

**Sixteenth Annual Report  
2007 - 2008**

**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.

**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 Sixteenth Annual General Meeting of the Shareholders of the Company will be held on Monday 29 September 2008 at 11.00 A.M. at, 85, First Main Road, Gandhi 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 2008, the Balance Sheet as at the date and the Auditors' Report there on.
2. To elect a director in place of Dr. P.I. Peter 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. M/s. Sri & Co., Chartered Accountants, the retiring auditors is eligible for re-appointment.

Chennai

14th August 2008

Registered Office

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

By order of the Board

-sd-

Dr. P. I. Peter  
Director

**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.**

**RGN Securities and Holdings Ltd.**

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 Tuesday 19<sup>th</sup> September 2008 to Friday 26<sup>th</sup> September 2008 (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.

**DIRECTORS' REPORT**

Your Directors are pleased to present the 16<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2008.

Financial Results of Your Company are as follows:

	Year ended 31.03.2008 (Rs.)	Year ended 31.03.2007 (Rs.)
Total Income	-	127000.00
Total Expenditure	582751.00	103000.00
Profit/(loss) before depreciation	(582751.00)	24000.00
Less: Depreciation	20158.24	29943.94
Profit/(Loss) after Tax	(602909.24)	(9863.94)

**DIVIDEND**

In view of Loss, Your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> Mach 2008.

**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**

Dr. P.I. Peter 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 Accountants, retire at the ensuing annual general meeting and is eligible for re-appointment.

**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, 2008 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 2007-2008.

**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 2007-2008 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 : 14.08.2008

Sd/-  
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 2007-2008 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**

India's GDP maintained its steady rise in 2007-2008 to clock 9% growth. The average GDP for the last four years has been 8.6%, signifying stable economic growth and domestic demand. The per capita income, which is a parameter for judging purchasing power, increased from Rs.11672 in 2003-04 to Rs.24,321 in 2007-08. the consistent growth of the economy has catapulted India as 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 - IT 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 (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 31.3.2008, 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 28.9.2007
			Held Nos	Attended Nos	
1	M.R.G. NAGHESEN	NED	5	5	Yes
2	DR. P.I. PETER	NED	5	5	Yes
3	S. KALA	NED	5	5	Yes

**b. AUDIT COMMITTEE**

As per the requirement of Part II of Clause 49 of the Listing Agreement the Company has formed an Audit Committee. Mr. M.R.G. Naghesan, Chairman of the Audit Committee.

❖ **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

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	4
S.Kala	4	4

**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 2007-2008

**C. SHAREHOLDERS COMMITTEE**

A Sub-Committee of the Board of directors of the Company consisting of Mr. P.I.Peter (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:

PI.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 Knack Corporate Services (P) Ltd. Share Transfer Agents of the Company, and review periodically the outstanding complaints.**

**c. General Meetings :**

❖ **Location and time for the last three Annual General Meetings**

Year	Date	Time	Venue
2004-2005	30.09.2005	11.30 A.M.	No-20, 21 <sup>st</sup> Main Road, Annanagar, Chennai-600040
2005-2006	30.09.2006	11.30 A.M.	Noni Penthouse 7/32, Dev Apartments, I Main Road, Kasturabi Nagar, Chennai-600020
2006-2007	30.09.2007	11.30 A.M.	Noni Penthouse 7/32, Dev Apartments, I Main Road, Kasturabai Nagar, Chennai - 600 020.

**❖ POSTAL BALLOT**

None of the subjects placed before the shareholders in the last annual general meeting required approval by a postal ballot.

**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.

❖ 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, BSE Index, etc.

**For and on behalf of the Board**

Chennai  
Date: 14<sup>th</sup> August 2008

Sd/-  
Dr. P.I. Peter  
Director

## SHAREHOLDERS' INFORMATION

### General Shareholder Information :

1. AGM: Date and Venue Monday, 29<sup>th</sup> September 2008, at 11.00 a.m.  
At 85, First Main Road, Gandhi Nagar  
Adyar, Chennai - 600 020.
2. Date of Book Closure 19<sup>th</sup> September, 2008 to 26<sup>th</sup> September 2008
3. Financial Calendar Financial Reporting for 2008-2009  
**First Quarter** June 30, 2008 : on or before  
July 31, 2008  
**Second Quarter** Sep. 30, 2008 : on or before  
Oct. 31, 2008  
**Third Quarter** Dec. 31, 2008 : on or before  
Jan. 31, 2009  
**Fourth Quarter** Mar. 31, 2009 : on or before  
Apr. 30, 2009  
AGM for year ending March 2009: September  
2009
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-600004.  
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
8. GDR/ADR/WARRANTS The Company has not issued any GDR/ADR  
and the Company does not have any  
outstanding warrants or other convertible  
instruments.

### Dematerialisation of Equity shares

As on 31st March 2008, out of total 32,00,000 Equity Shares of the Company 23,38,100 Equity Shares representing 73.06% 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	2007-2008			
	No. of share-holders	% of share-holders	No. of shares-held	% of shares-holding
Upto - 5,000	531	82.71	794000	2.48
5,001 - 10,000	45	7.01	405000	1.27
10,001 - 20,000	14	2.18	206000	0.64
20,001 - 30000	9	1.40	221000	0.69
30,001 - 40000	5	0.78	170000	0.53
40,001 - 50000	0	0.00	000000	0.00
90,001 - 100000	10	1.56	693000	2.17
1.00,001 and above	28	4.36	29511000	92.22
<b>TOTAL</b>	<b>642</b>	<b>100.00</b>	<b>3200000</b>	<b>100.00</b>



**Share holding pattern as on 31.03.2008**

Category	No. of Shares Held	Percentage of Share Holding
<b>A. PROMOTERS HOLDING</b>		
1. PROMOTERS		
- Indian Promoters	1500400	46.89
- Foreign Promoters	-	-
Persons Acting in Concert	-	-
Sub - Total	1500400	46.89
<b>B. NON-PROMOTERS HOLDING</b>		
2. Institutional Investors		
a. Mutual Funds and UTI	-	-
b. Bank, FII'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	1478200	46.19
c. NRIs/OCBs	-	-
d. Any Other	-	-
Sub Total	1699600	53.11
Grant Total	3200000	100.00

For and on behalf of the Board

Chennai.  
Date : 14<sup>th</sup> August 2008

Sd/-  
Dr. P.I. Peter  
Director

**CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION**

I, P.I. PETER, Director of R.G. N SECURITIES AND HOLDINGS LIMITED, to the best of our knowledge and belief hereby certify that:

(a) I have reviewed financial statements and the cash flow statements for the year and that to the best of my knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the auditors and the Audit Committee:

(i) Significant changes in internal control over financial reporting during the year;

(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of Significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a Significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board

Chennai.  
Date : 14th August 2008

Sd/-  
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 31.03.2008, 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 : 14<sup>th</sup> August. 2008

Place : Chennai

## AUDITOR'S 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 31<sup>st</sup> March, 2008 and also the Profit and Loss Account for the period ended 31<sup>st</sup> March' 07 annexed thereto, and the Cash Flow Statement for the year ended on that date. These financial statement are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free from material misstatement. An audit includes examining, on a 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 (Auditor's Report) Order, 2003 ("Order") issued by the Company Law Board in terms of sub-section (4A) of Section 227 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 suchbooks ;
  - c. The Balance Sheet and Profit and Loss Account referred to in this 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.

- f. In our opinion and to the best of our information and explanations given to us, the said Balance sheet and the Profit and 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 31<sup>st</sup> March, 2008 and
  - ii) in the case of the Profit and Loss Account, Loss of the Company for the Period 1<sup>st</sup> April '07 to 31<sup>st</sup> March, 2008
  - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Sri & CO.,  
Chartered Accountant

Sd/-  
M.B. Srinivasan  
Partner

Place : Chennai

Date :

**ANNEXURE REFERRED TO IN PARAGRAPH 1 ON THE AUDITOR'S REPORT TO THE SHAREHOLDERS OF M/S. RGN SECURITIES AND HOLDINGS LIMITED ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2008.**

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 discrepancies 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 to the companies under the management.
3. The Company has not granted 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 to the companies under the 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 particulars of contracts or arrangements referred in section 301 of the Act in the register required to be maintained under section of the Act.  
  
b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act, and exceeding the values rupees five lacs 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 the Public.
7. the company has an internal audit system commensurate with its size and nature of its business.
8. The Provision of section 209(i) (d) of the Companies Act, 1956 regarding maintenance Cost Records is not applicable to the company.

**RGN Securities and Holdings Ltd.**

9. According to the information and explanations given to us no undisputed amount in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31<sup>st</sup> March 2008 for a period of more than six months from the date they became 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 cases 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 (Auditor's Report) Order, 2003 are not applicable to the company.
13. The company has not obtained any term loan.
14. According to the information and explanations given to us, the 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 explanations given to us, the company has not made any preferential allotment of shares 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 explanations given to us, the company is also not raised any funds by public issues during the year.

For Sri & CO.,  
Chartered Accountant

Sd/-  
M.B. Srinivasan  
Partner

Place : Chennai

Date :

**RGN SECURITIES AND HOLDINGS LIMITED  
BALANCE SHEET AS AT 31st MARCH 2008**

Particulars	Schedule	31.03.08	31.03.07
<b>Sources of Funds :</b>			
Share Capital	A	32,000,000.00	32,000,000.00
<b>TOTAL</b>		<b>32,000,000.00</b>	<b>32,000,000.00</b>
<b>Application of Funds :</b>			
Fixed Assets	B	15,923,553.72	15,943,711.96
Investment	C	3,778,855.00	3,778,855.00
<b>Current Assests, :Loans &amp; Advance :</b>			
Current Assests	D	1,815,148.41	813,698.41
Loans & Advance	E	5,105,015.00	6,870,000.00
		<u>6,920,163.41</u>	<u>7,683,698.41</u>
<b>Less: Current Liabilities &amp; Provsions :</b>			
Current Liabilities	F	7,228,288.00	7,409,072.00
Profit and Loss Account		12,605,715.87	12,002,806.63
<b>TOTAL</b>		<b>32,000,000.00</b>	<b>32,000,000.00</b>

On behalf of the Board

As per our Audit Report attached

Sd/-

For Sri & Co

Dr. P.I.Peter

Chartered Accountants

Director

Sd/-

Sd/-

M.B.Srinivasan

S. Kala

Partner

Director

M.No

Place : Chennai

Date : 14-08-2008



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

<b>INCOME</b>	<b>Schedule</b>	<b>31.03.2008</b>	<b>31.03.2007</b>
Income from Foreign Operations		-	-
Consultancy Charges		-	127,000.00
		-	<b>127,000.00</b>
<b>EXPENDITURE:</b>			
Administrative Expenses	G	582,751.00	103,000.00
		<b>582,751.00</b>	<b>103,000.00</b>
Profit before Depreciation		(582,751.00)	24,000.00
Less: Depreciation		20,158.24	29,943.94
Net Profit before Tax		(602,909.24)	(5,943.94)
Less: Provision for FBT		-	3,920.00
Net Profit		(602,909.24)	(9,863.94)
Add: Balance from Previous Year		(12,002,806.63)	(11,992,942.69)
Balance Carried to Balance Sheet		(12,605,715.87)	(12,002,806.63)

As per our Audit Report attached

On behalf of the Board

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

M.No

Place : Chennai

Date : 14-08-2008

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

	31.03.2008	31.03.2007
<b>SCHEDULE A: SHARE CAPITAL</b>	(Rs.)	(Rs.)
<b>Athorised :</b>		
60,00,000 Equity Shares of Rs.10 each	60,000,000.00	40,000,000.00
	60,000,000.00	40,000,000.00
<b>Issued, Subscribed &amp; Paidup :</b>		
32,00,000 Equity Shares of Rs.10 each	32,000,000.00	32,000,000.00
	<b>32,000,000.00</b>	<b>32,000,000.00</b>

**SCHEDULE C: Investments :**

Name of the Company	No of Shares	31.03.2008	31.03.2007
<b>QUOTED :</b>			
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
<b>UNQUOTED :</b>			
Peetee Tube Ltd.,	100000	1,000,000.00	1,000,000.00
		<b>3,778,855.00</b>	<b>3,778,855.00</b>

**SCHEDULE D: Current Assets :**

	31.03.2008	31.03.2007
Bank Balance	1,011,595.00	10,145.00
Cash on Hand	802,319.41	802,319.41
TDS a/c	1,234.00	1,234.00
	<b>1,815,148.41</b>	<b>813,698.41</b>

**SCHEDULE E: Loans & Advnace :**

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

**Advances :**

Rent Deposits	1,120,000.00	1,120,000.00
RTC Pvt Ltd.,	1,500,000.00	1,500,000.00
Webfund Foundation Pvt Ltd.,	2,485,015.00	4,250,000.00
	<b>5,105,015.00</b>	<b>6,870,000.00</b>

**SCHEDULE F: Current Liabilities :**

**Sundry Creditors :**

Amex - TRS	1,977,830.00	1,977,830.00
Health India Laboratories	1,157,322.00	1,157,322.00
Others	4,050,000.00	4,250,000.00
Audit Fees Payable	40,000.00	20,000.00
Provision for FBT	3,136.00	3,920.00
	<b>7,228,288.00</b>	<b>7,409,072.00</b>

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

	31.03.2008	31.03.2007
Advertisement	3,000.00	7,350.00
Audit Fees	20,000.00	20,000.00
Bank Charges	550.00	2,881.84
Listing & Filing Fees	23,100.00	22,600.00
Rent	480,000.00	-
Telephone Charges	-	4,297.00
Consultancy Charges	56,101.00	23,122.00
Misc. Expenses	-	22,749.16
	<b>582,751.00</b>	<b>103,000.00</b>

**RGN SECURITIES AND HOLDINGS LIMITED**  
**SCHEDULE C: FIXED ASSETS AS ON 31ST MARCH 2008**

SL No	Particulars of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		Cost As on 01.04.2007	Additions/ Deletion	Cost As On 31.03.2008	Up to 01.04.2007	Deletion	For the Period	Up to 31.03.2008	As on 31.03.2007	As on 31.03.2008
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	27,877.50	-	2,122.50	30,000.00	2,122.50	-
3	FURNITURES & FITTINGS	152,021.00	-	152,021.00	148,828.93	-	3,192.07	152,021.00	3,192.07	0.00
4	OFFICE EQUIPMENTS	115,913.40	-	115,913.40	76,581.23	-	5,505.89	82,087.12	39,332.17	33,826.28
5	PLANT & MACHINERY	189,635.00	-	189,635.00	102,709.66	-	9,007.66	111,717.32	86,925.34	77,917.68
6	CELL PHONE	6,950.00	-	6,950.00	2,310.13	-	330.13	2,640.26	4,639.88	4,309.76
	<b>TOTAL</b>	<b>16,302,019.40</b>		<b>16,302,019.40</b>	<b>358,307.45</b>	<b>-</b>	<b>20,158.24</b>	<b>378,465.69</b>	<b>15,943,711.96</b>	<b>15,923,553.72</b>

**RGN SECURITIES AND HOLDINGS LIMITED  
CASH FLOW STATEMENT AS AT 31st MARCH 2008**

Rs.  
(in Lakhs)  
31-03-2008

**A: Cash Flow from Operating Activities**

Net Profit / (Loss) before Tax	(6.03)
Add: Adjustments	-
Depreciation	0.20
<b>Operating Profit before Working Capital changes</b>	<u>(5.83)</u>
Increase in Loans & Advances	(17.64)
Increase in Liabilities	(1.81)
<b>Net Cash Flow from Operations</b>	<u><u>(25.28)</u></u>

**B: Cash flow from Investing Activities**

Purchase of Fixed Assets (Net)	-
Sale of Investments (Net)	-

**Net Cash Flow from Financing Activities**

-

**C: Cash Flow from Financing Activities**

Net Increase in Cash & Cash equivalents (A+B+C)	(25.28)
Cash & Cash equivalents as at 31st March 2006	8.14
Cash & Cash equivalents as at 31st March 2007	18.15

For and on behalf of the Board

Place : Chennai  
Date : 14-08-2008

Sd/-  
Dr. P.I.Peter  
Director

Sd/-  
S.Kala  
Director

**SCHEDULE H**

**A. Significant Accounting Policies:**

**1. Basis of Preparation of financial statements**

- The financial statements have been prepared under the historical cost convention in accordance with generally accepted Accounting Principles and the provisions of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are consistent throughout the year under audit and in consonance with generally accepted Accounting Principles followed by the company.

**2. Fixed Assets:**

Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price, import duties, levies and any directly attributable cost of bringing the assets to its working condition for its intended use.

Depreciation is provided on a pro-rata basis, from the date the assets have been installed and put to use on a straight line value method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956.

**3. Investments:**

Long Term Investments are valued at their acquisition cost and provisions are made for other than temporary loss.

**4. Revenue Recognition:**

All Income and Expenditure items having a material bearing on the statements are recognized on accrual basis.

**5. Income From operation:**

Eventhough there is no Income From operation during the period, Board of directors is confident of generating sufficient income in the coming years on the basis of on going concern concept.

**6. Related Party Disclosures:**

The following transactions were carried out with the related party:

Rent payment of Rs.4,80,000/- was paid to Webfund Foundation Private Limited.

**7. Segment information for the year ended 31<sup>st</sup> March, 2008**

As there is no income earned during the year, segment report does not arise.

## RGN Securities and Holdings Ltd.

<b>8. Earning Per Share</b>	2007-08	2006-07
a. Weighted averages number of Equity Shares of Rs.10/-each		
Weighted average number of equity Share outstanding during the year	32,00,000	32,00,000
a. Net Profit available for equity shareholders	(Rs.6,02,909)	(Rs. 9,864)
b. Basic and diluted earning per share (in Rupees)	(0.19)	-

### SCHEDULE I

#### Notes on Accounts:

1. In the opinion of the Board of Directors, Current Assets and Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount of which they are stated.

2. Payment to auditors

	31.03.2008 (Rs.)	31.03.2007 (Rs.)
Audit Fees	10,000	10,000
Taxation Work	10,000	10,000
<b>TOTAL</b>	<b>20,000</b>	<b>20,000</b>

3. For the year-ended 31.03.2008, no provision for contingent liability has been provided for.

4. No Provision for Taxation has been made in view of the carried forward losses available for set off.

5. Figures of the previous year have been regrouped wherever necessary to conform to the classification off the current year.

6. The significant Accounting Policies numbering form H (1) to H(8) and other notes on Accounts numbering from I(1) to I(7) above form an integral part of the accounts.

**For RGN SECURITES AND HOLDING LIMITED**

Place: Chennai  
Date: 14.08.2008.

Sd/-  
Dr. P.I. Peter  
Director

Sd/-  
S. Kala  
Director



**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	:	31-03-2008

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.15923553.72
Investments	:	Rs.3778855.00
Net current Assets	:	Rs. -308124.59
M/s Collancous expenditure	:	Nil

4. Performance of Company:

Total Income	:	Nil
Total Expenditure	:	Rs. 582751
Net Profit before Tax	:	(Rs.602909.24)
Net Profit after Tax	:	(Rs.602909.24)
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 Fourteenth Annual General Meeting held on 30th September, 2008 at 11.00 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..... of ..... as my/our Proxy to attend and vote for me/us on my/our behalf, at the Fourteenth Annual General Meeting of the company to be held on 30th September, 2008 at 11.00 a.m. and/or any adjournment thereof.

Signed this ..... day of ..... 2008

Signature .....

Affix  
Revenue  
Stamp  
0.15 paise

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.