

**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

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

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

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

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 Mach 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.

RGN Securities and Holdings Ltd.

❖ 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 30.9.2006
			Held Nos	Attended Nos	
1	M.R.G. NAGHESEN	NED	5	5	Yes
2	G. SIVASUBRAMANIAN	NED/ID	5	2	No
3	R. JAISHANKAR	NED/ID	5	2	No
4	DR. P.I. PETER	NED	5	5	YES
5	S. KALA	NED	5	5	Yes

G. Sivasubramanian and R. Jaishankar resigned on the Board during the year under review.

b. AUDIT COMMITTEE

As per the requirement of Part II of Clause 49 of the Listing Agreement the Company has formed an Audit Committee. M.G.R. Naghesan was appointed as Chairman of the Audit Committee during the year under review.

❖ **Brief description of terms of reference**

The Committee reviews the quarterly, half-yearly and annual financial statements before they are submitted to the Board.

Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other services.

Composition of committee :

M.R.G. Naghesan - Chairman

Dr. P I Peter

S. Kala

❖ **Meetings and attendance of members during the year**

Director	Held	Attended
M.R.G. Naghesan - Chairman	4	4
P.I. Peter	4	3
S. Kala	4	3

G. Sivasubramanian and R. Jaishankar has been resigned on the committee during the year under review

REMUNERATION COMMITTEE

Remuneration committee as contemplated under the listing agreement is presently non-mandatory and hence not constituted

Remuneration for the year

The Company has not paid any remuneration to its Directors during the year 2006-2007

C. SHAREHOLDERS COMMITTEE

A Sub-Committee of the Board of directors of the Company consisting of Mr. G. Sivasubramanian (Chairman of the Committee)

❖ Brief description of terms of reference

The terms of reference of this Committee encompasses formulation of 'shareholders'/ investors' servicing policies, looking into redressal of shareholder and investors complaints viz., transfer of shares, non receipt of balance sheet, etc., and deciding on any other matter as may be required in connection with the shareholders'/investors servicing and redressal of their grievances.

The Board has delegated the power of Share Transfer to Registrar & Share Transfer agents, who process the transfers. The Committee also looks after the performance of the Registrar and Transfer Agents of the Company.

Composition of Committee

The Members of the Company's Shareholders' Committee are:

P.I. Peter - Chairman
S. Kala
M.R.G. Naghesen

❖ Name and designation of compliance officer

Mr. M.R.G. NAGHESEN

❖ Number of shareholders complaints received, number not solved to the satisfaction of the shareholder and number of pending transfers – No Complaints has been received during the year under

● Representatives of your company are continuously in touch with Trident Investment and Portfolio Services Private Limited, Share Transfer Agents of the Company, and review periodically the outstanding complaints.

RGN Securities and Holdings Ltd.

c. General Meetings :

❖ Location and time for the last three Annual General Meetings

Year	Date	Time	Venue
2003-2004	30.09.2004	11.30 A.M.	No-20, 21 st Main Road, Annanagar, Chennai-600040
2004-2005	30.09.2005	11.30 A.M.	No-20, 21 st Main Road, Annanagar, Chennai-600040
2005-2006	30.09.2006	11.00 A.M.	Noni Penthouse 7/32, Dev Apts, I Main Road, Kasturibai Nagar, Chennai - 20.

❖ POSTAL BALLOT

In view of section 17 of the Act, for Alteration of Other objects Clause under Clause III(C) of Memorandum of Association of the Company and as required under Section 192A of the Companies Act, 1956, the company had conducted the postal ballot exercise following the provisions and rules framed under the Act for conducting postal ballot.

Date of dispatch of postal ballot	Date of scrutineer's report	Description	Results
03.02.2007	08.03.2007	Special resolution under Section 17 and 149(2A) of the Companies Act, 1956 to alteration of other objects clause of MOA and commencement of any business as set out in other objects clause of the MOA	Carried with requisite majority with 19,53,900 shares/votes in favour

The postal ballot exercise was conducted by M/s. Damodaran & Dhanapal Associates, Practising Company Secretaries, scrutinizer appointed for the purpose and their report filed with the office of the Registrar of Companies.

d. Disclosures

❖ Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the company at large.

❖ During the year, the Company has not entered into any transaction of material nature with the directors, their relatives or management which were in conflict with the interest of the Company.

RGN Securities and Holdings Ltd.

❖ Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. -NIL

e. Means of communication

a) The un-audited Financial Results on quarterly basis subject to Limited Review by the Auditors of the Company, are taken on record by the Board of Directors at its meeting within one month of the close of every quarter/half year respectively and the same are furnished to all the Stock Exchanges where the Company's Shares are listed. Results of the Company were published in the newspapers viz., Trinity Mirror and the Tamil version of the financial results in a Tamil daily viz., Makkal Kural.

b) Management's Discussions & Analysis forms part of this Annual Report, which is also being posted to all the shareholders of the Company.

COMPLIANCE WITH CLAUSE 49

Mandatory Requirements

The Company has complied with all the applicable mandatory requirements of the revised Clause 49.

Non-Mandatory Requirements

The Company has not adopted other non-mandatory requirements.

Shareholder Information

A separate Section has been included in the Annual Report furnishing various details, viz., time and venue of Annual General Meeting, share price movements, financial calendar etc.,

For and on behalf of the Board

Chennai

Date: 23rd July 2007

Sd/-

P.I. PETER

DIRECTOR

INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING IN RESPECT OF RESOLUTION NO. 2 ABOVE

(in accordance with Clause 49 VI of the Listing Agreement)

Name	Age	Qualification	Other Directorship(S) if any	Committee Memberships
M.R.G. Naghesen	47	ACA, ACWA	1	2

SHAREHOLDERS' INFORMATION

General Shareholder Information :

1. AGM: Date and Venue
Friday, 28th September 2006, at 10.30 a.m.
At Noni Penta House, 7/32, Dev Apartments,
First Main Road, Adyar, Chennai - 600 020.
2. Date of Book Closure
26th September, 2007 to 28th September 2006
3. Financial Calendar
Financial Reporting for 2007-2008
First Quarter June 30, 2007 : on or before
July.31, 2007
Second Quarter Sep..30, 2007 :on or before
Oct. 31, 2007
Third Quarter Dec. 31, 2007 :on or before
Jan.31, 2008
Fourth Quarter Mar. 31, 2008 : on or before
Apr.30, 2008
AGM for year ending March 2008 : September
2008
4. Registrar and Transfer Agents
M/s. Knack Corporate Services Pvt. Ltd.
New No. 97, (Old No. 43), Ist Floor,
Veeraperumal Koil Street, Mylapore,
Chennai - 600 004.
Tel. : 044 - 2498 6257, 6525 4632
Fax : 044 - 4353 6180
5. Share Capital Details
Authorised 60, 00,000 equity shares of
Rs.10/ each
Paid -Up 32, 00,000 equity shares of
Rs.10/- each
6. Listing of Company's Shares
i) Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001
ii) The Madras Stock Exchange Limited
P.B. No. 183, No. 11, Second Line Beach
Chennai-600 001
7. GDR/ADR/WARRANTS
The Company has not issued any GDR/ADR
and the Company does not have any
outstanding warrants or other convertible
instruments.

RGN Securities and Holdings Ltd.

8. Dematerialisation of Equity Shares :

As on 31st March 2007, out of total 3,20,000 Equity Shares of the Company 2,33,400 Equity Shares representing 72.94% of total shares have been dematerialised.

STOCK MARKET DATA

Bombay Stock Exchange Limited

Trading in the securities of the Company has been suspended and the company is taking necessary steps in this regard to comply with necessary formalities.

Madras Stock Exchange Limited

There has been no trading in the shares of the Company during the year under review.

Nomination Facility

The Companies Act, 1956 and the Rules prescribed thereunder provides for nomination of shares. The shareholders can now nominate a person with whom the shares shall vest in the event of death of the shareholders. The nomination can be made only by individuals holding shares of the company either in sole name or jointly with another (not exceeding one joint holder). The nominee shall be individual. In the case of nominee being a minor he/she may be represented by his/her natural guardian or a court appointed guardian. The transfer of shares in favour of a nominee shall be a valid discharge by the company against the legal heirs. The nomination shall stand rescinded upon transfer of shares. The nomination by a shareholder can be changed or cancelled at any time by giving due notice and upon execution of a fresh nomination form.

Communication

All share transfers should be forwarded to the Registrars & Share Transfer Agents of the Company. All communications should be forwarded to the Registered Office of the Company marked to the attention of the Managing Director.

DISTRIBUTION OF SHAREHOLDING (AS AT THE YEAR END)

No. of Equity Shares held	2006 - 2007			
	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Upto - 5000	532	82.23	789000	2.47
5001 - 10000	47	7.26	410000	1.28
10001 - 20000	14	2.16	205000	0.64
20001 - 30000	9	1.39	222000	0.69
30001 - 40000	5	0.77	170000	0.53
40001 - 50000	0	0.00	000000	0.00
50000 - 100000	10	1.55	693000	2.17
100001 and above				

RGN Securities and Holdings Ltd.

Share holding pattern as on 31.03.2007

CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHARE HOLDING
A. PROMOTERS HOLDING		
1. PROMOTERS		
- INDIAN PROMOTERS	1162700	36.33
- FOREIGN PROMOTERS	-	-
PERSONS ACTING IN CONCERT	337600	10.55
SUB - TOTAL	1500300	46.88
B. NON-PROMOTERS HOLDING		
2. INSTITUTIONAL INVESTORS		
a. Mutual Funds and UTI	-	-
b. Bank, FIP's. Insurance Companies (Central/state Govt. Institutions/ Non-Government Institutions)	-	-
c. Foreign Institutional Investors	-	-
Sub-Total	-	-
3. OTHERS		
a. Private Corporate Bodies	221400	6.92
b. Indian Public	1478300	46.20
c. NRIs/OCBs	-	-
d. Any Other	-	-
Sub Total	1699700	53.12
Grant Total	3200000	100.00

For and on behalf of the Board

Chennai.
Date : 23rd July 2007Sd/-
Dr. P.I. Peter
Director

AUDITOR'S CERTIFICATE

To

The Members of RGN SECURITIES AND HOLDINGS LIMITED

We have examined the compliance of conditions of Corporate Governance by RGN SECURITIES AND HOLDINGS LIMITED for the year ended 31.03.2006, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has broadly complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing.

We state that no investor grievance(s) against the Company is/are pending exceeding one month as per records maintained by the shareholders' Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Sri & Co.,
Chartered Accountant**

Sd/-
**M.B. Srinivasan
Partner**

Dated : 23rd July 2007

Place : Chennai

**AUDITORS' REPORT TO THE MEMBERS
OF M/S. RGN Securities and Holdings Limited**

We have audited the attached Balance Sheet of M/s. **RGN Securities and Holdings Limited** as at 31st March 2007 and the Profit and Loss Account for the period ended 31st March'07 annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion, the profit and loss account and the balance sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) As per the information and explanations given to us, none of the directors of the company is disqualified from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

RGN Securities and Holdings Ltd.

- f) In our opinion and to the best of our information and explanations given to us, the said Balance Sheet and the Profit & Loss Account read together with the notes thereon give the information required by the Companies Act, in the manner so required and give a true and fair view:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007 and
 - ii) in the case of the Profit and Loss Account, Loss of the Company for the Period 1st April '06 to 31st March'07.
 - iii) in the case of Cash flow statement, of the cash flows for the year ended on that date.

**For SRI & CO
CHARTERED ACCOUNTANTS**

Place : Chennai
Date : 23.07.07

Sd/-
M.B. SRINIVASAN
Partner

**ANNEXURE REFERRED TO IN PARAGRAPH 1 ON THE
AUDITORS' REPORT TO THE SHAREHOLDERS OF
M/s. RGN SECURITIES AND HOLDINGS LIMITED ON THE
ACCOUNTS FOR THE PERIOD ENDED 31st MARCH 2007.**

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the management once during the year, which is in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancy was noticed on verification.
2. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and from the companies under the same management.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and to the companies under the same management.
4. In our opinion and according to the information and explanations given to us, there are adequate Internal Control procedures commensurate with the size of the Company and the nature of its business with the regard to the fixed assets and with regard to the sale of goods.
5. a) According to the information and explanations given to us, the Company has entered the particulars of contracts or arrangements referred in Section 301 of the Act in the register required to be maintained under section 301 of the Act.

b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Act, and exceeding the values of Rs. Five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public.
7. The company has an internal audit system, commensurate with its size and nature of its Business.
8. The Provision of Section 209(1)(d) of the Companies Act, 1956 regarding maintenance of Cost Records is not applicable to the company

RGN Securities and Holdings Ltd.

9. According to information and explanation given to us, no undisputed amount in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at 31st March 2007 for a period more than six months from the date they become payable.
10. There is no loan from any financial institution or bank. Therefore question of default in repayment of dues to them as at the balance sheet date does not arise.
11. As explained to us, the company has maintained adequate documents and record in case where the company has granted loans and advances by way of pledge of shares, debentures and other securities.
12. In our opinion, the company is not a chit fund or a nidhi, mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
13. The company has not obtained any term loan.
14. According to information & explanation given to us, the short term funds raised on short term basis have not been used for long – term investments and vice versa
15. The point numbers from x to xxi of CARO 2003 are not applicable to the company, hence not reported in this report.
16. According to the information and explanation given to us, the company has not made any preferential allotment of share to parties and companies covered in the register maintained under section 301 of the Act.
17. The company is also not issued any debentures
18. According to information and explanation given to us, the company also not raised any funds by public issues during the year

For **SRI & CO**
CHARTERED ACCOUNTANTS

Place : Chennai
Date : 23.07.07

Sd/-
M.B. SRINIVASAN
Partner

RGN Securities and Holdings Ltd.

**RGN SECURITIES AND HOLDINGS LIMITED
BALANCE SHEET AS AT 31st MARCH 2007**

Particulars	Schedule	31.03.07	31.03.06
Sources of Funds :			
Share Capital	A	32,000,000.00	32,000,000.00
TOTAL		32,000,000.00	32,000,000.00
Application of Funds :			
Fixed Assets	B	15,943,711.96	15,973,655.90
Investment	C	3,778,855.00	3,778,855.00
Current Assests, :Loans & Advance :			
Current Assests	D	813,698.41	672,376.41
Loans & Advance	E	6,870,000.00	1,575,000.00
		<u>7,683,698.41</u>	<u>2,247,376.41</u>
Less: Current Liabilities & Provsions :			
Current Liabilities	F	7,409,072.00	1,992,830.00
Profit and Loss Account		12,002,806.63	11,992,942.69
TOTAL		32,000,000.00	32,000,000.00

On behalf of the Board

As per our Audit Report attached

For Sri & Co
Chartered Accountants

Sd/-
M.B.Srinivasan
Partner

Sd/-
Dr. P.I.Peter
Director

Sd/-
S. Kala
Director

Place : Chennai

Date : 23-07-2007

RGN Securities and Holdings Ltd.**RGN SECURITIES AND HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2007**

INCOME	Schedule	31.03.2007	31.03.2006
Income from Foreign Operations		-	(404.00)
Consultancy Charges		127,000.00	200,307.00
		127,000.00	199,903.00
EXPENDITURE:			
Administrative Expenses	G	103,000.00	212,674.60
		103,000.00	212,674.60
Profit before Depreciation		24,000.00	(12,771.60)
Less: Depreciation		29,943.94	29,486.00
Net Profit before Tax		(5,943.94)	(42,257.60)
Less: Provision for FBT		3,920.00	-
Net Profit		(9,863.94)	(42,257.60)
Add: Balance from Previous Year		(11,992,942.69)	(11,950,685.09)
Balance Carried to Balance Sheet		(12,002,806.63)	(11,992,942.69)

On behalf of the Board

As per our Audit Report attached

For Sri & Co
Chartered AccountantsSd/-
M.B.Srinivasan
PartnerSd/-
Dr. P.I.Peter
DirectorSd/-
S. Kala
Director

Place : Chennai

Date : 23-07-2007

RGN Securities and Holdings Ltd.

**RGN SECURITIES AND HOLDINGS LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS**

	31.03.2007	31.03.2006
SCHEDULE A: SHARE CAPITAL	(Rs.)	(Rs.)
Athorised :		
60,00,000 Equity Shares of Rs.10 each	60,000,000.00	40,000,000.00
(Previous year - 40,00,000 Equity Shares of Rs. 10/- each)	60,000,000.00	40,000,000.00
Issued, Subscribed & Paidup :		
32,00,000 Equity Shares of Rs.10 each	32,000,000.00	32,000,000.00
	32,000,000.00	32,000,000.00

SCHEDULE C: Investments :

Name of the Company	No of Shares	31.03.2007	31.03.2006
QUOTED :			
Infully Paid Equity Shares & Bonds			
Ashok Magnetics Ltd	5,000	52,000.00	52,000.00
Coduras Exports Ltd	105,100	1,051,000.00	1,051,000.00
Mangal Knits Ltd	107,600	1,660,855.00	1,660,855.00
Sri Krithika Holdings Ltd	1,500	15,000.00	15,000.00
UNQUOTED :			
Peetee Tube Ltd.,	100000	1,000,000.00	1,000,000.00
		3,778,855.00	3,778,855.00

RGN Securities and Holdings Ltd.**SCHEDULE D: Current Assets :**

	31.03.2007	31.03.2006
Bank Balance	10,145.00	21,621.08
Cash on Hand	802,319.41	649,521.33
TDS a/c	1,234.00	1,234.00
	813,698.41	672,376.41

SCHEDULE E: Loans & Advances :

(Unsecured considered goods, recoverable
in cash or kind which value to be received)

Advances :

Rent Deposits	1,120,000.00	75,000.00
RTC Pvt Ltd.,	1,500,000.00	1,500,000.00
Webfund Foundation Pvt Ltd.,	4,250,000.00	-
	6,870,000.00	1,575,000.00

SCHEDULE F: Current Liabilities :**Sundry Creditors :**

Amex - TRS	1,977,830.00	1,977,830.00
M.C.Mehta & Co	-	15,000.00
Health India Laboratories	1,157,322.00	-
Others	4,250,000.00	-
Audit Fees Payable	20,000.00	-
Provision for FBT	3,920.00	-
	7,409,072.00	1,992,830.00

RGN Securities and Holdings Ltd.**SCHEDULE G: Administrative & Other Expenses**

	31.03.2007	31.03.2006
Advertisement	7,350.00	6,000.00
Audit Fees	20,000.00	29,200.00
Bank Charges	2,881.84	2,117.60
Electricity Charges	-	20,738.00
Listing Fees	22,600.00	22,600.00
Printing & Stationery	-	12,620.00
Rent	-	45,000.00
Salaries	-	48,000.00
Staff Wefare Expenses	-	3,915.00
Telephone Charges	4,297.00	22,484.00
Consultancy Charges	23,122.00	-
Mise. Expenses	22,749.16	-
	103,000.00	212,674.60

RGN SECURITIES AND HOLDINGS LIMITED

SCHEDULE B : FIXED ASSETS AS ON 31ST MARCH 2007

SL. No	Particulars of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		Cost As on 01.04.2006	Additions/ Deletion	Cost As On 31.03.2007	Up to 01.04.2006	Deletion	For the Period	Up to 31.03.2007	As on 31.03.2006	As on 31.03.2007
1	LAND & LAND DEVELOPMENTS	15,807,500.00	-	15,807,500.00	-	-	-	-	15,807,500.00	15,807,500.00
2	COMPUTERS	30,000.00	-	30,000.00	23,014.50	-	4,863	27,877.50	6,985.50	2,122.50
3	FURNITURES & FITTINGS	152,021.00	-	152,021.00	139,206.00	-	9,623	148,828.93	12,815.00	3,192.07
4	OFFICE EQUIPMENTS	115,913.40	-	115,913.40	70,461.00	-	6,120	76,581.23	45,452.40	39,332.17
5	PLANT & MACHINERY	189,635.00	-	189,635.00	93,702.00	-	9,008	102,709.66	95,933.00	86,925.34
6	CELL PHONE	6,950.00	-	6,950.00	1,980.00	-	330	2,310.13	4,970.00	4,639.88
	TOTAL	16,302,019.40		16,302,019.40	328,363.50	-	29,943.94	358,307.44	15,973,655.90	15,943,711.96

**RGN SECURITIES AND HOLDINGS LIMITED
CASH FLOW STATEMENT AS AT 31st MARCH 2007**

Rs.
(in Lakhs)
31-03-2007

A : Cash Flow from Operating Activities	
Net Profit / (Loss) before Tax	
Add : Adjustments	(0.06)
Depreciation	0.30
Operating Profit before Working Capital changes	<u>(0.24)</u>
Increase in Loans & Advances	52.95
Increase in Liabilities	54.16
Net Cash Flow from Operations	<u>(1.45)</u>
B : Cash flow from Investing Activities	
Purchase of Fixed Assets (Net)	-
Sale of Investments (Net)	-
Net Cash Flow from Financing Activities	<u>-</u>
C : Cash Flow from Financing Activities	
Net Increase in Cash & Cash equivalents (A+B+C)	(1.69)
Cash & Cash equivalents as at 31st March 2006	6.71
Cash & Cash equivalents as at 31st March 2007	8.14

For and on behalf of the Board

Place : Chennai
Date : 23-07-2007

Sd/-
Dr. P.I.Peter
Director

Sd/-
S.Kala
Director

Auditor's Certificate

We have examined the above Cash Flow Statement of M/s RGN SECURITIES AND HOLDINGS LIMITED derived from the audited financial statements for the period ended 31st March 2007. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the Stock Exchange.

Place : Chennai
Date : 23-07-2007

For Sri & Co
Chartered Accounts

Sd/-
M.B. Srinivasan
Partner

ACCOUNTING STANDARDS

i) AS- Disclosures of Accounting Policies

The Financial Statements are prepared under the historical cost, conventions and comply with the applicable accounting Standards issued by The Institute of Chartered Accountants of India and relevant provisions of The Companies Act, 1956. The Company is following Mercantile System of Accounting and the Accounts are prepared on accrual basis in accordance with the normally accepted accounting principles.

ii) AS-2 Valuation of Inventories

Currencies in stock are valued at cost.

Shares are valued at cost or market price whichever is lower.

iii) AS-3 Cash Flow Statement

Cash flow statement is given separately.

iv) AS-4 Contingencies and Events occurring after the Balance Sheet date

There are no significant contingencies and events that had occurred after the balance sheet date that require a disclosure.

v) AS-5 Net Profit or Loss for the period, Prior Period items and changes in Accounting Policies

Nil

vi) AS-6 Depreciation Accounting Depreciation is provided on the Fixed Assets of the Company under the Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956 on proportionate basis.

vii) AS-7 Accounting for Construction Contracts There are no construction contracts.

Depreciation is provided on the Fixed Assets of the Company under the Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956 on proportionate basis.

viii) AS-8 Accounting for Research and Development The Company has not incurred any expenditure towards Research and Development.

ix) AS-9 Revenue Recognition Revenues are recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses. In respect of loans under litigation the interest is recognized on realization basis.

x) AS-10 Accounting for Fixed Assets all fixed assets are valued at cost less depreciation.

xi) AS-11 Accounting for effects or Changes in Foreign Exchange Rates

All the foreign currency transactions are recorded at rates prevailing on the date of transaction.

RGN Securities and Holdings Ltd.

- xii) AS-12 Accounting for Government Grants There are no Government Grants
- xiii) AS-13 Accounting for Investments investments and disclosed at their cost price.
- xiv) AS-14 Accounting for Amalgamations Not Applicable
- xv) AS-15 Accounting for Retirement Benefits
 - a) The Company has not provided for any gratuity Liability.
 - b) The Company has been informed by the Provident Fund officials that it does not comes under the purview of Provident Fund Act in view of its staff strength.
- xvi) AS-16 Borrowing Costs

The borrowing costs are expensed. The borrowing cost attributable to qualifying Fixed Assets if any will be capitalized.
- xvii) AS-17 Segment Reporting

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.
- xviii) AS-18 Related Party Disclosures
 - a) List of Parties – Group concerns, Directors and Shareholder.
- xix) AS-19 Leases

There are no leases
- xx) AS-20 Earnings per Share (EPS) Nil
- xxi) AS-21 Consolidated Financial Statements Not Applicable
- xxii) AS-22 Accounting for Taxes on Income

No provision for Income tax is made as no tax liability is envisaged.
- xxiii) AS-23 Accounting for Investments in Associates in Consolidated Financial Statements Not Applicable
- xxiv) AS-24 Discontinuing Operations Not Applicable
- xxv) AS-25 Interim Financial Reporting Not Applicable
- xxvi) AS-26 intangible Assets Not Applicable
- xxvii) AS-27 Financial Reporting of Interests in Joint Venture Not Applicable as there are no Joint venture
- xxviii) AS-28 Impairment of Assets Not Applicable

Schedule I

Not on Accounts

1. Details of Remuneration Paid to Directors. Nil
2. Auditors Remuneration :- For Audit – Rs.20,000
3. Public issue expenses are amortised over a period of 10 years.
4. Previous year's figures have been regrouped wherever necessary.

**For Sri & Co.
Chartered Accountant**

Sd/-
(M.B. SRINIVASAN)

on behalf of the Board

Sd/-
DR. P.I. PETER
Director

Sd/-
S. KALA
Director

RGN Securities and Holdings Ltd.

Additional Information as required under part IV of schedule VI to the companies act 1956.

Balance sheet abstract and Company's general Business profile:

1. Registration Details	:	:
Registration Number	:	23697
State Code	:	18
Balance Sheet date	:	31-03-2007
2. Capital Raised during the year.		
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placements	:	Nil
3. Position of Mobilization and deployment of funds.		
Total liabilities	:	Rs.32000000.00
Total Assets	:	Rs.32000000.00
Service of Funds :		
Paid Up capital	:	Rs.32000000.00
Reserves and surplus	:	Nil
Secured Loans	:	Nil
Unsecured Loans	:	Nil
Application of Funds	:	
Net Fixed assets	:	Rs. 15943711.96
Investments	:	Rs. 3778855.00
Net current Assets	:	274626.41
M/s Collancous expenditure	:	Nil
4. Performance of Company :		
Total Income	:	Rs.127000.00
Total Expenditure	:	Rs.103000.00
Net Profit before Tax	:	(Rs.5943.94)
Net Profit after Tax	:	(Rs.9863.94)
Earning per share :		
Dividenz rate	:	Nil
Generic Name of three principle Products/service of Company		
Item code No	:	N.A.
Product Description	:	N.A.

RGN SECURITIES AND HOLDINGS LIMITED

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

ATTENDANCE SLIP

PARTICULARS TO BE FILLED IN BY THE MEMBER

Name of the Member

Member's Register Folio..... No. of Shares held

Name of the Proxy if attending for member

I hereby record my presence at the Fifteenth Annual General Meeting held on 28th September, 2007 at 10.30 a.m.

- Note : 1. Please sign the Attendance Slip and hand over the Reception.
2. Please carry your copy of the Annual Report at the Meeting.

RGN SECURITIES AND HOLDINGS LIMITED

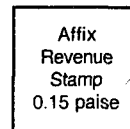
Regd. Office : 85, First Main Road, Gandhi Nagar, Adyar, Chennai - 600 020.

PROXY FORM

I/We of being a Member(s) of RGN SECURITIES AND HOLDINGS LIMITED hereby appoint of or failing him/her..... as my/our Proxy to attend and vote for me/us on my/our behalf, at the Fifteenth Annual General Meeting of the company to be held on 28th September, 2007 at 10.30 a.m. and/or any adjournment thereof.

Signed this day of 2007

Signature



Membership Folio No.

- NOTE : 1. The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
2. Proxy need not be a member.