

CORRIGENDUM TO THE NOTICE OF EXTRA-ORDINARY GENERAL MEETING

Khandwala Securities Limited had issued Notice dated May 3, 2022 for convening the Extra-Ordinary General Meeting (EOGM) of the Shareholders of the Company. The EOGM Notice has already been circulated to all the Shareholders of the Company in due compliance with the provisions of the Companies Act, 2013 read with rules made thereunder.

SHAREHOLDERS ARE REQUESTED TO NOTE THE FOLLOWING:

Item No. 2 - To consider and approve Issuance of Equity shares on Preferential Basis

The following corrections/additional information to be noted in the resolution/explanatory statement:

1. The Issue Price for the purpose of Issue of Equity Shares on Preferential Basis to the proposed allottees should be considered as Rs. 27/- per share instead of Rs. 25/- per share, wherever it appears in the resolution and explanatory statement.

Hence, in the Item No. 2 of the Resolution, the following correction (in a part of the resolution) will be read and considered as:

“the consent of the Members of the Company be and is hereby accorded to create, offer, issue and allot on preferential basis up to maximum of 40,74,074 equity shares of the Company of the face value of Rs. 10/- each (Rupees Ten only) (“Equity Shares”) at an issue price of Rs. 27/- (Rupees Twenty-Seven only) per share, which includes a premium of Rs. 17/- (Rupees Seventeen only) per share, aggregating up to maximum of Rs. 11,00,00,000/- (Rupees Eleven Crores Only)”

2. In the Item No. 2 of the Explanatory Statement, point no. 2(u) under the heading “Undertakings” will be considered and noted as:

- None of the Company, its Promoters and Directors is declared as wilful defaulter by Reserve Bank of India and also none of the company, its promoters and directors is declared as fugitive economic offender under Fugitive Economic Offender Act, 2018. Further, neither the Company nor any of its Directors and Promoters are fraudulent borrowers.

3. Item No. 2 - Explanatory Statement will be considered and read as follows:

Item No. 2:

In accordance with provisions of Section 102 of the Companies Act, 2013, the Explanatory Statement given below sets out the material facts relating to the special business mentioned at the said Item of the accompanying Notice dated May 3, 2022 and necessary information or details in respect of the proposed preferential allotment of Equity Shares in terms of Section 62(1)(c) of the Act read with Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014 and Chapter V of the SEBI (ICDR) Regulations.



Keeping in view the future outlook, growth targets and prospects, the Company requires additional funding on long term basis, inter-alia, to support the expansion of businesses, general corporate purpose and working capital requirements. In view of the same, it is proposed to raise funds by way of issuing equity shares of the company under preferential allotment route.

Accordingly, the Board at its meeting held on May 3, 2022 reviewed and discussed to meet the fund requirement and approved issuance upto maximum of 40,74,074 equity shares of face value of Rs. 10/- each at a issue price of Rs. 27/- per share, aggregating to Rs. 11,00,00,000/- to the proposed allottee(s)/investors, belonging to non-promoter category of the Company, by way of preferential allotment as contained in the resolution.

In accordance with Sections 42 and 62 and other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI (ICDR) Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, approval of Members of the Company by way of Special Resolution is required to issue upto 40,74,074 equity shares ("Equity Shares") to the identified investors under Non-Promoter category, on a preferential basis in compliance with applicable provisions of the SEBI (ICDR) Regulations.

The details of the issue and other particulars as required in terms of the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018 as amended in relation to the aforesaid Special Resolution are given as under:

1. The allotment of the Equity Shares is subject to the Proposed Allottee(s) not having sold any equity shares of the Company during 90 trading days preceding the Relevant Date. The Proposed Allottee(s) have represented that the allottee(s) have not sold any equity shares of the Company during the 90 trading days preceding the Relevant Date.
2. The relevant disclosures as required under Regulation 163(1) of Chapter V of the SEBI (ICDR) Regulations and Companies Act, 2013 read with the rules as issued thereunder, are set forth below:

a. Particulars of the Preferential Issue including date of passing of Board Resolution

The Board of Directors in its meeting held on May 3, 2022, had approved the issuance of equity shares and accordingly proposes to issue and allot in aggregate up-to maximum of 40,74,074 equity shares at a issue price of Rs. 27/- (Rupees Twenty Seven Only) each including premium of Rs. 17/- (Rupees Seventeen Only) per equity share to the entities/individuals belonging to Non-Promoter Category, on a preferential basis in compliance with applicable provisions of the SEBI (ICDR) Regulations.

b. Objects of the Preferential Issue:



The Company is undertaking an issue and allotment of certain equity shares, the proceeds of which will be primarily used to meet the requirements of the growing business of the Company, including long term capital requirements for pursuing growth plans, to increase the capacity of the Company to lend and for general corporate purposes.

c. Maximum number of specified securities to be issued:

The resolutions set out in this Notice authorize the Board to issue up to 40,74,074 number of equity shares at a price of Rs. 27/- per share including premium of Rs. 17/- per share (Detail of proposed investors stated under Annexure -1).

d. Intent of the Promoters, Directors or Key Managerial Personnel to subscribe to the preferential issue.

None of the Promoters, Directors or Key Managerial Personnel intend to subscribe to the preferential issue as proposed.

e. Pre and Post-Issue Shareholding Pattern

The shareholding pattern of the Company before and after considering all the preferential issues under this Notice is provided is as below.

Sr. No	Category	Pre-Issue Shareholding		Post-Issue Shareholding	
		No. of Shares held	% of shares	No. of Shares held	% of shares
A.	Promoter & Promoter Group				
(1)	Indian				
(a)	Individual / HUF	3800827	31.84	3800827	23.74
(b)	Central Govt / State Govt(s)	-	-	-	-
(c)	Bodies Corporate	-	-	-	-
(d)	Banks / FI	-	-	-	-
(e)	Any Others	-	-	-	-
(2)	Foreign				
(a)	NRI - Individuals	-	-	-	-
(b)	Other - Individuals	-	-	-	-
(c)	Bodies Corporate	3470150	29.06	3470150	21.67
(d)	Banks / FI	-	-	-	-
(e)	Any Others	-	-	-	-
	Total shareholding of Promoter & Promoter Group (A)	7270977	60.90	7270977	45.41
B.	Public Shareholding				
(1)	Institutions	-	-	-	-
(2)	Non-Institutions				
(a)	Bodies Corporate	1371861	11.49	1834824	11.46
(b)	Individuals				
(i)	Individuals shareholders holding	1142949	9.57	1142949	7.14

	nominal share capital upto Rs. 2 lakh				
(ii)	Individuals shareholders holding nominal share capital in excess of Rs.2 lakh	1543283	12.93	4969208	31.03
(c)	Qualified Foreign Investor	-	-	-	-
(d)	Others (specify)	-	-	-	-
(i)	Clearing Members	31799	0.27	31799	0.20
(ii)	Non Resident Indians	578131	4.84	763317	4.77
(iii)	Trusts	-	-	-	-
(v)	NBFC	-	-	-	-
	Total Public Shareholding (B)	4668023	39.10	8742097	54.59
	Grand Total (A+B)	11939000	100.00	16013074	100.00

f. Proposed time for completion of Preferential Allotment

The Company will complete the allotment pursuant to this preferential issue within a period of 15 (fifteen) days from the date when the shareholders' resolution approving this Preferential Allotment is passed. Where the allotment of the shares is pending on account of pendency of any approval for the preferential issue/ for such allotment by any regulatory / statutory authority, the allotment shall be completed within a period of 15 (fifteen) days from the date of such approval.

g. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any.

Identity of the natural person who are the ultimate beneficial owners and the names of the Investor together with the percentage of post issue capital that will be held with them is set out below.(refer Annexure- 1).

h. Principal terms of Asset charged as securities

Not applicable

i. Change in control if any, in the Company that would occur consequent to the preferential issue

As a result of the proposed preferential issue of equity shares, there will be no change in the control or management of the Company. However, voting rights will change in according with the change in shareholding pattern.

j. Re-computation of price and lock-in of specified securities



Since the equity shares of the Company have been listed on the recognized Stock Exchanges for a period of more than 6 months prior to the Relevant Date, the Company is not required to re-compute the price of the equity shares in accordance with ICDR Regulations.

- k. **Kinds of Securities offered-** Equity Shares
- l. **Basis on which the price has been arrived and justification for the price(including premium if any)**

Since the equity shares of the Company are listed on BSE and National Stock Exchange of India Limited and are frequently traded shares on National Stock Exchange of India Limited, the issue price shall be an amount not less than the minimum price determined as on the Relevant Date in accordance with Regulation 164 (1) of SEBI (ICDR) Regulations, 2018 and as per the valuation done by the Registered Valuers in terms of provisions of Articles of Association of the Company. Report from registered valuer is obtained on June 1, 2022, in compliance with the provisions of Articles of Association of the Company. The said valuation report is available on the website of the company for all the stakeholders at www.kslindia.com.

In terms of regulation 166A(1) of the SEBI ICDR Regulations, the floor price at which the Equity Shares shall be issued is Rs. 27/- per Equity Share, being higher of the following:

1. the 90 (Ninety) trading days average price of the Equity Shares of the Company quoted on the NSE, preceding the Relevant Date i.e. Rs. 25.66/- (Twenty Five Rupees and Sixty Six Paise Only) per Equity Share; or
2. the 10 (Ten) trading days average price of the Equity Shares of the Company quoted on the NSE, preceding the Relevant Date, i.e. Rs. 26.85/- (Rupees Twenty Six and Eighty Five Paise only) per Equity Share.
3. As per the valuation report dated June 1, 2022 issued by independent Registered Valuer, Mr. Arpit Tapadia, certifying the floor price to be Rs. 25.70/- (Rupees Twenty Five and Seventy Paise only) per Equity Share.

Hence, the floor price in terms of the SEBI (ICDR) Regulations shall be Rs. 26.85/- (Rupees Twenty-Six and Eighty-Five Paise only) per Equity Share.

The issue price of the shares of face value of Rs. 10/- (Rupees Ten only) each is Rs. 27/- (Rupees Twenty Seven Only) per equity share which is not lower than the floor price determined in terms of the SEBI (ICDR) Regulations.

- m. **Relevant date with reference to which the price has been arrived at:**

The relevant date as per the relevant provisions of Chapter V of the ICDR Regulations, for the determination of the said issue price for the Shares is May 2, 2022 being the working day preceding 30 days prior to the date of Extra-Ordinary General Meeting ("EGM").

n. The class or classes of persons to whom the allotment is proposed to be made:

The Shares pursuant to the preferential issue shall be allotted to Non-Promoter allottees (refer Annexure-1) in the manner as specified here.

o. Practicing Company Certificate:

The certificate has issued from Mr. Amit R. Dadheech, Practicing Company Secretary certifying that the preferential issue of the Equity Shares is being made in accordance with the requirements of SEBI Regulations for Preferential Issues, as required under the SEBI (ICDR) Regulations, 2018 as amended from time to time, and the same shall be available for inspection at the Registered office of the Company on all working days (excluding Saturday) during 10:00 A.M. to 5:00 P.M. up to the date of EGM and shall also be available during the EGM.

The Certificate will also available on the Company's website i.e. www.kslindia.com

p. Lock-in requirements

The Shares allotted pursuant to the preferential issue will be subject to applicable lock-in and transfer restrictions in accordance with the SEBI (ICDR) Regulations, 2018. The entire pre-preferential allotment shareholding of the Proposed Allottee, if any, shall be locked-in from the Relevant Date up to a 90 Trading days from the date of trading approval granted by the Stock Exchange(s).

q. Contribution being made by the promoters or directors either as part of the Preferential issue or separately in furtherance of objects:

No contribution is being made by promoter or Director of the Company, as part of the Preferential Issue.

r. Valuation and Justification for the allotment proposed to be made for consideration other than cash

Not applicable

s. The Current and proposed Category/Status of the allottee(s) post the preferential issues are as under:

The current and proposed category/status of the proposed allottee(s) shall be non-promoter / public shareholders.

t. Other disclosures

- During the period, commencing from April 01, 2022 till the date of Notice of this EGM, the Company has not made any preferential issue of Equity Shares.



- Report of the registered valuer is obtained as per the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed Preferential Issue and in compliance with the provisions of Articles of Association of the Company.
- None of the proposed allottees have sold or transferred any Equity Shares during 90 Trading days preceding the Relevant Date.
- The preferential issue is not more than 5% of the post issue fully diluted share capital of the issuer, to an allottee or to allottees in concert, however, in compliance with provisions of Articles of Association of the Company, a valuation report dated June 1, 2022 from an Independent valuer has been obtained in compliance with the provisions of SEBI (ICDR) Regulations, as amended from time to time.

u. Undertakings

- None of the Company, its Promoters and Directors is declared as wilful defaulter by Reserve Bank of India and also none of the company, its promoters and directors is declared as fugitive economic offender under Fugitive Economic Offender Act, 2018. Further, neither the Company nor any of its Directors and Promoters are fraudulent borrowers.
- The Company is eligible to make the Preferential Allotment to its Promoter and Non-Promoter under Chapter V of the SEBI (ICDR) Regulations.
- As the Equity Shares have been listed for a period of more than 90 trading days as on the Relevant Date, the provisions of Regulation 164(3) of the SEBI (ICDR) Regulations governing re-computation of the price of shares shall not be applicable.
- The Company hereby undertakes that it shall re-compute the price of the Equity Shares in terms of the provisions of the SEBI (ICDR) Regulations where it is required to do so.
- The Equity Shares held by the proposed allottees in the Company are in dematerialized form only.
- No person belonging to the promoters/promoter group has previously subscribed to any warrants of the Company.
- The allotment of Equity Shares does not require making of a public offer as it is below the prescribed threshold limit for making of a public offer in terms of the SEBI (ICDR) Regulations. Due to above preferential allotment of the equity shares, no change in management control is contemplated. The proposed allottee(s)/investors shall be required to comply with the relevant provisions of the SEBI (ICDR) Regulations.
- The company has complied with the requirement of listing obligation i.e., maintaining a minimum of 25% of the paid up capital in the hands of the public.

Further, in accordance with the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 provides inter-alia, that when it is proposed to increase the issued capital of a company by allotment of further shares or specified securities etc., such further shares/specified securities shall be offered to the existing and non existing members in the manner laid down in the section unless the Members in general meeting decide otherwise by passing a Special Resolution. Therefore, the consent of the shareholders is being sought pursuant to the provisions of section 62(1) of the Companies Act, 2013 and all other applicable provisions, SEBI Guidelines or regulations and the provisions of the Listing Regulations for authorizing the Board to offer, issue and allot equity shares/specified securities as stated in the resolution, which would result in a further issuance of securities of the Company to the Non-promoter(s) category on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit. In accordance with the provisions of Sections 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI (ICDR) Regulations, approval of the Members for issue and allotment of the equity share capital to the Non-Promoter Category, is being sought by way of a "Special Resolution" as set out in the said item no. 2 of the Notice.

Provided that, the aforesaid preferential issues would be within the Authorized Share Capital of the Company. The Board of Directors believes that the proposed preferential issue is in the best interest of the Company and its Members and, therefore, recommends the Special Resolution at Item no. 2 of the accompanying Notice for approval by the Members of the Company.

None of the Directors / Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as set out at item no. 2 except to the extent of their shareholding in the Company, if any.

The Corrigendum to the Notice of EOGM shall form integral part of Notice dated May 3, 2022, which has already been circulated to the Shareholders and Stock Exchanges of the Company. The Corrigendum will be available on the website of the Company (www.kslindia.com) besides being communicated to NSE and BSE where the shares of the Company are listed. Corrigendum shall also be sent electronically to all the registered shareholders on June 1, 2022.

For Khandwala Securities Limited

Sd/-

Abhishek Joshi
Company Secretary & Compliance Officer



Date: May 31, 2022

Place: Mumbai

Annexure – 1
Details of the Proposed Allottees

Sr. No	NAMES OF THE PROPOSED ALLOTTEES	CATEGORY OF INVESTOR	ULTIMATE BENEFICIAL OWNER	MAXIMUM NO OF EQUITY SHARES TO BE OFFERED	PRE-PREFERENTIAL HOLDING OF EQUITY SHARES		POST-PREFERENTIAL HOLDING OF EQUITY SHARES	
					No. of Shares	% Holding	No of Shares	% Holding
1	ADITYA MANOJ BIRLA	Non-Promoter	NA	Upto 27,771	Nil	-	27,771	0.17
2	ALKESH SANGHVI	Non-Promoter	NA	Upto 79,365	Nil	-	79,365	0.50
3	AUMIT CAPITAL ADVISORS LTD	Non-Promoter	PRATIK GANDHI VIPUL GANDHI BHARTIBEN GANDHI	Upto 4,62,963	Nil	-	4,62,963	2.89
4	BRIDGET FERRAO	Non-Promoter	NA	Upto 2,40,741	1,788	0.01	2,42,529	1.51
5	DARWIN PATEL	Non-Promoter	NA	Upto 4,05,644	Nil	-	4,05,644	2.53
6	DIPAK M PARMAR	Non-Promoter	NA	Upto 92,593	Nil	-	92,593	0.58
7	DIVYANI R BIRLA	Non-Promoter	NA	Upto 27,778	Nil	-	27,778	0.17
8	HETA PATEL	Non-Promoter	NA	Upto 4,05,644	Nil	-	4,05,644	2.53
9	JAGDISH CHANDRA RANGLAL BIRLA HUF	Non-Promoter	JAGDISH CHANDRA RANGLAL BIRLA	Upto 27,778	Nil	-	27,778	0.17
10	JAGDISH R BIRLA	Non-Promoter	NA	Upto 27,778	Nil	-	27,778	0.17
11	KAMIREDDI SATYA VENKATA RAMESHBABU	Non-Promoter	NA	Upto 92,593	Nil	-	92,593	0.58
12	KINJAL TUSHAR SHAH	Non-Promoter	NA	Upto 46,296	Nil	-	46,296	0.29
13	LALITA R BIRLA	Non-Promoter	NA	Upto 27,778	Nil	-	27,778	0.17
14	MANOJ KUMAR JAGDISH CHANDRA BIRLA	Non-Promoter	NA	Upto 27,778	Nil	-	27,778	0.17
15	MANOJ KUMAR JAGDISH CHANDRA BIRLA HUF	Non-Promoter	MANOJ KUMAR BIRLA	Upto 27,778	Nil	-	27,778	0.17
16	MOXA NIRAV PATEL	Non-Promoter	NA	Upto 92,593	Nil	-	92,593	0.58
17	NARENDRA KUMAR MAGANLAL PATEL	Non-Promoter	NA	Upto 92,593	Nil	-	92,593	0.58
18	NILESH KUMAR MISTRY	Non-Promoter	NA	Upto 92,593	Nil	-	92,593	0.58

19	NOEL FERRAO	Non-Promoter	NA	Upto 2,40,741	944	0.01	2,41,685	1.51
20	RAHUL DSOUZA	Non-Promoter	NA	Upto 2,40,741	Nil	-	2,40,741	1.50
21	RAMESH CHANDRA J BIRLA	Non-Promoter	NA	Upto 27,778	Nil	-	27,778	0.17
22	RAMESH CHANDRA JAGDISH CHANDRA BIRLA HUF	Non-Promoter	RAMESH CHANDRA BIRLA	Upto 27,778	Nil	-	27,778	0.17
23	ROMA DSOUZA	Non-Promoter	NA	Upto 2,40,741	Nil	-	2,40,741	1.50
24	ROSE DSOUZA	Non-Promoter	NA	Upto 2,40,741	Nil	-	2,40,741	1.50
25	SATISH KUMAR ARYA	Non-Promoter	NA	Upto 92,593	5,92,500	4.96	6,85,093	4.28
26	SHAISHAV D MEHTA HUF	Non-Promoter	SHAISHAV MEHTA	Upto 92,593	Nil	-	92,593	0.58
27	SHUCHI PATEL	Non-Promoter	NA	Upto 4,05,644	Nil	-	4,05,644	2.53
28	SWETA M BIRLA	Non-Promoter	NA	Upto 27,778	Nil	-	27,778	0.17
29	TUSHAR RAMESHCHANDRA SHAH	Non-Promoter	NA	Upto 46,296	Nil	-	46,296	0.29
30	VEDKARTA CONSULTANT LLP	Non-Promoter	DHARIT MEHTA KHUSHBOO MEHTA	Upto 92,593	Nil	-	92,593	0.58
TOTAL				40,74,074				

