



## KHANDWALA SECURITIES LIMITED

**Registered Office** : Ground Floor, Vikas Building, Green Street, Fort, Mumbai - 400 023.

**Tel** : 91-22-40767373; **Fax**: 91-22-40767377/78; **Email** : investorgrievances@kslindia.com **Website**: www.kslindia.com

**CIN**: L67120MH1993PLC070709

### POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

**NOTICE** is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") read with the Companies (Management and Administration) Rules, 2014 ("**Rules**") [including any statutory modifications or re-enactments thereof for the time being in force] that the resolutions appended below are proposed to be passed by the Members through postal ballot / electronic voting ("**e-voting**"). The explanatory statement pursuant to Section 102 of the Act, pertaining to the said resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a Postal Ballot form for your consideration.

The Board of Directors of the Company has appointed Mr. Bhunesh Bansal, Proprietor of M/s. Bhunesh Bansal & Associates, Company Secretaries (FCS No. 6526 /CP No. 9089) as the Scrutinizer for conducting the postal ballot / e-voting process in a fair and transparent manner.

Members have the option to vote either by postal ballot or through e-voting. Members are requested to carefully read the instructions printed on the Postal Ballot Form, record their assent (for) or dissent (against) therein by filling necessary details and affixing their signature at the designated place in the Form and return the original Form duly completed in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours i.e., 5.00 p.m. on Saturday, July 14, 2018. The Postal Ballot Form may also be deposited personally at the address given on the Business Reply Envelope. Postal Ballot Forms received after that date will be strictly treated as if a reply from such Member has not been received.

Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the instructions in the notes of this Notice under the Section 'Voting through Electronic Means'. References to Postal Ballot(s) in this Postal Ballot Notice include votes received electronically.

The Scrutinizer will submit his report to the Managing Director / Company Secretary of the Company after completion of the scrutiny of the postal ballots including e-voting on or before Monday, July 16, 2018 and the results of the Postal Ballot will be announced thereafter at Company's Registered Office. The said results along with the report of Scrutinizer shall be displayed on the Company's website (www.kslindia.com) and on the website of Karvy Computershare Private Limited ("Karvy") (www.evoting.karvy.com), and shall also be communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

### SPECIAL BUSINESS

#### Item No. 1 - Sale/Disposal of the Immovable Property of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provision of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), provision of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other approvals, consents, permissions and sanctions as may be necessary from the concerned authorities and subject to such terms and conditions as may be imposed by any of them, 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 any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) to sell / transfer / dispose of the immovable property of the Company located at 152 A, 15<sup>th</sup> Floor, Mittal Court, A wing, 224, Block No. III, Backbay Reclamation Scheme, Nariman Point, Mumbai - 400021, as a going concern or in any other manner as the Board may deem fit in the interest of the Company, on such terms and conditions as may be deemed fit by the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive agreements, deeds of assignment/conveyance, undertaking and other ancillary documents, with effect from such date and in such manner as may be decided by the Board and to do all such acts, deeds, matters and things, as

they may deem necessary and/or expedient to give effect to the above resolution including without limitation to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the said immovable property as they may in their absolute discretion deem fit.”

## **Item No. 2 - Re-appointment of Mr. Paresh Khandwala as Managing Director of the Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) 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 subject to such other approvals or consents, as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Paresh Khandwala (DIN: 00112678) as Managing Director of the Company, for a period of five (5) years with effect from 1<sup>st</sup> January, 2018, on the terms and conditions as set out below:

### **a) Remuneration:**

Salary: Rs. 31,25,000/- per annum.

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

- Medical reimbursement, leave travel assistance, contribution to provident fund, superannuation 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 of the Company (hereinafter referred to as ‘Board’) be and are hereby authorized to vary, alter and modify the terms and conditions of re-appointment and/or remuneration, as it may deemed fit and as may be acceptable to Mr. Paresh Khandwala, subject to the same not exceeding the limits specified under Schedule V to the Act.

**RESOLVED FURTHER THAT** where in any financial year during the currency of tenure of Mr. Paresh Khandwala as Managing Director, the Company incurs losses or its profit become inadequate, the remuneration mentioned in above shall be paid to Mr. Paresh Khandwala as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient to give effect to this resolution.”

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

**Date** : May 26, 2018

**Place** : Mumbai

**Abhishek Joshi  
Company Secretary**

### **Registered Office:**

Ground Floor, Vikas Building,

Green Street, Fort, Mumbai - 400023

CIN: L67120MH1993PLC070709

Tel:- 91-22-40767373 Fax:- 91-22-40767377

E-mail:- investorgrievances@kslindia.com

### **NOTES:**

1. An Explanatory Statement pursuant to Section 102 read with Section 110 of the Act, setting out the material facts and reasons for the proposed Resolutions above, is appended herein below along with the Postal Ballot Form for your consideration.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members/ List of Beneficial Owners as on Friday, June 8, 2018. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with the Company/their Depository Participants (in case of electronic shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent by permitted mode along with postage prepaid self addressed Business Reply Envelope.
3. In compliance with the provisions of Section 108 and 110 of the Act read with the Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, including amendments or modifications thereto and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically. The Company has engaged the services of M/s. Karvy Computershare Private Limited (“Karvy”) to provide e-voting facility to its Members.

4. The Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on the cut-off date, being the Friday, June 8, 2018. A person who is not a Member as on the cut-off date is requested to treat this notice for information purposes only.
5. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
6. Members can opt for only one mode of voting, i.e. either by physical postal ballot or through e-voting. In cases where members cast their votes through both the modes, votes cast through e-voting shall be treated as valid and votes cast by physical postal ballot will be treated as invalid.
7. Members who have received this Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot may download the Postal Ballot Form attached to the e-mail or from the web-link: [www.evoting.karvy.com](http://www.evoting.karvy.com) or from the "Investors Relations" section on the Company's website: [www.kslindia.com](http://www.kslindia.com) where this Postal Ballot Notice is displayed and send the duly completed and signed Postal Ballot Form so as to reach the Scrutinizer on or before 5.00 p.m. (IST) on Saturday, July 14, 2018.
8. **The e-Voting period commences on Friday, June 15, 2018 at 9:00 a.m. (IST) and end on Saturday, July 14, 2018 at 5:00 p.m. (IST).** The e-Voting will be blocked by Karvy thereafter. During this period, Members of the Company holding shares either in physical or dematerialised form, as on the cut-off date, i.e. Friday, June 8, 2018, may cast their vote electronically.
9. In case a Member is desirous of obtaining Postal Ballot in printed form or a duplicate one, the Member may send an e-mail to the Company / Registrar and Share Transfer Agent (RTA) at [einward.ris@karvy.com](mailto:einward.ris@karvy.com) by mentioning their Folio/DP ID and Client ID No. The Company/RTA shall forward the same along with prepaid postage self-addressed Business Reply Envelope to the Member.
10. A Member cannot exercise his / her vote through proxy on postal ballot.
11. The last date for the receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority. All the material documents referred to in the accompanying explanatory statement are available for inspection by the Members at the Registered Office of the Company between 10:00 a.m. and 2:00 p.m. on all working days except Saturdays, Sundays and national holidays, until the end of the voting period.

## 12. Instructions for Voting

### A. Voting through Physical Postal Ballot Form

1. Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed marking your assent (for) or dissent (against), in respect of the proposed resolution as mentioned in the Notice and send the same in the enclosed postage prepaid self addressed Business Reply Envelope, so as to reach the Scrutinizer not later than 5.00 p.m. (IST), on Saturday, Saturday, July 14, 2018, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The postage will be borne and paid by the Company, if posted in India and if sent through the postage prepaid self addressed Business Reply Envelope.
2. Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the Postal Ballot Form will be permitted.
3. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) opting for physical ballot are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer along with the Postal Ballot Form.

### B. Voting through Electronic Means

Pursuant to the provisions of Section 108 and 110 of the Act read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system to the members entitled to participate in the remote e-voting process, through the e-voting platform provided by Karvy.

#### Instructions and other information relating to e-voting are as under:

1. **In case of Members receives Notice through an e-mail** [For Members whose email IDs are registered with the Company/ Depository Participants(s)]:
  - i. Use the following URL for e-voting: <https://evoting.karvy.com>
  - ii. Enter the login credentials i.e., USER ID and password mentioned in your email. Your Folio No./DP ID – Client ID will be your USER ID. However, if you are already registered with Karvy for e-voting, you can use your existing USER ID and Password for casting your votes.

- iii. After entering the details appropriately, click on "LOGIN".
  - iv. You will reach the Password change menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - v. You need to login again with the new password/credentials.
  - vi. On successful login, the system will prompt you to select the EVENT i.e. Khandwala Securities Limited.
  - vii. On the voting page, the number of shares (which represents the number of votes) as held by you as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click "FOR"/"AGAINST" as the case may be or partially in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat account.
  - ix. Cast your votes by selecting an appropriate option and click on "SUBMIT". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
  - x. Corporate/Institutional Members (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. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to csbbansal@gmail.com with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format "Corporate Name\_EVENT No."
- 2. In case of Members receiving physical copy of Postal Ballot Notice** [for Members whose email IDs are not registered with the Company /Depository Participants (s)]:
- i. User ID and Password is provided in the Postal Ballot Form.
  - ii. Please follow all steps from sl. no.(i) to sl. no.(x) as mentioned in (A) above to cast your vote.
- 3. In case of any queries, you may refer the Frequently Asked Questions ("FAQs") for shareholders and e-voting User Manual** available at the "download" section of <https://evoting.karvy.com> or contact Karvy on telephone no. 1800 345 4001 (toll free) or send an email at [einward.ris@karvy.com](mailto:einward.ris@karvy.com).

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

### **Item No. 1**

In accordance with the provisions of Section 180(1)(a) of the Companies Act, 2013, any sale, lease or otherwise dispose of whole or substantially the whole of the undertaking of the Company, requires the approval of the Members of the company by way of a Special Resolution.

The Company is in possession of an immovable property located at 152 A, 15<sup>th</sup> Floor, Mittal Court, A Wing, 224, Block No. III, Backbay Reclamation Scheme, Nariman Point, Mumbai - 400021. In order to facilitate the Company to meet its financial obligations, to strengthen its financial stability and viability, etc., the Board has proposed to sell the aforesaid immovable property of the Company.

The Board is of the opinion that the sale of the said immovable property would not have any adverse impact on the Company.

Sale of the said immovable property as an undertaking would require an approval from the members of the Company by way of a special resolution in terms of Section 180(1)(a) of the Companies Act, 2013. Further, in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the approval of the Members has to be obtained, mandatorily through e-voting and postal ballot process.

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

The Board accordingly recommends the Special Resolution set out at Item No. 1 of the accompanying Notice for the approval of the Members.

## Item No. 2

The term of appointment of Mr. Paresh Khandwala as Managing Director of the Company ended on December 31, 2017. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on November 13, 2017, had approved the re-appointment of Mr. Paresh Khandwala as Managing Director of the Company, for a further period of 5 (Five) years with effect from January 1, 2018, subject to the approval of the Members of the Company.

The remuneration proposed to be payable to Mr. Paresh Khandwala, as the Managing Director by way of salary, perquisites and other allowances has approved by the Nomination and Remuneration Committee and are within the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

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** :- Broking and Investment Advisory Services
- 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 as per the Audited Financial Results for the year ended March 31, 2018 are as follows:-

Particulars	Amount (Rs. in Lakhs)
Total Income	383.68
Total Expenditure	460.08
Profit / (loss) before tax	(76.40)
Profit / (loss) after tax	(75.10)

- e) **Foreign investments or collaborations, if any**:- As on March 31, 2018, the total foreign shareholding in the Company is 5,68,900 equity shares i.e. 4.77% of the total capital.

### II. Information about the appointee:

- a) **Background details**: - Mr. Paresh J. Khandwala is one of the Promoters of the Company and associated with the Company since inception. Mr. Paresh Khandwala has more than 42 years of experience in the financial services industry including merchant/investment banking, fund raising, asset management, institutional broking, green field venture build ups, and closely associated with government and other nodal agencies.
- b) **Past remuneration** :- The appointment of Mr. Paresh Khandwala as Managing Director was duly approved by the Members, for a period of 3 (three) years with effect from January 1, 2015 at a remuneration of Rs. 31,25,000/- per annum.
- c) **Recognition or awards** :- Nil
- d) **Job profile and her suitability**:- Mr. Paresh Khandwala as the Managing Director will have the overall managerial responsibility of the Company. He plays an important role in management of Company's operational, production and other affairs. He has been handling and monitoring all the activities of the Company including business development, management, marketing, etc., Due to his rich experiences of more than 42 years of management at top levels, he is well suited for this position.
- e) **Remuneration proposed**:- The same has already been explained in detail in proposed Special Resolution.
- f) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)** :- The proposed remuneration is much below the prevailing remuneration in the industry of similar size for similarly placed persons.
- g) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any** :- Mr. Paresh Khandwala is one of the promoters of the Company and apart of the proposed remuneration as stated above, Mr. Paresh Khandwala does not have any pecuniary relationship directly or indirectly with Company. Mr. Pranav Khandwala is the son of Mr. Paresh Khandwala and Mrs. Bhagyashree Khandwala is the wife of Mr. Pranav Khandwala.

**III. Other information:**

- a) **Reasons of loss or inadequate profits :-** Due to stiff competition and higher overall expenditure including financial charges, the company has incurred losses.
- 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 :-** The Company is continuing its efforts to address the issues of increasing its productivity levels and there by optimizing its profits, despite the constraint of working capital requirement and is hopeful of posting better results in the forthcoming years.

**IV. Disclosures**

Except Mr. Paresh Khandwala and his relatives, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No. 2 of the accompanying Notice for the approval of the Members.

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

**Date :** May 26, 2018

**Place :** Mumbai

**Abhishek Joshi  
Company Secretary**

**Registered Office:**

Ground Floor, Vikas Building,  
Green Street, Fort, Mumbai - 400023  
CIN: L67120MH1993PLC070709  
Tel:- 91-22-40767373 Fax:- 91-22-40767377  
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**ANNEXURE TO THE NOTICE**

**Information of Director seeking appointment as required to be furnished under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2):**

Name of the Director	Mr. Paresh Khandwala
DIN	00112678
Age	63
Qualification	Under Graduate
Date of First Appointment	09/02/1993
Expertise in Functional area	Has more than 42 years of experience in financial services industry
Terms and conditions of reappointment	As per the resolution set out at Item No. 2 of this Notice read with explanatory statements thereto
Remuneration proposed to be paid	As per the resolution set out at Item No. 2 of this Notice read with explanatory statements thereto
Number of meetings attended during the year	He attended 5 meeting out of 5 held in 2017
Directorship held in other Companies in India	<ul style="list-style-type: none"><li>• Khandwala Commodity &amp; Derivatives Private Limited</li><li>• Trumonee Financial Limited</li></ul>
Memberships / Chairmanship of Committees in other Companies	Nil
No. of equity shares held in the Company	1,60,890
Relationship with Directors / Key Managerial Personnel, if any	Mr. Pranav Khandwala is the son of Mr. Paresh Khandwala and Mrs. Bhagyashree Khandwala is the wife of Mr. Pranav Khandwala.

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