nearly yearlong decline, exports and imports have both grown since October/November 2010. Flow of credit from both bank and non-bank sources has picked up and overall business sentiment has turned distinctively positive. India's GDP growth in 2009-10 has been estimated at 7.4% driven by 9.3% growth in the industrial sector and 8.5% in the services sector. The abundance of liquidity in the system ensured that interest rates remained reasonable for most part.

The outlook for the Indian economy remains broadly positive, with GDP projected to grow at 8.5% in 2010-11, subject to the assumption of a normal monsoon and continued robustness in the growth of the manufacturing and service sectors. On the downside, global commodity and energy prices remain volatile and could adversely impact growth.

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 not doing any business due to various diverse reasons.

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.

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 (Attached)) 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. The present Board 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, 2006 is as follows:**

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

❖ During the period ended 31.3.2010, 5 Board Meetings were held.

❖ Attendance of each director at the Board Meetings and the last AGM

S.No.	Name of Director	Category*	Board Meetings		Attendance in last AGM on 30.9.2009
			Held Nos	Attended Nos	
1	M.R.G. NAGHESEN	NED	5	5	No
2	DR. P.I. PETER	NED	5	5	Yes
3	S. KALA	NED	5	5	Yes