

September 5, 2023

To,

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No:- C/1, G Block  
Bandra Kurla Complex,  
Mumbai- 400 051

**BSE Scrip Code:- 531892**

**NSE Symbol:- KHANDSE**

**Sub: Intimation of Book Closure and E-voting Details for the Purpose of the 30<sup>th</sup> Annual General Meeting of the Company**

Dear Sir,

We, M/s. Khandwala Securities Limited would like to inform you that **Thirtieth Annual General Meeting** of the Members of the Company has been scheduled to be held on **Friday, September 29, 2023 at 12.00 noon (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Further, we would also like to inform you that pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Register of Members and Share Transfer Books of the Company will remain closed from **September 22, 2023 to September 28, 2023** (both days inclusive) for the purpose of the 30<sup>th</sup> Annual General Meeting of the Company.

The Company has fixed **Thursday, September 21, 2023** as the **cut-off date** for determining the members who are entitled to vote through remote e-voting or by e-voting system before and on the day of the 30<sup>th</sup> Annual General Meeting of the Company.

The remote e-voting period shall commence on **Tuesday, September 26, 2023** (From 9:00 A.M. IST onwards) and will end on **Thursday, September 28, 2023** (till 5:00 P.M. IST).

Kindly acknowledge receipt of the same.

Thanking you.

Yours faithfully,

**For Khandwala Securities Limited**



**Abhishek Joshi**

**Company Secretary & Compliance Officer**



# 30<sup>TH</sup> ANNUAL REPORT

2022-23



*Wealth Visionaries*

## OUR MANTRA

TO PROVIDE UNIQUE SOLUTIONS TO MEET CLIENT SPECIFIC NEEDS, GIVEN  
TIME AND RESOURCE PARAMETERS

Broking : Institutional Equity : Investment Banking : Investment Advisory : Private  
Wealth : Portfolio Management Services

### **Service Differentiators:**

- **Strategic Advice** - Ability to identify, structure and implement unique investment strategies.
- **Smart Trading** - Established, proven and efficient execution capabilities
- **Multiple Investment Advice** - supported through a customized Open Architecture Service
- **Multiple Execution Points** - Service supports Wide Array of Choice for Clients
- **Superior Technology** - Service to be delivered around New Generation Technology Platform

# KHANDWALA SECURITIES LIMITED

## BOARD OF DIRECTORS

Mr. Paresh J. Khandwala	- Managing Director
Mr. Pranav Khandwala	- Whole-time Director / CFO
Mrs. Bhagyashree Khandwala	- Non - Executive Director
Mr. Pratik Khandwala	- Non - Executive Director
Mr. Shyam M. Seshadri	- Independent Director
Mr. Homiar N. Vakil	- Independent Director

## COMPANY SECRETARY

Mr. Abhishek Joshi

## REGISTERED OFFICE

Ground Floor, Vikas Building,  
Green Street, Fort,  
Mumbai - 400 023.  
Tel. No :- 91-22-40767373  
Fax. No:- 91-22-40767377

## BRANCH OFFICE

C-8/9, Dr. Herekar Park,  
Next to Kamala Nehru Park,  
Off. Bhandarkar Road, Pune - 411004  
Tel:- 91-20-66220300/01/02

## STATUTORY AUDITORS

Aniket Kulkarni & Associates  
Chartered Accountants  
507, Lotus Business Park Premises Co. Op. Soc. Ltd  
Ram Baug Lane, Off. S. V. Road, Malad (West),  
Mumbai – 400064

## BANKERS

Canara Bank  
Union Bank of India

## REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited  
(Formerly known as Karvy Fintech Private Limited)  
Selenium Tower B, Plot No. 31 & 32,  
Financial District, Nanakramguda, Gachibowli,  
Hyderabad - 500 032, Telangana  
Tel :- 91-40-67162222  
Website: www.kfintech.com

## LEGAL ADVISORS

Mulla & Mulla & Cragie Blunt & Caroe  
(Advocates, Solicitors & Notaries)  
Mulla House, 51, M.G.Road,  
Mumbai – 400 001

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**Dear Shareholders,**

I am pleased to present to you the Annual Report for FY23, which highlights the achievements and challenges faced by your Company. FY23 was marked by significant developments in the global economy. With the impact of COVID-19 pandemic weaning off, there was recovery and resurgence of economic activities across the world, with vaccination rollout and fiscal stimulus measures playing a crucial role in revitalising economies. However, ongoing geopolitical tensions, supply chain disruptions, and inflationary pressures remained key concerns.

FY23 saw the Indian equity markets return hardly any gains to investors. During the year, the S&P BSE Sensex gained 0.72% while the Nifty 50 declined 0.6%. Indian headline indices outperformed global peers like the American Dow Jones, S&P 500, Nasdaq 100, Hong Kong's Hang Seng and Australia's S&P/ASX 200 while under performing against Euro Stoxx 50, CAC 40, FTSE 100 and Japanese Nikkei 225.

With markets largely listless, investor sentiment also turned passive, leading to reduction of new retail investors entering the market to Rs. 25 Mn in FY23 against Rs. 35 Mn in FY22. India's capital market has played a crucial role in supporting individual investment requirements and corporate funding needs. It provides a platform for wealth creation and positions India as one of the fastest-growing wealth management markets worldwide. The Government of India has introduced substantial financial and regulatory reforms, paving the way for investment facilitation and supporting the country's growth agenda. Notably, BSE Sensex performed well in FY23, closing higher than the previous year and securing the 5th position among major global indices. The IPO market also witnessed significant activity, with 34 main board IPOs raising over INR 52,119.68 Cr and 124 IPO on SME platform raised over INR 2313 Cr.

The broking industry operates in a highly regulated environment, commensurate with the complexities of Indian Capital Markets. I strongly believe that the strengthening of regulatory framework across various aspects emphasises providing stronger guardrails, especially for the growing retail investor base. This has been proven with constant growth despite multiple regulatory interventions in the past. The ensuing regulations on clients' fund management, is a further decisive step in building the confidence of retail participants. Our purpose is to continuously collaborate productively with the regulators in their endeavour to make the capital markets resilient and safe for its participants.

I am confident that the Indian growth story will continue its upward trajectory. A journey that will be fuelled by a sizeable human capital base, robust domestic consumption and ever-expanding service capabilities.

At KSL, we have continued to learn, build, and grow efficiently, while expanding our client base and diversifying our product offerings. With the depth and breadth of our online and offline trade execution platform(s) and our strategy of maximising lifetime client value, we remain well-positioned to leverage on emerging opportunities. FY23 was a milestone year for KSL as we completed 30 years of being listed and also successfully raised INR 8.95 Cr vide Preferential Issue to give a boost to our business activities and expand beyond the traditional broking activities. Service offering beyond broking included activities like merchant banking, investment banking and corporate finance for both listed and unlisted companies and businesses has started supporting the overall growth and expansion strategy for KSL. For FY24, our key focus areas will be to strengthen our capabilities across the entire value chain of the business, as we introduce more products and service offerings. These initiatives will enhance the experience and engagement of our clients, leading to expanding revenue streams and better margins.

I take this opportunity to offer my gratitude to our Board, stakeholders, the government, business partners, lenders, and other shareholders who have trusted and supported us in our journey. I would also like to thank the regulatory authorities for their consistency in proactively taking decisive steps to protect the interests of retail investors and make Indian equities markets secure and widely accessible.

Finally, my sincere thanks to the entire KSL team that worked tirelessly to deliver the highest levels of service over this past year. We strive to continue our progress with optimism while driving our online trading platform and building on the achievements of FY23.

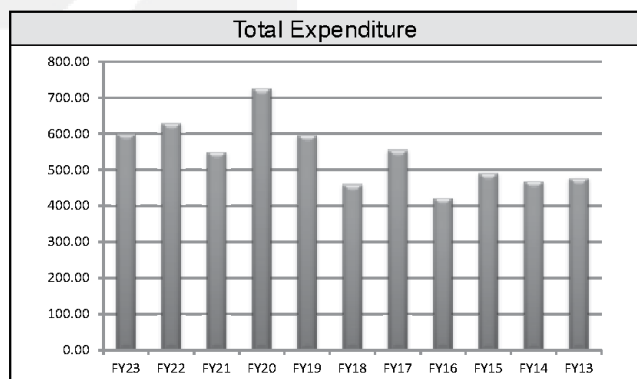
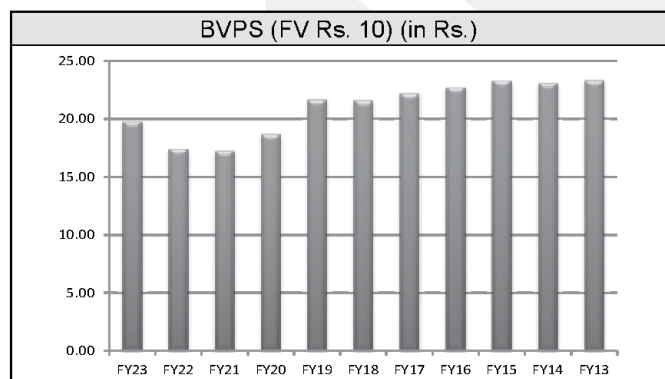
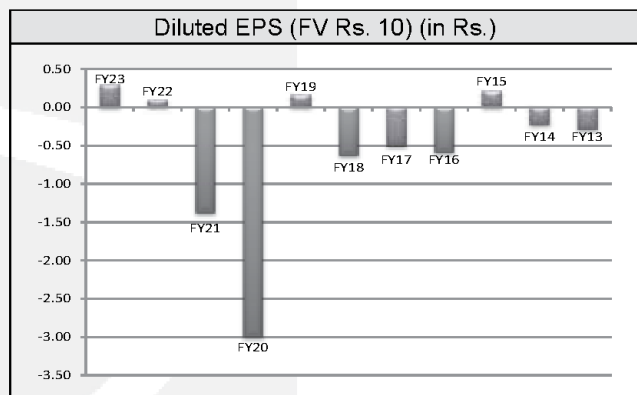
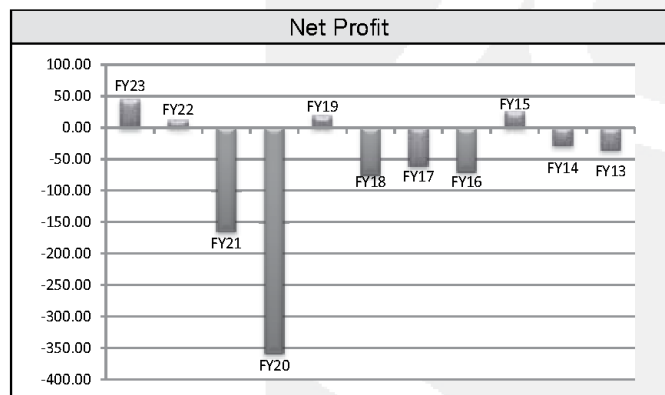
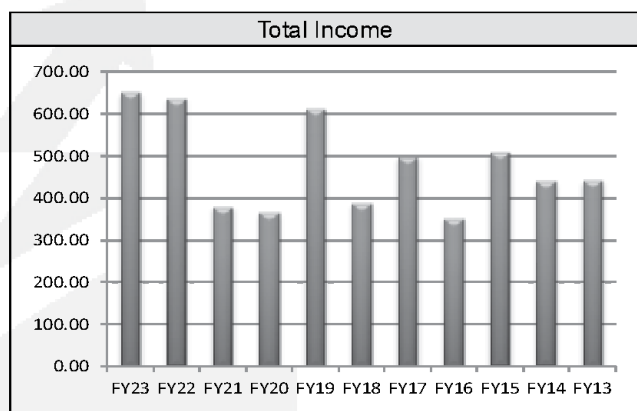
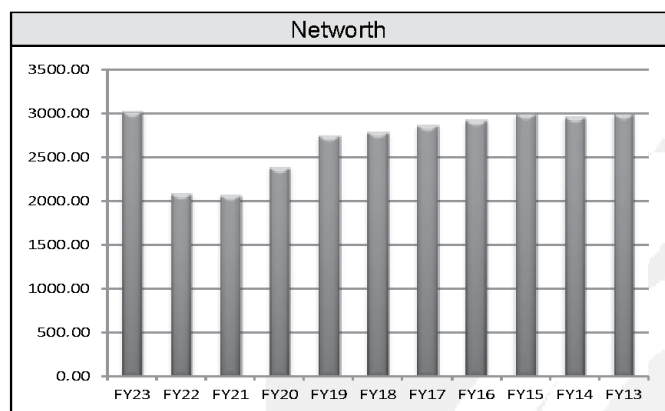
**Pranav Khandwala**  
**Whole-time Director & CFO**

**Performance Highlights**

**Standalone Financial Performance of Khandwala Securities Limited.**

(in Rs. Lacs except per share data)

	FY23	FY22	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13
Total Income	648.63	635.14	377.35	362.00	609.83	383.68	495.36	348.72	506.85	438.18	440.03
Total Expenditure	598.86	628.78	547.03	724.52	594.30	460.08	555.30	420.25	489.21	466.62	475.87
Profit Before Tax	49.77	6.36	-169.68	-362.52	15.53	-76.40	-59.94	-71.53	17.64	-28.44	-35.83
Tax Expenses	5.35	5.69	4.68	3.82	3.58	1.30	1.02	-1.42	-7.46	-0.62	-0.83
Net Profit	44.42	12.05	-165.00	-358.70	19.11	-75.10	-60.95	-70.11	25.10	-27.82	-35.01
Paid up Equity Capital	1525.38	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90
Networth	3011.90	2072.74	2057.49	2374.96	2734.25	2772.32	2846.52	2907.48	2977.58	2952.49	2980.31
Diluted EPS (FV Rs. 10) (in Rs.)	0.29	0.10	-1.38	-3.00	0.16	-0.63	-0.51	-0.59	0.21	-0.23	-0.29
BVPS (FV Rs. 10) (in Rs.)	19.75	17.36	17.23	18.64	21.65	21.55	22.17	22.68	23.26	23.05	23.29



## NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of **Khandwala Securities Limited** will be held on **Friday, September 29, 2023 at 12.00 noon IST** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt :-
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 together with the Report of the Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Pratik Khandwala (DIN:00519147), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. **Alteration of the Object Clause of the Memorandum of Association of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with applicable rules made thereunder, including any statutory modification(s) or re-enactment(s) thereto for the time being in force, and subject to the approval of the Registrar of Companies, the consent of the Members be and is hereby accorded for effecting the alteration and amendment in the existing Clause III(A) of the main objects of the Memorandum of Association of the Company by altering the existing sub clause III(A)1 and III(A)2 and by inserting a new sub clause III(A)4 after sub clause III(A)(3) of the Memorandum of Association, as per the following:

1. To carry on the business of an investment and broking (including subbroking) Company and without prejudice to the generality of any other object to buy, underwrite, invest in, acquire, hold, lease, sell and/or otherwise deal in shares, stocks, debentures, bonds, obligations, securities issued by any government, state, dominion, commissioner, public body or authority, municipal, local or otherwise, firm, company, association or person in India or elsewhere and any other financial

instrument with obtaining membership of any one or more Stock Exchange in India and/or abroad, to act as traders, sellers, dealers, broker, stock-broker, sub-broker, market makers, underwriters, agents, sub-agents for subscribing to or procuring subscription to and for sale, purchase of otherwise trading in securities, stocks, shares, debentures, debentures stock, bonds units or certificates of mutual funds, savings of deposit, government securities or other financial instruments or obligations of anybody corporate or authority whether central, sales or local undertaking, whether public or private and provisional documents relating to all these or otherwise deal in all kinds of securities, in spot, futures and derivatives as permitted or to trade or deal or act as broker in or to buy and sell in its own capacity as principal, any currency of any country, commodities, foreign currency, denominated instruments in debt and in equity and in all securities financial instruments and derivatives thereof and to act as manager or advisers to issues of any of the aforesaid and to promote the financial and investment services and facilities of every description capable of being provided by investment fund managers and to arrange and sponsor public and private issues or issue on private placement basis of shares, or debt instruments and to undertake activities relating to margin funding, mutual fund distribution, distribution of third party securities and other financial products and act as Research Analyst, Investment Advisors and to do such other activities which are incidental or ancillary to the same.

2. To carry and undertake on the business as merchant banker and underwriters, sub-underwriters, managers, co-managers, lead manager, depository participants, portfolio manager, trustees, custodian, stock brokers, sub-brokers, registrars to the issue, advisors, management consultants and/or consultants to private and/or public issue of securities of every description whether issued by any Company, Corporation, firm or person whether incorporated or established in India and otherwise including any Indian or foreign Government, State Dominion, Sovereign, Municipality or public Authority and to become a member of commodity exchanges and/ or to carry on business as commodity brokers and to provide services of every kind in connection with trading and dealing in commodities.
4. To undertake and carry on the business and activities as an Asset Management Company and/ or to sponsor the setup of an mutual fund, asset management company and trustee company.

**FURTHER RESOLVED THAT** the Board of Directors of the Company (the "Board" which term shall be deemed to include its committees also) or any officer(s) so authorised by the Board, be and are hereby authorised to do all acts, deeds, matters and things as may, in their absolute discretion, be deemed necessary, expedient, proper or desirable to give effect to the resolution including filings of statutory forms and to settle any matter, question, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies without requiring the Board to secure any further consent or approval of the Members of the Company; and that the Members of the Company are hereby deemed to have given their approval thereto expressly by the authority of this resolution and acts and things done or caused to be done shall be conclusive evidence of the authority of the Company for the same."

**4. Increase in Borrowings Limits under Section 180(1) (c) of the Companies Act, 2013**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Articles of Association of the Company and in supersession of earlier resolutions passed by the Members of the Company in this regard, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall include any Committee thereof) to borrow, from time to time, such sum or sums of money as they may deem necessary, for the purpose of the business of the Company, from any banks, financial institutions, firms, bodies corporate, companies, any one or more persons and/or any other entity, with or without security, and on such terms and conditions, as the Board at its sole discretion may deem fit, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount up to which monies may be borrowed by the Board shall not exceed the sum of Rs. 250 crores (Rupees Two Fifty Crores only) at any point of time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is

hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

**5. Creation of Charges, Mortgages, Hypothecation on the Assets/Properties of the Company under Section 180(1)(a) of the Companies Act, 2013**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall include any Committee thereof) to mortgage, hypothecate, pledge, encumber and/or charge, including to sell, lease or otherwise dispose of on such terms and conditions as the Board may deem fit, all or any part of movable and/or immovable properties, tangible and/or intangible properties/assets of the Company, wherever situate, both present and future and/or the whole or part of any of the undertaking(s) of the Company, in favour of any persons(s) including but not limited to banks, financial institutions, corporate bodies, lenders, agents and/or any other investing agencies, to secure the loans, financial assistance and/or other credit facilities (hereinafter referred to as "loans"), availed/to be availed by the Company, in Indian rupees or in foreign currency, from time to time, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the such loans for which the charge is to be created, shall not at any time exceed Rs. 250 Crores (Rupees Two Fifty crores).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreements/undertakings as may be required and to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/charge/pledge/hypothecation as mentioned aforesaid."

**6. Authorization for giving loan(s), providing Guarantee(s), securities or to make Investment(s) pursuant to Section 186 of the Companies Act, 2013**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereto for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary and in terms of Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’) which term shall be deemed to include, unless the context otherwise requires, any committee of the Board to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they it may be deemed beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 250 crores (Rupees Two Fifty crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, outstanding at any point of time, as prescribed under Section 186 of the Act.

**RESOLVED FURTHER THAT** the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to authorising signatories, taking from time to time all decisions and steps in respect of the above loans, guarantees, securities and investment(s), including the timing, amount and other terms and conditions of such loans, guarantees, securities and investment(s) and varying the same either in part or in full as it may deem appropriate and to negotiate, finalise and execute agreement(s) or such other document(s), by whatever name called and to do all acts, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard

and incidental thereto and to delegate all or any of the powers or authorities herein conferred to any director(s) or other officer(s) of the Company, and to engage any advisor, consultant, agent or intermediary, as may be deemed necessary.”

**7. Revision in Remuneration of Mr. Pranav Khandwala, Whole-time Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or re-enactments thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the consent of the Members of the Company be and is hereby accorded for revision in remuneration payable to Mr. Pranav Khandwala (DIN: 00519113) as Whole-time Director (designated as Whole-time Director and Chief Financial Officer) of the Company with effect from April 1, 2023 for the remaining period of his tenure ending on February 10, 2025 on the terms and conditions, as set out below:

**a) Remuneration:**

Salary: Rs. 2,00,000/- per month.

**b) Perquisites, allowances and other benefits**

- Reimbursement of medical expenses, leave travel allowance, contribution to Provident Fund, Super Annuation Fund or Annuity fund, Gratuity etc. - as per the rules and policies of the Company;
- Other benefits, perquisites and allowances will be determined by the Nomination and Remuneration Committee and/ or the Board of Directors of the Company, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter or vary the terms and conditions of the said remuneration, as it may deemed fit and as may be accepted to Mr. Pranav Khandwala, subject to the same not exceeding the limits specified under section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Pranav Khandwala



as Whole-time Director of the Company, the payment of salary, perquisites and other allowances as specified above, shall be payable to Mr. Pranav Khandwala as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of the Company be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said remuneration as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/or officer(s) of the Company to give effect to this resolution.”

**For and on behalf of the Board of Directors of  
Khandwala Securities Limited**

**Date :** August 14, 2023

**Paresh Khandwala  
Managing Director**

**Place :** Mumbai

## **NOTES:**

1. Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
2. The Ministry of Corporate Affairs (“MCA”) has, vide its Circular dated May 5, 2022, read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (MCA Circulars) and the Circulars issued by the Securities and Exchange Board of India from time to time (SEBI Circulars), permitted convening the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In compliance with the aforesaid MCA Circulars, SEBI Circulars, applicable provisions of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Thirtieth AGM of the Company is being held through VC/OAVM.
3. The deemed venue for Thirtieth AGM shall be the Registered office of the Company i.e. G7, Vikas Building, Ground Floor, Green Street, Fort, Mumbai - 400023.
4. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM facility, the requirements of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map are not annexed to this notice.
5. Institutional/Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body’s resolution/authorisation, etc., authorising their representative to attend the AGM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the scrutinizer by email through its registered email address to csbbansal@gmail.com with a copy marked to evoting@nsdl.co.in.
6. The Company has enabled the Members to participate at this AGM through VC/OAVM facility. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice. The Members will be able to view the proceedings on the National Securities Depository Limited’s (‘NSDL’) e-Voting website at www.evoting.nsdl.com.
7. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process and instructions for remote e-voting are provided in the subsequent pages. Such remote e-voting facility is in addition to voting that will take place at this AGM being held through VC/OAVM.
9. Members joining the meeting through VC/OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
10. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.
11. As per Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate

- all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited for assistance in this regard.
12. In accordance with the MCA circulars and the SEBI circulars, the Annual Report for FY 2022-23 including Notice of Thirtieth AGM are being sent only through electronic mode to those members whose email addresses are registered with the Company/depositories. Members may note that the Notice and Annual Report for FY 2022-23 will also be available on the Company's website at <http://www.kslindia.com/Static/InvestorRelations.aspx> website of the stock exchanges i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  13. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, Selenium, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032. Members are requested to register their email id and support the green initiative efforts of the Company.
  14. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with KFin Technologies Private Limited. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
  15. Members holding the equity shares under multiple folios in the identical order of names are requested to write to the KFin Technologies Private Limited, to consolidate their holdings in one folio.
  16. Members are informed that in the case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
  17. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be:- a) the change in the residential status on return to India for permanent settlement, and b) the particulars of the NRE account with a Bank in India, if not furnished earlier.
  18. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 days in advance so that information required may be complied and made available at the Meeting.
  19. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to KFin Technologies Private Limited in case the shares are held in physical form.
  20. Pursuant to the provisions of Section 124 of the Companies Act, 2013, there are no dividends or interest which remains unpaid /unclaimed for a period of 7 years which should be transferred by the Company to the Investor Education Protection Fund (IEPF). Members are requested to note that no claims shall lie against the Company or IEPF in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
  21. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be made available for inspection by the Members electronically during the AGM.
  22. The Register of Members and Share Transfer Books of the Company will remain closed from **September 22, 2023 to September 28, 2023** (both days inclusive).
  23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and MCA circulars, the Company is providing facility of Remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, necessary arrangements have been made with National Securities Depository Limited (NSDL) for facilitating remote e-voting and e-voting during AGM. The instructions for the process to be followed for Remote e-Voting and e-Voting during AGM is forming part of this Notice.
  24. Members of the Company holding shares either in physical form or in electronic form as on the **cut-off date i.e. Thursday, September 21, 2023** may cast their vote by remote e-Voting. A person whose name is

recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. A person who is not a member of the Company as on the **cut-off date i.e. Thursday, September 21, 2023** should treat this Notice for information purpose only.

25. The Company has appointed Mr. Bhwnesh Bansal, Proprietor of M/s. Bhwnesh Bansal & Associates, Practicing Company Secretary (Membership No. FCS 6526 & COP No. 9089) as the Scrutinizer for scrutinizing the e-voting process (remote e-voting and e-voting during AGM) in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. The result declared along with the Scrutiniser’s report shall be communicated to the Stock Exchanges on which the Company’s shares are listed, NSDL and will also be displayed on the Company’s website at [www.kslindia.com](http://www.kslindia.com).
26. The Results on above resolutions shall be declared within 48 hours from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the Meeting date subject to receipt of the requisite number of votes in favor of the resolutions.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The Remote E-voting period begins on Tuesday, September 26, 2023 at 09:00 a.m. (IST) and ends on Thursday, September 28, 2023 at 05:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.

**How to vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>B. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>C. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**A) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares

for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csbbansal@gmail.com](mailto:csbbansal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Sagar S. Gudhate at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorgrievances@kslindia.com](mailto:investorgrievances@kslindia.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorgrievances@kslindia.com](mailto:investorgrievances@kslindia.com). If you are an Individual shareholders holding securities

in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned or Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not

- have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
  - Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investorgrievances@kslindia.com](mailto:investorgrievances@kslindia.com). The same will be replied by the company suitably.
  - Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company Secretary at least 10 days prior to the AGM so that the required information can be made available. The same will be replied by/on behalf of the Company suitably.
  - In order to enable smooth conduct of AGM, the Members who would like to express their views during the AGM may register themselves as a Speaker by sending an email to [investorgrievances@kslindia.com](mailto:investorgrievances@kslindia.com), alongwith your name and DP ID/CLIENT ID on or before Wednesday, September 20, 2023. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

#### **EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 3**

The Company is engaged in the business of stock broking, depository participant and investment advisory services. Further, the Company is also registered as a Category I Merchant Banker and Portfolio Manager with Securities and Exchange Board of India.

The Company is pursuing growth opportunities in various other fields of business which are incidental and ancillary to the existing business activity and intends to expand its present scope of business and considers new business proposals which have good future prospects and potentials to increase the shareholders' return. To facilitate such initiatives, alteration is proposed by way of additions and alteration to the objects clause in the Memorandum of Association as set out in the resolution at Item No. 3 of the Notice. These additional objects may conveniently and advantageously be combined with the existing businesses of the Company.

Section 13 of the Companies Act, 2013 states that a Company, may, by a special resolution, alter the provisions of its Memorandum of Association ("MoA"). The Board of Directors had, in its meeting held on May 30, 2023 approved the aforesaid alteration and amendments in the Object Clause of the MoA of the Company, subject to the approval of the Members of the Company. The special resolution shall be filed with the Registrar of Companies who shall register the alteration of the MoA with respect to the objects of the Company and certify the registration.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are in, any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board of Directors therefore recommends the resolution as set out in Item Nos. 3 of the Notice for approval of members of the Company by way of Special Resolution.

##### **Item No. 4 & 5**

At the Twenty Fifth Annual General Meeting ("AGM") of the Company held on September 21, 2018, the members of the Company had accorded their consent to the Board of Directors of the Company ("Board") for borrowing monies (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) upto Rs. 175 Crores under Section 180(1)(c) of the Companies Act, 2013. The members of the Company at the said AGM had also accorded their consent to the Board to create charge on properties or assets of the Company to secure borrowings upto Rs. 175 crores under Section 180(1)(a) of the Companies Act, 2013.

Further, in view of the increase in business activities, keeping in view Company's requirements to meet the increased requirements of funds in future and to fulfill long term strategic and business objectives, the Board of

Directors at its meeting held on May 30, 2023 proposed and approved increase in the borrowing limit from Rs. 175 Crores to Rs. 250 Crores (Rupees Two Fifty Crores) pursuant to Section 180 (1)(c) of the Companies Act, 2013 and accordingly, increase the limit for creation of charge to secure the indebtedness upto the aggregate limit of Rs. 250 Crores (Rupees Two Fifty Crores) pursuant to Section 180 (1)(a) of the Companies Act, 2013, subject to the approval of the members of the Company.

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company have the powers to borrow money, where the money to be borrowed, together the monies already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceeds aggregate of the paid-up share capital, free reserves and securities premium of the Company, with the consent of the Members of the Company by way of Special Resolution. Further, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors have the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company with the consent of the Members of the Company by way of a Special Resolution.

In order to secure the borrowings, the Company may be required to create security by way of mortgage/ charge/ hypothecation on its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over control of the said assets and properties of the Company. Since creation of charge on properties and assets of the Company with the right of taking over the control in certain events of default may be considered to be a sale/ lease/ disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is proposed to seek approval of the Members of the Company for increasing the existing limits to Rs. 250 Crores. Accordingly, the approval of the members of the Company is sought for increase in the borrowing limits and to secure such borrowings by the creation of charge on assets/properties of the Company upto Rs. 250 Crores as stated in the resolutions.

The Board of Directors therefore recommends the resolutions as set out in Item Nos. 4 and 5 of the Notice for approval of members of the Company by way of Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolutions.

**Item No. 6**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other bodies corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with the approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs. 250 crores (Rupees Two Fifty Crores), as proposed in the Notice.

The above proposal is in the interest of the Company and the Board of Directors therefore recommends the resolution as set out in Item No. 6 of the Notice for approval of members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

**Item No. 7**

Mr. Pranav Khandwala was appointed as Whole-time Director of the Company at a remuneration of Rs. 1,50,000/- p.m. with effect from February 11, 2020 for a period of 5 years at the Twenty Seventh Annual General Meeting of the Members of the Company held on November 23, 2020. He is also entitled to perquisites, allowances and other benefits including reimbursement of medical expenses, contribution to Provident Fund, Super Annuation Fund or Annuity fund, Gratuity, etc. provided that the aggregate of the remuneration shall be within the maximum limits as laid down under Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act as amended from time to time.

Mr. Pranav Khandwala has been associated with the Company since November 14, 2011. Before the appointment as Whole-time Director of the Company, he was holding the office as Non-Executive Director.



Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors and at their meeting held on May 30, 2023, approved the revision in terms of remuneration payable to Pranav Khandwala as Whole-time Director of the Company as set out in the resolution at Item No. 7 of the Notice and shall be within the maximum limits as laid down under Sections 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act as amended.

Mr. Pranav Khandwala is not disqualified in terms of Section 164 of the Companies Act, 2013. Further, except for the aforesaid revision in remuneration, all other terms and conditions of his appointment as Whole-time Director of the Company as approved by the members of the Company shall remain unchanged.

Notwithstanding anything herein, where in any financial year during the currency of tenure of Mr. Pranav Khandwala as Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary and perquisites specified above, subject to requisite approval, if any, as may be required under the Act and rules made thereunder.

The information pertaining to Section II of Part II of Schedule V of the Companies Act, 2013 are as follows:-

## I. General Information:

- a) **Nature of industry** :- The Company is engaged in the business of stock broking and investment banking, investment advisory, portfolio management services and depository participants.
- b) **Date or expected date of commencement of commercial production**:- Not Applicable
- c) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**:- Not Applicable
- d) **Financial performance based on given indicators** :- The Financial Performance of the Company for the last three Financial Years are as follows:-

Particulars	FY	FY	FY
	2022-23 (Rs. in Lakhs)	2021-22 (Rs. in Lakhs)	2020-21 (Rs. in Lakhs)
Total Income	648.63	635.14	377.35
Total Expenditure	598.86	628.78	547.03
Profit /(loss) before tax	49.78	6.36	(169.68)
Profit /(loss) after tax	44.42	12.05	(165.00)

- e) **Foreign investments or collaborations, if any**:- The Company has not entered into any material foreign collaboration and has not made any foreign investments.

## II. Information about the appointee:

- a) **Background details**:- Mr. Pranav Khandwala has completed his graduation from Mumbai University and has done two year global Masters Programme from renowned universities in UK. He has around more than 20 years of experience in financial services entailing investor relations and investment advisory services along with creating and managing strategic business initiatives, resulting in enhanced business opportunities and value creation. He have significant experiences in raising capital and built strong relationships with internal and external stakeholders including domestic and foreign financial institutions, investors and research analysts.
- b) **Past remuneration** :- The appointment of Mr. Pranav Khandwala as Whole-time Director was duly approved by the Members, for a period of 5 (five) years with effect from February 11, 2020 at a remuneration of Rs. 1,50,000/- per month.
- c) **Recognition or awards** :- Nil
- d) **Job profile and her suitability**:- Same as above in item no. a) herein above.
- e) **Remuneration proposed**:- As set out in the aforesaid Resolution.
- f) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person** :- Taking into consideration the size of the Company, the profile of Mr. Pranav Khandwala, the responsibilities shouldered by him and industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.
- g) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any** :- Apart of the proposed remuneration as stated above, Mr. Pranav Khandwala has no pecuniary relationship with Company. Further, Mr. Pranav Khandwala is related to Mr. Pares Khandwala, Mr. Pratik Khandwala and Mrs. Bhagyashree Khandwala.

**III. Other information:**

- a) **Reasons of loss or inadequate profits:** - Due to higher volatility in market and higher expenditure including financial charges, the Company has incurred inadequate profit.
- b) **Steps taken or proposed to be taken for improvement :-** The Company has taken various strategic measures to increase revenue and to reduce overall cost of expenditure.
- c) **Expected increase in productivity and profits in measurable terms:** - It is impractical to measure the productivity and profits due to volatility in the market.

Accordingly, the Board of Directors recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

**For and on behalf of the Board of Directors of  
Khandwala Securities Limited**

**Date :** August 14, 2023

**Place :** Mumbai

**Registered Office:-**

Ground Floor, Vikas Building,  
Green Street, Fort,  
Mumbai – 400023

CIN : L67120MH1993PLC070709

**Paresh Khandwala  
Managing Director**

**IV. Disclosures**

Except Mr. Pranav Khandwala and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in item no. 7 of the Notice.

**ANNEXURE TO THE NOTICE**

Information of Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2):

<b>Name of the Director</b>	Mr. Pratik Khandwala	Mr. Pranav Khandwala
<b>DIN</b>	00519147	00519113
<b>Date of Birth</b>	30/12/1980	30/12/1980
<b>Qualification</b>	MBA (Finance), MSC (Investment Management)	B.Com, MBA (Finance)
<b>Date of Appointment</b>	14/08/2020	14/11/2011
<b>Expertise in Functional area</b>	He has great knowledge and experience of in financial services sector.	He has around more than 20 years of experience in financial services entailing investor relations and investment advisory services along with creating and managing strategic business initiatives, resulting in enhanced business opportunities and value creation.
<b>Remuneration last drawn (including sitting fee), if any</b>	As mentioned in Corporate Governance Report	As mentioned in Corporate Governance Report
<b>Directorship held in other Companies in India</b>	<ul style="list-style-type: none"> <li>• Khandwala Commodity and Derivatives Private Limited</li> <li>• Bentley Investments Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Trumonee Financial Limited</li> <li>• Khandwala Commodity and Derivatives Private Limited</li> <li>• Piggero Investments Private Limited</li> </ul>
<b>Memberships / Chairmanship of Committees in other Companies</b>	Nil	Nil
<b>No. of Equity shares held in the Company</b>	7,96,555	7,08,617
<b>Relationship with Directors / Key Managerial Personnel, if any</b>	Mr. Pratik Khandwala and Mr. Pranav Khandwala are brothers. Mr. Pratik Khandwala is the son of Mr. Paresh Khandwala, Managing Director.	Mrs. Bhagyashree Khandwala is the spouse of Mr. Pranav Khandwala, Director and Mr. Pranav Khandwala is the son of Mr. Paresh Khandwala, Managing Director. Mr. Pratik Khandwala and Mr. Pranav Khandwala are brothers.

**DIRECTORS' REPORT**

To

The Members,

Your Directors hereby present the Thirtieth Annual Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended 31<sup>st</sup> March 2023.

**FINANCIAL HIGHLIGHTS**

The summary of the Company's financial performance, for the financial year 2022-23 as compared to the previous financial year 2021-22 is given below:

**(I) Standalone Financial Performance :**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Income	648.63	635.14
Financial Cost	33.67	71.09
Depreciation and Amortization Expenses	29.50	28.56
Profit / (Loss) before Exceptional Items & Tax	49.77	6.36
Exceptional Items	-	-
Profit / (Loss) before Tax	49.77	6.36
Provision for Tax	5.35	(5.69)
Profit / (Loss) after Tax	44.42	12.05
Other Comprehensive Income	0.73	3.20
Total Comprehensive Income for the Year	45.15	15.25

**(II) Consolidated Financial Performance :**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Income	648.63	635.14
Financial Cost	33.67	71.09
Depreciation and Amortization Expenses	29.50	28.56
Profit / (Loss) before Exceptional Items & Tax	49.67	6.20
Exceptional Items	-	-
Profit / (Loss) before Tax	49.67	6.20
Provision for Tax	5.35	(5.70)
Profit / (Loss) after Tax	44.32	11.90
Other Comprehensive Income	0.73	3.20
Total Comprehensive Income for the Year	45.05	15.10

**FINANCIAL PERFORMANCE**

**Standalone**

During the year under review, the standalone total income for the financial year was Rs. 648.63 lakhs as compared to Rs. 635.14 lakhs for the previous year. The total expenses incurred during the financial year was Rs. 598.86 lakhs as compared to Rs. 628.78 lakhs in the previous year. The Net Profit after tax was Rs. 44.42 lakhs in the financial year as compared to Rs. 12.05 lakhs in the previous year.

**Consolidated**

During the year under review, the consolidated total income for the financial year was Rs. 648.63 lakhs as compared to Rs. 635.14 lakhs for the previous year. The total expenses incurred during the financial year was Rs. 598.96 lakhs as compared to Rs. 628.94 lakhs in the previous year. The Net Profit after tax was Rs. 44.32 lakhs in the financial year as compared to Profit of Rs. 11.90 lakhs in the previous year.

**DIVIDEND**

During the year under review, the Board of Directors has not recommended any dividend for the financial year ended March 31, 2023.

**INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY**

The information on operational and financial performance of the Company is given in the Management Discussion & Analysis Report, forming part of this Annual Report.

**LISTING WITH STOCK EXCHANGES**

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

**SUBSIDIARIES AND JOINT VENTURES**

Your company does not have any subsidiary company or joint venture.

**ASSOCIATE COMPANIES**

During the year ended March 31, 2023, your Company had one associate Company i.e. Trumonee Financial Limited, within the meaning of Section 2(6) of the Companies Act, 2013.

**CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company has been prepared in accordance with the applicable Indian Accounting Standards. The audited consolidated financial statements together with auditor's report forms part of this Annual Report. A statement containing the salient features of the financial statement of associate Company as required under Sec.129(3) of the Companies Act, 2013 in the prescribed form i.e. "Form AOC-1" is annexed as "Annexure - 1" to this report.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statement of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of associate company are also available on the website of the Company. The Company will also make available copy of audited accounts of the associate Company upon request by any member of the Company interested in obtaining the same. All these documents will also be available for inspection at the Registered Office of the Company till the date of ensuing Annual General Meeting of the Company.

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92 and 134 of the Companies Act, 2013 and the rules made thereunder, the extract of annual return in the prescribed format is available on the website of the Company at [www.kslindia.com](http://www.kslindia.com).

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed analysis of the Company's performance is explained in the Management Discussion & Analysis Report, forming part of this Annual Report.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **a) Retirement by Rotation of the Directors**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Pratik Khandwala retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

##### **b) Changes in Directors and Key Managerial Personnel**

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board has appointed Mr. Shyam M. Seshadri (DIN:-05242397) and Mr. Subramanian Murlidhardas (DIN:00268983) as an Independent Directors of the Company for the first term of 5 consecutive years with effect from February 12, 2022. Accordingly, the Members of the Company vide passing resolution through Postal Ballot on May 9, 2022, approved their appointment.

Further, the Board regretfully report the sad demise of Mr. Subramanian Murlidhardas, Independent Director of the Company who passed away on December 10, 2022. The Board further express their heartfelt condolences for his untimely death and wishes to put on record their sincere and deep appreciation for his invaluable guidance and contribution, from time to time, in the Company growth.

Further, pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Paresh Khandwala, Managing Director, Mr. Pranav Khandwala, Whole-time Director and Chief Financial Officer (CFO) and Mr. Abhishek Joshi, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2023.

#### **DECLARATION OF INDEPENDENCE**

The Board has received declarations from all the Independent Directors confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are not disqualified from continuing as Independent Directors of the Company.

#### **MEETINGS OF THE BOARD OF DIRECTORS**

During the financial year, the Board met 6 (six) times i.e. 3<sup>rd</sup> May 2022, 24<sup>th</sup> May 2022, 8<sup>th</sup> July 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November 2022 and 13<sup>th</sup> February 2023. The attendance details of directors at the Board Meetings are provided in the Corporate Governance Report.

#### **COMMITTEES OF THE BOARD**

The Board of Directors of the Company has constituted various Committees in compliance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The details of the Committees along with their composition, terms of reference, no. of meeting held during the year and attendance at these meetings, are provided in the Corporate Governance Report, forming part of this Annual Report.

#### **BOARD EVALUATION**

In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors. The performance of the board and its committees was evaluated after seeking inputs from all the directors on the basis of criteria such as board effectiveness, quality of discussion, contribution at the meeting, corporate governance practices, strategic thinking, time commitment, review of the terms of reference of the committees, etc. The above criteria are based on the guidance note on Board Evaluation issued by the Securities and Exchange Board of India.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors of the Company on the basis of their criteria such as effectiveness, performance, transparency, strategic thinking, quality of discussions at the meetings, etc. The performance evaluation of independent directors was done by the entire board. The Directors expressed their satisfaction with the evaluation process.

#### **NOMINATION AND REMUNERATION POLICY**

The Board has, on recommendation of Nomination and Remuneration Committee, framed a Nomination and Remuneration policy on appointment of Directors, key managerial personnel, senior management personnel and their remuneration including the criteria for determining qualifications, independence of directors, positive attributes, etc. The said policy is annexed to this report as "Annexure - 2".

**DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations, obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of Companies Act, 2013 that:

- (i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (ii) such accounting policies as mentioned in the notes to accounts have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended 31<sup>st</sup> March, 2023;
- (iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Annual accounts are prepared on a going concern basis.
- (v) proper internal financial controls have been laid down and the same are adequate and were operating effectively ; and
- (vi) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial control with reference to the financial statements. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. During the year under review, the Internal Financial Controls were operating effectively and no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The details in respect of internal control system and their adequacy are included in the Management's Discussion and Analysis, which forms part of this annual report.

**RISK MANAGEMENT**

The Company has a risk management framework which not only ensures timely identification of risks, analysis of

the reasons for such risk, assessment of its materiality, assessment of its impact but also adequate risk mitigation processes. The Risk management framework encompasses all areas of the Company's business. The details of risk management including identification of elements of risk and their mitigation are provided in Management's Discussion and Analysis, which forms part of this annual report. The Audit Committee monitors the risk management plan and ensures its effectiveness.

**RELATED PARTY TRANSACTIONS**

All the Related Party Transactions that were entered during the financial year 2022-23 were on arm's length basis and in the ordinary course of business of the Company. Thus disclosure in form AOC-2 is not required.

Further, there were no materially significant related party transactions entered by the Company during the year which may have a potential conflict with the interest of the Company. The disclosure with related parties is set out in the notes to accounts forming part of the Annual Report. The Company has also adopted a related party transactions policy which is available on the website of the Company.

**DEPOSITS**

During the year under review, the Company has neither accepted nor renewed any deposits from the public under the provision of Section 73 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder.

**LOAN, GUARANTEES AND INVESTMENTS BY COMPANY**

The details of loans, guarantees and investments made by the Company under the provision of Section 186 of the Companies Act, 2013, during the financial year, have been disclosed in the notes of the financial statements.

**EMPLOYEES**

Your Company is consciously aware that its well being largely depends upon the quality and strength of human resource. Your Company recognizes that human capital is its most valuable asset and thus endeavors to attract and retain the best available talent. Towards the end of FY 2023 your Company undertook an exercise to shrink the payroll head count to make it lean and more competitive. The Company through constant monitoring of its milestones and goals ensures that its operations are adequately staffed and in sync with requirements. Your Company's human resource policies are designed and implemented to achieve these objectives.

The Board wishes to place on record its appreciation for sincere and dedicated efforts put in by all the employees. Employee-Management relations continued to remain cordial throughout the year under review.

**PARTICULARS OF EMPLOYEES**

Pursuant to the provisions of Section 197(12) of Companies Act, 2013, the ratio of the remuneration of each Director to the median employee's remuneration and other details in term of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of this report as "Annexure - 3".

During the year under review, there was no employee was in receipt of remuneration exceeding the limits as prescribed under the provision of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**POLICY FOR PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has in place a policy on prevention of sexual harassment of women at workplace under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of complaints of any such harassment.

During the year under review, no complaints of sexual harassment was received by the Company.

**VIGIL MECHANISM/ WHISTLER BLOWER POLICY**

The Company has adopted a Vigil Mechanism/Whistle Blower Policy for the employees for reporting genuine concerns/grievances and reporting any unethical behavior or wrong practices such as fraud, violation of code of conduct, inappropriate behavior, etc. in the organization. This Policy provides the adequate safeguards against the victimization of the employees who use the vigil mechanism. The Vigil Mechanism/Whistle Blower Policy has been uploaded on the website of the Company at <http://www.kslindia.com/Static/KSLPolicies.aspx>. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time.

**PREVENTION OF INSIDER TRADING**

The Company has adopted a code of practices and procedure for fair disclosure of Unpublished Price Sensitive Information for prevention of Insider Trading. The said code is in line with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the same has been uploaded on the website of the Company at <http://www.kslindia.com/Static/KSLPolicies.aspx>. All the Directors and the designated employees have complied with the Code.

**SECRETARIAL STANDARDS**

The Company has complied with all the applicable Secretarial Standards, issued by the Institute of Company Secretaries of India relating to meetings of the Board of Directors and General Meetings.

**SHARE CAPITAL**

During the year under review, the Members of the Company at their Extra-Ordinary General Meeting held on June 2, 2022 has approved the increase in Authorised Share Capital from Rs. 14,00,00,000/- (Rupees Fourteen Crores Only) divided into 1,40,00,000 (One Crore Forty Lakhs only) equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 17,00,00,000/- (Rupees Seventeen Crores Only) divided into 1,70,00,000 (One Crore Seventy Lakhs only) equity shares of Rs. 10/- (Rupees Ten Only) each.

The Authorised Share Capital of the Company as on March 31, 2023 stood at Rs. 28,00,00,000/- (Rupees Twenty Eight Crores only) divided into 1,70,00,000 (One Crore Seventy Lakhs only) Equity shares of Rs. 10/- (Rupees Ten Only) each and 5,00,000 (Five Lakhs only) Cumulative Redeemable Preference Shares of Rs. 100/- each (Rupees Hundred Only) and 4,00,000 (Four Lakhs only) Cumulative Convertible Preference Shares of Rs. 100/- each (Rupees Hundred only) and 2,00,000 (Two Lakhs only) Optionally Convertible Redeemable Preference Shares of Rs. 100/- each (Rupees Hundred Only).

Further during the year under review, the Company has allotted 33,14,805 equity shares of Rs. 10/- each to non-promoters at a price of Rs. 27/- per share, including premium of Rs. 17/- per share, on preferential basis on July 8, 2022, which was approved by the Members in the Extra-Ordinary General Meeting held on June 2, 2022.

Consequently, the paid-up share capital of the Company as at March 31, 2023 stood at Rs. 15,25,38,050/- comprising of 1,52,53,805 equity shares of Rs. 10/- each.

**STATUTORY AUDITORS**

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the Members of the Company at their Twenty Seventh AGM held on November 23, 2020, had appointed M/s. Aniket Kulkarni & Associates, Chartered Accountants (Firm Registration No. 130521W), as the Statutory Auditors of the Company for a term of five years, i.e. from the conclusion of Twenty Seventh AGM till the conclusion of the Thirty Second AGM to be held in the year 2025.

The Reports issued by the Statutory Auditor on the Audited Financial Statements of the Company for FY 2022-23 forms part of this Annual Report.

Further, the Statutory Auditor's has given the qualified opinion in their audit reports and the Board has furnished required details/explanation in its note nos. 28 and 29 of notes of accounts to the Standalone Financial Statements and note nos. 30 and 31 of notes of accounts to the Consolidated Financial Statements respectively.

**SECRETARIAL AUDITORS**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company had appointed M/s. Bhuvnesh Bansal & Associates, Practicing Company Secretary, to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2023.

The Secretarial Audit Report for the financial year ended March 31, 2023 issued by the Secretarial Auditor has been annexed as "Annexure-4" to this report. Further, the Secretarial Auditor has not given any qualification or reservation in his Secretarial Audit Report except for a remark in relation to delay in submission of in-principal documents regarding allotment of equity shares on preferential basis with Stock Exchanges. The Company has taken the necessary steps to avoid such delay.

**INTERNAL AUDITORS**

Pursuant to the provisions of section 138 of the Companies Act, 2013 and the rules made thereunder, M/s. Shah & Ramaiya, Chartered Accountants was appointed as Internal Auditors of the Company for the financial year 2022-2023. The Internal Auditors have conducted the internal audit periodically and submitted their reports to the Audit Committee.

**CORPORATE GOVERNANCE**

A report on Corporate Governance along with a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been provided in this Annual Report.

**CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the requirements of mandatory implementation of Corporate Social Responsibility activities is presently not applicable to the Company.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT**

There are no material significant material orders passed by the Regulators or Court or Tribunals which can have an impact on the going concern status and its future operations.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In view of the nature of activities which are being carried on by the Company, Rule 8(3) of the Company (Accounts), Rules, 2014 concerning conservation of energy and technology absorption respectively are not applicable to the Company.

**Foreign Exchange Earnings and Outgo:**

During the year under review, the foreign exchange earnings was Rs. 31.00 Lakhs (Previous Year was Rs. 114.00 lakhs). The foreign exchange outgo was Rs. 0.41 lakhs (Previous Year was Nil).

**OTHER DISCLOSURES:**

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the financial year ended March 31, 2023:

- There has been no change in the nature of business of the Company;
- There has been no material changes and commitments affecting the financial position of the Company that occurred between the end of financial year and the date of this Report;
- There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016. There was no instance of one time settlement with any Bank/Financial Institution in respect of loan taken by the Company;
- No fraud has been reported by the Auditors to the Audit Committee and the Board;
- Maintenance of cost records and requirements of cost audit, as prescribed under the provision of section 148(1) of the Companies Act, 2013 are not applicable to the Company;

**ACKNOWLEDGMENTS**

The Board expresses its sincere gratitude for the continued support and guidance received by the Company from the Securities and Exchange Board of India, the Stock Exchanges and other government and regulatory agencies. The Board would like to acknowledge the continued support of its bankers, registrars, vendors, clients and investors. The Directors also wish to place on record their gratitude and appreciation of the employees' hard work, dedication, teamwork and professionalism which has made the phenomenal growth possible year after year.

**For and on behalf of the Board of Directors of  
Khandwala Securities Limited**

Date : May 30, 2023  
Place : Mumbai

**Homiar N. Vakil  
Chairman**



**Annexure – 1 to Director’s Report  
Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures****Part A: Subsidiaries**

Not Applicable

**Part B: Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<b>Name of the Associate Company</b>	<b>Trumonee Financial Limited</b>
Latest Audited Balance Sheet Date	31 <sup>st</sup> March, 2023
No. of Shares of Associate held by the company on the year end	33,75,000
Amount of Investment in Associates (In Rupees)	3,37,50,000
Extend of Holding %	43.41%
Description of how there is significant influence	Significant influence due to percentage of share capital
Reason why the associate/joint venture is not consolidated	-
Net worth attributable to shareholding as per latest audited Balance Sheet (in Rupees)	15,07,345/-
Profit / Loss for the year Considered in Consolidation (In Rupees)	(9,664)
Profit / Loss for the year not Considered in Consolidation	-

**For Aniket Kulkarni & Associates  
Chartered Accountants  
(FRN No:- 130521W)**

**Aniket Kulkarni  
Proprietor  
Mem. No: 127246**

**For and on behalf of the Board of Directors  
Khandwala Securities Limited**

**Homiar N. Vakil  
Chairman  
DIN: 05210178**

**Pranav Khandwala  
Whole-time Director / CFO  
DIN: 02335473**

**Paresh J. Khandwala  
Managing Director  
DIN: 00112678**

**Abhishek Joshi  
Company Secretary**

Place:- Mumbai  
Date:- May 30, 2023

**Annexure – 2 to Director’s Report****NOMINATION AND REMUNERATION POLICY****1. Preamble**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 (herein after called as ‘the Act’) read along with the applicable rules thereto and the Listing Agreement, as amended from time to time. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors.

**2. Definitions**

- **“Company”** means Khandwala Securities Limited.
- **“Board of Directors”** or **“Board”** means the Board of Directors of Khandwala Securities Limited as constituted/re-constituted from time to time.
- **“Nomination and Remuneration Committee”** or **“Committee”** means the Committee of the Board constituted/re-constituted under the provisions of Clause 49 of the Listing Agreement read with Section 178 of the Companies Act, 2013 as in force from time to time.
- **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;
- **“Key Managerial Personnel”** means:
  - Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
  - Chief Financial Officer;
  - Company Secretary; and
  - Such other officer as may be prescribed.
- **“Senior Managerial Personnel”** mean the personnel of the company who are members of its core management team, excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

**3. Objective**

The objective of the policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**4. Role of the Committee**

The role of the Committee will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To carry out evaluation of Director’s performance.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## **5. Appointment and Removal of Director, Key Managerial Personnel and Senior Management**

### **Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/ her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

## **6. Term / Tenure**

### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **b) Independent Director:**

An Independent Director shall hold office for a term up to the term fixed by the Board of Directors as prescribed under the Act, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiration of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

## **7. Evaluation**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

## **8. Removal**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

**9. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**10. Provision relating to Remuneration of Directors/KMP/ Senior Management Personnel****1. Remuneration to Managing Director / Whole-time Directors:**

- i. The Remuneration/Commission etc. to be paid to Managing Director/Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- ii. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

**2. Remuneration to Non- Executive / Independent Directors:**

- iii. The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- iv. All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case maybe.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (III) above if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as the professional; and
- In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3. Remuneration to Key Managerial Personnel and Senior Management:**

- v. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- vi. The Committee shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- vii. The Fixed pay may include monthly remuneration, employer's contribution to Provident Fund contribution to pension fund, pension schemes, etc. as decided from to time.
- viii. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**11. Amendments:**

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**Annexure – 3 to Director’s Report**

Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No	Requirements	Disclosure		
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year and the percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary in the Financial Year	<b>Name of Director / KMP &amp; Designation</b>	<b>Ratio of the remuneration to the median remuneration of all employees</b>	<b>% increase In remuneration</b>
		<b>Executive Directors / KMP</b>		
		Mr. Paresh Khandwala (Managing Director)	5.90	Nil
		Mr. Pranav Khandwala (Whole-time Director/ CFO)	3.40	Nil
		Mr. Abhishek Joshi (Company Secretary)	1.66	Nil
		<b>Non -Executive Directors</b>		
		Mr. Shyam M. Seshadri	-	N.A
		Mr. Subramanian Murlidhardas	-	N.A
		Mr. Homiar N. Vakil	-	N.A
		Mrs. Bhagyashree Khandwala	-	N.A
Mr. Pratik Khandwala	-	N.A		
2	The percentage increase in the median remuneration of employees in the financial year	12.20%		
3	The number of employees as on 31 <sup>st</sup> March, 2023 on the rolls of Company	35 employees as on 31 <sup>st</sup> March 2023		
4	The explanation on the relationship between average increase in remuneration and company performance	The average Increase in remuneration of all employees was 0.21%. The increase in remuneration was in line with the Company’s market competitiveness.		
5	Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exceptional circumstances for increase in the managerial remuneration.	The average increase in salaries of employees was 10.23%. There was no increase in managerial remuneration during the year.		
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.		

**Note:-**

The Non-Executive Directors of the Company has received remuneration by way of sitting fees only and the same is not been included in the aforesaid calculation of remuneration.

**For and on behalf of the Board of Directors  
Khandwala Securities Limited**

**Paresh Khandwala  
Managing Director**

Date : May 30, 2023  
Place: Mumbai

**Annexure-4**  
**SECRETARIAL AUDIT REPORT**

FORM NO. MR – 3

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration personnel Rule, 2014)]

To  
**The Members,**  
**Khandwala Securities Limited**  
Vikas Building, Ground Floor,  
Green Street, Fort,  
Mumbai – 400 023

I have conducted the secretarial audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **Khandwala Securities Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/Statutory compliances and expressing my opinion thereon.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on my verification of Khandwala Securities Limited's books, papers, minute books, form and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial audit, I hereby report that in our opinion, the Company has, during the audit period from April 01, 2022 to March 31, 2023 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reporting made hereinafter:

I have examined the books, papers, minute books, form and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
  - f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**.
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993, regarding the Companies Act and dealing with client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit period)**
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit period)**
  - j. The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

I have also examined Compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to listing agreement entered into by the Company with BSE Ltd (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**, having regard to compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

1. The Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992;
2. The Securities and Exchange Board of India (Portfolio Managers) Regulation, 2020;
3. Employees Provident Fund and Miscellaneous provision Act, 1952;
4. Employees State Insurance Act, 1948;
5. Payment of Gratuity Act, 1972;
6. Act as prescribed under Shop and Establishment Act of various local authorities.

**I further report that** the Board of Directors of the Company is duly constituted with Proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that** the Company have not been complied the Regulation 160 (f) of SEBI (ICDR) Regulations, 2018 - In principal approval documents regarding allotment of equity shares on preferential basis submitted with NSE & BSE delayed by 4 days, SEBI warned and advised to be careful in future to avoid recurrence of such lapses by letter dated 24.06.2022

**I further report that** there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the Company has passed following Special Resolutions which are having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines.

- i. Appointment of Mr. Shyam Muralidhardas Seshadri (DIN: 05242397) as an Independent Director of the Company.
- ii. Appointment of Mr. Subramanian Murlidhardas (DIN: 00268983) as an Independent Director of the Company.
- iii. Issuance of Equity Shares on Preferential Basis.
- iv. Re-Appointment of Mr. Paresh Khandwala (DIN: 00112678)), as Managing Director of the Company.

**I further report that** during the audit period, there were no instances of:

- (i) Public/Right/ debentures/ sweat equity.
- (ii) Buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.

**For Bhunesh Bansal & Associates**

**Bhunesh Bansal**  
Proprietor  
FCS No. – 6526  
CP No. - 9089

UDIN:F006526E000423998

Peer Review Certificate No.: 1708/2022

Place: Mumbai

Date: 30<sup>th</sup> May 2023

This Report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**‘Annexure A’**

**To,**  
**The Members**  
**Khandwala Securities Limited**  
Vikas Building, Ground Floor,  
Green Street, Fort,  
Mumbai – 400 023

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Bhwnesh Bansal & Associates**

**Bhwnesh Bansal**  
**Proprietor**

**FCS No. – 6526**

**CP No. – 9089**

**UDIN:F006526E000423998**

**Peer Review Certificate No.: 1708/2022**

**Place:** Mumbai  
**Date:** 30<sup>th</sup> May 2023



**MANAGEMENT DISCUSSION AND ANALYSIS****Review of Global Economy**

The global economy continued to manoeuvre through uncertainties in FY23. Uncertainties pertaining to the likely escalation of Russia-Ukraine war, continuous disruption in global supply chain leading to inflation globally due to closing down of China were amongst the major events that provided maximum volatility to the markets. Expectation of an imminent recession got stronger as major central banks continued to tighten monetary conditions. However, on a positive note in mid FY23, notable improvement in supply chains led to easing inflationary pressures and entire commodity prices moderated, Brent crude prices peaked in FY23 and moderated ~35% by year end.

By June 2022, CPI inflation in the US was at 40-year high, and the inflationary pressure in the US and Europe remained acute into the early months of 2023, spreading also to emerging economies. Having signalled until January 2022 that it would not raise its policy rate until 2024, the US Fed abruptly began its most aggressive monetary tightening in four decades, and the US 10-year minus 2-year yield curve remained severely inverted from July 2022 onwards (having first inverted briefly in April 2022), clearly signalling a recession in 2023.

The International Monetary Fund (IMF), in its latest World Economic Outlook (released January 30, 2023), estimated that world Gross Domestic Product (GDP) grew 3.4% (real, inflation-adjusted) in CY22, decelerating from the post-covid bounce to 6% growth in 2021 and the longer-term average annual growth of 3.8%. The enforced tightening of US monetary policy since March 2022, which took the US policy interest rate up by 475 bps within a year (to a range of 4.75-5% as of March 2023 FOMC meeting), and the even more abrupt shift away from ultra-loose monetary policy by the European Central Bank (ECB) from July 2022 onward, led the IMF to forecast a sharp slowdown in growth of the Advanced Economies in 2023 to just 1.2% - with the US growing 1.4%, the Euro area just 0.7% and the UK contracting 0.6%.

Emerging Economies, however, remained relatively unscathed, having kept external debt in check, and been largely circumspect about monetary and fiscal stimulus during the covid crisis. India stood out on both fronts, with external debt having declined to 19% of GDP in June 2022 (from 24% in March 2014), and the fiscal deficit returning quickly to a glide path toward 6% of GDP (having never exceeded 9% of GDP even at the height of the covid induced global slump in 2020). The IMF forecasts that emerging economies will accelerate to 4% real GDP growth in 2023 (from 3.9% in 2022), with India again the fastest-growing major economy (6.1% growth in 2023, 6.8% in 2022 and 2024), and China projected to rebound to 5.2% growth in 2023 (from 3% in 2022) but moderating to 4.5% in 2024. With Russia slated to accelerate to 2.1% growth in 2024, the

IMF projects that Developing Economies will grow 4.2% in 2024, thus ensuring global real GDP growth of 2.9% in 2023 (despite the recession in the Advanced Economies) and 3.1% in 2024.

**Review of India's Economy**

After expanding by 8.8% in FY22, based on a broad-based recovery in manufacturing (+11.1% YoY) and services (+8.8% YoY), India's real GDP decelerated to 7.7% YoY growth in the first 3 quarters of FY23, mainly because of a sharp slowdown in manufacturing growth (+0.4% YoY), particularly a contraction in labour-intensive manufacturing output. By contrast, services accelerated to 10.4% YoY growth in April-December 2022 (from 9.4% in April-December 2021) and construction (10% YoY) and agriculture (+3% YoY) expanded at a good clip. From the demand perspective, the deceleration was attributable primarily to stagnation in real government spending and a deterioration in net exports, as robust real exports of goods and services (+14.3% YoY) were outpaced by real imports, which expanded 22.8% YoY in April-December 2022. Real fixed investment spending grew a robust 12.6% YoY in April-December 2022, and was 14.4% higher than the pre-covid level (of April-December 2019), while real private consumption expenditure (PCE) grew 9.5% YoY in the first 3 quarters of FY23.

India's services exports grew 30.5% YoY in the first 11 months of FY23, easily the fastest growth in over a decade, accelerating from the post-covid bounce of 21.2% YoY growth in FY22, and exceeding the previous decadal high of 18% in FY19. Services imports were up 24.6% YoY, so the services trade surplus for April 2022-February 2023 widened 38.6% YoY to USD 133 Bn. The goods trade deficit widened sharply in April-September 2022 amid elevated crude oil prices, narrowed slightly in Q3FY23, and declined by 2.5% YoY in January-February 2023 as exports and imports declined in response to the slowdown in US and European demand. The services and incomes surpluses are likely to ensure a current account surplus (0.2% of GDP) in Q4FY23, reducing the FY23 current account deficit (CAD) to 2.4% of GDP.

Inflation as measured by the Consumer Price Index (CPI) edged above the Reserve Bank of India's (RBI) preferred target range (2-6% YoY) between January and October 2022, but moderated to 5.7% YoY by December 2022. The renewed surge in fuel prices triggered by the Russia-Ukraine war was a major factor keeping inflation high, which obliged the RBI to steadily hike its policy repo rate from 4% in April 2022 to 6.5% by February 2023 monetary policy committee (MPC) meeting. A renewed uptick in food grain prices (+16.3% YoY in February 2023) led to CPI inflation rising well above the RBI's target range in February 2023, raising the spectre of more rate hikes from a hawkish MPC. The big reported increase in wheat and rice prices was mainly a statistical quirk, arising from the fact that free food grain was distributed

to over 800 Mn Indians from January 2023 onwards: any item obtained free is not included in measuring the CPI, so non-PDS food grains influence on the CPI was being exaggerated. Nonetheless, the headline CPI inflation was likely to oblige the RBI to raise interest rates further, unless non-PDS food grain could be distributed better.

The external sector has continued to remain resilient amidst the global uncertainties and expectations of the spill over effects due to an imminent slowdown in the developed market economies. India's exports reached an all-time high of USD 750 Bn in FY23 from USD 672 Bn in FY22. The growth in merchandise exports on a FYTD basis (Apr-Feb'23) moderated to 7% vs 47% earlier, while imports growth moderated to 19% vs 59% earlier, trade deficit widened to USD 251 Bn vs USD173 Bn earlier. However, robust services balance (USD 125 Bn vs USD 93 Bn earlier) helped cushion the Current Account Deficit (CAD) in FY23. Software exports constitutes majority of India's services exports and the consistent growth in this category is not reflecting the spill over effect of growth slowdown in DM economies (~ 90% of India's software exports is concentrated in US and Europe). India's forex reserves fell USD 39 Bn during FY23, but remained at comfortable levels of USD 579 Bn which comes to an import cover ratio of 9.5 times.

### **Outlook of Global and Indian Economy**

We expect world real GDP growth to slow to 2.2% in 2023, slower than the IMF's January 2023 forecast of 2.9% real GDP growth, as central banks in the developed economies continue to sharply scale back their aggressive monetary expansion in the face of virulent inflation that remains near 4-decade highs. The abrupt shift in monetary stance over the past year has already caused some disarray in the US and European financial system, with victims including Switzerland's second-largest bank and the 15<sup>th</sup> largest US bank (and a couple of smaller ones). With inflation still very far from central bank targets (more than double the US target, triple the ECB's and BoE's targets at the end of March 2023), central banks will have to prioritise the fight against inflation, even if it causes further ructions in the financial markets. While bank-specific liquidity support will continue, aggregate money supply will continue to be reined in, causing the supply of credit to tighten, weakening the economy further. Our global growth estimate is predicated on zero growth for developed economies in 2023 (slower than the IMF's January 2022 forecast of 1.4%), and 4.2% growth for emerging economies (primarily because we expect India to grow faster than the IMF's 6.1% growth forecast for 2023).

With many major supply-side reforms over the past 2 years, e.g. the lowest corporate tax rates in Asia (especially for new manufacturing units), a more flexible labour market with the simplification of labour codes, and production-linked incentives (PLI) spurring new investments in export-oriented manufacturing, India is poised to experience

a steady further acceleration in investment-led growth. Exports of services are ironically benefitting from increased immigration controls in the US (especially) and Europe, resulting in enhanced off-shoring of shared services, while Indian software companies increasingly become more sophisticated in whole-business consultancy and broaden their offering of research-and process-outsourcing. With the rupee's real effective exchange rate depreciating 5% since mid-November 2022, India's merchandise exports too are likely to receive a boost to their competitiveness, especially once export duties (imposed since May 2022 to fight inflation) are eliminated. With lower crude oil prices helping to both lower India's headline inflation rate and lower the CAD to 1.5% of GDP in FY24, we expect India's real GDP to grow 7% despite the recession in advanced economies (other than Japan) in CY23.

### **INDUSTRY REVIEW**

#### **Indian Capital Markets**

For an Indian investor, FY23 turned out to be highly volatile for equities given the global events. From a cross asset class perspective, investors betting on gold (+16%), USD (+8.4%), real estate (5%-6%) and bonds (3.8%) earned positive returns in FY23 while those betting on stocks were provided flat returns.

FY23 turned out to be a year in which there was massive pressure of rising 'equity risk premium' and 'risk-free rate' on equity valuations along with unprecedented uncertainty on income growth for corporates. First half of FY23 began with the unprecedented nuclear brinkmanship caused by the Russia-Ukraine conflict which fuelled a commodity shock thereby resulting in surge in prices as well as shipping costs. Central banks were caught by surprise due to the steep rise in inflation thereby triggering one of the sharpest rate hike cycles by the US Federal Reserve in decades. Towards the end of FY23, the narrative is changing from further aggressive Quantitative tightening (QT) to prospects of an end to QT cycle in the near term and probable Quantitative easing (QE) in 2024. The above change in stance is driven largely due to the banking crisis in US and Europe caused by aggressive rate hikes taken by the US Fed which has the potential to trigger a recession in the developed world.

Within equities, high-beta, capital-intensive and value stocks outperformed low-volatility stocks during FY23. Large-caps outperformed small-caps. Amongst large caps, sectors which outperformed were PSU stocks, FMCG, auto and financials.

PAT/GDP is likely to improve in FY24 after dipping marginally in FY23 due to the contraction in profit pool of commodity companies. India's domestic capex cycle and credit cycle are at a nascent stage of recovery coinciding with the decadal bottom of the NPA cycle along with pro-growth union budget which focused on enhancing capex spend on infrastructure (FY24 capex outlay stands at INR 10 Tn).

Foreign Portfolio Investors (FPI) selling during FY23 relatively slowed down as compared to FY22 outflows with second half having inflows from FPI's. Further, DII's continued their strong momentum of inflows in FY23.

Secondary market witnessed the outflow of Foreign Portfolio Investors (FPIs) of USD 25.3 Bn. However, including the primary market inflows, the selling was much lower at USD 6 Bn in FY23. FPIs were net sellers in the 1<sup>st</sup> half of FY23 totalling USD 9 Bn outflowsal though the trend reversed in the 2<sup>nd</sup> half of FY23 with FPI becoming net buyer resulting in inflows of USD3 Bn. Consequently, aggregate FPI equity asset stood at INR 44.6 Tn as of March 31, 2023. During FY23, sectors which saw massive outflows were IT, energy financials and consumer durables whereas capital goods, FMCG, Healthcare services, consumer services and autossaw massive inflows. Indian debt market which witnessed continuous outflow over the past few years (except FY22) by Foreign Portfolio Investors (FPIs) saw outflow of USD 1.1 Bn in FY23.

In contrast, the Indian capital markets saw consistent buying by domestic investors in the face of continued unprecedented selling by FPIs during rare and extreme fear-inducing events seen over the past year (QE reversal, US Federal reserve aggressive interest rate hike, high inflation across globe and global brinkmanship due to the Russia-Ukraine conflict).DII were net buyers across FY23 totalling USD 32.2Bn (highest ever) and absorbed selling pressure of FPIs. SIPs continued to remain resilient despite the market volatility with cumulative SIP flows of INR 1,560 Bn in FY23 vis-à-vis INR 1,246 Bn in FY22 signifying rise of retail investors. Further, domestic equity Assets Under Management (AUM) has increased by 17% to INR 16.9Tn (March 2023) from INR 14.42 Tn (March 2022).

### Indian Broking Industry

The Indian broking industry is very diverse with many intermediaries forming a part of the market infrastructure. Over the years, more efficient players have grown considerably in size, thus gaining healthy market share across parameters. With rising demat accounts and growing volumes, the broking industry generated an estimated revenue in excess of INR 380 billion in FY23.

Digitisation has been a key driver for the financial services industry. With internet penetration on the rise, 5G services and digital payments, customers now have easy access to the market. Modern investment apps have evolved to provide more options to retail investors. They provide education as well as a platform for ease of fund/product selection, investment and more efficient tracking of portfolios. Buying and selling stocks through mobile apps has become popular, leading to majority stock brokers launching their mobile app. Further, internet and smart phone penetration beyond the urban centres has unlocked significant opportunities for the financial services industry.

The Indian broking industry is consolidating towards digital brokers. Digital brokers provide a superior experience starting right from the time the client is acquired, to their first interaction with the platform post on-boarding, to order execution and eventually their post trade journey. This seamless experience from on boarding to engagement and execution has given digital brokers a huge lead over their traditional peers. The technological prowess of digital brokers enables them to provide services to clients at competitive fees and charges. This ease of transacting, along with superior client experience, attracts a large number of investors onto their platform, which has led to multi-fold growth in their client base over the last couple of years.

Clients are looking for better investment opportunities, driving the equity space. The number of active demat accounts in India has grown by nearly four times over the past 5 years to reach almost 32.7 million as of March 2023. Sharein ownership of NSE listed companies by retail investors' has been improving from 8.4% in March 2020 to 9.2% as of December 2022.

The average daily traded volumes (ADTO) for the equity markets during FY23 stood at INR 153.9 lakh Cr, up 121% YoY from INR 69.5 lakh Cr in FY22. The overall Cash market ADTO declined by 21% YoY at INR 57,564 Cr in FY23. Within derivatives, options volume rose 125% YoY to INR 152.2 lakh Cr, while futures volume declined by 4% YoY to INR 1.1 lakh Cr. Amongst cash market participants, retail constituted 47% of total cash volume, institution 25% and proprietary (prop) 28%. The proportion of DII in the cash market was 10%.In FY23, 2.5 Cr new demat accounts were opened as against 3.5 Cr in FY22. This drop is attributed to various factors like volatile market conditions, tepid IPO markets etc. CDSL, the largest depository in India in terms of number of demat clients, crossed 8 Cr mark. The total number of demat accounts, across CDSL and NSDL, stood at 11.45 Cr as of 31st March 2023, registering a growth of 28% YoY.

India's regulatory environment has been continuously evolving and rightly so to protect the interest of the smallest retail investor in the country. By doing so, the regulator has made the investing environment far more secure today, which gives a major boost to retail investors' confidence.

In FY21, SEBI introduced the pledge mechanism and instated the new peak margin norms. Both these regulations were directed to protect the interest of retail investor. While there was only a transient impact, restricted to the period of implementation, India witnessed healthy growth not only in demat accounts, but also market volumes, thereafter.

Following these developments, in May 2022, SEBI introduced a new regulation regarding the segregation of margin, in the form of cash and collateral, at client level, which was earlier being done at the broker level. By doing so, the regulator has further re-emphasised their empathy towards retail

investors. This regulation built new guardrails to secure client funds and eliminate any chance of misappropriation of client money. The said circular proposed clients to bring in at least 50% of their margins in the form of cash while the balance can be in the form of collateral. The circular, also allows brokers to apportion a part of their proprietary funds towards fulfilling the 50% cash margin requirement at client level.

Another major regulation announced in FY23, was flushing out all client funds on the first Friday following either the monthly or quarterly settlement as opted by the client. This regulation was implemented from October 2022, when the industry geared up rapidly and flushed out all funds back to their clients. Post this, the market volumes continued to grow.

In order to further insulate clients' funds, SEBI in its recently concluded board meeting approved two proposals:

- Introduction of Application Supported by Blocked Amount (ASBA) like facility for secondary market
- Upstreaming of clients' funds by stock brokers/clearing members to clearing corporations

While ASBA framework is optional for both the client and stock broker to offer, it would be implemented in a phased manner. Upstreaming of clients' funds will be implemented in two phases starting from 1<sup>st</sup> July 2023. Under the approved framework, funds shall be upstreamed only in the form of cash, lien on Fixed Deposit Receipts (subject to certain conditions) or pledge of units of Mutual Fund Overnight Schemes. This is yet another step taken by the regulator in the direction of insulating the retail investor from any risk of losing their capital due to inefficiencies in the system.

Regulations have a long-term positive impact on the growth of the industry, as they make the environment more secure. While there may be a transient impact, efficient intermediaries will always stand to benefit in the long term.

### **Investment Banking**

IPO markets remain subdued in FY23, after having an exceptional year in FY22 on account of volatile market scenario and moderate listing performance. FY23 witnessed 37 main board IPOs as compared to 53 in FY22. The amount of funds raised through main board IPOs was INR 52,116 Cr compared to all-time high of INR 1,11,547 Cr in FY22. The year recorded India's largest IPO- LIC at INR 20,557 Cr. Other major listing in the exchanges included Delhi very (INR 5,235 Cr), Global Health (INR 2,206 Cr) and Five Star Business Finance (INR 1,593 Cr). Most of the IPOs (25 out of 37) came in just 3 months (May, November and December) which clearly depicted volatile market conditions prevailed through major part of the year. The average number of applications from retail dropped to 5.6 lakhs in comparison to 13.3 lakhs in FY22.

### **Asset Management**

Overall mutual fund industry AUM was INR 39.4 lakh Cr in FY23, a jump of 5% YoY. On the front of equity mutual fund (excluding arbitrage), AUM stood at INR 19.3 lakh Cr, registering a growth of 10% YoY and contributing 49% of the total AUM. Equity category witnessed net inflows of INR 1.6 lakh Cr in FY23, a reduction of 29% YoY. Around 2.5 crores of new SIPs were registered in FY23 as compared to 2.7 Cr in FY22. SIP monthly contribution touched an all-time high of INR 14,276 Cr in March 2023. SIP flows for FY23 stood at INR 1,55,972 Cr vs INR 1,24,566 Cr in FY22.

FY23 started with the deadline for SEBI's regulation banning the use of broker's pool accounts for mutual fund transactions extended to July 1, 2022. Subsequently, the regulator barred mutual funds from launching fresh schemes for the first three months of FY23 until the industry complied with the new rules. SEBI also included asset management companies in the stringent SEBI Prohibition of Insider Trading regulations and specified a list of people who will be considered insiders. Further, fund houses are also required to publish MF holdings of their fund managers and designated people on stock exchanges. Long-term capital gains (LTCG) tax benefit on debt mutual funds, ETFs, international funds, gold funds, and certain categories of hybrid funds (that invest less than 35% in Indian equities) were removed. In effect, they will be treated as short-term capital gain (STCG), in much the same way as bank FDs.

On PMS front, SEBI introduced performance benchmarking and categorization for the PMS industry, akin to the current norms in mutual funds. The move will help investors assess and compare the performance of service providers and came into effect from April 1, 2023. Moving to bring parity between multiple modes of investment and reduce mis-selling and high commission charges, SEBI introduced direct plan for AIF investors and removed upfront commission model. These rules will become effective from May 1, 2023.

### **Private Equity**

2022 witnessed start-up attention beginning to wear off as macroeconomic factors slowed consumer spending. PE-VC firms invested USD 35 Bn in Indian companies across 1,530 deals as compared to USD 48 Bn across 1,624 deals in 2021. The start-up sector attracted the most investment with USD 7.4 Bn worth of investment across 991 deals. The start-up sector was followed by e-commerce, BFSI and education sector. The year witnessed 12 deals worth USD 500 Mn or more, led by Bodhi Tree Systems' USD 1.8 Bn investment in Viacom18 Media, Bengaluru which is the "Silicon Valley of India" tops the charts in terms of volumes as it is home to a majority of companies. Mumbai topped the charts in terms of values and accounted for 27% of total values.

The Indian economy continues to be a favourable spot for PE players given the robust credit cycle, improving capex cycle, rising incomes leading to higher consumption

and supportive government policies. Indian economy's tremendous performance in 2022 and the positive outlook for growth in the coming decade make India one of the best investment destinations for both foreign and domestic investors across multiple sectors. Further, expectations of peaking interest rates and an uptick in IPOs and other investment exits improve the prospects.

### Wealth Management

As per Knight Frank's latest edition of The Wealth Report 2023, the number of ultra-high net worth individuals (UHNWIs) has globally declined by 3.8% in 2022 after a rise of 9.3% in 2021 as the wealth and the investment portfolio were impacted by economic slowdowns, frequent rate hikes and rising geopolitical uncertainties. On the other hand, number of high net worth individuals (HNWIs), those with USD 1 Mn or more in net assets expanded by 3%. In India, the number of UHNWIs fell by 7.5% YoY in 2022, however the HNI population continued to remain on a growth path registering a YoY growth of 4.5% and India's billionaire population rose by 11% YoY in 2022. India's UHNWI with net worth over USD 30 Mn is expected to rise by 58.4% in the next five years. Three out of the top ten highest growth spots across the world were currently held by Asian markets in the ultra-wealthy population. By 2027, it is projected that Asia will surpass Europe in terms of UNHWI count and will stand second to the Americas.

### AN OVERVIEW OF KHANDWALA SECURITIES LIMITED

Khandwala Securities Limited's equity shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The way to understand the activities of the Company is to analyse the business it carries out. It may be noted that the Company is focused on financial services as its core business area. Various businesses in the Company are divided in four segments. These are: Investment banking business comprising Capital Raising, M&A Advisory, Domestic IPOs, Private Equity placements, Corporate finance advisory, Restructuring, FCCBs and GDRs; Institutional Equities business comprising institutional equity sales, execution, research; Broking and Distribution business comprising non-institutional equity sales, trading, research, broking and distribution, depository participant ship; Investment Advisory business comprising private and corporate wealth management, portfolio management.

Various operating businesses are carried out by having independent teams and regulatory licenses. Our Company wide clients include public and private sector corporations, multinational corporations, financial institutions, institutional investors -both domestic and global, high net-worth individuals and retail investors as well as market intermediaries.

### Financial Highlights:

The salient features of the Company's performance:-

Total Revenues of INR 648.63 Lakhs

Net Profit of INR 44.42 Lakhs

Earnings Per Share (EPS) of INR 0.29

### Segment Highlights – FY23 over FY22 & FY21:

(INR In Lakhs)

Segment	FY23	FY22	FY21
Brokerage	304.47	448.58	292.27
Corporate Advisory Services	317.92	148.06	1.00
Income from Capital Market Operations	4.06	13.20	66.36
Others	22.19	25.30	17.73
<b>Total Income</b>	<b>648.63</b>	<b>635.14</b>	<b>377.35</b>

### Broking Business:

The Brokerage services of your Company include equity and debt broking and are supported by a strong research platform.

Income received for brokerage services had accounted for approximately 46.94% of our total revenues at INR 648.63 Lakhs for the year ended March 31, 2023.

### Private Client Broking business:

Our private client broking services are targeted at High Net worth Individuals (HNIs) who actively invest and trade in equity markets and seek priority service with Bloomberg research and advisory support. Our approach is to provide advisory-based brokerage services with a strong emphasis on research, and to offer our clients value-added services usually reserved for institutional clients.

KSL with its concentrated efforts in equity broking business, and as future strategy to build high volumes and revenues could successfully add a good number of Trading Accounts for various segments (Cash, Whole-sale Debt Market, Future & Option) during 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

### Institutional Equities business:

Equity and derivatives brokerage business of the Company contributed 46.94% of the consolidated revenue during this financial year. The Company's revenue of Rs. 648.63 lakhs for the year showed a increase of 2.12% over the previous year corresponding to a comparable increase in volume. However it is encouraging to note that we marginally increased our market share. The number of clients who traded and the number of transactions were also good.

The institutional equities business comprises institutional equity sales, sales- trading and research. We differentiate ourselves based on our cutting-edge research focus, which aids our execution capabilities across our sales and trading platforms. We provide equity and derivatives sales and trading services to a large and diversified base of institutional investors, including FIIs and domestic institutional investors. At present, we have over 15 institutional investors actively transacting with us on a continuous basis.

The category wise contribution from the Institutional Dealing Desk to our revenues has been mentioned in the table below which shows a decrease of 30.48% during the FY 2023 over previous FY 2022.

Category	Brokerage Revenue during FY 22-23	Brokerage Revenue during FY 21-22	Brokerage Revenue during FY 20-21
MF	-	-	-
INS	2,33,765	10,66,490	8,36,097
BANKS	1,75,185	5,39,113	1,99,310
CORP (Including FPI)	30,61,492	41,28,367	14,72,000
<b>Total</b>	<b>34,70,442</b>	<b>57,33,970</b>	<b>25,07,407</b>

**Investment banking business:**

The equity capital markets team focuses on structuring and executing diverse equity capital raising transactions in the public and private markets for our clients. Products in this segment include IPOs, follow-on offerings, rights offerings, private placement, ADR offerings, GDR offerings, QIP transactions and convertible offerings, etc. for both listed and unlisted entities.

As an Investment Banking firm, it has always been our endeavor to structure and put together transaction structures that build long term, sustainable value for both the borrower and lender of funds in the equity markets. This approach, though having proved its importance during the stages of market tightness, has been somewhat considered as a weakness by industry participants, resulting in us not being able to successfully convince Bloomberg on its benefits. This has led to situations wherein KSL has had to either withdraw from certain mandates or had to face resistance from Indian Corporates in awarding their fund raising mandates to us from the secondary markets. This is despite the management of these corporate houses acknowledging the deep knowledge and understanding of the micro and macro economy factors including the future growth prospects in specific industry, and the sustainable long term valuation parameters.

We always believe that in order for market to value and reward its participants, it is important for both the Promoter Groups and the Merchant Bankers to design appropriate and sustainable valuation models such that it remains consistent with the overall corporate performance and at the same point in time is able to ride both the good and the bad times.

Investment Baking and Advisory Group is putting their best endeavors on reviving some of the lost or delayed transactions, and are confident that in improved market sentiment same can be executed efficiently.

**Portfolio Management Services:**

The Portfolio Management Segment is bound to grow and offer immense business potential for financial advisory services. The NRI community is the key market segment. Successful NRI business owners and professionals are of great interest to Portfolio management institutions. KSL has identified this rapidly growing segments' need for specific products and services and has created practice models and advisory teams that specialize in servicing NRIs. Our service offerings include providing HNIs with investment advisory, planning and asset deployment advice, asset allocation and the distribution of a wide range of products. Our primary focus is on understanding each client's financial profile, including tolerance for risk, capital growth expectations, and current financial position and income requirements in order to create comprehensive and tailored investment strategies. Our Portfolio Management services have increased our clients' access to and use of our financial products and services

Your Company is confident of garnering much larger assets under management through the PMS division compared to last year and would be able to clearly demonstrate its core expertise to maximize the value under PMS, even during adverse market situation.

**Market Research:**

Our institutional equities business is supported by an experienced and dedicated team of analysts in fundamental, technical and alternative investment research. Our research initiatives are driven by committed professionals, management graduates, Chartered Accountants and Engineers having combined experience of several decades.

Besides conventional tools, including quantitative analytical techniques and models to identify short and medium-term investment opportunities; Our research team maintains an updated database on, and tracks regularly, various factors impacting economy, industry and companies. The trends are analyzed using data both on macro and micro level.

Various research products such as Market Today, Market Weekly, Market Technicals, India Strategy, Model Portfolio, Eco Update, In Sight, Company/Sector reports/updates and others are sent to esteemed clients on a regular basis. These reports are supplemented by day-to-day market information by way of market alerts and impact analysis. Strength of our research capability lies in our ability to identify emerging investment themes and spot winners ahead of time.

Our research reports, widely acknowledged by domestic and international print and electronic media, are rated among the leading domestic brokerage houses and have earned royalties from international data services providers in foreign exchange.

Our Intelligent Research Reports are accessible on globally acknowledged and marquee websites such as Bloomberg.net, thomsonreuters.com, 1call.com, moneycontrol.com, securities.com, valuenotes.com, capitaliq.com.

Our research reports are highly recognized by international investor's community including leading Foreign Institutional Investors, global central banks, multi-lateral development agencies and independent multi-strategy funds. Some of the research reports, apart from being widely acclaimed, have been ranked among the best by international financial information providers such as Thomson- Reuters and Bloomberg.

### OPPORTUNITIES AND THREATS

The following factors present specific opportunities across our businesses:

- Expected GDP growth coupled with reforms push by the government relating to project approvals, land acquisition, mining, and infrastructure will lead to huge investments by both the public and private sector companies. There will be large capital requirement to fund these investments which will present opportunities for investment banking and advisory business;
- Fall in global commodity prices will reinvigorate private consumption demand and lead to capacity expansion by the industry;
- Corporates are looking at expanding in domestic as well as overseas markets through mergers & acquisitions which offer opportunities for the corporate advisory business.
- Growing mid-size segment of corporates where the need for customized solutions is particularly high will present opportunities for our advisory businesses;
- With increase in the income levels, change in attitude from wealth protection to wealth creation and risk taking abilities of the youth, there is also a huge market opportunity for wealth management service providers.
- Improved sentiments in the secondary markets will also enhance the participation of investors across segments thereby helping the prospects of equity brokerage business. We expect economic activity to pick up from grass root levels presenting opportunities in both lending and asset reconstruction business.

Despite the above opportunities, our performance could be affected by following perceived threats to our businesses:

- Impact of abnormal monsoon, rising fiscal deficit, sustained high interest rates and high inflation;
- Geopolitical tensions across the globe;
- Regulatory changes impacting the landscape of business;
- Increased intensity of competition from players across the segment/ industry;
- Attrition of employees caused by strong demand from ever increasing number of market participants;

- Continuous downward pressure on the fees, commissions and brokerages caused by heightened competition and willingness of most players to deliver services at very low fees;
- Entry of corporate heavy weights and global players in the lending business. Given their capital strength as well as access to cheaper source of capital will increase pressure on us to remain competitive and impact margins.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Our research reports are highly recognized by international investor's community including leading foreign institutional investors, global central banks, multi-lateral development agencies and independent multi-strategy funds. Some of the research reports, apart from being widely acclaimed, have been ranked among the best by international financial information providers such as Thomson- Reuters and Bloomberg.

We maintain adequate internal control systems commensurate with the nature of business, size and complexity of its operations. We have well-established processes, guidelines and procedures to augment the internal controls. This, coupled with adequate internal information systems ensures proper information flow for the decision-making process. Adherence to these processes is ensured through frequent internal audits. The internal control system is designed to ensure maintenance of proper accounting controls, monitoring of operations, protection and conservation of assets and compliances with applicable laws and regulations.

These controls ensure that financial and other records are reliable for preparing financial statements and other information. An extensive programme of internal audit is conducted by an independent firm and reviewed by the Audit Committee. Internal audit also evaluates and suggests improvement in effectiveness of risk management, control and governance process. All our operating subsidiaries are subject to internal audits to assess and improve the effectiveness of risk management, control and governance process. These procedures ensure that all transactions are properly reported and classified in the financial records.

The Audit Committee of Board provides necessary oversight and directions to the internal audit function and periodically review the findings and ensures corrective measures are taken keeping in mind the organization's requirements, growth prospects and ever evolving business environment. This system enables us to capture a precise reflection of the organization's position at all times and also facilitates timely detection and plugging of anomalies by various business groups. We also address any issues identified by regulatory inspection teams very diligently and report the same to the Board of Directors and the regulators.

## **RISK CONCERNS AND RISK MANAGEMENT**

The Risk Management Function is overseen by the Audit Committee. Risk Management Policies are designed after discussion with various constituents and experts. In a business where prices and realities change every instant, it is imperative for KSL to operate within a broadly de-risked business model that protects stakeholder interests on the one hand and facilitates growth on the other.

Therefore, the concept of real-time risk mitigation management is integrated within the Company's existing business strategy. It is integrated into the Company's strategic and operational decision making process; it is ingrained in the organizational mindset; it pervades all organizational tiers, roles and functions.

KSL's effective risk management is guided by an understanding of the various parameters that can have a bearing on its business and profitability:

- External: These comprise risks that the Company faces but cannot control – industry slowdown, competition, regulatory changes, brand perception etc.
- Internal: These comprise risks that the Company can directly control through prudent strategy – costs, liquidity, technology, operations, people etc.

KSL controls client risk through a prudent categorization of clients as per their financial depth. This helps circumscribe their trading limits, leading to effective risk management. KSL monitors a client's trading pattern in addition to keeping a continuous vigil on positions, balances and margins. This provides an understanding of a client's trading pattern in terms of nature of transactions, trading, investments, F&O types of scrips, etc. to detect any undesirable or prohibited practices. Based on this, remedial actions are initiated whenever required. This ensures strict regulatory compliance.

### **Industry Risk**

KSL is primarily engaged in the business of financial services. Any slowdown in the country's economy or financial sector as well as any changes in interest rates, political climate or regulatory changes could affect the Company's prospects. Further the capital market is always exposed to the cyclical risk of upswing and downturns, which in turn depend on the overall economical growth of the country.

### **Management Perception**

KSL's presence in multiple product segments also serves as a natural hedge against a downturn in any particular sector. For instance, the Company's presence in the relatively volatile equity segment is balanced by its presence in the relatively stable insurance, mutual funds and fixed interest-bearing debt instruments. Your Company has broadly three major revenue generation department viz. Broking division, Corporate Advisory Division and Capital Market Operation. The total revenue generated by the company during the year

shows the overall performance of all the departments jointly and doesn't depend on any single segment of revenue.

### **Liquidity Risk**

In the event of clients not honoring their financial commitments following an unexpected market movement, the Company's cash flow could be significantly affected.

KSL has exercised prudence in client selection and credit extension. For instance, the Company's internal audit team ascertains client credentials before they are permitted to trade.

### **Management Perception**

As a corporate policy, it is endeavor to constantly monitor the margin payments and settlements of our customers on a continuous basis. Our ability to understand the financial track record of each of our customers provides us with a judgment and direction on the margin calls to be issued as also calling for pre- payments if need be in cases of exigencies. This approach we believe gives the Company the required flexibility in managing the liquidity risk across multiple categories and types of customer profiles. This assumes that at KSL we follow an independent and customer centric risk management exercise thereby ensuring timely interventions to significantly reduce potential liquidity risks.

### **Economic Risk**

A slowdown in economic growth in India could cause the business of the Company to suffer. While the Indian economy has shown sustained growth over the last several years, the growth in industrial production has been variable. Any slowdown in the Indian economy, and in particular in the demand for housing and infrastructure, could adversely affect the Company's business. Similarly, any sustained volatility in global commodity prices, including a significant increase in the prices of oil and petroleum products, could once again spark off a new inflationary cycle, thereby curtailing the purchasing power of the consumers.

### **Management Perception**

The Company manages these risks by maintaining a conservative financial profile and following prudent business and risk management practices.

### **Human Resource Risk**

Human Resources represent the company's principal asset in a knowledge-led business, where any attrition or skill obsolescence could lead to a weaker industry position.

### **Management Perception**

Your Company has consciously made the transition from a family based organization into a professionally managed one, accompanied by delegation of responsibilities for intellectual growth. Over the years, your company has invested in the human resource by providing timely training, various seminars on personal development etc. The free



work environment provided by the Company has also resulted in to low attrition of manpower.

### **Client Risk**

In the financial industry the company depends on a few bigger corporate and institutional clients from where majority of the revenue is generated.

### **Regulatory Risk**

The Company's presence in a variety of financial segments warrants an ongoing compliance with the evolving requirements of their various regulators. Any violation or transgression could invite censure, affecting the Company's brand.

### **Management Perception**

Your Company enjoys strong long term relationship with its clients. However, as a good Risk Management practice, the company has never relied upon particular client base and hence not exposed to such risk. During the year under review company has added new institutional client from where regular business is generated. It is your company's constant endeavor to search for new area of business and clients.

KSL takes its compliance commitment seriously, recognizing that the business must not only serve the interest of the customer but also function well within the established guidelines of the various regulatory authorities for responsible and profitable growth. At KSL, the compliance

discipline extends across the entire transaction cycle, client identification, KYC process transaction execution, transaction settlement involving securities and funds transfer. The compliance requirements across the various service points have been communicated comprehensively to branch through compliance manuals, leading to uniformity, quality, priority and discipline

### **Human Resources**

Your company considers its human resource as the most valuable asset and, recognizing this, devotes a considerable development of its employees in various traits, apart from job related skills:

- Employee satisfaction survey was carried out along with various seminars by the HR department of the Company to understand the employees and help them to perform in the most efficient manner. Feedbacks were received during such sessions and corrective actions have been initiated;
- Communication meeting is being organized once in a quarter to apprise all the employees on the major development on various fronts such as market, deals stroked etc;
- Your company had recruited Management Trainees during the year and they were given specific job assignments in the research department. This has helped your company to establish goodwill with local management schools and prepare future prospects for employment.

## CORPORATE GOVERNANCE REPORT

Corporate Governance provides the structure through which corporations set and pursue their objectives, while reflecting the context of the social, regulatory and market environment. Corporate Governance is a mechanism for monitoring the actions, policies and decisions of corporations. It involves the alignment of interests among the stakeholders.

The Board of Directors of your company takes the responsibility for maintaining sound principle of Corporate Governance. As a part of it, we have laid a foundation for good corporate governance that helps to maintain transparency and encourage timely disclosures, encompassing good corporate practices, procedures, standards and implicit rules in the working of the Company. It has always been an integral part of your Company's philosophy.

The Company has complied with all the regulations in relation to corporate governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency and accountability in all aspects of its operations, interactions with shareholders, employees, government departments, SEBI, Stock Exchanges and other regulatory authorities.

### 2. BOARD OF DIRECTORS

#### (i) Composition and Category of the Board

The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. The Company has an optimum combination of Executive and Non-Executive Directors. As on 31<sup>st</sup> March, 2023, the Board comprises of six Directors out of which four are non-executive Directors and two are executive directors. Out of the four non-executive Directors, two are Independent Directors. The Chairman of the Board is a Non-Executive & Independent Director. The Management of the Company is headed by Mr. Paresh Khandwala, Managing Director and Mr. Pranav Khandwala, Whole-time Director, who operates under the supervision and control of the Board.

All the Independent Directors have confirmed to the Board that they meet the criteria for Independence in terms of the definition of 'Independent Director' stipulated under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013. These confirmations have been placed before the Board. In the opinion of the Board, the Independent Director fulfills the conditions specified in the Listing Regulations and Companies Act, 2013 and are independent of the Management.

The following table gives details for the financial year 2022-23 of directorships, category and number of memberships of board / committees of various other public companies:

Name & DIN No. of the Directors	Category of Directorship	No. of Directorships in other Companies (excl. Khandwala Securities Limited)*	No. of Committee Positions held in other Companies (excl. Khandwala Securities Limited)**	
			Member	Chairman
Mr. Homiar N. Vakil (DIN: 05210178)	Chairman, Non-Executive, Independent Director	-	-	-
Mr. Paresh J. Khandwala (DIN: 00112678)	Managing Director, Promoter	1	-	-
Mr. Pranav Khandwala (DIN: 00519113)	Whole-time Director & Chief Financial Officer (CFO)	1	-	-
Mrs. Bhagyashree Khandwala (DIN: 02335473)	Non-Executive Director	1	-	-
Mr. Pratik Khandwala (DIN: 00519147)	Non-Executive Director	-	-	-
Mr. Shyam M. Seshadri (DIN:- 05242397)	Non-Executive, Independent Director	-	-	-
Mr. Subramanian Murlidhardas (\$1) (DIN: 00268983)	Non-Executive, Independent Director	-	-	-

\*Only directorship in public limited companies incorporated in India have been considered.

\*\*Only audit committee and stakeholders' relationship committee in other public limited companies have been considered for the committee positions.

<sup>\$1</sup>Mr. Subramanian Murlidhardas was passed away on December 10, 2022.

None of the Directors on the Board is a members of more than 10 Committees and Chairman of more than 5 Committees, across all the public limited companies in which they hold the Directorship. All the Directors have made necessary disclosures regarding other directorship and committee positions held by them in other Companies. Further, none of the Directors hold Directorship in more than 10 Public Limited Companies and none of the Independent Directors served as Independent Director in more than 7 Listed Companies.

#### (ii) Board Meetings and Attendance

(a) The Board meets at regular intervals of time to discuss and decide business strategies, company's policies, future goals and review financial results, business operations and overall performance of the Company. The Board also, inter alia, considers and reviews annual operating and capital expenditure budgets, investments and exposure limits, minutes of the meeting of audit committee and other committees of the board,

periodically compliance reports of all laws applicable to the Company, etc. The notice and agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents are sent well in advance separately to each director. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent Board Meeting. There were no material, financial and commercial transactions entered into between the senior management and the Company which could have potential conflict of interests with the Company at large.

- (b) During the financial year 2022-23, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- (c) Except for Mrs. Bhagyashree Khandwala, Mr. Pranav Khandwala, Mr. Pratik Khandwala and Mr. Paresh Khandwala, none of the other directors are related to each other.
- (d) During the financial year 2022-2023, 6 (six) Board Meetings were held on 3<sup>rd</sup> May 2022, 24<sup>th</sup> May 2022, 8<sup>th</sup> July 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November 2022 and 13<sup>th</sup> February 2023. The gap between two meetings did not exceed four months. The details of attendance of directors in the Board meetings held during the financial year 2022-23 and at the last Annual General meeting are given below:

Name of the Directors	No. of Board Meetings during the financial year 2022-2023		Attendance at the last Annual General Meeting held on September 28, 2022
	Held	attended	
Mr. Paresh J. Khandwala	6	6	Present
Mr. Pranav Khandwala	6	6	Present
Mr. Homiar N. Vakil	6	6	Present
Mrs. Bhagyashree Khandwala	6	6	Present
Mr. Shyam M. Seshadri	6	6	Present
Mr. Subramanian Murlidhardas (till December 10, 2022)	5	5	Present
Mr. Pratik Khandwala	6	6	Present

(iii) **Shares held by Non-Executive Directors**

Sr. No	Name of the Directors	No. of equity shares held as on March 31, 2023
1	Mrs. Bhagyashree Khandwala	1,33,980
2	Mr. Shyam M. Seshadri	Nil
3	Mr. Homiar N. Vakil	Nil
4	Mr. Pratik Khandwala	7,96,555

(iv) **Board Skills/expertise/competence matrix**

The Directors of the Company possesses the following skills / expertise / competences:-

- Legal, Accounting, Finance, Compliance, Market Research, Consultancy, Marketing, Human Resources, Expertise in various businesses like Broking & Distribution, Wealth Management, Private Equity, Institutional Equities, Investment Banking, Asset Management.

(v) **Familiarization Programme for Independent Directors**

The Company has conducted the familiarisation programmes for Independent Directors during the Financial Year 2022-23. The Programmes aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the functioning, operations and business of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the familiarisation programmes along with the details of the programmes imparted to the Independent Directors has been disclosed on the website of the Company at <http://www.kslindia.com/Static/KSLPolicies.aspx>.

(vi) **Independent Directors Meeting**

Pursuant to the provision of Section 149(8) of the Companies Act, 2013 read with Schedule IV and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the meeting of the Independent Directors of the Company was held on March 25, 2023.

3. **COMMITTEES OF THE BOARD**

With a view to have more focused attention on the business and for better corporate governance and accountability and to ensure effective compliances of all the statutory requirements, the Board has constituted various committees. The details of composition, role, functions and responsibility of each Committee are as follows:

I. **AUDIT COMMITTEE**

a) **Composition:**

The composition of the Audit Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. During the year under review, the audit committee was re-constituted. As on 31<sup>st</sup> March, 2023, the Audit Committee comprises of following 3 (three) Directors as Members:

Sr. No	Name of Members	Designation	Category
1	Mr. Homiar N. Vakil	Chairman	Non-Executive, Independent Director
2	Mr. Shyam M. Seshadri	Member	Non-Executive, Independent Director
3	Mrs. Bhagyashree Khandwala	Member	Non-Executive Director

The Members of the Audit Committee are financially literate and have requisite experience in financial management. The terms of reference of Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations.

**b) Terms of Reference:**

The brief terms of reference of Audit Committee are as follows:

- (1) oversight 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;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

## c) Meetings and Attendance:

During the financial year 2022-23, 4 (four) meetings of the Committee were held on 24<sup>th</sup> May 2022, 12<sup>th</sup> August, 2022, 14<sup>th</sup> November 2022 and 13<sup>th</sup> February 2023. The gap between two meetings did not exceed four months. The details of attendance of members in the Audit Committee Meeting held during the financial year 2022-2023 are given below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Homiar N. Vakil	4	4
Mr. Shyam M. Seshadri*	1	1
Mrs. Bhagyashree Khandwala	4	4
Mr. Subramanian Murlidhardas** (till December 10, 2022)	3	3

\*Appointed as Member of the Committee w.e.f December 12, 2022.

\*\*Due to demise of Mr. Subramanian Murlidhardas on December 10, 2022, he ceased to be a member of the Committee.

The Managing Director, Auditors, Internal Auditors and Chief Financial Officer are invited to attend the meeting of the Committee. The internal auditor reports directly to the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

Mr. Homiar N. Vakil, the chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 28, 2022.

## II. NOMINATION AND REMUNERATION COMMITTEE

### a) Composition:

The composition of Nomination and Remuneration Committee of the Company is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. During the year under review, the Nomination and Remuneration Committee was re-constituted. As on 31<sup>st</sup> March, 2023, the Nomination and Remuneration Committee comprises of following 3 (three) Directors as Members:

Sr. No	Name of Members	Designation	Category
1	Mr. Shyam M. Seshadri	Chairman	Non-Executive, Independent Director
2	Mr. Homiar N. Vakil	Member	Non-Executive, Independent Director
3	Mrs. Bhagyashree Khandwala	Member	Non-Executive Director

## b) Terms of Reference:

The brief terms of reference of Nomination and Remuneration Committee are as follows:

- (1) To form criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) To form criteria for evaluation of performance of independent directors and the board;
- (3) To devise policy on diversity of board of directors;
- (4) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- (5) To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) To carry out performance evaluation of all directors.

### c) Meeting and Attendance:

During the financial year 2022-23, 2 (two) meetings of the Committee were held on May 24, 2022 and February 13, 2023. The details of attendance of members in the Nomination and Remuneration Committee Meeting held during the financial year 2022-2023 are given below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Homiar N. Vakil	2	2
Mrs. Bhagyashree Khandwala	2	2
Mr. Shyam M. Seshadri*	1	1
Mr. Subramanian Murlidhardas**	1	1

\* Appointed as Member of the Committee w.e.f December 12, 2022.

\*\* Due to demise of Mr. Subramanian Murlidhardas on December 10, 2022, he ceased to be a member of the Committee.

### Nomination and Remuneration Policy

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations, the Company has framed a Nomination and Remuneration Policy of the Company and it has been uploaded on the website of the Company at [www.ksindia.com](http://www.ksindia.com).

**BOARD EVALUATION**

In terms of the provisions of the Companies Act, 2013 read with rules issued there under and the Listing Regulations, the Board of Directors on recommendation of the Nomination and Remuneration Committee have evaluated the effectiveness of the Board. The Board had also carried out an annual performance evaluation of its own performance, the directors individually as well as the working of its various committees for the financial year ended March 31, 2023. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

**III. STAKEHOLDERS RELATIONSHIP COMMITTEE**

**a) Composition**

The composition of Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations. As on March 31, 2023, the Stakeholders Relationship Committee comprised of the following 3 (three) Directors as members:

Sr. No	Name of Members	Designation	Category
1	Mr. Homiar N. Vakil	Chairman	Non-Executive, Independent Director
2	Mr. Shyam M. Seshadri	Member	Non-Executive, Independent Director
3	Mr. Paresh Khandwala	Member	Managing Director

**b) Terms of Reference:**

The terms of reference of the Committee are to deal with matters relating to transfer/transmission of shares and monitors redressal of complaints from shareholders relating to transfers, non-receipt of balance sheet, non-receipt of dividend, etc. with a view to expediting the process of share transfers, the Chairman of the Audit Committee and Secretary is authorized to approve transfers/transmission of shares.

**c) Meeting and Attendance:**

During the financial year 2022-23, 2 (two) meeting of the Committee was held on May 24, 2022 and November 14, 2022. The details of attendance of members in the Stakeholders Relationship Committee Meeting held during the financial year 2022-2023 are given below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Paresh Khandwala	2	2
Mr. Homiar N. Vakil	2	2
Mr. Subramanian Murlidhardas*	2	2
Mr. Shyam M. Seshadri	-	-

\* Due to demise of Mr. Subramanian Murlidhardas on December 10, 2022, he ceased to be a member of the Committee.

The Company Secretary of the Company is the Compliance Officer.

The details of the complaints received and resolved during the financial year 2022-2023 are as follows:-

Opening as on April 1, 2022	Nil
Received during the year	Nil
Resolved during the year	Nil
Closing as on March 31, 2023	Nil

**Policy on Prevention of Sexual Harassment of Women at Workplace**

The Company has adopted a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act") and an Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment. As per the policy, any women employee may report her complaint to the Committee. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy.

During the financial year 2022-23, there was no complaint received by the Company.

**4. REMUNERATION OF DIRECTORS**

**a) Remuneration to Executive Directors**

The details of remuneration paid to the Managing Director and Whole-time Director during the financial year ended March 31, 2023 are as under:

Name & Designation of Directors	Salary (In Rs.)	Commission (In Rs.)	Perquisites and Allowance (In Rs.)	Total (In Rs.)	Tenure of Appointment
Mr. Paresh J. Khandwala (Managing Director)	20,08,750	Nil	3,35,000	23,43,750	January 1, 2023 to December 31, 2027
Mr. Pranav Khandwala (Whole-time Director & CFO)	11,65,000	Nil	1,85,000	13,50,000	February 11, 2020 to February 10, 2025

**Note:** There is no Scheme of "Employee Stock Options" during the financial year 2022-23.

**b) Remuneration to Non-Executive / Independent Directors**

The Non-Executive / Independent Directors are paid remuneration by way of sitting fees only for attending the Board Meeting and they are within the limits prescribed under the Companies Act, 2013. The non-executive directors have no material pecuniary relationships or transactions with the Company in their personal capacity.

The details of remuneration paid to non-executive directors during the financial year 2022-2023 are as under:

Names of Directors	Sitting Fees (in Rs.)
Mr. Homiar N. Vakil	30,000
Mr. Pratik Khandwala	30,000
Mrs. Bhagyashree Khandwala	30,000
Mr. Shyam M. Seshadri	30,000
Mr. Subramanian Murlidhardas	25,000
<b>Total</b>	<b>1,45,000</b>

**5. GENERAL BODY MEETINGS:**
**Annual/Extra-Ordinary General Meetings**

Details of last three Annual/Extra-Ordinary General Meetings of the Company are given below:

Financial Year & Name of Meeting	Day, Date and Time	Venue	Special Resolutions passed
2021-22 29 <sup>th</sup> Annual General Meeting	Wednesday, September 28, 2022 at 12 noon	Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') at Vikas Building, Ground Floor, Green Street, Fort, Mumbai – 400023 (deemed venue)	<input type="checkbox"/> Re-appointment of Mr. Paresh Khandwala as Managing Director of the Company
2021-22 Extra-Ordinary General Meeting	Thursday, June 2, 2022 at 12 noon	Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') at Vikas Building, Ground Floor, Green Street, Fort, Mumbai – 400023 (deemed venue)	<input type="checkbox"/> Issue of Equity Shares on Preferential Basis
2020-21 28 <sup>th</sup> Annual General Meeting	Thursday, September 30, 2021 at 12 noon	Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') at Vikas Building, Ground Floor, Green Street, Fort, Mumbai – 400023 (deemed venue)	<input type="checkbox"/> Continuation of Directorship of Mr. Rohitasava Chand as Independent Director of the Company in term of Reg. 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company had sought the approval of the Members by way of Special Resolution for appointment of Mr. Shyam M. Seshadri (DIN:- 05242397) and Mr. Subramanian Murlidhardas (DIN: 00268983), as Independent Director vide Postal Ballot Notice dated April 8, 2022. Both the Special Resolutions were passed with the requisite majority on May 9, 2022.

The Postal Ballot exercise was conducted by the Scrutinizer, Mr. Bhuvnesh Bansal, Proprietor of M/s. Bhuvnesh Bansal & Associates, Practicing Company Secretary.

**6. OTHER DISCLOSURES:**
**(a) Related Party Transaction**

The Company did not have any material significant related party transactions having a potential conflict with the interest of the Company at large. All the transactions entered into with related parties were in the ordinary course of business and on arms length basis. The transactions entered with the related parties are disclosed in the notes to accounts.

**(b) Compliance Status**

There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchanges or SEBI or any other statutory authorities, on any matter related to capital market during the last three years except:

The Securities Appellate Tribunal (SAT) vide its order dated March 8, 2017 dismissed the appeal filed by the Company which challenging the adjudication order passed by SEBI dated May 13, 2015, which imposing a penalty of suspending the certificate of registration of the Company as a stock broker at National Stock Exchange of India Limited for a period of one month.

The Company had challenged the aforesaid SAT order and filed an appeal before the Hon'ble Supreme Court of India ("the Court"). On April 7, 2017, the Court had admitted the appeal and granted an interim stay on the operations of the aforesaid SAT order (including said SEBI order) till the disposal of this matter. At present, the matter is pending for hearing before the Court. Further, the Company had approached and requested the Court to move the said matter for listing.

**(c) Vigil Mechanism / Whistle Blower Policy**

The Company has established a Vigil Mechanism/ Whistle Blower Policy for employees and directors to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said policy has been post on the website of the Company at [www.kslindia.com](http://www.kslindia.com). None of the directors/employee has been denied access to the audit committee.

**(d) Mandatory Requirements**

The Company has complied with all the mandatory requirements of Listing Regulations.

**(e) Discretionary Requirements**

The Company has fulfilled following discretionary requirements as prescribed in Regulation 27(1) read with Part E of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

- The Company has separate persons to the post of Chairman and Managing Director.
- For the Financial Year 2022-23, the Statutory Auditor has issued qualified opinion in his Independent Auditors' Report. In regard to the qualified opinion, the Board has furnished required details/explanation in its Note Nos. 28 and 29 of Notes to the Standalone Financial Statements and Note Nos. 30 and 31 of Notes to the Consolidated Financial Statements respectively.
- The Internal auditor of the Company report directly to the Audit Committee of the Board.

**(f) Policy for determining 'material' subsidiaries**

The policy for determining 'material subsidiaries' is not applicable as the Company do not have any subsidiary.

**(g) Policy on dealing with related party transactions**

The policy on dealing with related party transactions is disclosed on the website of the Company at [www.kslindia.com](http://www.kslindia.com).

**(h) CEO / CFO Certification**

As required under Regulation 17 of the Listing Regulations, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements of the Company for the financial year ended March 31, 2023.

**(i) Disclosure of Accounting treatment in preparation of Financial Statements**

The financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Companies Act, 2013 as applicable and other accounting principle generally accepted in India.

**(j) Code of Conduct**

The Code of Conduct for the Board of Directors and the Senior Management Personnel has been disclosed on the website of the company at [www.kslindia.com](http://www.kslindia.com). The declaration by the Managing Director stating that all the Board Members and Senior Management Personnel have affirmed their compliance with the laid down code of conduct for the financial year ended March 31, 2023 is annexed to this Report.

**(k) Code for Prevention of Insider Trading Practices**

The Company has adopted a code of practice and procedure for fair disclosure of Unpublished Price Sensitive Information for prevention of Insider Trading for its directors and designated employees in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The said code is also disclosed on the website of the Company at [www.kslindia.com](http://www.kslindia.com)

**(l) Compliance Certificate on Corporate Governance**

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

As per Regulation 34 of the Listing Regulations, the certificate issued by M/s. Aniket Kulkarni & Associates, Chartered Accountants, regarding compliance of conditions of Corporate Governance is annexed to this Report.

**(m) Certificate from Practicing Company Secretary**

A certificate has been received from Bhuvnesh Bansal & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

**(n) Payment to Statutory Auditor**

The total fees paid to M/s. Aniket Kulkarni & Associates, Chartered Accountants, Statutory Auditors by the Company on consolidated basis is Rs. 2,50,000/- for the F.Y. 2022-23.

**(o) Management Discussion and Analysis**

The Management Discussion and Analysis forms a part of this Annual Report.

**7. MEANS OF COMMUNICATION**

In compliance with the requirements of the Listing Regulations, the Company regularly intimates quarterly, half yearly and annual financial results of the Company to the stock exchanges immediately after they are taken on record by the Board. These financial results are normally published in Free Press Journal (English) and Navshakti (Marathi) newspapers. The quarterly, half yearly and annual financial results and other official news are displayed on the website of the Company at [www.kslindia.com](http://www.kslindia.com). During the year, the Company has not made any presentations to the Institutional Investors or analysts.



## 8. GENERAL SHAREHOLDER INFORMATION

### a) Date and Venue of the 30<sup>th</sup> Annual General Meeting

The 30<sup>th</sup> Annual General Meeting of the Company is scheduled to be held through Video-Conference (VC)/ Other Audio-Visuals Means (OAVM) at the Registered Office of the Company on Friday, September 29, 2023 at 12.00 noon IST.

### b) Financial Year of the Company

The financial year covers the period from April 1, 2022 to March 31, 2023.

### c) Dates of Book Closure

September 22, 2023 to September 28, 2023 (both days inclusive)

### d) Dividend

The Board of Director do not recommend equity dividend for the financial year under review.

### e) Listing of Equity Shares

The Company's equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

#### Stock Code

BSE Limited (BSE) : 531892

National Stock Exchange of India Limited (NSE) : KHANDSE

ISIN No for NSDL/CDSL : INE060B01014

The Annual Listing Fees for financial year 2023-2024 has been paid by the Company to BSE and NSE.

### f) Custodial Fees to Depositories

The Annual Custody/Issuer fee for the financial year 2023-2024 has been paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

### g) Stock performance

#### Market Price Data

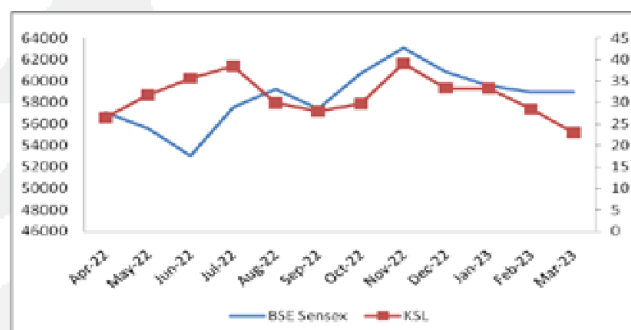
Monthly High, Low and Close Price of Equity Shares of the Company during the financial year 2022-23 at BSE Limited and National Stock Exchange of India Limited:-

Month	BSE			NSE		
	High (In Rs.)	Low (In Rs.)	Close (In Rs.)	High (In Rs.)	Low (In Rs.)	Close (In Rs.)
April 2022	30.00	19.80	26.50	30.30	19.55	26.60
May 2022	31.70	22.95	31.70	32.00	22.00	31.50
June 2022	41.25	30.60	35.70	41.00	30.00	34.95
July 2022	41.50	31.35	38.45	42.00	31.40	35.35
August 2022	36.55	27.50	29.95	35.00	27.30	29.85

Month	BSE			NSE		
	High (In Rs.)	Low (In Rs.)	Close (In Rs.)	High (In Rs.)	Low (In Rs.)	Close (In Rs.)
September 2022	31.65	27.65	28.10	31.50	27.80	28.15
October 2022	30.70	21.60	29.70	30.90	21.15	29.30
November 2022	45.45	28.45	39.15	44.80	28.05	38.50
December 2022	41.50	30.85	33.35	41.90	30.70	33.40
January 2023	38.15	31.00	33.25	38.50	30.15	33.65
February 2023	35.20	27.45	28.50	35.50	27.65	29.35
March 2023	32.00	22.40	23.02	32.15	21.90	22.60

Source:- BSE and NSE website

### Performance of the KSL Share Price in comparison with BSE Sensex and NSE Nifty



### h) Registrar and Share Transfer Agents

KFin Technologies Private Limited  
(Formerly known as Karvy Fintech Private Limited)  
Selenium, Tower B, Plot No. 31 & 32, Financial District,  
Nanakramguda, Gachibowli,  
Hyderabad - 500 032, Telangana  
Tel :- 91-40-6716 2222  
Email: einward.ris@kfintech.com  
Website: www.kfintech.com

### i) Share Transfer System

Trading in equity shares of the Company is permitted only in dematerialized form. Shares sent for transfer in physical form are registered and returned within a period of one month from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expediting the process of share transfers, the Chairman and Secretary are authorised to approve transfers/transmission of

shares below 5000 in numbers. The Stakeholders Relationship Committee meets as and when required to consider the other transfer proposals and attend to shareholder grievances.

**j) Distribution of Shareholding as on March 31, 2023**

Number of Shares		Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
From	To				
1	1000	3122	88.14	514884	3.38
1001	2000	149	4.21	245011	1.61
2001	3000	58	1.64	148493	0.97
3001	4000	40	1.13	143973	0.94
4001	5000	31	0.88	146571	0.96
5001	10000	56	1.58	414687	2.72
10001	20000	19	0.54	262946	1.72
20001	Above	67	1.89	13377240	87.70
<b>Total</b>		<b>3542</b>	<b>100.00</b>	<b>15253805</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2023**

Sr. No.	Category	No. of Shares held	% of Issued Share Capital
A	Promoter & Promoters Group	7269100	47.65
B	Mutual Funds/Banks / FIs / FII's / Insurance Companies / FPIs	0	0.00
C	Bodies Corporate	469932	3.08
D	NRI's and OCB's	611162	4.01
E	HUF	152436	1.00
F	Public and Others	6751175	44.26
	<b>Total</b>	<b>15253805</b>	<b>100.00</b>

**k) Dematerialization of Shares**

As on March 31, 2023, 99.23% of total equity share capital of the Company was held in a dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. At the end of each quarter, reconciliation of share capital audit is conducted by a Practicing Company Secretary to reconcile the total issued capital, listed capital and capital held by the Depositories in dematerialised form.

The Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail benefits of dealing in securities in electronic / dematerialized form. For any clarification, assistance or information, please contact the Registrar and Share Transfer Agent of the Company.

**l) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

Not Applicable

**m) Details of shares lying in the suspense account [Pursuant to SEBI (Listing Obligations & Disclosure Requirements)]**

Nil

**n) Plant Location**

The Company does not have any plant at any locations.

**o) Address for Correspondence**

Shareholders may correspond with the Registrar and Transfer agents viz KFin Technologies Private Limited at the address mentioned herein above on all matters relating to transfer or transmission of shares, dematerialization of shares and any other query relating to shares of the Company. Shareholders would have to correspond with the respective Depository Participants for shares held in demat mode.

For all investor related matters and investor grievances, shareholders may correspond at the below mentioned address:

Company Secretary / Compliance Officer  
**Khandwala Securities Limited**  
 Regd. Off: Ground Floor,  
 Vikas Building, Green Street,  
 Fort, Mumbai - 400 023  
 Telephone no.: +91 22 4076 7373/74  
 Fax no.: +91 22 4076 7377  
 Email:investorgrievances@kslindia.com

**DECLARATION BY MANAGING DIRECTOR**

To,  
The Members of,  
**Khandwala Securities Limited**

I, Paresh Khandwala, Managing Director of Khandwala Securities Limited, hereby declare that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2023.

**For Khandwala Securities Limited**

**Paresh Khandwala**  
**Managing Director**

Date: May 30, 2023

Place: Mumbai

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**Managing Director and Chief Financial Officer Certification**

To,  
**The Board of Directors**  
**Khandwala Securities Limited**

We, Paresh Khandwala, Managing Director and Pranav Khandwala (Whole-time Director & CFO) of Khandwala Securities Limited, to the best of our knowledge and belief, certify that:

- a) we have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2023 and to the best of our 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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take rectify these deficiencies.
- d) we have indicated to the Auditors and the Audit Committee that:
  - (i) there are no significant changes in internal controls over financial reporting during the year ;
  - (ii) there are significant changes in accounting policies during the year; and that the same has been disclosed in the notes to the financial statements.
  - (iii) there are no instances of significant fraud of which we have become aware and there has been no involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**By order of the Board**  
**For Khandwala Securities Limited**

**Paresh Khandwala**  
**Managing Director**

Date: May 30, 2023

Place: Mumbai

**Pranav Khandwala**  
**Whole-time Director / CFO**

## CERTIFICATE OF COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members of  
**Khandwala Securities Limited**

We have examined the compliance of conditions of Corporate Governance by Khandwala Securities Limited ('the Company') for the financial year ended 31<sup>st</sup> March 2023, as stipulated in the Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that the compliance of conditions of Corporate Governance is the responsibility of the Management, and our examination was limited to the 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 complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Aniket Kulkarni & Associates**  
Chartered Accountants  
Firm Registration No. 130521W

**Aniket Kulkarni**  
Proprietor  
Membership No: 127246

Date:- 30<sup>th</sup> May 2023.  
Place: - Mumbai  
UDIN: 23127246BGSYQU2979

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of  
Khandwala Securities Limited**  
Vikas Building, Ground Floor,  
Green Street, Fort,  
Mumbai – 400 023

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Khandwala Securities Limited having CIN -L67120MH1993PLC070709 and having registered office at Vikas Building, Ground Floor, Green Street, Fort, Mumbai – 400 023 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Maharashtra, Mumbai or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Paresh Jayantilal Khandwala	00112678	09/02/1993
2.	Mr. Pranav Paresh Khandwala	00519113	11/02/2020
3.	Mrs. Bhagyashree Pranav Khandwala	02335473	11/02/2020
4.	Mr. Homiar Nariman Vakil	05210178	19/09/2015
5.	Mr. Pratik Paresh Khandwala	00519147	14/08/2020
6.	Mr. Shyam Muralidhardas Seshadri	05242397	12/02/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is theresponsibility of the management of the Company. Our responsibility is to express an opinion onthese based on our verification. This certificate is neither an assurance as to the future viability of theCompany nor of the efficiency or effectiveness with which the management has conducted the affairsof the Company.

**For Bhunesh Bansal & Associates**

**Bhunesh Bansal**  
Proprietor  
FCS No. – 6526  
CP No. – 9089

UDIN: F006526E000423954  
Peer Review Certificate No.: 1708/2022

Place: Mumbai  
Date: 30<sup>th</sup> May, 2023

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF KHANDWALA SECURITIES LIMITED**

**Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements**

### **Qualified Opinion**

We have audited the accompanying standalone financial statements of "Khandwala Securities Limited", which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view **except for the effects of the matters described in the Basis for qualified opinion section of our report** in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit/loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements. However we draw your kind attention to the following **qualifications** to the audit opinion of the financial statements produced as under:-

1. *The Company had advanced application money towards purchase of shares of Rs 216.69 lakhs which is outstanding for a period of 252 months as at the end of the year. In the absence of information regarding the status of the allotment or the net worth of the entities in which the company made applications, we are unable*

*to ascertain the extent to which an amount of Rs 216.69 lakhs is recoverable and accordingly, the effect thereof on the financial statements cannot be ascertained. However, it has been noted and confirmed after looking at relevant documents that at present the said matter is under litigation and pending for hearing before the Hon'ble High Court of Mumbai.*

2. *Long-Term deposits to various companies of Rs 530.00 lakhs are subject to subsequent adjustments. We are unable to ascertain the recoverability of these amounts, as the Company has not made any provisions for the same in the standalone financial statements.*

### **Information other than the Standalone Financial Statements and Auditor's Report Thereon.**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy

and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and 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 it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2 As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Aniket Kulkarni & Associates  
**Chartered Accountants**  
Registration No. 130521W

**Aniket Kulkarni**  
Proprietor  
Membership No.127246

**Place: Mumbai**  
**Date: May 30<sup>th</sup> 2023**  
**UDIN:23127246BGSYQV3023**



**“Annexure-A” to the Independent Auditors’ Report – 31<sup>st</sup> March 2023****Report on the Internal Financial Controls under clause (i) of sub – section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Control over financial reporting of **Khandwala Securities Limited** (“the Company”) as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the standards on auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company’s Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of internal Financial Controls over Financial Reporting**

Because of inherent limitations of internal controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accounts of India.

**For Aniket Kulkarni & Associates  
Chartered Accountants  
ICAI Registration No. 130521W**

**Aniket Kulkarni  
Proprietor  
Membership No: - 127246**

**Place: Mumbai  
Date: May 30<sup>th</sup> 2023  
UDIN:23127246BGSYQV3023**

**ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

(As referred to in Paragraph 2 of Report on Legal and Regulatory Requirements of our report Companies (Auditors Report) Order’ 2020 (the order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act for the year ended on **31<sup>st</sup> March 2023**).

To the best of our information and according to the explanations provided to us by the company and books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

**Property, Plant and Equipment:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment’s (including Right of Use assets) or Intangible Assets or both during the year end.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year end.

**(ii) Inventories:**

The company does not have any inventory and hence reporting under clause (ii) of the CARO 2020 is not applicable.

**Loans and Advances to Related Parties:**

- (iii) (a) According to the information and explanations given to us, the company has not made any investments, provided any guarantee or security or granted any loans or advances, in the nature of loans, secured or unsecured, to companies, firms, Limited Liability

Partnerships or other parties.

- (b) According to the information and explanations given to us, the company has not made any investments, provided any guarantee or security or granted any loans or advances. Accordingly, paragraph 3(iii) (b) of the Order is not applicable.
- (c) The company has not provided any loans and advances in the nature of loans. Accordingly, paragraph 3(iii) (c) of the Order is not applicable.
- (d) The company has not provided any loans and advances in the nature of loans. Accordingly, paragraph 3(iii) (d) of the Order is not applicable.
- (e) The company has not granted any loans and advances in the nature of loans. Accordingly, paragraph 3(iii) (e) of the Order is not applicable.
- (f) The company has not granted any loans and advances in the nature of loans. Accordingly, paragraph 3(iii) (f) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

**Acceptance of Deposits:**

- (v) According to the information and explanations given to us, the company has not accepted deposits under the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

**Maintenance of Cost Records:-**

- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.

**Payment of Statutory Dues:-**

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has generally been regular in depositing with appropriate authorities the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it during the year.
- (b) According to the information and explanations given to us, there were no amounts of Goods and Service Tax, Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have not

been deposited by the Company on account of any dispute except TDS default showing on TDS Traces website amounting to Rs. 33,196/- as on 31st March 2023 and except as reported below:-

Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where Dispute is pending	Under Section
Income Tax Act 1961	Income Tax	4.96	A.Y. 2007-08	Mumbai High Court	143(3)

**Unrecorded Income:**

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not surrendered or disclosed as income in the tax assessment under the Income Tax Act, 1961 (43 of 1961) in respect of any transaction nor recorded in the books of accounts during the year.

**Repayment of Borrowings:**

- (ix) (a) The company has not defaulted in repayment of loans and other borrowings or in the payment of interest thereon to banks or financial institution.
- (b) The company is not a declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans are applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds raised on short term basis have not been utilized for long term purposes during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

**Initial Public Offer:**

(x) (a) According to the information and explanations provided to us and as per the records of the company

examined by us, company has not raised funds by way of public issue/ follow-on offer (including debt instruments) and term loans. Therefore paragraph 3(x) of the Order is not applicable to the company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

**Frauds:**

- (xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) No material fraud by the Company or on the Company has been noticed or reported during the year. Accordingly, paragraph 3 (xi)(b) of the Order is not applicable.
- (c) No material fraud by the Company or on the Company has been noticed or reported during the year. Accordingly, paragraph 3 (xi)(c) of the Order is not applicable.

**Nidhi Company:**

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

**Transactions with related parties:-**

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

**Internal Audit:**

- (xiv)(a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have taken into consideration, the internal audit reports for the period under audit issued to the company till the date while determining the nature, timing and extent of audit procedures.

**Non-Cash Transactions with Directors:-**

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

**Registration with RBI:-**

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**Cash Losses:-**

(xvii) The company has profit for the year ended 31<sup>st</sup> March 2023, therefore the paragraph 3(xvii) is not applicable to the company.

**Resignation of Statutory Auditors:-**

(xviii) There has not been any resignation of the statutory auditors during the year.

**Material Uncertainty:-**

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, in our opinion no material uncertainty exists as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

**Corporate Social Responsibility:**

(xx) According to the information and explanations given to us and based on our examination of the records of the Company, section 135 of the Companies Act 2013 is not applicable to the company. Accordingly, paragraph 3 (xx) of the Order is not applicable.

**Consolidated Financial Statements:-**

(xxi) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its Associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Aniket Kulkarni & Associates  
Chartered Accountants  
Firm Registration No: 130521W**

**Aniket Kulkarni  
Proprietor  
Membership No: - 127246**

**Place: Mumbai  
Date: May 30<sup>th</sup> 2023  
UDIN:23127246BGSYQV3023**

**BALANCE SHEET AS AT MARCH 31, 2023**
*(Rupees in Thousand)*

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
<b>A ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	2	52,059.95	51,025.19
(b) Intangible assets		2,861.68	935.99
(c) Financial Assets			
(i) Investments	3	38,973.94	39,276.11
(ii) Loans	4	97,707.87	1,57,474.87
(iii) Others	5	21,668.64	21,668.64
(d) Deferred tax assets (net)		3,070.40	2,684.80
(e) Other non-current assets	6	17,532.30	14,501.18
		<b>2,33,874.78</b>	<b>2,87,566.79</b>
<b>(2) Current Assets</b>			
<b>(a) Financial Assets</b>			
(i) Investments	7	4,132.24	588.56
(ii) Trade receivables	8	78,342.19	47,010.19
(iii) Cash and cash equivalents	9	158.63	145.68
(iv) Bank balances other than (iii) above	10	60,788.54	89,598.03
(v) Loans	11	55,913.01	53,199.72
(vi) Other current assets	12	8,787.18	822.34
		<b>2,08,121.80</b>	<b>1,91,364.53</b>
<b>Total Assets</b>		<b>4,41,996.59</b>	<b>4,78,931.32</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	13	1,52,538.05	1,19,390.00
(b) Other Equity	14	1,48,651.65	87,884.15
<b>Total Equity</b>		<b>3,01,189.70</b>	<b>2,07,274.15</b>
<b>(2) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	26,090.90	64,629.25
(b) Provisions	16	2,135.14	1,907.34
(c) Other non-current liabilities	17	424.73	514.73
<b>Total Non Current Liabilities</b>		<b>28,650.78</b>	<b>67,051.32</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	18	1,09,162.15	2,00,401.11
(b) Other current liabilities	19	2,993.95	4,204.74
<b>Total Current Liabilities</b>		<b>1,12,156.11</b>	<b>2,04,605.85</b>
<b>Total Equity and Liabilities</b>		<b>4,41,996.59</b>	<b>4,78,931.32</b>

See accompanying notes (1 to 45) to the Financial Statements.

As per our report attached of even date.

**For Aniket Kulkarni & Associates**  
Chartered Accountants  
FRN No. 130521W

For and on behalf of the Board of Directors  
**Khandwala Securities Limited**

**Aniket Kulkarni**  
Proprietor  
Mem. No: 127246

**Homiar N. Vakil**  
Chairman  
DIN: 05210178

**Pareesh J. Khandwala**  
Managing Director  
DIN: 00112678

**Pranav Khandwala**  
Whole-Time Director/ CFO  
DIN: 00519113

**Abhishek Joshi**  
Company Secretary

Place : Mumbai  
Date : 30<sup>th</sup> May 2023

Place : Mumbai  
Date : 30<sup>th</sup> May 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in Thousand)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from Operations	20	62,643.77	60,983.56
II Other Income	21	2,219.23	2,530.03
III <b>Total Income</b>		<b>64,863.00</b>	<b>63,513.59</b>
IV <b>Expenses</b>			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods	22	758.39	117.96
Stock-in-Trade and work-in-progress		-	-
Employee benefits expense	23	24,897.12	32,860.45
Finance costs	24	3,367.17	7,109.22
Depreciation and amortization expense		2,949.70	2,856.16
Other expenses	25	27,913.31	19,934.04
<b>Total Expenses</b>		<b>59,885.70</b>	<b>62,877.83</b>
V <b>Profit/(Loss) before Tax and prior period items</b>		<b>4,977.29</b>	<b>635.76</b>
VI <b>Exceptional Items</b>		-	-
VII <b>Profit/(Loss) before Extraordinary items and tax ( V - VI )</b>		<b>4,977.29</b>	<b>635.76</b>
VIII Extraordinary items		-	-
IX <b>Porfit/(Loss) before Tax ( VII - VIII )</b>		<b>4,977.29</b>	<b>635.76</b>
X <b>Tax Expense</b>			
(1) Current Tax		-	-
(2) MAT Tax		921.00	-
(3) Deferred Tax (Credited)/ Charged		(385.61)	(569.38)
XI <b>Profit / (Loss) for the period from Continuing Operations</b>		<b>4,441.90</b>	<b>1,205.13</b>
XII <b>Profit / (Loss) from Discontinuing Operations</b>		-	-
XIII <b>Tax Expense of Discounting Operations</b>		-	-
XIV <b>Profit / (Loss) from Discontinuing Operations (after tax ) ( XII -XIII )</b>		-	-
XV <b>Profit (Loss) for the period (XI +XIV )</b>		<b>4,441.90</b>	<b>1,205.13</b>
XVI <b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		73.10	320.25
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XVII <b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>4,515.00</b>	<b>1,525.38</b>
XVIII Earnings Per Share of - Basic (Rs.)			
- Basic (Rs.)		0.29	0.10
- Diluted (Rs.)		0.29	0.10

See accompanying notes ( 1 to 45 ) to the Financial Statements.

As per our report attached of even date.

**For Aniket Kulkarni & Associates**  
Chartered Accountants  
FRN No. 130521W

For and on behalf of the Board of Directors  
**Khandwala Securities Limited**

**Aniket Kulkarni**  
Proprietor  
Mem. No: 127246

**Homiar N. Vakil**  
Chairman  
DIN: 05210178

**Paresh J. Khandwala**  
Managing Director  
DIN: 00112678

**Pranav Khandwala**  
Whole-Time Director/ CFO  
DIN: 00519113

**Abhishek Joshi**  
Company Secretary

Place : Mumbai  
Date : 30<sup>th</sup> May 2023

Place : Mumbai  
Date : 30<sup>th</sup> May 2023

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**
*(Rupees In Thousand)*

Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
<b>A. Cash flow from operational activities</b>				
Net (Loss)/Profit before tax adjusted for prior period items and excess provisions for tax written back		<b>4,977.29</b>		635.76
Adjustments for:				
Depreciation	2,949.70		2,856.16	
Interest Income	(1,278.30)		(1,263.22)	
Finance Cost	3,367.17		7,109.22	
Unrealised Gains On Mark to Market of F&O Stock	(38.37)		36.17	
Provision for Diminution in Investments/ Stock	758.39		117.96	
Other Comprehensive Expenses	73.10		320.25	
Interest on Income Tax Refund	(409.49)		-	
Provision for MAT	(1,020.18)		-	
Sundry Debit Balance written off	-		21.77	
Dividend Income	(123.20)		(124.59)	
		<b>4,278.84</b>		<b>9,073.73</b>
		<b>9,256.13</b>		<b>9,709.48</b>
Operating profit before working capital changes				
Adjustments for:				
Inventories	(4,258.21)		(73.10)	
Trade Receivables & Other Receivables	14,943.28		(38,933.99)	
Current Liabilities & Provision	<b>(92,311.94)</b>	<b>(81,626.87)</b>	62,342.29	23,335.19
Cash generated from operations		<b>(72,370.74)</b>		<b>33,044.67</b>
Direct taxes Refunded / (paid)		-		-
Net cash (used in) / generated from operating activities		<b>(72,370.74)</b>		<b>33,044.67</b>
<b>B. Cash flow from investing activities</b>				
Sale / (Purchase) of fixed assets (Net)	(5,910.14)		(296.65)	
Sale/ (Purchase) of Investments (Net of purchase)	302.17		4,173.87	
Interest received	1,470.24		1,045.68	
Dividend received	<b>117.71</b>		119.09	
Net cash (used in) / generated from investing activities		<b>(4,020.02)</b>		<b>5,041.99</b>
<b>C. Cash flow from financing activities</b>				
(Repayment)/Proceeds from long term borrowings(Net)	(38,538.34)		(4,775.15)	
(Repayment)/Proceeds from Preference shares	89,499.74		-	
(Repayment)/Proceeds from short term borrowings(Net)	-		-	
Interest and other Finance charges	<b>(3,367.17)</b>		(7,109.22)	
Net cash (used in) / generated from financing activities		<b>47,594.22</b>		(11,884.36)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(28,796.54)</b>		26,202.31
Cash and Cash equivalents (opening balance)	89,743.71		63,541.41	
Cash and Cash equivalents (closing balance)	60,947.18		89,743.71	
		<b>(28,796.54)</b>		<b>26,202.31</b>

See accompanying notes ( 1 to 45 ) to the Financial Statements.

As per our report attached of even date.

**For Aniket Kulkarni & Associates**  
*Chartered Accountants*  
 FRN No. 130521W

 For and on behalf of the Board of Directors  
**Khandwala Securities Limited**
**Aniket Kulkarni**  
**Proprietor**  
 Mem. No: 127246

**Homiar N. Vakil**  
**Chairman**  
 DIN: 05210178

**Paresh J. Khandwala**  
**Managing Director**  
 DIN: 00112678

**Pranav Khandwala**  
**Whole-Time Director/ CFO**  
 DIN: 00519113

**Abhishek Joshi**  
**Company Secretary**

 Place : Mumbai  
 Date : 30<sup>th</sup> May 2023

 Place : Mumbai  
 Date : 30<sup>th</sup> May 2023

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### NOTE NO.1

#### A. CORPORATE INFORMATION

Khandwala Securities Limited ("the Company") is a Public Limited Company incorporated under the provisions of the Companies Act 1956. The Company is domiciled in India and addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. Its shares are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

The Company engaged in the business of providing Stock Broking Services, Investment Banking, Portfolio Management Service and Investment Advisory Services.

The Company is registered with Securities and Exchange Board of India ("SEBI") under the Stock brokers and sub-brokers Regulations, 1992 and is as a Member of BSE and NSE. It is also registered as a Depository Participant with Central Depository Services (India) Limited.

#### B. Significant Accounting Policies

##### Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

##### Historical Cost

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- i) Certain financial assets and liabilities (including derivative instruments),
- ii) Defined benefit plans - plan assets and
- iii) Equity settled share based payments

##### Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenues can be reliably measured. Income from capital market operations (non-delivery based transactions) is accounted for on sale of securities. Income from Merchant Banking services, Brokerage and income from corporate advisory services are accounted for as and when the relevant services are

rendered except where the recovery is uncertain in which case it is accounted for on receipt. Interest income is accounted for on accrual basis except where the recovery is uncertain, in which case it is accounted for on receipt. Dividend income is accounted for when the unconditional right to receive dividend is established.

##### Property, Plant and Equipment and Depreciation

The company has used the following rates to provide depreciation on its non-current assets.

Class of asset	Estimated useful Life (In Years)
<b>Tangible Fixed Assets :</b>	
Building	60
Office equipment's	5
Computers	3
Furniture and fixtures	10
Vehicles	8
Plant and Machinery	15
<b>Intangible Fixed Assets :</b>	
Computer Software	6

##### Investments

Investments are classified into current investments and non-current investments. Investments, which are intended to be held for one year or more, are classified as non-current investments and investments, which are intended to be held for less than one year, are classified as current investments.

Non-current investments are carried at cost less provision for diminution, other than temporary.

Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each investment.

##### Inventories

Stock-in-trade is valued at lower of cost and market value. While determining market value, due consideration has been given to shares which have become ex-rights/ex-bonus at the year-end for which rights/bonus shares have been received subsequent to year end.

##### Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognized in the statement of profit and loss of the year.

##### Employee benefits

###### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.



**NOTES FORMING PART OF FINANCIAL STATEMENTS****Post-Employment Benefits****Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined Benefit Plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**Employee Separation Costs**

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company payable in the year of exercise of option by the employee. The Company recognizes the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

**Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

**Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the

liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end each reporting period.

**Derivative Instruments**

Initial / additional margin paid for futures / options is included under the head current assets. Contracts are marked to market in accordance with the prevalent regulations and the amount receivable or payable is disclosed under the head current assets or current liabilities, as the case may be. The profit or loss on settlement of derivative contracts is recognized in the Profit and Loss account. As on the balance sheet date, provision for loss on futures contracts is made to the extent of mark to market margins paid, while for open options, to the extent premium paid exceeds premium prevailing on that date.

**Provisions:**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**Cash & Cash Equivalents:**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and fixed deposits.

**Current / Non Current Classification**

An asset shall be classified as current when it satisfies any of the following criteria:—

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

A liability shall be classified as current when it satisfies any of the following criteria:—

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**NOTE 2- Property, Plant and Equipment**

(Rupees in Thousand)

Particulars	Gross Block			Depreciation				Net Block		
	As At 01-Apr-22	Additions during the period	Deductions during the period	As At 31-Mar-23	As At 01-Apr-22	On Additions	For the period	As At 31st March 23	As At 31st March 23	As At 31st March 22
<b>Property, Plant and Equipment</b>										
Office Buildings *	81,905.67	-	-	81,905.67	32,691.14	-	1,376.62	34,067.76	47,837.91	49,214.53
Computers	2,045.66	1,109.41	-	3,155.06	1,783.74	209.00	338.59	2,122.33	1,032.74	261.92
Office Equipments	2,250.81	221.07	-	2,471.88	1,708.55	33.84	203.46	1,912.01	559.88	542.26
Furniture and Fixtures	513.23	-	-	513.23	492.98	-	6.20	499.18	14.04	20.24
Vehicles	4,347.53	2,312.47	-	6,660.00	3,485.12	71.50	614.97	4,100.09	2,559.91	862.41
Plant & Machinery (Computer)	1,109.58	-	-	1,109.58	985.75	-	68.35	1,054.10	55.48	123.83
	<b>92,172.48</b>	<b>3,642.94</b>	<b>-</b>	<b>95,815.42</b>	<b>41,147.29</b>	<b>314.35</b>	<b>2,608.19</b>	<b>43,755.47</b>	<b>52,059.95</b>	<b>51,025.19</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	1,880.22	2,267.20	-	4,147.42	944.22	77.92	341.52	1,285.74	2,861.68	935.99
<b>Total</b>	<b>94,052.70</b>	<b>5,910.14</b>	<b>-</b>	<b>99,962.84</b>	<b>42,091.51</b>	<b>392.27</b>	<b>2,949.70</b>	<b>45,041.21</b>	<b>54,921.62</b>	<b>51,961.19</b>
Previous Year	94,387.30	296.65	631.25	94,052.70	39,866.60	77.99	2,778.17	42,091.51	51,961.19	

Particulars	Face Value	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
<b>NOTE 3 - INVESTMENTS</b>					
<b>NON CURRENT INVESTMENTS</b>					
<b>Investments measured at Cost</b>					
<b>Quoted, fully paid up</b>					
Creative Casting Ltd	10	-	-	797	302.17
Vodafone Idea Ltd	10	3,00,000	5,218.94	3,00,000	5,218.94
			<b>5,218.94</b>		<b>5,521.11</b>
<b>In Equity Shares of Associate Companies</b>					
<b>Unquoted, fully paid up</b>					
Trumonee Financial Limited	10	33,75,000	33,750.00	33,75,000	33,750.00
<b>In Equity Shares</b>					
<b>Unquoted, fully paid up</b>					
Kowa Spinning Limited	10	10,08,000	21,358.20	10,08,000	21,358.20
Vadodara Stock Exchange Limited	10	500	5.00	500	5.00
			<b>21,363.20</b>		<b>21,363.20</b>
			<b>60,332.14</b>		<b>60,634.31</b>
Less : Provision for diminution			<b>21,358.20</b>		<b>21,358.20</b>
<b>TOTAL</b>			<b>38,973.94</b>		<b>39,276.11</b>

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE - 4 LOANS</b>		
Deposits with exchange & other	44,707.87	1,04,474.87
Deposit with Companies	53,000.00	53,000.00
<b>TOTAL</b>	<b>97,707.87</b>	<b>1,57,474.87</b>
<b>NOTE - 5 OTHERS</b>		
Share Application	21,668.64	21,668.64
<b>TOTAL</b>	<b>21,668.64</b>	<b>21,668.64</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
*(Rupees In Thousand)*

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE - 6 OTHER NON - CURRENT ASSETS</b>		
Advance Payment of Tax	4,332.30	4,001.18
In Fixed Deposit Accounts	13,200.00	10,500.00
<b>TOTAL</b>	<b>17,532.30</b>	<b>14,501.18</b>
<b>NOTE 7 - CURRENT INVESTMENT</b>		
<b>Investment In Equity</b>		
Equity Shares -(Refer Appendix 7-A)	4,132.24	588.56
<b>TOTAL</b>	<b>4,132.24</b>	<b>588.56</b>

**Appendix 7-A**

NAME OF THE SCRIP	As at March 31, 2023		As at March 31, 2022	
	Number	Rs.	Number	Rs.
<b>Equity Shares :</b>				
Creative Casting Ltd	500	224.98	203	0.03
Deccan Granite Ltd	20,300	37.56	20,300	37.56
Future Consumer Enterprise Ltd	-	-	2,000	9.10
G R Magnets Ltd	7,100	-	7,100	-
ICSA (India) Ltd	3,000	0.60	3,000	0.60
LIC MF Liquid Plus Fund	16,350	176.97	15,801	171.03
NRB Bearing Ltd	164	22.35	-	-
NRB Industrial Bearing Ltd	49	1.06	-	-
Omax Auto Ltd	25,010	990.40	-	-
Saraswat Co-Op Bank	2,550	25.50	2,550	25.50
Setech Electronics Ltd	270,000	0.00	270,000	0.00
Sharp Industries Ltd	2,210	10.48	2,210	10.48
Unichem Laboratories Ltd	5,000	1,448.50	-	-
Steel Authority Of India	-	-	4,900	328.06
UTI Top 100 Funds	1,000	6.21	1,000	6.21
Vedanta Ltd	1,750	480.29	-	-
Yes Bank	47,000	707.35	-	-
		<b>4,132.24</b>		<b>588.56</b>

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 8 - Trade Receivables</b>		
<b>(Unsecured &amp; Considered Good)</b>		
<b>Outstanding for more than six months</b>		
Considered good	59,777.32	32,117.34
<b>Outstanding for Less than Six Months</b>		
Considered good	18,564.88	14,892.86
<b>TOTAL</b>	<b>78,342.19</b>	<b>47,010.19</b>
<b>NOTE 9 - Cash and cash equivalents</b>		
Cash on hand	158.63	145.68
<b>TOTAL</b>	<b>158.63</b>	<b>145.68</b>

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rupees In Thousand)

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 10 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Balance with Scheduled Banks:		
In Current Accounts	49,738.54	76,348.03
In Fixed Deposit Accounts (Less than One Year )	11,050.00	13,250.00
<b>TOTAL</b>	<b>60,788.54</b>	<b>89,598.03</b>
<b>NOTE 11 - LOANS (Unsecured and Considered Good)</b>		
Employees	265.45	1,592.91
Prepaid Expenses	1,510.09	1,978.71
Advance to Sundry Creditors	39,256.10	181.88
Penalty from Exchange	6,950.00	-
Exchange Obligation -Receivable	7,931.37	49,446.23
<b>TOTAL</b>	<b>55,913.01</b>	<b>53,199.72</b>
<b>NOTE 12 - OTHER CURRENTS ASSETS</b>		
Interest Accrued on Fixed Deposit	206.64	187.53
Advance for Expenses	1,471.15	188.11
Other Receivable Account	-	20.00
Unbilled Revenue A/c	6,000.00	-
Balance with GST Authorities	1,109.39	426.70
<b>TOTAL</b>	<b>8,787.18</b>	<b>822.34</b>

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos	Amount	Nos	Amount
<b>NOTE 13 - SHARE CAPITAL</b>				
<b>Authorised</b>				
1,70,00,000 (P.Y. 1,40,00,000) Equity Shares of Rs. 10/- each	1,70,00,000	1,70,000.00	1,40,00,000	1,40,000.00
5,00,000 (P.Y. 5,00,000) Cumulative Redeemable Preference Shares of Rs. 100/- each	5,00,000	50,000.00	5,00,000	50,000.00
4,00,000 (P.Y. 4,00,000) Cumulative Convertible Preference Shares of Rs. 100/- each	4,00,000	40,000.00	4,00,000	40,000.00
2,00,000 (P.Y. 2,00,000) Optionally Convertible Redeemable Preference Shares of Rs. 100/- each	2,00,000	20,000.00	2,00,000	20,000.00
<b>TOTAL</b>	<b>1,81,00,000</b>	<b>2,80,000.00</b>	<b>1,51,00,000</b>	<b>2,50,000.00</b>
<b>Issued, Subscribed and Paid-up</b>				
Equity Share Capital				
1,52,53,805 (P. Y. 1,19,39,000) Shares of Rs. 10/- each fully paid-up	1,52,53,805	1,52,538.05	1,19,39,000	1,19,390.00
<b>TOTAL</b>	<b>1,52,53,805</b>	<b>1,52,538.05</b>	<b>1,19,39,000</b>	<b>1,19,390.00</b>
<b>Reconciliation Of Shares</b>				
<b>Equity shares with voting rights</b>				
Balance as at the beginning of the year	1,19,39,000	1,19,390.00	1,19,39,000	1,19,390.00
Add: Issue of fresh shares during the year	33,14,805	33,148.05	-	-
Balance as at the end of the year	1,52,53,805	1,52,538.05	1,19,39,000	1,19,390.00

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**b) List of Share Holders Holding More than 5% of the total number of shares issued by the Company** *Rupees in Thousands*

Name of Equity Share Holder	Number of Shares	Percentage Shareholding	Number of Shares	Percentage Shareholding
Jayantilal Khandwala & Sons Pvt. Ltd.	1,733,321	11.36%	17,33,321	14.52%
Bentley Investments Pvt Ltd	1,440,968	9.45%	14,40,968	12.07%
Daxa Paresh Khandwala	1,302,058	8.54%	13,02,058	10.91%
Sarthak Consultants LLP	-	-	9,43,000	7.90%
Pratik Paresh Khandwala	796,555	5.22%	7,96,555	6.67%
Pranav Paresh Khandwala	708,617	4.65%	7,08,617	5.94%

**Terms / Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of the liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders. The Company declares and pay dividend in Indian Rupees.

**Shares held by Promotes/ Promoters Group at the end of the Year**

Particulars	As at March 31, 2023		As at March 31, 2022		% Change in Share holding during the year
	Nos	%	Nos	%	
Paresh Jayantilal Khandwala (HUF)	265,103	1.74%	265,103	2.22%	-0.48%
Pratik Paresh Khandwala	796,555	5.22%	796,555	6.67%	-1.45%
Tulsi Paresh Khandwala	303,958	1.99%	303,958	2.55%	-0.56%
Pranav Paresh Khandwala	708,617	4.65%	708,617	5.94%	-1.29%
Mayank Ashok Khandwala	14,453	0.09%	14,453	0.12%	-0.03%
Jatin Ashok Khandwala	16,953	0.11%	16,953	0.14%	-0.03%
Leena Mayank Khandwala	54,740	0.36%	54,740	0.46%	-0.10%
Daxa Paresh Khandwala	1,302,058	8.54%	1,302,058	10.91%	-2.37%
Ramila Ashok Khandwala	2,127	0.01%	160	0.00%	0.01%
Sonal Jatin Khandwala	126	0.00%	126	0.00%	0.00%
Paresh Jayantilal Khandwala	202,407	1.33%	202,157	1.69%	-0.36%
Bhagyashree Pranav Khandwala	133,980	0.88%	133,980	1.12%	-0.24%
Ashok Jayantilal Khandwala	-	-	1,967	0.02%	-0.02%
Bentley Investments Pvt Ltd	1,440,968	9.45%	1,440,968	12.07%	-2.62%
Jayantilal Khandwala & Sons Pvt. Ltd.	1,733,321	11.36%	1,733,321	14.52%	-3.16%
Piggero Investments Private Limited	294,986	1.93%	294,986	2.47%	-0.54%
Khandwala Commodity And Derivatives Pvt. Ltd.	875	0.01%	875	0.00%	0.01%

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 14 - Other Equity</b>		
Share Premium	1,04,624.69	48,273.00
Capital Redemption Reserve	34,000.00	34,000.00
Profit & Loss Account		
As per last Balance Sheet	5,611.15	4,085.76
Add: Transferred from Profit & Loss Account	4,515.00	1,525.38
Provision for MAT	(99.18)	-
<b>TOTAL</b>	<b>10,026.97</b>	<b>5,611.15</b>
	<b>1,48,651.65</b>	<b>87,884.15</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Statement of Changes in Equity for the period ended 31.03.2023**

**A. Equity Share Capital**

(Rupees in Thousands)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
11,939.00	3,314.81	15,253.81

**B. Other Equity**

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Capital Redemption Reserve	Share Premium	Other Reserves (specify nature)	Retained Earnings								
Balance at the beginning of the reporting period	-	-	-	34,000.00	48,273.00	-	5,611.15	-	-	-	-	-	-	-	87,884.15
Changes in accounting policy or prior period errors	-	-	-	-	-	-	(99.18)	-	-	-	-	-	-	-	(99.18)
Restated balance at the beginning of the reporting period	-	-	-	-	56,351.69	-	-	-	-	-	-	-	-	-	56,351.69
Total Comprehensive Income for the year	-	-	-	-	-	-	4,515.00	-	-	-	-	-	-	-	4,515.00
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	-	34,000.00	1,04,624.69	-	10,026.97	-	-	-	-	-	-	-	1,48,651.65

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 15 - BORROWINGS</b>		
<b>Secured</b>		
Canara Bank Overdraft Account	<b>23,338.54</b>	59,790.66
Vehicle Loan (Secured by hypothecation of vehicle) (Terms of payment 60 Months EMI Rs.39,144/- P.M. Interest Rate @8.70%)	<b>1,493.33</b>	379.55
	<b>24,831.87</b>	60,170.21
<b>Unsecured</b>		
Yukti Securities Ltd.	<b>1,259.04</b>	1,259.04
Khandwala Commodity and Derivatives Pvt Ltd	-	2,000.00
Paresh J. Khandwala	-	1,200.00
	<b>1,259.04</b>	4,459.04
<b>TOTAL</b>	<b>26,090.90</b>	64,629.25
<b>NOTE 16 - PROVISIONS</b>		
Provision for Taxation (FBT)	-	564.50
Provision for Gratuity	<b>1,202.16</b>	980.86
Provision for Leave Encashment	<b>11.98</b>	11.98
Provision MAT Tax	<b>921.00</b>	350.00
<b>TOTAL</b>	<b>2,135.14</b>	<b>1,907.34</b>
<b>NOTE 17 - OTHER NON CURRENTS LIABILITIES</b>		
Security Deposits	<b>424.73</b>	514.73
<b>TOTAL</b>	<b>424.73</b>	514.73

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
*(Rupees In Thousand)*

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 18 - TRADE PAYABLE</b>		
<b>Dues of Creditors Other Than Micro &amp; Small Enterprises</b>		
Undisputed, Considered Good, Unsecured (Less than 180 Days)	102,281.81	193,472.51
Considered Doubtful	-	-
Less :- Provision for Doubtful Debtors	-	-
	<b>102,281.81</b>	<b>193,472.51</b>
<b>Dues of Creditors Other Than Micro &amp; Small Enterprises</b>		
Undisputed, Considered Good, Unsecured (More than 180 Days)	6,880.35	6,928.60
Considered Doubtful	-	-
Less :- Provision for Doubtful Debtors	-	-
	<b>6,880.35</b>	<b>6,928.60</b>
<b>Total Trade Payables</b>	<b>109,162.15</b>	<b>200,401.11</b>

- Confirmation of Balances from parties under Trade Payables has not been received by the company. These balances have therefore been taken as per the Books of Accounts of the company which is subject to confirmation, reconciliation & adjustments if any.
- The SSI status of the creditors is not known to the company, hence the entire trade payable is shown as "Trade Payable-due to other micro and small enterprises"

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 19 - OTHER CURRENTS LIABILITIES</b>		
Payable to Employees	1,030.70	2,343.80
Statutory Dues	1,308.61	1,742.09
Other Expenses Liabilities	330.31	118.85
Current Maturities of Long Term Debt	324.33	-
<b>TOTAL</b>	<b>2,993.95</b>	<b>4,204.74</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>NOTE 20 - REVENUE FROM OPERATIONS</b>		
<b>Sale of Services</b>		
Brokerage	30,446.59	44,857.63
Corporate Advisory Services	31,791.53	14,805.78
Income from Capital Market Operations	405.65	1,320.15
<b>TOTAL</b>	<b>62,643.77</b>	<b>60,983.56</b>
<b>NOTE 21 - OTHER INCOME</b>		
Interest on Fixed deposits with Banks	1,278.30	1,263.22
<i>[Tax deducted at source Rs.-1,27,829/-], (Previous year Rs. 1,26,324/-)</i>		
Dividend :- On stock in trade	123.20	124.59
Interest on Income Tax Refund	409.49	-
Unrealised Gains/(Loss) On Mark to Market of F&O Stock	38.37	(36.17)
Other Income	369.87	1,178.39
<b>TOTAL</b>	<b>2,219.23</b>	<b>2,530.03</b>
<b>NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Loss on Stock Valuation	758.39	117.96
<b>TOTAL</b>	<b>758.39</b>	<b>117.96</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

*(Rupees In Thousand)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>NOTE 23 - EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Bonus	19,536.93	26,901.92
Managing Director's Remuneration	3,693.75	3,693.79
Contribution to Provident and other Funds	710.88	702.62
Staff Welfare Expenses	655.10	1,160.95
Gratuity	300.47	401.17
<b>TOTAL</b>	<b>24,897.12</b>	<b>32,860.45</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>NOTE - 24 FINANCE COST</b>		
Interest Expense	2,856.23	6,736.14
Bank Guarantee Commission and Other Charges	510.94	373.07
<b>TOTAL</b>	<b>3,367.17</b>	<b>7,109.22</b>
<b>NOTE 25 - OTHER EXPENSES</b>		
Financial Advisory charges	119.72	102.79
Computer Expenses	1,280.06	1,172.99
Demat charges	376.27	198.78
Rates and Taxes	3,268.44	975.31
Consultancy Charges	47.50	12.75
Commission Brokerage	4,249.96	6,764.07
Insurance	390.41	471.00
Internet Expenses	252.07	135.00
Advertisement Expenses	224.31	114.51
Business Promotion Expenses	333.07	321.51
Legal & Professional Fees	4,964.99	2,978.12
Telephone/Postage and Courier Charges	397.21	407.16
Electricity Charges	608.14	508.46
Registration Fees	998.48	1,116.93
Repairs and Maintenance	2,923.54	2,160.70
Security Charges	162.72	163.17
Printing and Stationery	176.00	264.22
Subscription Expenses	501.64	365.76
Travelling and Conveyance	1,068.86	841.07
Auditor's Remuneration		
For Statutory Audit	225.00	225.00
For Certification	25.00	25.00
Directors sitting fees	145.00	75.00
Donation	37.60	33.10
Miscellaneous Expenses	1,033.66	284.82
Sundry Balance Written off	-	21.77
Loss on Market Operation	4,103.68	195.04
<b>TOTAL</b>	<b>27,913.31</b>	<b>19,934.04</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**26. Financial Ratios :**

The ratios for the years ended 31st March 2023 and 31st March 2022 are as follows :

Particulars	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	Variance
Current Ratio	Current Assets	Current Liabilities	1.86	0.94	-0.92
Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.09	0.31	0.23
Debt Service Coverage Ratio	* Earnings Available for Debt Service	Debt Service	0.43	0.16	-0.27
Return on Equity	Net Profit after taxes	Average Shareholder's Equity	0.01	0.01	-0.01
Trade Receivables Turnovers Ratio	Trade Receivable	Turnover	1.25	0.77	-0.48
Trade Payables Turnovers Ratio	Trade Payable	Turnover	1.74	3.29	1.54
Net Capital Turnover Ratio	Share Capital	Turnover	2.44	1.96	-0.48
Net Profit Ratio	Net Profit before Tax	Revenue	0.08	0.01	-0.07
Return on Capital Employed	Earning before Interest and Taxes	# Capital Employed	0.03	0.04	0.01

\* Net profit after taxes + Non-cash operating expenses + Interest  
# Tangible Net Worth + Deferred Tax Liabilities + Lease Liabilities

27. The Company provides Portfolio Management Services (PMS) to its clients. Transactions on account of PMS activities are carried out exclusively on behalf of PMS clients. Therefore, assets and liabilities arising out of the above effectively belong to the PMS clients and hence are not reflected in the Company's accounts. Management fees earned/expenditure incurred by the Company from this activity is accounted for on an accrual basis.
28. The Share Application Money for an amount of Rs. 216.69 Lakhs (Previous Year Rs. 216.69 Lakhs) is outstanding for a period of 252 months as at date of Balance Sheet date, for which the financial statements are in the process of being obtained. The Company has already initiated legal proceedings against the other party for recovery of the said application money along with interest thereon, under Section 138 of the Negotiable Instruments Act, 1881. At present, the matter is pending for hearing before the Hon'ble High Court at Mumbai.
29. Long-term Deposits which were given to M/s. Shree Rama Polysynth Private Ltd and M/s. Vimpsan Investments Private Ltd, upto total aggregate amount of Rs. 530.00 lakhs are still outstanding as at March 31, 2023. Since the Company is not in the receipt of any interest on the said deposits since long period, the Company has not accounted any interest income on such deposits in the financial statement. The Company is in the process to initiate legal proceedings against them for recovery of the said deposits.
30. In the matter of M/s. Shree Rama Multitech Limited (SRML) in relation to recovery of outstanding rental income/license fee from SRML, the Hon'ble High Court, Mumbai had passed the order/decreed in favor of the company during the period October 2019. Although the company is yet to receive the rental Income from SRML. Later, the Company filed the execution application in the Small Cause Court during the period April 2022 in Mumbai for recovering the pending rental income/license fee amount from SRML. The Hon'ble Small Cause Court, Mumbai vide its order/decreed dated December 7, 2022 shifted the said matter to the Hon'ble Civil Court, Gandhinagar for execution to recover the outstanding rental income/license fee. At present, the matter is pending for hearing before the Hon'ble Civil Court, Gandhinagar.
31. In the matter of Mr. Hiten Parmar regarding receivable of the outstanding amount, the Company had filed the case in the month of October 2015 before the panel of arbitrators of National Stock Exchange of India Limited (NSE). The panel of arbitrators of NSE has considered the matter and passed the arbitral in favour of the Company on April 12, 2016. The panel of arbitrators directed Mr. Hiten Parmar to pay to the Company Rs. 55,85,544.87/- within 30 days from the date of receipt of award. However, the Company has not received any such amount till date from Mr. Hiten Parmar. The Company has initiated legal action and filed the suit against Mr. Hiten Parmar in the Hon'ble District Court, Surat ('the Court') for recovery of the arbitral award amount. At present, the matter is pending for hearing before the Court. Further, the Company are in process of simultaneously filing a complaint with Economic Offence Wing (EOW) Mumbai in the aforesaid matter.
32. SEBI vide its order no. WTM/RKA/efd/DRA-11/45/2015 dated May 13, 2015 suspending of the certificate of registration of the Company as a stock broker at National Stock Exchange of India Limited (earlier SEBI Registration No. INB230600030) for a period of one month. Subsequently, the Company challenged the aforesaid SEBI Order and filed an appeal before Securities Appellate Tribunal (SAT) on May 22, 2015. The SAT accepted the appeal and granted an interim stay on operation of the aforesaid SEBI Order till the disposal of the matter.
- On March 8, 2017, the SAT passed their final order in the aforesaid matter and dismissed the appeal filed by the Company which challenging the aforesaid SEBI Order. Further, the SAT had granted the stay of four weeks on operation of the order for enable the Company to challenge the SAT order before the Hon'ble Supreme Court of India. Later, the Company had filed

NOTES FORMING PART OF FINANCIAL STATEMENTS

an appeal before the Hon'ble Supreme Court of India against the SAT order and the same was accepted. On April 7, 2017, the Supreme Court of India granted an interim stay on the operation of the aforesaid SAT order (and consequently, the WTM's Order of SEBI) till the disposal of matter. At present, the said matter is pending for hearing before the Hon'ble Supreme Court of India. Further, the Company had approached and requested the Hon'ble Supreme Court of India to move the said matter for listing.

33. There is a Mark to Market Profit of Rs.38,365/- as on 31<sup>st</sup> March 2023 on account of Unrealized Loss on Future Contract as per Ind AS-39.

34. The net deferred tax assets are calculated as follows:

(Rs. In Thousand)

Particulars	Accumulated As at 31 <sup>st</sup> March 2022	Charge/ Credit during the year	As at 31 <sup>st</sup> March 2023
<b>Deferred tax asset:</b>			
Provision for doubtful debtors/ advances that are deducted for tax purposes when written off	19,945.79	-	19,945.79
Deferred Tax Asset on account of Unabsorbed Depreciation	21,650.36	-	21,650.36
<b>Deferred tax liability:</b>			
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates	(38,789.48)	385.60	(38,403.88)
Expenses carried forward as per books but claimed for tax purposes as incurred	(121.87)	-	(121.87)
<b>Net Deferred tax Assets/ (Liability)</b>	<b>2,684.80</b>	<b>385.60</b>	<b>3,070.40</b>

35. Segment Information

For management purposes, the Company is organized into two segments - Fee based and Investment/Trading In Stock. The Company has considered these two divisions as its business segments.

The Fee based division provides financial advisory services relating to mergers and acquisitions, equity and debt issue management, portfolio management and broking.

Investment and Stock division carries out trading, investing and speculation activities in capital markets (debt and equity) for the Company.

Fixed assets used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between segments and hence the fixed assets and depreciation are not allocated to any of the reportable segments.

As the entire business operations of the Company are conducted only in India, the Company has not reported any secondary segment information.

Information about Primary Business Segments

(Rs. In Thousand)

Sr. No.	Particulars	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2022
<b>1</b>	<b>Segment Revenue-external</b>		
a)	Investment / Stock Operations	405.65	1,320.15
b)	Fee-based Operations	62,238.12	59,663.41
c)	Other Unallocated Revenue	2,219.23	2,530.03
	<b>Total revenue</b>	<b>64,863.00</b>	<b>63,514.59</b>
<b>2</b>	<b>Segment Result</b>		
a)	Investment / Stock Operations	(5,171.22)	(588.53)
b)	Fee-based Operations	30,560.09	19,495.66
	<b>Total</b>	<b>25,388.87</b>	<b>18,907.13</b>
	Less: Interest	3,367.17	7,109.22
	Unallocated Expenses less unallocated income	(17,044.40)	(11,162.16)
	Net (Loss) / Profit before Tax & prior Period Items	4,977.29	635.76
	Provision for tax (including deferred tax)	535.40	(569.38)
	<b>Net (Loss)/Profit after tax for the year</b>	<b>4,441.90</b>	<b>1,205.13</b>
	Other Comprehensive Income	73.10	320.25
	<b>Total Comprehensive Income</b>	<b>4,515.00</b>	<b>1,525.38</b>
	<b>Other Items</b>		
<b>3</b>	<b>Segment Assets</b>		
a)	Investment / Stock Operations	43,110.18	39,868.67
b)	Fee-based Operations	1,89,779.65	2,42,869.90
c)	Unallocated Corporate Assets	2,09,106.76	1,46,326.71
		<b>4,41,996.59</b>	<b>4,29,065.27</b>
<b>4</b>	<b>Segment Liabilities</b>		
a)	Investment / Stock Operations	2.45	1.25
b)	Fee-based Operations	1,03,477.46	1,46,744.74
c)	Unallocated Corporate Liabilities	10,911.74	10,415.89
		<b>1,14,391.65</b>	<b>1,57,161.88</b>
<b>5</b>	<b>Depreciation</b>	2,949.70	2,856.16
<b>6</b>	<b>Non cash items other than depreciation</b>		
a)	Investment / Stock operations	758.39	117.96
b)	Fee based operations	-	-

36. Earnings per share:

The Company reports basic and diluted earnings per share in accordance with Ind AS -33 - Earnings Per Share.

Basic earnings per share are computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding at year-end.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
*(Rs. In Thousand)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Basic</b>		
Numerator used for calculating basic earnings per share – Profit after taxation	4,441.90	1,205.13
Less: Dividend on Cumulative Preference share dividend (including dividend tax thereon)	-	-
Profit / (Loss) attributable to equity shareholders	4,441.90	1,205.13
Weighted average number of shares used as Denominator for calculating basic earnings per share	15,253.81	11,939.00
Nominal value per equity share (Rs.)	10.00	10.00
Basic earnings per share – (Rs.)	0.29	0.10
<b>Diluted</b>		
Numerator used for calculating Diluted earning per Share-Profit/(Loss) after taxation	4,441.90	1,205.13
Weighted Average Number of Shares used as Denominator for calculating Diluted Earning per Share	15,253.81	11,939.00
Diluted earnings per Share- (Rs.)	0.29	0.10

**37. Related Party Disclosures**
**Names of Related Parties:**
**A) Enterprises where control exists**

Associate Companies:

1. Trumonee Financial Ltd.

**B) Enterprises controlled by the relatives of the Key Managerial Personnel:**

1. Piggero Investments Pvt. Ltd.
2. Bentley Investments Pvt. Ltd.
3. Khandwala Commodity & Derivatives Pvt. Ltd.

**C) Key Management Personnel:**

1. Mr. Paresh J. Khandwala - Managing Director
2. Mr. Pranav P. Khandwala - Whole-Time Director/CFO
3. Mrs. Bhagyashree P. Khandwala - Non-Executive Director
4. Mr. Homiar Vakil - Non-Executive Independent Director
5. Mr. Pratik Khandwala - Non-Executive Director
6. Mr. Shyam Muralidhardas Seshadri - Non-Executive Independent Director

**D) Relatives of Key Management Personnel:**

1. Mrs. Daxa P. Khandwala
2. Mrs. Tulsi Khandwala
3. Mrs. Brinda P. Khandwala
4. Mr. Mayank Khandwala

**Transactions with related parties for the year ended 31<sup>st</sup> March 2023.**
*(Rs. In Thousand)*

Transaction	2022-23	2021-22
Brokerage received	81.31	161.53
Remuneration Paid	3,693.75	3,693.79
<b>Outstanding Balance</b>		
Loans and Advance	-	3,200.00
Sundry Debtors	9130.87	116.69
Sundry Creditors	27.73	1,129.01
Investment Associate Companies	33,750.00	33,750.00

38. As per information and explanation received there are no dues payable to Small Scale Industrial Undertakings as at March 31, 2023.

**39. Transaction in foreign currency: (In Thousand)**

Foreign Travel Expenses – Rs. 41.61, Previous year Rs. Nil .

Foreign Currency Income – Rs. 3,100.00, Previous year Rs. 11,400.00.

**40. Debtors include:**

- (i) Due from a firm in which a director is interested as partner - Rs. Nil (Previous year Rs. Nil )
- (ii) Due from relatives and Enterprises controlled by the relatives of the Key Management Personnel–Rs. 9,130.87
- (iii) The above dues have arisen in the normal course of business.

41. The creditors are largely from receipt of margin money from the clients while the debtors reflect the pattern of settlement period, wherein year-end date falls within to be settled period.

**42. Managerial Remuneration:**

- (i) Remuneration to Managing Director *(In Thousands)*  
Salary and Other Allowances : Rs. 3,693.75 (P.Y. Rs. 3,693.79)
- (ii) Sitting fees to other Directors : Rs. 145.00 (P.Y. Rs. 75.00)

NOTES FORMING PART OF FINANCIAL STATEMENTS

43. Liability for Employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19 ( Ind AS 19) the details of which are as hereunder.

(Rupees In Thousand)

Change in Benefit Obligation:	Current Period	Previous Period
Present Value of Benefit Obligation at the beginning of the Period	4,588.42	4,276.31
Interest Cost	320.27	293.36
Current Service Cost	232.00	339.44
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Settlement	-	-
Liability Transfer in	-	-
Liability Transfer out	-	-
(Benefit Paid from the Fund)	(165.88)	(22.13)
Actuarial (Gain) / Loss on Obligations-Due to change in Demographic Assumptions	-	(1.39)
Actuarial (Gain) / Loss on Obligations-Due to change in Financial Assumptions	(104.01)	(26.58)
Actuarial (Gain) / Loss on Obligations-Due to Experience	23.24	(270.58)
Present Value of Benefit Obligation at the End of the Period	4,894.05	4,588.42

Fair value of Plan Assets:	Current Period	Previous Period
Fair Value of Plan Assets at the Beginning of the Period	3,607.56	3,376.37
Interest Income	251.81	231.62
Contributions by the Employer	6.01	-
Expected Contribution by the employees	-	-
Expected Contributions by the Employees	-	-
(Benefit Paid from the Fund)	(165.88)	(22.13)
Return on Plan Assets, Excluding Interest Income	(7.67)	21.70
Fair Value of Plan Assets at the End of the Period	3,691.89	3,607.56

Amount Recognized in the Balance Sheet:	Current Period	Previous Period
(Present Value of Benefit Obligation at the end of the Period)	(4,894.05)	(4,588.42)
Fair Value of Plan Assets at the End of the Period	3,691.89	3,607.56
Funded Status (Surplus/ (Deficit))	(1,202.16)	(980.86)
Net (Liability) /Asset Recognized in the Balance Sheet	(1,202.16)	(980.86)

Net Interest Cost for Current Period	Current Period	Previous Period
Present Value of Benefit Obligation at the Beginning of the Period	4,588.42	4,276.31
(Fair Value of Plan Assets at the Beginning of the Period)	(3,607.56)	(3,376.37)
Net (Liability) /Asset at the Beginning	980.86	899.94
Interest Cost	320.27	293.36
(Interest Income)	(251.81)	(231.62)
Net Interest Cost for Current Period	68.46	61.74

Expenses Recognized in the Income Statement:	Current Period	Previous Period
Current Service Cost	232.00	339.44
Net Interest Cost	68.46	61.74
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/ Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expense Recognized	300.47	401.17

Balance Sheet Reconciliation	Current Period	Previous Period
Opening Net Liability	980.86	899.94
Expense Recognized in Statement of Profit or Loss	300.47	401.17
Expense Recognized in OCI	(73.10)	(320.25)
Net Liability/ (Asset) Transfer in	-	-
Net Liability/ (Asset) Transfer out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(6.06)	-
Net Liability /(Asset) Recognized in Balance Sheet	1202.16	980.86

Category of Assets	Current Period	Previous Period
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debts Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance Fund	3,691.89	3,607.56
Other	-	-
Total	3,691.89	3,607.56

Expenses Recognized in the Other Comprehensive Income OCI for Current Period	Current Period	Previous Period
Actuarial (Gains)/ Losses on Obligation for the Period	(80.77)	(298.55)
Return on Plan Assets, Excluding Interest Income	7.67	(21.70)
Change in Asset Ceiling	-	-
Net (Income)/ Expense for the Period Recongnized in OCI	(73.10)	(320.25)

Assumptions	Current Period	Previous Period
Expected Return on Plan Assets	7.44%	6.98%
Rate of Discounting	7.44%	6.98%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	5.00%	5.00%

Other Details	Current Period	Previous Period
No. Of Active Members	35	30
Per Month Salary For Active Member	734.13	618.65
Weighted Average Duration of the Projected Benefit Obligation	6	6
Average Expected Future Service	10	10
Projected Benefit Obligation	4,894.05	4,588.42
Prescribed Contribution for next year (12 Months)	734.13	618.65

**Note:-**

Gratuity is payable as per company's scheme as detailed in the report.

Actuarial Gain/ Loss are recognized in the period of occurrence under other Comprehensive Income (OCI)

As per our report attached of even date.

**For Aniket Kulkarni & Associates**  
Chartered Accountants  
FRN No. 130521W

**Aniket Kulkarni**  
Proprietor  
Mem. No: 127246

For and on behalf of the Board of Directors  
**Khandwala Securities Limited**

**Homiar N. Vakil**  
Chairman  
DIN: 05210178

**Pranav Khandwala**  
Whole-Time Director/ CFO  
DIN: 00519113

**Paresh J. Khandwala**  
Managing Director  
DIN: 00112678

**Abhishek Joshi**  
Company Secretary

Place : Mumbai  
Date : 30<sup>th</sup> May 2023

Place : Mumbai  
Date : 30<sup>th</sup> May 2023

All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post- Employment Benefit Obligation.

Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.

**44. Contingent Liabilities: -**

- i) Contingent Liabilities on account of disputed cases pending before various authorities of Income Tax Act is annexed below. No provision has been made in the books of accounts as the outcome is still awaited:

(Rs. In Thousand)

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where Dispute is pending	Under Section
Income Tax Act 1961	Income Tax	496.27	A.Y. 2007-08	Mumbai High Court	143(3)

- ii) Preference dividends are in arrears from F.Y. 2008-09 to F.Y.2020-21 as aggregating to Rs. 2.49 Crores.
- iii) TDS defaults showing on TDS traces website for the various Financial Years as on 31<sup>st</sup> March 2023 has been reviewed and there is no possible demand arising due to that. The Company is under process of rectifying the defaults by revising the TDS returns.
45. The figures for the previous period have been regrouped, rearranged or reclassified wherever necessary to conform to the current period's presentation.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KHANDWALA SECURITIES LIMITED

**Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**

### Qualified Opinion

We have audited the accompanying consolidated financial statements of "Khandwala Securities Limited", (the Company) and its associates (the Company and its associates together referred to as the group) which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view **except for the effects of the matters described in the Basis for qualified opinion section of our report**, in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Qualified Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements. However we draw your kind attention to the following *qualifications* to the audit opinion of the consolidated financial statements produced as under:-

1. The Company had advanced application money towards purchase of shares of Rs 216.69 lakhs which is outstanding for a period of 252 months as at the end of the year. In the absence of information regarding the status of the allotment or the net worth of the entities in which the company made applications, we are unable to ascertain the extent to which

an amount of Rs 216.69 lakhs is recoverable and accordingly, the effect thereof on the financial statements cannot be ascertained. However, it has been noted and confirmed after looking at relevant documents that at present the said matter is under litigation and pending for hearing before the Hon'ble High Court of Mumbai.

2. Long-Term deposits to various companies of Rs 530.00 lakhs are subject to subsequent adjustments. We are unable to ascertain the recoverability of these amounts, as the Company has not made any provisions for the same in the consolidated financial statements.

### Information other than the Consolidated Financial Statements and Auditor's Report Thereon.

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and 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 it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Aniket Kulkarni & Associates  
**Chartered Accountants**  
Registration No. 130521W

**Aniket Kulkarni**  
(Proprietor)  
Membership No. 127246

**Place: Mumbai**  
**Date: May 30<sup>th</sup> 2023**  
**UDIN: 23127246BGSYQW9980**



**Annexure-A” to the Independent Auditors’ Report – 31<sup>st</sup> March 2023****Report on the Internal Financial Controls under clause (i) of sub – section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Control over financial reporting of **Khandwala Securities Limited** (“the Company”) as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the standards on auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company’s Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of internal Financial Controls over Financial Reporting**

Because of inherent limitations of internal controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accounts of India.

**For Aniket Kulkarni & Associates  
Chartered Accountants  
ICAI Registration No. 130521W**

**Aniket Kulkarni  
Proprietor  
Membership No: - 127246**

**Place: Mumbai  
Date: - May 30<sup>th</sup> 2023  
UDIN: 23127246BGSYQW9980**

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(As referred to in Paragraph 2 of Report on Legal and Regulatory Requirements of our report Companies (Auditors Report) Order’ 2020 (the order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act for the year ended on **31<sup>st</sup> March 2023**).

To the best of our information and according to the explanations provided to us by the company and books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

### **Property, Plant and Equipment:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment’s (including Right of Use assets) or Intangible Assets or both during the year end.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year end.

### **(ii) Inventories:**

The company does not have any inventory and hence reporting under clause (ii) of the CARO 2020 is not applicable.

### **Loans and Advances to Related Parties:**

- (iii) (a) According to the information and explanations given to us, the company has not made any investments, provided any guarantee or security or granted any loans or advances, in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties.

- (b) According to the information and explanations given to us, the company has not made any investments, provided any guarantee or security or granted any loans or advances. Accordingly, paragraph 3(iii) (b) of the Order is not applicable.
- (c) The company has not provided any loans and advances in the nature of loans. Accordingly, paragraph 3(iii) (c) of the Order is not applicable.
- (d) The company has not provided any loans and advances in the nature of loans. Accordingly, paragraph 3(iii) (d) of the Order is not applicable.
- (e) The company has not granted any loans and advances in the nature of loans. Accordingly, paragraph 3(iii) (e) of the Order is not applicable.
- (f) The company has not granted any loans and advances in the nature of loans. Accordingly, paragraph 3(iii) (f) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

### **Acceptance of Deposits:**

- (v) According to the information and explanations given to us, the company has not accepted deposits under the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

### **Maintenance of Cost Records:-**

- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.

### **Payment of Statutory Dues:-**

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has generally been regular in depositing with appropriate authorities the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it during the year.
- (b) According to the information and explanations given to us, there were no amounts of Goods and Service Tax, Provident Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have not been deposited by the Company on account of

any dispute except TDS default showing on TDS Traces website amounting to Rs. 33,196/- as on 31st March 2023 and except as reported below:-

Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where Dispute is pending	Under Section
Income Tax Act 1961	Income Tax	4.96	A.Y. 2007-08	Mumbai High Court	143(3)

### **Unrecorded Income:**

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not surrendered or disclosed as income in the tax assessment under the Income Tax Act, 1961 (43 of 1961) in respect of any transaction nor recorded in the books of accounts during the year.

### **Repayment of Borrowings:**

- (ix) (a) The company has not defaulted in repayment of loans and other borrowings or in the payment of interest thereon to banks or financial institution.
- (b) The company is not a declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans are applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds raised on short term basis have not been utilized for long term purposes during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

### **Initial Public Offer:**

- (x) (a) According to the information and explanations provided to us and as per the records of the company examined by us, company has not raised funds by way of public issue/ follow-on offer (including debt instruments) and term loans. Therefore paragraph 3(x) of the Order is not applicable to the company.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

### **Frauds:**

- (xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) No material fraud by the Company or on the Company has been noticed or reported during the year. Accordingly, paragraph 3 (xi)(b) of the Order is not applicable.
- (c) No material fraud by the Company or on the Company has been noticed or reported during the year. Accordingly, paragraph 3 (xi)(c) of the Order is not applicable.

### **Nidhi Company:**

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

### **Transactions with related parties:-**

- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

### **Internal Audit:**

- (xiv) (a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have taken into consideration, the internal audit reports for the period under audit issued to the company till the date while determining the nature, timing and extent of audit procedures.

### **Non-Cash Transactions with Directors:-**

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

### **Registration with RBI:-**

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**Cash Losses:-**

(xvii) The company has profit for the year ended 31<sup>st</sup> March 2023, therefore the paragraph 3(xvii) is not applicable to the company.

**Resignation of Statutory Auditors:-**

(xviii) There has not been any resignation of the statutory auditors during the year.

**Material Uncertainty:-**

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, in our opinion no material uncertainty exists as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

**Corporate Social Responsibility:**

(xx) According to the information and explanations given to us and based on our examination of the records of the Company, section 135 of the Companies Act 2013 is not applicable to the company. Accordingly, paragraph 3 (xx) of the Order is not applicable.

**Consolidated Financial Statements:-**

(xxi) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its Associates included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Aniket Kulkarni & Associates**  
**Chartered Accountants**  
**Firm Registration No: 130521W**

**Aniket Kulkarni**  
**Proprietor**  
**Membership No: - 127246**

**Place: Mumbai**  
**Date: - May 30<sup>th</sup> 2023**  
**UDIN: 23127246BGSYQW9980**

**CONSOLIDATED BALANCE SHEET AS AT MARCH 2023**
*(Rupees in Thousand)*

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
<b>A ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	2	52,059.95	51,025.19
(b) Intangible assets		2,861.68	935.99
(c) Goodwill on Consolidation		25,976.62	25,976.62
(d) Financial Assets			
(i) Investments	3	5,223.94	5,526.11
(ii) Loans	4	97,796.62	1,57,581.25
(iii) Others	5	21,668.64	21,668.64
(e) Deferred tax assets (net)		3,070.40	2,684.80
(f) Other non-current assets	6	17,532.30	14,501.18
		<b>2,26,190.15</b>	<b>2,79,899.78</b>
<b>(2) Current Assets</b>			
<b>(a) Financial Assets</b>			
(i) Investments	7	4,139.58	595.63
(ii) Trade receivables	8	78,384.74	47,052.74
(iii) Cash and cash equivalents	9	245.83	232.87
(iv) Bank balances other than (iii) above	10	60,812.08	89,604.20
(v) Loans	11	55,913.01	53,199.72
(vi) Other current assets	12	10,059.58	2,094.74
		<b>2,09,554.81</b>	<b>1,92,779.89</b>
<b>Total Assets</b>		<b>4,35,744.96</b>	<b>4,72,679.67</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	13	1,52,538.05	1,19,390.00
(b) Other Equity	14	1,42,385.62	81,627.77
<b>Total Equity</b>		<b>2,94,923.67</b>	<b>2,01,017.77</b>
<b>(2) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	26,090.90	64,629.25
(b) Provisions	16	2,135.14	1,907.34
(c) Other non-current liabilities	17	424.73	514.73
<b>Total Non Current Liabilities</b>		<b>28,650.78</b>	<b>67,051.32</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	18	1,09,176.56	2,00,405.84
(b) Other current liabilities	19	2,993.95	4,204.74
<b>Total Current Liabilities</b>		<b>1,12,170.52</b>	<b>2,04,610.58</b>
<b>Total Equity And Liabilities</b>		<b>4,35,744.96</b>	<b>4,72,679.67</b>

See accompanying notes ( 1 to 47 ) to the Financial Statements.

As per our report attached of even date.

**For Aniket Kulkarni & Associates**
*Chartered Accountants*

FRN No. 130521W

**Aniket Kulkarni**  
**Proprietor**  
 Mem. No: 127246

 For and on behalf of the Board of Directors  
**Khandwala Securities Limited**
**Homiar N. Vakil**  
**Chairman**  
 DIN: 05210178

**Pranav Khandwala**  
**Whole-Time Director/ CFO**  
 DIN: 00519113

**Paresh J. Khandwala**  
**Managing Director**  
 DIN: 00112678

**Abhishek Joshi**  
**Company Secretary**

 Place : Mumbai  
 Date : 30<sup>th</sup> May 2023

 Place : Mumbai  
 Date : 30<sup>th</sup> May 2023

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023**

(Rupees in Thousand)

Particulars		Note	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from Operations	20	62,643.77	60,983.56
II	Other Income	21	2,219.50	2,530.26
III	<b>Total Income</b>		<b>64,863.27</b>	<b>63,513.82</b>
IV	<b>Expenses</b>			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods	22	758.39	117.96
	Stock-in -Trade and work-in-progress		-	-
	Employee benefits expense	23	24,897.12	32,860.45
	Finance costs	24	3,367.17	7,109.31
	Depreciation and amortization expense		2,949.70	2,856.16
	Other expenses	25	27,923.25	19,949.68
	<b>Total Expenses</b>		<b>59,895.64</b>	<b>62,893.56</b>
V	<b>Profit/(Loss) before Tax and prior period items</b>		<b>4,967.63</b>	<b>620.25</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(Loss) before Extraordinary items and tax ( V - VI )</b>		<b>4,967.63</b>	620.25
VIII	Extraordinary items		-	-
IX	<b>Profit/(Loss) before Tax ( VII - VIII )</b>		<b>4,967.63</b>	620.25
X	<b>Tax Expense</b>			
	(1) Current Tax		-	-
	(2) MAT Tax		921.00	-
	(3) Deferred Tax (Credited)/ Charged		(385.61)	(569.38)
XI	<b>Profit / (Loss) for the period from Continuing Operations</b>		<b>4,432.24</b>	<b>1,189.63</b>
XII	<b>Profit / (Loss) from Discontinuing Operations</b>		-	-
XIII	<b>Tax Expense of Discontinuing Operations</b>		-	-
XIV	<b>Profit / (Loss) from Discontinuing Operations (after tax ) ( XII -XIII )</b>		-	-
XV	<b>Profit (Loss) for the period (XI +XIV )</b>		<b>4,432.24</b>	1,189.63
XVI	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss		73.10	320.25
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XVII	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>4,505.34</b>	<b>1,509.88</b>
XVIII	Earnings Per Share of - Basic (Rs.)			
	- Basic (Rs.)		0.29	0.10
	- Diluted (Rs.)		0.29	0.10

See accompanying notes ( 1 to 47 ) to the Financial Statements.

As per our report attached of even date.

**For Aniket Kulkarni & Associates**  
Chartered Accountants  
FRN No. 130521W

For and on behalf of the Board of Directors  
**Khandwala Securities Limited**

**Aniket Kulkarni**  
Proprietor  
Mem. No: 127246

**Homiar N. Vakil**  
Chairman  
DIN: 05210178

**Paresh J. Khandwala**  
Managing Director  
DIN: 00112678

**Pranav Khandwala**  
Whole-Time Director/ CFO  
DIN: 00519113

**Abhishek Joshi**  
Company Secretary

Place : Mumbai  
Date : 30<sup>th</sup> May 2023

Place : Mumbai  
Date : 30<sup>th</sup> May 2023

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**
*(Rupees in Thousand)*

Particulars		For the Year ended March 31, 2023		For the Year ended March 31, 2022	
<b>A.</b>	<b>Cash flow from operational activities</b>				
	Net (Loss)/Profit before tax adjusted for prior period items and excess provisions for tax written back		4,967.63		620.25
	Adjustments for:				
	Depreciation	2,949.70		2,856.16	
	Interest Income	(1,278.30)		(1,263.22)	
	Finance Cost	3,367.17		7,109.31	
	Unrealised Gains On Mark to Market of F&O Stock	(38.37)		36.17	
	Provision for Diminution in Investments/ Stock	758.39		117.96	
	Other Comprehensive Expenses	73.10		320.25	
	Interest on Income Tax Refund	(409.49)		-	
	Provision for MAT	(1,020.18)		-	
	Sundry Debit Balance written off	-		21.77	
	Dividend Income	(123.48)		(124.82)	
			4,278.57		9,073.59
	Operating profit before working capital changes		9,246.20		9,693.84
	Adjustments for:				
	Inventories	(4,258.49)		(73.33)	
	Trade Receivables & Other Receivables	14,960.91		(38,924.39)	
	Current Liabilities & Provision	(92,302.26)	(81,599.84)	62,328.98	23,331.26
	Cash generated from operations		(72,353.65)		33,025.11
	Direct taxes Refunded / (paid)		-		-
	Net cash (used in) / generated from operating activities		(72,353.65)		33,025.11
<b>B.</b>	<b>Cash flow from investing activities</b>				
	Sale / (Purchase) of fixed assets (Net)	(5,910.14)		(296.65)	
	Sale/ (Purchase) of Investments (Net of purchase)	302.17		4,173.87	
	Interest received	1,470.24		1,045.68	
	Dividend received	117.98		119.32	
	Net cash (used in) / generated from investing activities		(4,019.75)		5,042.22
<b>C.</b>	<b>Cash flow from financing activities</b>				
	(Repayment)/Proceeds from long term borrowings(Net)	(38,538.34)		(4,775.15)	
	(Repayment)/Proceeds from Preference shares	89,499.74		-	
	(Repayment)/Proceeds from short term borrowings(Net)	-		-	
	Interest and other Finance charges	(3,367.17)		(7,109.31)	
	Net cash (used in) / generated from financing activities		47,594.22		(11,884.45)
	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(28,779.17)</b>		<b>26,182.88</b>
	Cash and Cash equivalents (opening balance)	89,837.08		63,654.20	
	Cash and Cash equivalents (closing balance)	61,057.90		89,837.08	
			(28,779.17)		26,182.88

See accompanying notes ( 1 to 47 ) to the Financial Statements.

As per our report attached of even date.

**For Aniket Kulkarni & Associates**
*Chartered Accountants*

FRN No. 130521W

For and on behalf of the Board of Directors

**Khandwala Securities Limited**
**Aniket Kulkarni**
**Proprietor**

Mem. No: 127246

**Homiar N. Vakli**
**Chairman**

DIN: 05210178

**Paresh J. Khandwala**
**Managing Director**

DIN: 00112678

**Pranav Khandwala**
**Whole-Time Director/ CFO**

DIN: 00519113

**Abhishek Joshi**
**Company Secretary**

Place : Mumbai

 Date : 30<sup>th</sup> May 2023

Place : Mumbai

 Date : 30<sup>th</sup> May 2023

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO.1

#### A. CORPORATE INFORMATION

Khandwala Securities Limited ("the Company") is a Public Limited Company incorporated under the provisions of the Companies Act, applicable in India. The Company is domiciled in India and addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. Its shares are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

The Company engaged in the business of providing Stock Broking Services, Investment Banking, Portfolio Management Service and Investment Advisory Services.

The Company is registered with Securities and Exchange Board of India ("SEBI") under the Stock brokers and sub-brokers Regulations, 1992 and is as a Member of BSE and NSE. It is also registered as a Depository Participant with Central Depository Services (India) Limited.

#### B. Significant Accounting Policies

##### Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

##### Historical Cost

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount

- i) Certain financial assets and liabilities (including derivative instruments),
- ii) Defined benefit plans - plan assets and
- iii) Equity settled share based payments

##### Use of estimates

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenues can be reliably measured. Income from capital market operations (non-delivery based transactions) is accounted for on sale of securities. Income from Merchant Banking services, Brokerage and income from corporate advisory services are accounted for as and when the relevant services are rendered except where the recovery is uncertain in which case it is accounted for on receipt. Interest income is accounted for on accrual basis except where the recovery is uncertain, in

which case it is accounted for on receipt. Dividend income is accounted for when the unconditional right to receive dividend is established.

##### Property, Plant and Equipment and Depreciation

The company has used the following rates to provide depreciation on its non-current assets.

Class of asset	Estimated useful Life (In Years)
<b>Tangible Fixed Assets :</b>	
Building	60
Office equipment's	5
Computers	3
Furniture and fixtures	10
Vehicles	8
Plant and Machinery	15
<b>Intangible Fixed Assets :</b>	
Computer Software	6

##### Investments

Investments are classified into current investments and non-current investments. Investments, which are intended to be held for one year or more, are classified as non-current investments and investments, which are intended to be held for less than one year, are classified as current investments.

Non-current investments are carried at cost less provision for diminution, other than temporary.

Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each investment.

##### Inventories

Stock-in-trade is valued at lower of cost and market value. While determining market value, due consideration has been given to shares which have become ex-rights/ex-bonus at the year-end for which rights/bonus shares have been received subsequent to year end.

##### Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognized in the statement of profit and loss of the year.

##### Employee benefits

###### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

###### Post-Employment Benefits

###### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined Benefit Plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**Employee Separation Costs**

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company payable in the year of exercise of option by the employee. The Company recognizes the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

**Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

**Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**Derivative Instruments**

Initial / additional margin paid for futures / options is included under the head current assets. Contracts are marked to market in accordance with the prevalent regulations and the amount receivable or payable is disclosed under the head current assets or current liabilities, as the case may be. The profit or loss on settlement of derivative contracts is recognized in the Profit and Loss account. As on the balance sheet date, provision for loss on futures contracts is made to the extent of mark to market margins paid, while for open options, to the extent premium paid exceeds premium prevailing on that date.

**Provisions:**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**Cash & Cash Equivalents:**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and fixed deposits.

**Current / Non Current Classification**

An asset shall be classified as current when it satisfies any of the following criteria:—

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

A liability shall be classified as current when it satisfies any of the following criteria:—

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 2- Property, Plant and Equipment**

(Rupees in Thousand)

Particulars	Gross Block				Depreciation				Net Block	
	As At 01-Apr-22	Additions during the period	Deductions during the period	As At 31-Mar-23	As At 01-Apr-22	On Additions	For the period	As At 31st March 23	As At 31st March 23	As At 31st March 22
<b>Property, Plant and Equipment</b>										
Office Buildings *	81,905.67	-	-	81,905.67	32,691.14	-	1,376.62	34,067.76	47,837.91	49,214.53
Computers	2,045.66	1,109.41	-	3,155.06	1,783.74	209.00	338.59	2,122.33	1,032.74	261.92
Office Equipments	2,250.81	221.07	-	2,471.88	1,708.55	33.84	203.46	1,912.01	559.86	542.28
Furniture and Fixtures	513.23	-	-	513.23	492.98	-	6.20	499.18	14.04	20.24
Vehicles	4,347.53	2,312.47	-	6,660.00	3,485.12	71.50	614.97	4,100.09	2,559.91	862.41
Plant & Machinery (Computer)	1,109.58	-	-	1,109.58	985.75	-	68.35	1,054.10	55.48	123.83
	<b>92,172.48</b>	<b>3,642.94</b>	<b>-</b>	<b>95,815.42</b>	<b>41,147.29</b>	<b>314.35</b>	<b>2,608.19</b>	<b>43,755.47</b>	<b>52,059.95</b>	<b>51,025.19</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	1,880.22	2,267.20	-	4,147.42	944.22	77.92	341.52	1,285.74	2,861.66	935.99
<b>Total</b>	<b>94,052.70</b>	<b>5,910.14</b>	<b>-</b>	<b>99,962.84</b>	<b>42,091.51</b>	<b>392.27</b>	<b>2,949.70</b>	<b>45,041.21</b>	<b>54,921.62</b>	<b>51,961.19</b>
Previous Year	94,387.30	296.85	631.25	94,052.70	39,866.60	77.99	2,778.17	42,091.51	51,961.19	

Particulars	Face Value	As at March 31, 2023		As at March 31, 2022	
		Number	Amount	Number	Amount
<b>NOTE 3 - INVESTMENTS</b>					
<b>NON CURRENT INVESTMENTS</b>					
<b>Investments measured at Cost</b>					
<b>Quoted, fully paid up</b>					
Creative Casting Ltd	10	-	-	797	302.17
Vodafone Idea Ltd	10	3,00,000	5,218.94	3,00,000	5,218.94
			<b>5,218.94</b>		<b>5,521.11</b>
<b>In Equity Shares</b>					
<b>Unquoted, fully paid up</b>					
Kowa Spinning Limited	10	10,08,000	21,358.20	10,08,000	21,358.20
Vadodara Stock Exchange Limited	10	500	5.00	500	5.00
			<b>21,363.20</b>		<b>21,363.20</b>
			<b>26,582.14</b>		<b>26,884.31</b>
Less : Provision for diminution			<b>21,358.20</b>		21,358.20
<b>TOTAL</b>			<b>5,223.94</b>		5,526.11

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE - 4 LOANS</b>		
Deposits with exchange & other	44,796.62	1,04,581.25
Deposit with Companies	53,000.00	53,000.00
<b>TOTAL</b>	<b>97,796.62</b>	<b>1,57,581.25</b>
<b>NOTE - 5 OTHERS</b>		
Share Application	21,668.64	21,668.64
<b>TOTAL</b>	<b>21,668.64</b>	21,668.64

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
*(Rupees In Thousand)*

Particulars	As At	As At
	March 31, 2023	March 31, 2022
<b>NOTE - 6 OTHER NON - CURRENT ASSETS</b>		
Advance Payment of Tax	4,332.30	4,001.18
In Fixed Deposit Accounts	13,200.00	10,500.00
<b>TOTAL</b>	<b>17,532.30</b>	<b>14,501.18</b>
<b>NOTE 7 - CURRENT INVESTMENT</b>		
<b>Investment In Equity</b>		
Equity Shares -(Refer Appendix 7-A)	4,139.58	595.63
<b>TOTAL</b>	<b>4,139.58</b>	<b>595.63</b>

**Appendix 7-A**

NAME OF THE SCRIP	As at		As at	
	March 31, 2023		March 31, 2022	
	Number	Rs.	Number	Rs.
<b>Equity Shares :</b>				
Creative Casting Ltd	500	224.98	203	0.03
Deccan Granite Ltd	20,300	37.56	20,300	37.56
Future Consumer Enterprise Ltd	-	-	2,000	9.10
G R Magnets Ltd	7,100	-	7,100	-
ICSA (India) Ltd	3,000	0.60	3,000	0.60
LIC MF Liquid Plus Fund	16,350	184.31	15,801	178.10
NRB Bearing Ltd	164	22.35	-	-
NRB Industrial Bearing Ltd	49	1.06	-	-
Omax Auto Ltd	25,010	990.40	-	-
Saraswat Co-Op Bank	2,550	25.50	2,550	25.50
Setech Electronics Ltd	270,000	0.00	270,000	0.00
Sharp Industries Ltd	2,210	10.48	2,210	10.48
Unichem Laboratories Ltd	5,000	1,448.50	-	-
Steel Authority Of India	-	-	4,900	328.06
UTI Top 100 Funds	1,000	6.21	1,000	6.21
Vedanta Ltd	1,750	480.29	-	-
Yes Bank	47,000	707.35	-	-
		<b>4,139.58</b>		<b>595.63</b>

Particulars	As At	As At
	March 31, 2023	March 31, 2022
<b>NOTE 8 - Trade Receivables</b>		
<b>(Unsecured &amp; Considered Good)</b>		
<b>Outstanding for more than six months</b>		
Considered good	59,819.86	32,159.88
<b>Outstanding for Less than Six Months</b>		
Considered good	18,564.88	14,892.86
<b>TOTAL</b>	<b>78,384.74</b>	<b>47,052.74</b>
<b>NOTE 9 - Cash and cash equivalents</b>		
Cash on hand	245.83	232.87
<b>TOTAL</b>	<b>245.83</b>	<b>232.87</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(Rupees In Thousand)

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 10 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Balance with Scheduled Banks:		
In Current Accounts	49,762.08	76,354.20
In Fixed Deposit Accounts (Less than One Year )	11,050.00	13,250.00
<b>TOTAL</b>	<b>60,812.08</b>	<b>89,604.20</b>
<b>NOTE 11 - LOANS (Unsecured and Considered Good)</b>		
Employees	265.45	1,592.91
Prepaid Expenses	1,510.09	1,978.71
Advance to Sundry Creditors	39,256.10	181.88
Penalty from Exchange	6,950.00	-
Exchange Obligation -Receivable	7,931.37	49,446.23
<b>TOTAL</b>	<b>55,913.01</b>	<b>53,199.72</b>
<b>NOTE 12 - OTHER CURRENTS ASSETS</b>		
Interest Accrued on Fixed Deposit	206.64	187.53
Advance for Expenses	1,471.15	188.11
Other Receivable Account	-	20.00
Unbilled Revenue A/c	6,000.00	-
Balance with GST Authorities	2,381.79	1,699.10
<b>TOTAL</b>	<b>10,059.58</b>	<b>2,094.74</b>

Particulars	As at March 31, 2023		As at March 31, 2022	
	Nos	Amount	Nos	Amount
<b>NOTE 13 - SHARE CAPITAL</b>				
<b>Authorised</b>				
1,70,00,000 (P.Y. 1,40,00,000) Equity Shares of Rs. 10/- each	1,70,00,000	1,70,000.00	1,40,00,000	1,40,000.00
5,00,000 (P.Y. 5,00,000) Cumulative Redeemable Preference Shares of Rs. 100/- each	5,00,000	50,000.00	5,00,000	50,000.00
4,00,000 (P.Y.4,00,000) Cumulative Convertible Preference Shares of Rs. 100/- each	4,00,000	40,000.00	4,00,000	40,000.00
2,00,000 (P.Y. 2,00,000) Optionally Convertible Redeemable Preference Shares of Rs. 100/- each	2,00,000	20,000.00	2,00,000	20,000.00
<b>TOTAL</b>	<b>1,81,00,000</b>	<b>2,80,000.00</b>	<b>1,51,00,000</b>	<b>2,50,000.00</b>
<b>Issued, Subscribed and Paid-up</b>				
Equity Share Capital				
1,52,53,805 (P. Y. 1,19,39,000) Shares of Rs. 10/- each fully paid-up	1,52,53,805	1,52,538.05	1,19,39,000	1,19,390.00
<b>TOTAL</b>	<b>1,52,53,805</b>	<b>1,52,538.05</b>	<b>1,19,39,000</b>	<b>1,19,390.00</b>
<b>Reconciliation Of Shares</b>				
<b>Equity shares with voting rights</b>				
Balance as at the beginning of the year	1,19,39,000	1,19,390.00	1,19,39,000	1,19,390.00
Add: Issue of fresh shares during the year	33,14,805	33,148.05	-	-
Balance as at the end of the year	<b>1,52,53,805</b>	<b>1,52,538.05</b>	<b>1,19,39,000</b>	<b>1,19,390.00</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
*(Rupees In Thousand)*
**b) List of Share Holders Holding More than 5% of the total number of shares issued by the Company**

Name of Equity Share Holder	Number of Shares	Percentage Shareholding	Number of Shares	Percentage Shareholding
Jayantilal Khandwala & Sons Pvt. Ltd.	1,733,321	11.36%	17,33,321	14.52%
Bentley Investments Pvt Ltd	1,440,968	9.45%	14,40,968	12.07%
Daxa Paresh Khandwala	1,302,058	8.54%	13,02,058	10.91%
Sarthak Consultants LLP	-	-	9,43,000	7.90%
Pratik Paresh Khandwala	796,555	5.22%	7,96,555	6.67%
Pranav Paresh Khandwala	708,617	4.65%	7,08,617	5.94%

**Terms / Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of the liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders. The Company declares and pay dividend in Indian Rupees.

**Shares held by Promotes/ Promoters Group at the end of the Year**

Particulars	As at March 31, 2023		As at March 31, 2022		% Change in Share holding during the year
	Nos	Amount	Nos	Amount	
Paresh Jayantilal Khandwala (HUF)	265,103	1.74%	265,103	2.22%	-0.48%
Pratik Paresh Khandwala	796,555	5.22%	796,555	6.67%	-1.45%
Tulsi Paresh Khandwala	303,958	1.99%	303,958	2.55%	-0.56%
Pranav Paresh Khandwala	708,617	4.65%	708,617	5.94%	-1.29%
Mayank Ashok Khandwala	14,453	0.09%	14,453	0.12%	-0.03%
Jatin Ashok Khandwala	16,953	0.11%	16,953	0.14%	-0.03%
Leena Mayank Khandwala	54,740	0.36%	54,740	0.46%	-0.10%
Daxa Paresh Khandwala	1,302,058	8.54%	1,302,058	10.91%	-2.37%
Ramila Ashok Khandwala	2,127	0.01%	160	0.00%	0.01%
Sonal Jatin Khandwala	126	0.00%	126	0.00%	0.00%
Paresh Jayantilal Khandwala	202,407	1.33%	202,157	1.69%	-0.36%
Bhagyashree Pranav Khandwala	133,980	0.88%	133,980	1.12%	-0.24%
Ashok Jayantilal Khandwala	-	-	1,967	0.02%	-0.02%
Bentley Investments Pvt Ltd	1,440,968	9.45%	1,440,968	12.07%	-2.62%
Jayantilal Khandwala & Sons Pvt. Ltd.	1,733,321	11.36%	1,733,321	14.52%	-3.16%
Piggero Investments Private Limited	294,986	1.93%	294,986	2.47%	-0.54%
Khandwala Commodity And Derivatives Pvt. Ltd.	875	0.01%	875	0.00%	0.01%

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 14 - Other Equity</b>		
Share Premium	1,04,624.69	48,273.00
Capital Redemption Reserve	34,000.00	34,000.00
Profit & Loss Account		
As per last Balance Sheet	(645.23)	(2,155.11)
Add: Transferred from Profit & Loss Account	4,505.34	1,509.88
Provision for MAT	(99.18)	-
<b>TOTAL</b>	<b>3,760.93</b>	<b>(645.23)</b>
	<b>1,42,385.62</b>	<b>81,627.77</b>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of Changes in Equity for the period ended 31.03.2023

A. Equity Share Capital

(Rupees in Thousands)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
11,939.00	3,314.81	15,253.81

B. Other Equity

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus					Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Capital Redemption Reserve	Share Premium	Other Reserves (specify nature)	Retained Earnings								
Balance at the beginning of the reporting period	-	-	-	34,000.00	48,273.00	-	(645.23)	-	-	-	-	-	-	-	81,627.77
Changes in accounting policy or prior period errors	-	-	-	-	-	-	(99.18)	-	-	-	-	-	-	-	(99.18)
Restated balance at the beginning of the reporting period	-	-	-	-	56,351.69	-	-	-	-	-	-	-	-	-	56,351.69
Total Comprehensive Income for the year	-	-	-	-	-	-	4,505.34	-	-	-	-	-	-	-	4,505.34
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	-	34,000.00	1,04,624.69	-	3,760.93	-	-	-	-	-	-	-	1,42,385.62

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 15 - BORROWINGS</b>		
<b>Secured</b>		
Canara Bank Overdraft Account	23,338.54	59,790.66
Vehicle Loan (Secured by hypothecation of vehicle) (Terms of payment 60 Months EMI Rs.39,144/- P.M. Interest Rate @8.70%)	1,493.33	379.55
	<b>24,831.87</b>	60,170.21
<b>Unsecured</b>		
Yukti Securities Ltd.	1,259.04	1,259.04
Khandwala Commodity and Derivatives Pvt Ltd	-	2,000.00
Paresh J. Khandwala	-	1,200.00
	<b>1,259.04</b>	4,459.04
<b>TOTAL</b>	<b>26,090.90</b>	64,629.25
<b>NOTE 16 - PROVISIONS</b>		
Provision for Taxation (FBT)	-	564.50
Provision for Gratuity	1,202.16	980.86
Provision for Leave Encashment	11.98	11.98
Provision MAT Tax	921.00	350.00
<b>TOTAL</b>	<b>2,135.14</b>	1,907.34

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 17 - OTHER NON CURRENTS LIABILITIES</b>		
Security Deposits	424.73	514.73
<b>TOTAL</b>	<b>424.73</b>	514.73

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
*(Rupees In Thousand)*

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 18 - TRADE PAYABLE</b>		
<b>Dues of Creditors Other Than Micro &amp; Small Enterprises</b>	<b>102,291.09</b>	193,477.24
Undisputed, Considered Good, Unsecured (Less than 180 Days)		
Considered Doubtful	-	-
Less :- Provision for Doubtful Debtors	<b>102,291.09</b>	<b>193,477.24</b>
<b>Dues of Creditors Other Than Micro &amp; Small Enterprises</b>	<b>6,885.47</b>	6,928.60
Undisputed, Considered Good, Unsecured (More than 180 Days)		
Considered Doubtful		
Less :- Provision for Doubtful Debtors	-	-
	<b>6,885.47</b>	<b>6,928.60</b>
<b>Total Trade Payables</b>	<b>109,176.56</b>	<b>200,405.84</b>

- Confirmation of Balances from parties under Trade Payables has not been received by the company. These balances have therefore been taken as per the Books of Accounts of the company which is subject to confirmation, reconciliation & adjustments if any.
- The SSI status of the creditors is not known to the company, hence the entire trade payable is shown as "Trade Payable-due to other micro and small enterprises"

Particulars	As At March 31, 2023	As At March 31, 2022
<b>NOTE 19 - OTHER CURRENTS LIABILITIES</b>		
Payable to Employees	1,030.70	2,343.80
Statutory Dues	1,308.61	1,742.09
Other Expenses Liabilities	330.31	118.85
Current Maturities of Long Term Debt	324.33	-
<b>TOTAL</b>	<b>2,993.95</b>	<b>4,204.74</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>NOTE 20 - REVENUE FROM OPERATIONS</b>		
<b>Sale of Services</b>		
Brokerage	<b>30,446.59</b>	44,857.63
Corporate Advisory Services	<b>31,791.53</b>	14,805.78
Income from Capital Market Operations	<b>405.65</b>	1,320.15
<b>TOTAL</b>	<b>62,643.77</b>	<b>60,983.56</b>
<b>NOTE 21 - OTHER INCOME</b>		
Interest on Fixed deposits with Banks	<b>1,278.30</b>	1,263.22
<i>[Tax deducted at source Rs.-1,27,829/-] (Previous year Rs. 1,26,324/-)</i>		
Dividend :- On stock in trade	<b>123.48</b>	124.82
Interest on Income Tax Refund	<b>409.49</b>	-
Unrealised Gains/(Loss) On Mark to Market of F&O Stock	<b>38.37</b>	(36.17)
Other Income	<b>369.87</b>	1,178.39
<b>TOTAL</b>	<b>2,219.50</b>	<b>2,530.26</b>
<b>NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Loss on Stock Valuation	<b>758.39</b>	117.96
<b>TOTAL</b>	<b>758.39</b>	<b>117.96</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(Rupees In Thousand)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>NOTE 23 - EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Bonus	19,536.93	26,901.92
Managing Director's Remuneration	3,693.75	3,693.79
Contribution to Provident and other Funds	710.88	702.62
Staff Welfare Expenses	655.10	1,160.95
Gratuity	300.47	401.17
<b>TOTAL</b>	<b>24,897.12</b>	<b>32,860.45</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>NOTE - 24 FINANCE COST</b>		
Interest Expense	2,856.23	6,736.14
Bank Guarantee Commission and Other Charges	510.94	373.16
<b>TOTAL</b>	<b>3,367.17</b>	<b>7,109.31</b>
<b>NOTE 25 - OTHER EXPENSES</b>		
Financial Advisory charges	119.72	102.79
Computer Expenses	1,280.06	1,172.99
Demat charges	376.27	198.78
Rates and Taxes	3,269.51	985.30
Consultancy Charges	47.50	12.75
Commission Brokerage	4,249.96	6,764.07
Insurance	390.41	471.00
Internet Expenses	252.07	135.00
Advertisement Expenses	224.31	114.51
Business Promotion Expenses	333.07	321.51
Legal & Professional Fees	4,969.33	2,981.60
Telephone/Postage and Courier Charges	397.21	407.16
Electricity Charges	608.14	508.46
Registration Fees	998.48	1,116.93
Repairs and Maintenance	2,925.89	2,160.70
Security Charges	162.72	163.17
Printing and Stationery	176.00	264.22
Subscription Expenses	501.64	365.76
Travelling and Conveyance	1,068.86	841.07
Auditor's Remuneration		
For Statutory Audit	227.17	227.17
For Certification	25.00	25.00
Directors sitting fees	145.00	75.00
Donation	37.60	33.10
Miscellaneous Expenses	1,033.66	284.82
Sundry Balance Written off	-	21.77
Loss on Market Operation	4,103.68	195.04
<b>TOTAL</b>	<b>27,923.25</b>	<b>19,949.68</b>



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
**26. Principles and assumptions used for consolidated financial statements and Performa adjustments :**

The consolidated financial statements have been prepared as per Ind AS 28- Investments in Associates and Joint Ventures. Investments in joint operations are accounted using the Proportionate Consolidation Method as per Ind AS 111 –Joint Arrangements

Following are the companies whose accounts have been considered for the consolidated financial statements:

Khandwala Securities Limited ('the Company') shareholding in the following companies as on March 31, 2023 is as under:

Sr. No	Name of Associate Enterprises	As at March 31, 2023	
		No of shares	% of Holding
1	Trumonee Financial Limited	33,75,000	43.41

**27. Principles used in preparing Consolidated Financial Statements:**

a) In preparing consolidated financial statements, the financial statements of the associates are combined on a line basis by adding together like items of assets, liabilities, income and expenses.

**28. Financial Ratios :**

The ratios for the years ended 31st March 2023 and 31st March 2022 are as follows :

Particulars	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	Variance
Current Ratio	Current Assets	Current Liabilities	1.87	0.94	-0.93
Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.09	0.32	0.23
Debt Service Coverage Ratio	* Earnings Availale for Debt Service	Debt Service	0.43	0.16	-0.27
Return on Equity	Net Profit after taxes	Average Shareholder's Equity	0.02	0.01	-0.01
Trade Receivables Turnovers Ratio	Trade Receivable	Turnover	1.25	0.77	-0.48
Trade Payables Turnovers Ratio	Trade Payable	Turnover	1.74	3.29	1.54
Net Capital Turnover Ratio	Share Capital	Turnover	2.44	1.96	-0.48
Net Profit Ratio	Net Profit before Tax	Revenue	0.08	0.01	-0.07
Return on Capital Employed	Earning before Interest and Taxes	# Capital Employed	0.03	0.04	0.01

\* Net profit after taxes + Non-cash operating expenses + Interest

# Tangible Net Worth + Deferred Tax Liabilities + Lease Liabilities

29. The Company provides Portfolio Management Services (PMS) to its clients. Transactions on account of PMS activities are carried out exclusively on behalf of PMS clients. Therefore, assets and liabilities arising out of the above effectively belong to the PMS clients and hence are not reflected in the Company's accounts. Management fees earned/expenditure incurred by the Company from this activity is accounted for on an accrual basis.

30. The Share Application Money for an amount of Rs. 216.69 Lakhs (Previous Year Rs. 216.69 Lakhs) is outstanding for a period of 252 months as at date of Balance Sheet date, for which the financial statements are in the process of being obtained. The Company has already initiated legal proceedings against the other party for recovery of the said

b) Intra-group transactions are eliminated in preparation of consolidated financial statements.

c) The excess of the cost to the parent of its investment in a associate over the parent's portion of equity of the associate, at the date on which investment in the associate is made, is treated as goodwill & recognized as an asset in the consolidated financial statements.

d) When the cost to the parent of its investment in a associate is less than the parent's portion of equity of the associate at the date on which investment in the associate is made, the difference is treated as a capital reserve in the consolidated financial statements.

e) In case of Associate Enterprises, the financial statements as on 31<sup>st</sup> March, 2023 have been consolidated as per Ind AS111 "Accounting for Investments in Associates in Consolidated Financial Statements".

f) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

application money along with interest thereon, under Section 138 of the Negotiable Instruments Act, 1881. At present, the matter is pending for hearing before the Hon'ble High Court at Mumbai.

31. Long-term Deposits which were given to M/s. Shree Rama Polysynth Private Ltd and M/s. Vimpsan Investments Private Ltd, upto total aggregate amount of Rs. 530.00 lakhs are still outstanding as at March 31, 2023. Since the Company is not in the receipt of any interest on the said deposits since long period, the Company has not accounted any interest income on such deposits in the financial statement. The Company is in the process to initiate legal proceedings against them for recovery of the said deposits.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

32. In the matter of M/s. Shree Rama Multitech Limited (SRML) in relation to recovery of outstanding rental income/license fee from SRML, the Hon'ble High Court, Mumbai had passed the order/decreed in favor of the company during the period October 2019. Although the company is yet to receive the rental Income from SRML. Later, the Company filed the execution application in the Small Cause Court during the period April 2022 in Mumbai for recovering the pending rental income/license fee amount from SRML. The Hon'ble Small Cause Court, Mumbai vide its order/decreed dated December 7, 2022 shifted the said matter to the Hon'ble Civil Court, Gandhinagar for execution to recover the outstanding rental income/license fee. At present, the matter is pending for hearing before the Hon'ble Civil Court, Gandhinagar.
33. In the matter of Mr. Hiten Parmar regarding receivable of the outstanding amount, the Company had filed the case in the month of October 2015 before the panel of arbitrators of National Stock Exchange of India Limited (NSE). The panel of arbitrators of NSE has considered the matter and passed the arbitral in favour of the Company on April 12, 2016. The panel of arbitrators directed Mr. Hiten Parmar to pay to the Company Rs. 55,85,544.87/- within 30 days from the date of receipt of award. However, the Company has not received any such amount till date from Mr. Hiten Parmar. The Company has initiated legal action and filed the suit against Mr. Hiten Parmar in the Hon'ble District Court, Surat ('the Court') for recovery of the arbitral award amount. At present, the matter is pending for hearing before the Court. Further, the Company are in process of simultaneously filing a complaint with Economic Offence Wing (EOW) Mumbai in the aforesaid matter.
34. SEBI vide its order no. WTM/RKA/EFD/DRA-11/45/2015 dated May 13, 2015 suspending of the certificate of registration of the Company as a stock broker at National Stock Exchange of India Limited (earlier SEBI Registration No. INB230600030) for a period of one month. Subsequently, the Company challenged the aforesaid SEBI Order and filed an appeal before Securities Appellate Tribunal (SAT) on May 22, 2015. The SAT accepted the appeal and granted an interim stay on operation of the aforesaid SEBI Order till the disposal of the matter.
- On March 8, 2017, the SAT passed their final order in the aforesaid matter and dismissed the appeal filed by the Company which challenging the aforesaid SEBI Order. Further, the SAT had granted the stay of four weeks on operation of the order for enable the Company to challenge the SAT order before the Hon'ble Supreme Court of India. Later, the Company had filed an appeal before the Hon'ble Supreme Court of India against the SAT order and the same was accepted. On April 7, 2017, the Supreme Court of India granted an interim stay on the operation of the aforesaid SAT order (and consequently, the WTM's Order of SEBI) till the disposal of matter. At present, the said matter is pending for hearing before the Hon'ble Supreme Court of India. Further, the Company had approached and requested the Hon'ble Supreme Court of India to move the said matter for listing.
35. There is a Mark to Market Profit of Rs.38,365/- as on 31<sup>st</sup> March 2023 on account of Unrealized Loss on Future Contract as per Ind AS-39.

36. The net deferred tax assets are calculated as follows:

(Rs. In Thousand)

Particulars	Accumulated As at 31 <sup>st</sup> March 2022	Charge/ Credit during the year	As at 31 <sup>st</sup> March 2023
<b>Deferred tax asset:</b>			
Provision for doubtful debtors/advances that are deducted for tax purposes when written off	19,945.79	-	19,945.79
Deferred Tax Asset on account of Unabsorbed Depreciation	21,650.36	-	21,650.36
<b>Deferred tax liability:</b>			
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates	(38,789.48)	385.60	(38,403.88)
Expenses carried forward as per books but claimed for tax purposes as incurred	(121.87)	-	(121.87)
<b>Net Deferred tax Assets/ (Liability)</b>	<b>2,684.80</b>	<b>385.60</b>	<b>3,070.40</b>

37. **Segment Information**

For management purposes, the Company is organized into two segments - Fee based and Investment/Trading in Stock. The Company has considered these two divisions as its business segments.

The Fee based division provides financial advisory services relating to mergers and acquisitions, equity and debt issue management, portfolio management and broking.

Investment and Stock division carries out trading, investing and speculation activities in capital markets (debt and equity) for the Company.

Fixed assets used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between segments and hence the fixed assets and depreciation are not allocated to any of the reportable segments.

As the entire business operations of the Company are conducted only in India, the Company has not reported any secondary segment information.

**Information about Primary Business Segments**

(Rs. In Thousand)

Sr. No.	Particulars	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2022
1	<b>Segment Revenue-external</b>		
a)	Investment / Stock Operations	405.65	1,320.15
b)	Fee-based Operations	62,238.12	59,663.41
c)	Other Unallocated Revenue	2,219.50	2,530.26
	<b>Total revenue</b>	<b>64,863.27</b>	<b>63,513.82</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Sr. No.	Particulars	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March 2022
<b>2</b>	<b>Segment Result</b>		
a)	Investment / Stock Operations	(5,171.22)	(588.53)
b)	Fee-based Operations	30,560.09	19,495.66
	<b>Total</b>	<b>25,388.87</b>	<b>18,907.13</b>
	Less: Interest	3,367.17	7,109.31
	Unallocated Expenses less unallocated income	(17,054.06)	(11,177.57)
	Net (Loss) / Profit before Tax & prior Period Items	4,967.63	620.25
	Provision for tax (including deferred tax)	535.40	(569.38)
	Net (Loss)/Profit after tax for the year	<b>4,432.24</b>	<b>1,189.63</b>
	Other Comprehensive Income	73.10	320.25
	<b>Total Comprehensive Income</b>	<b>4,505.34</b>	<b>1,509.88</b>
	<b>Other Items</b>		
<b>3</b>	<b>Segment Assets</b>		
a)	Investment / Stock Operations	9,367.51	6125.73
b)	Fee-based Operations	1,91,052.04	2,42,869.90
c)	Unallocated Corporate Assets	2,35,325.40	1,73,818.00
		<b>4,35,744.96</b>	<b>4,22,813.63</b>
<b>4</b>	<b>Segment Liabilities</b>		
a)	Investment / Stock Operations	2.45	1.25
b)	Fee-based Operations	1,03,477.46	1,46,744.74
c)	Unallocated Corporate Liabilities	10,926.15	10,420.62
		<b>1,14,406.06</b>	<b>1,57,166.61</b>
<b>5</b>	<b>Depreciation</b>	2,949.70	2,856.16
<b>6</b>	<b>Non cash items other than depreciation</b>		
a)	Investment / Stock operations	758.39	117.96
b)	Fee based operations	-	-

**38. Earnings per share:**

The Company reports basic and diluted earnings per share in accordance with Ind AS -33 - Earnings Per Share.

Basic earnings per share are computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding at year-end.

*(Rs. In Thousand)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Basic</b>		
Numerator used for calculating basic earnings per share – Profit after taxation	<b>4,432.24</b>	<b>1,189.63</b>
Less: Dividend on Cumulative Preference share dividend (including dividend tax thereon)	-	-
Profit / (Loss) attributable to equity shareholders	<b>4,432.24</b>	<b>1,189.63</b>
Weighted average number of shares used as Denominator for calculating basic earnings per share	<b>15,253.81</b>	<b>11,939.00</b>
Nominal value per equity share (Rs.)	<b>10.00</b>	<b>10.00</b>
Basic earnings per share – (Rs.)	<b>0.29</b>	<b>0.10</b>
<b>Diluted</b>		
Numerator used for calculating Diluted Earnings per Share-Profit/(Loss) after taxation	<b>4,432.24</b>	<b>1,189.63</b>
Weighted Average Number of Shares used as Denominator for calculating Diluted earning per Share	<b>15,253.81</b>	<b>11,939.00</b>
Diluted earning per Share- (Rs.)	<b>0.29</b>	<b>0.10</b>

**39. Related Party Disclosures**
**Names of Related Parties:**
**A) Enterprises where control exists**

Associate Companies:

1. Trumonee Financial Ltd.

**B) Enterprises controlled by the relatives of the Key Managerial Personnel:**

1. Piggero Investments Pvt. Ltd.
2. Bentley Investments Pvt. Ltd.
3. Khandwala Commodity & Derivatives Pvt. Ltd.

**C) Key Management Personnel:**

1. Mr. Paresh J. Khandwala - Managing Director
2. Mr. Pranav P. Khandwala - Whole-Time Director/CFO
3. Mrs. Bhagyashree P. Khandwala - Non-Executive Director
4. Mr. Homiar Vakil - Non-Executive Independent Director
5. Mr. Pratik Khandwala - Non-Executive Director
6. Mr. Shyam Muralidhardas Seshadri - Non-Executive Independent Director

**D) Relatives of Key Management Personnel:**

1. Mrs. Daxa P. Khandwala
2. Mrs. Tulsi Khandwala
3. Mrs. Brinda P. Khandwala
4. Mr. Mayank Khandwala

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Transactions with related parties for the year ended 31<sup>st</sup> March 2023.

(Rs. In Thousand)

Transaction	2022-23	2021-22
Brokerage received	81.31	161.53
Remuneration Paid	3,693.75	3,693.79
<b>Outstanding Balance</b>		
Loans and Advance	-	3,200.00
Sundry Debtors	9130.87	116.69
Sundry Creditors	27.73	1,129.01
Investment Associate Companies	33,750.00	33,750.00

40. As per information and explanation received there are no dues payable to Small Scale Industrial Undertakings as at March 31, 2023.
41. Transaction in foreign currency: (In Thousand)  
Foreign Travel Expenses – Rs. 41.61, Previous year Rs. Nil.  
Foreign Currency Income – Rs. 3,100.00, Previous year Rs. 11,400.00.
42. Debtors include:
- (i) Due from a firm in which a director is interested as partner - Rs. Nil (Previous year Rs. Nil )
- (ii) Due from relatives and Enterprises controlled by the relatives of the Key Management Personnel– Rs. 9,130.87.
- (iii) The above dues have arisen in the normal course of business.
43. The creditors are largely from receipt of margin money from the clients while the debtors reflect the pattern of settlement period, wherein year-end date falls within to be settled period.
44. Managerial Remuneration:
- (i) Remuneration to Managing Director (In Thousands)  
Salary and Other Allowances : Rs. 3,693.75 (P.Y. Rs. 3,693.79)
- (ii) Sitting fees to other Directors : Rs. 145.00 (P.Y. Rs. 75.00)
45. Liability for Employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19 ( Ind AS 19) the details of which are as hereunder.

(Rupees In Thousand)

Change in Benefit Obligation:	Current Period	Previous Period
Present Value of Benefit Obligation at the beginning of the Period	4,588.42	4,276.31
Interest Cost	320.27	293.36
Current Service Cost	232.00	339.44
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Settlement	-	-
Liability Transfer in	-	-
Liability Transfer out	-	-
(Benefit Paid from the Fund)	(165.88)	(22.13)
Actuarial (Gain) / Loss on Obligations-Due to change in Demographic Assumptions	-	(1.39)
Actuarial (Gain) / Loss on Obligations-Due to change in Financial Assumptions	(104.01)	(26.58)
Actuarial (Gain) / Loss on Obligations-Due to Experience	23.24	(270.58)
Present Value of Benefit Obligation at the End of the Period	4,894.05	4,588.42

Fair value of Plan Assets:	Current Period	Previous Period
Fair Value of Plan Assets at the Beginning of the Period	3,607.56	3,376.37
Interest Income	251.81	231.62
Contributions by the Employer	6.01	-
Expected Contribution by the employees	-	-
Expected Contributions by the Employees (Benefit Paid from the Fund)	(165.88)	(22.13)
Return on Plan Assets, Excluding Interest Income	(7.67)	21.70
Fair Value of Plan Assets at the End of the Period	3,691.89	3,607.56

Amount Recognized in the Balance Sheet:	Current Period	Previous Period
(Present Value of Benefit Obligation at the end of the Period)	(4,894.05)	(4,588.42)
Fair Value of Plan Assets at the End of the Period	3,691.89	3,607.56
Funded Status (Surplus/ (Deficit))	(1,202.16)	(980.86)
Net (Liability) /Asset Recognized in the Balance Sheet	(1,202.16)	(980.86)

Net Interest Cost for Current Period	Current Period	Previous Period
Present Value of Benefit Obligation at the Beginning of the Period	4,588.42	4,276.31
(Fair Value of Plan Assets at the Beginning of the Period)	(3,607.56)	(3,376.37)
Net (Liability) /Asset at the Beginning	980.86	899.94
Interest Cost	320.27	293.36
(Interest Income)	(251.81)	(231.62)
Net Interest Cost for Current Period	68.46	61.74

Expenses Recognized in the Income Statement:	Current Period	Previous Period
Current Service Cost	232.00	339.44
Net Interest Cost	68.46	61.74
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/ Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expense Recognized	300.47	401.17

Balance Sheet Reconciliation	Current Period	Previous Period
Opening Net Liability	980.86	899.94
Expense Recognized in Statement of Profit or Loss	300.47	401.17
Expense Recognized in OCI	(73.10)	(320.25)
Net Liability/ (Asset) Transfer in	-	-
Net Liability/ (Asset) Transfer out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(6.06)	-
Net Liability /(Asset) Recognized in Balance Sheet	1202.16	980.86

Category of Assets	Current Period	Previous Period
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debts Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance Fund	3,691.89	3,607.56
Other	-	-
<b>Total</b>	<b>3,691.89</b>	<b>3,607.56</b>

Expenses Recognized in the Other Comprehensive Income OCI for Current Period	Current Period	Previous Period
Actuarial (Gains)/ Losses on Obligation for the Period	(80.77)	(298.55)
Return on Plan Assets, Excluding Interest Income	7.67	(21.70)
Change in Asset Ceiling	-	-
Net (Income)/ Expense for the Period Recognized in OCI	(73.10)	(320.25)

Assumptions	Current Period	Previous Period
Expected Return on Plan Assets	7.44%	6.98%
Rate of Discounting	7.44%	6.98%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	5.00%	5.00%

Other Details	Current Period	Previous Period
No. Of Active Members	35	30
Per Month Salary For Active Member	734.13	618.65
Weighted Average Duration of the Projected Benefit Obligation	6	6
Average Expected Future Service	10	10
Projected Benefit Obligation	4,894.05	4,588.42
Prescribed Contribution for next year (12 Months)	734.13	618.65

As per our report attached of even date.

**For Aniket Kulkarni & Associates**  
Chartered Accountants  
FRN No. 130521W

**Aniket Kulkarni**  
Proprietor  
Mem. No: 127246

For and on behalf of the Board of Directors  
**Khandwala Securities Limited**

**Homiar N. Vakli**  
Chairman  
DIN: 05210178

**Pranav Khandwala**  
Whole-Time Director/ CFO  
DIN: 00519113

**Paresh J. Khandwala**  
Managing Director  
DIN: 00112678

**Abhishek Joshi**  
Company Secretary

Place : Mumbai  
Date : 30<sup>th</sup> May 2023

Place : Mumbai  
Date : 30<sup>th</sup> May 2023

**Note:-**

Gratuity is payable as per company's scheme as detailed in the report.

Actuarial Gain/ Loss are recognized in the period of occurrence under other Comprehensive Income (OCI)

All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Maturity Analysis of Benefit payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post-Employment Benefit Obligation.

Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.

**46. Contingent Liabilities: -**

- i) Contingent Liabilities on account of disputed cases pending before various authorities of Income Tax Act is annexed below. No provision has been made in the books of accounts as the outcome is still awaited:

(Rs. in Thousand)

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where Dispute is pending	Under Section
Income Tax Act 1961	Income Tax	496.27	A.Y. 2007-08	Mumbai High Court	143(3)

- ii) Preference dividends are in arrears from F.Y. 2008-09 to F.Y.2020-21 as aggregating to Rs. 2.49 Crores.
- iii) TDS defaults showing on TDS traces website for the various Financial Years as on 31<sup>st</sup> March 2023 has been reviewed and there is no possible demand arising due to that. The Company is under process of rectifying the defaults by revising the TDS returns.
47. The figures for the previous period have been regrouped, rearranged or reclassified wherever necessary to conform to the current period's presentation.

# Notes

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Notes

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