

29TH ANNUAL REPORT

2021-22



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

Mr. Pranav Khandwala

Mrs. Bhagyashree Khandwala

Mr. Pratik Khandwala

Mr. Shyam M. Seshadri

Mr. Homiar N. Vakil

Mr. Subramanian Murlidhardas

- Managing Director
- Whole-time Director / CFO
- Non - Executive Director
- Non - Executive Director
- Independent Director
- Independent Director
- 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,

FY21 ended with hope that the COVID-19 pandemic was finally behind us. However, the second wave of the pandemic affected the lives and jobs of millions of Indians in the 1st quarter of FY22. Through this phase, team KSL worked relentlessly to ensure the health and safety of our people and their families. Our learnings from the first wave enabled us to be nimble and alter 'ways of working' to ensure business continuity and rapid return to normalcy. Despite the changing world order, driven primarily by the pandemic and unstable geopolitical situation, I am very pleased to inform that your company continues to grow from strength to strength - closing the year with the best-ever profitability in FY22 when compared to the last ten years.

We live in very interesting times. Equity markets remain on a secular uptrend as India's economy gathers momentum following its recovery from the pandemic induced challenges that rocked global financial markets. There are headwinds, such as the projected hardening of interest rates around the world following the unwinding of monetary stimuli in advanced economies, which has resulted in the consistent drawdown by foreign investors from Indian equity markets over the past few quarters. Despite these events, our equity markets have remained resilient and have shown significant strength in the wake of the COVID-19 pandemic, its continuing trajectory, geopolitical tensions and rising energy prices. In the longer term, many surplus economies regard India as the most sought-after investment destination due to its inherent qualities and the country's strong, decisive and forward-looking governance framework.

In March 2022, BSE's cumulative market capitalisation of stocks listed on the exchange reached USD 3 trillion for the first time ever. There were three key pillars to this growth journey:

- i. The entry of a large wave of tech-savvy new investors into the market. On an average, the country added about 2.9 million demat accounts every month during FY22, a substantial 2.4x jump from 1.2 million average monthly additions in FY21. Most of these accounts were sourced by digital brokers, who have demonstrated their ability to penetrate deeper into the country using digital highways.
- ii. The economy itself has been undergoing massive transformation, with most consumer-related services and products going online, thereby expanding markets and creating immense growth opportunities.
- iii. The diminishing returns from traditional risk-free assets have established equities as a prime investment choice, particularly among new-age investors who have taken cognisance of the fact that equities have grown at 14.7% CAGR over the past 20 years.

The advent of digital brokers is rapidly making the brick-and-mortar branch-led model less relevant, with smartphones emerging as go-to devices for participating in the capital markets and opening up phenomenal growth opportunities for digital-first intermediaries. In addition, India's digital native millennials are now ushering in a rapid shift in the retail investment psyche, with Gen Z following suit. Both groups are fast emerging as the next growth engine for investment funds and the broader economy as they search for newer investment tools and platforms that are intuitive and offer access to diverse asset classes such as AIFs, Mutual funds, etc. Digital broking platforms, with their frictionless service offerings, flat fee structures and extremely intuitive interfaces, are helping the average individual become a smart investor. Approximately 69% of NSE-active clients were added by the top five digital brokers in FY22. Their share in NSE's active client base has risen to approximately 58% in FY22. The journey for digital brokers has just begun, with a huge untapped market waiting to be harnessed.

PREPARED FOR TOMORROW

We envision strong growth over the next decade, as equity percolation increases, and the investor fabric matures. The roll out of 5G services will help further improve connectivity in tier II, III and beyond cities. A recent report by Deloitte indicates that the population of India is expected to possess one billion smartphones by 2026 – an increase of 33% above the 750 million currently in use. Of the incremental sales expected over this period, 5G will contribute 80% to devices that will be sold in the next five years. Deloitte's report also indicates that this growth is likely to be propelled by rural India, which is expected to grow 2.4x faster than urban India. Ultimately, the growth of the fintech sector, supported by the proliferation of internet and access to digital financial services, is inevitable. Ease of access, coupled with simplicity of the product, will allow us to reap the benefits of future growth. With improving macro dynamics, and a growing appetite for diversified financial products, we have worked during the year to gear ourselves up, to tap the opportunities listed above. With this, we will be better prepared to walk beside our clients on their wealth-creation journey over the next two to three decades. Last few years have seen the advent of a new set of young investors, with growth of mobile investing and Fintechs. Accessibility, transparency, speed and Robo-trading have become norms for the category and are driving incredible evolution. Our strategy to diversify our business model towards linear sources of earnings which will continue to show positive results. Capital Market business, which is our oldest and cash cow business, has achieved new high on various parameters and continues to benefit from industry consolidation led by knowledge driven digital offerings.

I wish to thank the regulatory authorities for the continued proactive steps taken to protect the interests of retail investors and making Indian equities markets more accessible. The regulatory changes implemented are directed towards the same, thus resulting in a significant increase in investor confidence.

Our long-term outlook for the Indian economy continues to remain bullish, driven by the changing geo-political scenario and the proactive steps taken by the Government to drive manufacturing in India. KSL's legacy and strong platform coupled with the new initiatives gives us confidence to scale new heights and remain a relevant player in the country. Our employees continue to be the greatest strength of KSL. As always, they have worked with extraordinary commitment during the last year. I express my gratitude to all our employees and their families for their sustained support during these tough times. I would like to thank the Board for their guidance and support. I would also like to thank our customers, bankers, rating agencies and business partners for their continued trust and patronage. On behalf of the Board of Directors of KSL, I wish to thank you all for your continued trust, confidence, and support.

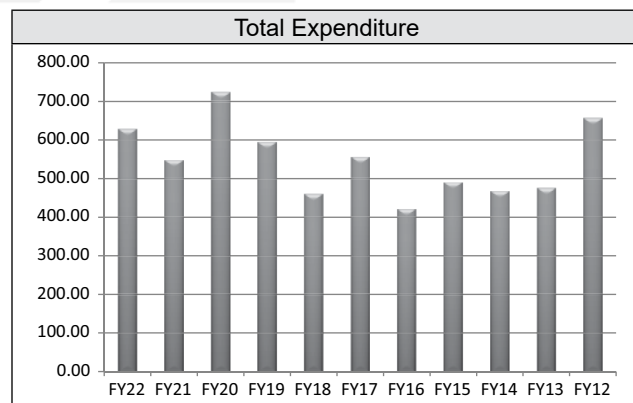
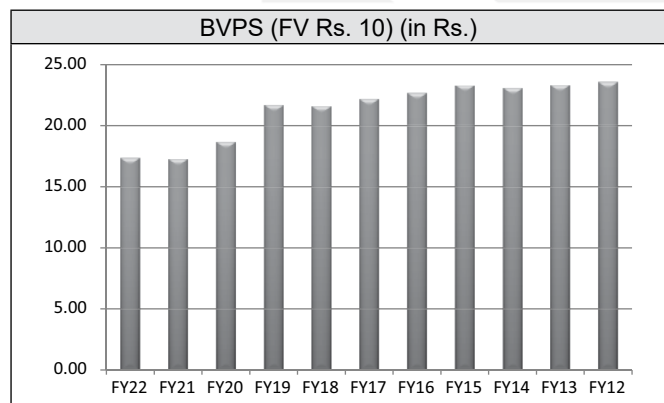
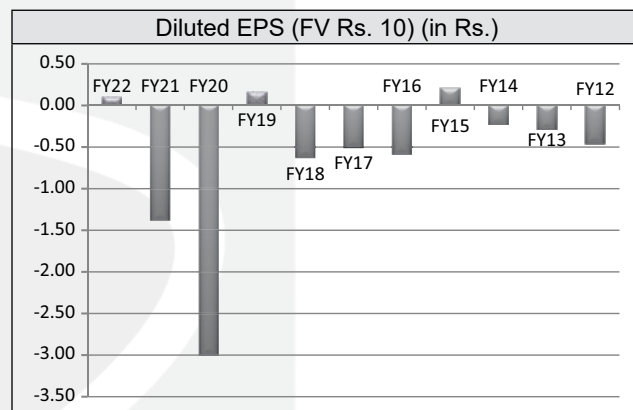
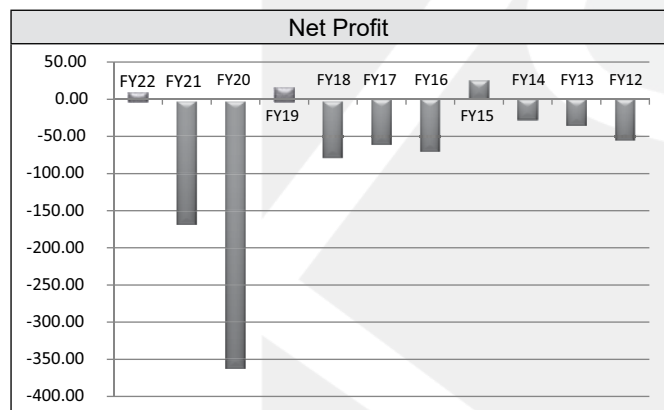
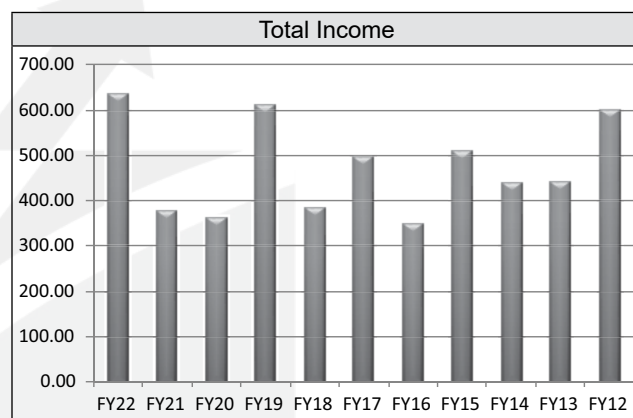
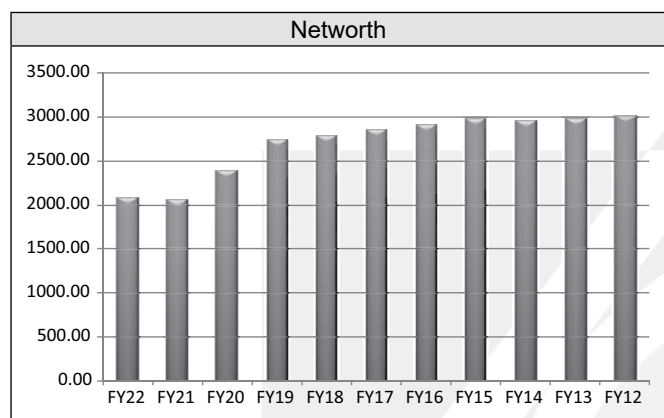
Pranav Khandwala**Whole-time Director & CFO**

Performance Highlights

Standalone Financial Performance of Khandwala Securities Limited.

(in Rs. Lacs except per share data)

	FY22	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12
Total Income	635.14	377.35	362.00	609.83	383.68	495.36	348.72	506.85	438.18	440.03	599.42
Total Expenditure	628.78	547.03	724.52	594.30	460.08	555.30	420.25	489.21	466.62	475.87	657.73
Profit Before Tax	6.36	-169.68	-362.52	15.53	-76.40	-59.94	-71.53	17.64	-28.44	-35.83	-58.31
Tax Expenses	5.69	4.68	3.82	3.58	1.30	1.02	-1.42	-7.46	-0.62	-0.83	-3.32
Net Profit	12.05	-165.00	-358.70	19.11	-75.10	-60.95	-70.11	25.10	-27.82	-35.01	-54.99
Paid up Equity Capital	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90	1193.90
Networth	2072.74	2057.49	2374.96	2734.25	2772.32	2846.52	2907.48	2977.58	2952.49	2980.31	3015.31
Diluted EPS (FV Rs. 10) (in Rs.)	0.10	-1.38	-3.00	0.16	-0.63	-0.51	-0.59	0.21	-0.23	-0.29	-0.46
BVPS (FV Rs. 10) (in Rs.)	17.36	17.23	18.64	21.65	21.55	22.17	22.68	23.26	23.05	23.29	23.58



NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of **Khandwala Securities Limited** will be held on Wednesday, September 28, 2022 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, 2022 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, 2022 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. Bhagyashree Khandwala (DIN: 02335473), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Paresh Khandwala as Managing 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, 203 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 modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company 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 the re-appointment of Mr. Paresh Khandwala (DIN: 00112678) as Managing Director of the Company, for a period of 5 years with effect from January 1, 2023, on the terms and conditions, as set out below:

a) Remuneration:

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

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 authorized to alter and vary the terms and conditions of appointment and/or remuneration as it may deemed fit and as may be accepted to Mr. Paresh Khandwala, subject to the same not exceeding the limits prescribed 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 where in any financial year during the currency of tenure of Mr. Paresh Khandwala as Managing Director of the Company, the Company has no profits or its profits are inadequate, then the above mentioned remuneration, perquisites and other allowances be paid to Mr. Paresh Khandwala, as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds matters and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

Date : August 12, 2022

Place : Mumbai

**Paresh Khandwala
Managing Director**

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 and December 14, 2021 (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 Twenty Ninth AGM of the Company is being held through VC/OAVM.

3. The deemed venue for Twenty Ninth AGM shall be the Registered office of the Company i.e. 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 2021-22 including Notice of Twenty Ninth 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 2021-22 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 and National Stock Exchange of India Limited at www.nseindia.com and on the website of NSDL at 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.
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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 21, 2022 to September 27, 2022** (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. Tuesday, September 20, 2022** 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. Tuesday, September 20, 2022** should treat this Notice for information purpose only.
25. The Company has appointed Mr. Bhuwnesh Bansal, Proprietor of M/s. Bhuwnesh 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.
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 **SATURDAY, SEPTEMBER 24, 2022 at 09:00 A.M. IST** and ends on **TUESDAY, SEPTEMBER 27, 2022 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.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com 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 e-Voting service provider i.e. NSDL 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 & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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 (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 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 & voting during the meeting.

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/ login or www.cdslindia.com and click on New System Myeasi. 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. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders (holding securities in demat mode) login through their depository participants	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 & voting during the meeting.

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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) 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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. 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:
 - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) 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

1. 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 with a copy marked to evoting@nsdl.co.in.
2. 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 to reset the password.
3. 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 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

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.
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. 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 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 EGM/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.
2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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. The same will be replied by the company suitably.
6. 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.
7. 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, alongwith your name and DP ID/CLIENT ID on or before Tuesday, September 20, 2022. 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 current term of appointment of Mr. Paresh Khandwala as Managing Director of the Company will expire on December 31, 2022. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, at its meeting held on August 12, 2022, approved the re-appointment of Mr. Paresh Khandwala (DIN: 00112678) as Managing Director of the Company, for a period of 5 years with effect from January 1, 2023, subject to the approval of the Members of the Company.

Mr. Paresh J. Khandwala is one of the Promoters of the Company. He has been associated with the Company as a Director and Member since inception. He has diverse 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.

Mr. Paresh Khandwala is not disqualified in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Managing Director of the Company. The remuneration proposed to be payable to Mr. Paresh Khandwala by way of salary, perquisites and other allowances has been approved by the Nomination and Remuneration Committee and are within the limit 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** :- 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 Financial Year ended March 31, 2022 are as follows:-

Particulars	Amount (Rs. in Lakhs)
Total Income	635.14
Total Expenditure	628.78
Profit /(loss) before tax	6.36
Profit /(loss) after tax	12.05

- e) **Foreign investments or collaborations, if any**:- Not Applicable

II. Information about the appointee:

- a) **Background details**:- Mr. Paresh J. Khandwala is one of the Promoter of the Company. He has been associated with the Company as a Director and Member since inception. He has diverse 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 5 (five) years with effect from January 1, 2018 at a remuneration of Rs. 31,25,000/- per annum.
- 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. Paresh 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 :-** Mr. Paresh Khandwala is one of the Promoter and Director of the Company since inception and apart of the proposed remuneration as stated above, he has pecuniary relationship with the Company. Mr. Paresh Khandwala is related to Mr. Pranav 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 during the year.

- 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.

IV. Disclosures

Except Mr. Paresh 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. 3 of the Notice.

Accordingly, the Board of Directors recommends the Special Resolution set out at Item No. 3 of the Notice of the AGM for approval of the Members.

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

Date : August 12, 2022

Place : Mumbai

**Paresh Khandwala
Managing Director**

Registered Office:-

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

CIN : L67120MH1993PLC070709

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):

Name of the Director	Mrs. Bhagyashree Khandwala	Mr. Paresh Khandwala
DIN	02335473	00112678
Date of Birth	26/12/1980	03/05/1955
Qualification	B.Com, MBA (Finance)	Under Graduate
Date of Appointment	30/05/2014	09/02/1993
Expertise in Functional area	She has diverse experience in the field of financial market and accounting.	He has diverse 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.
Remuneration last drawn (including sitting fee), if any	As mentioned in Corporate Governance Report	Rs. 31,25,000/- per annum
Directorship held in other Companies in India	<ul style="list-style-type: none"> • Trumonee Financial Limited • Bentley Investments Private Limited 	<ul style="list-style-type: none"> • Khandwala Commodity & Derivatives Private Limited • Trumonee Financial Limited
Memberships / Chairmanship of Committees in other Companies	Nil	Nil
No. of Equity shares held in the Company	1,33,980	2,02,157
Relationship with Directors / Key Managerial Personnel, if any	Mrs. Bhagyashree Khandwala is the spouse of Mr. Pranav Khandwala, Whole-time Director; Mr. Pranav Khandwala is the son of Mr. Paresh Khandwala, Managing Director; and Mr. Pratik Khandwala and Mr. Pranav Khandwala are brothers.	Mr. Paresh Khandwala is a father of Mr. Pranav Khandwala and Mr. Pratik Khandwala; and Mrs. Bhagyashree Khandwala is the spouse of Mr. Pranav Khandwala.

DIRECTORS' REPORT

To

The Members,

Your Directors hereby present the Twenty Ninth Annual Report on the business, operations and state of affairs of the Company together with the audited financial statements for the year ended 31st March 2022.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance, for the financial year 2021-22 as compared to the previous financial year 2020-21 is given below:

(I) Standalone Financial Performance :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total Income	635.14	377.35
Financial Cost	71.09	73.99
Depreciation and Amortization Expenses	28.56	27.75
Profit / (Loss) before Exceptional Items & Tax	6.36	(169.68)
Exceptional Items	-	-
Profit / (Loss) before Tax	6.36	(169.68)
Provision for Tax	(5.69)	(4.68)
Profit / (Loss) after Tax	12.05	(165.00)
Other Comprehensive Income	3.20	0.14
Total Comprehensive Income for the Year	15.25	(164.86)

(II) Consolidated Financial Performance :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total Income	635.14	377.36
Financial Cost	71.09	73.99
Depreciation and Amortization Expenses	28.56	27.75
Profit / (Loss) before Exceptional Items & Tax	6.20	(169.81)
Exceptional Items	-	-
Profit / (Loss) before Tax	6.20	(169.81)
Provision for Tax	(5.70)	(4.68)
Profit / (Loss) after Tax	11.90	(165.13)
Other Comprehensive Income	3.20	0.14
Total Comprehensive Income for the Year	15.10	(164.99)

FINANCIAL PERFORMANCE**Standalone**

During the year under review, the standalone total income for the financial year was Rs. 635.14 lakhs as compared to Rs. 377.35 lakhs for the previous year. The total expenses incurred during the financial year was Rs. 628.78 lakhs as compared to Rs. 547.03 lakhs in the previous year. The Net Profit after tax was Rs. 12.05 lakhs in the financial year as compared to Net loss of Rs. 165.00 lakhs in the previous year.

Consolidated

During the year under review, the consolidated total income for the financial year was Rs. 635.14 lakhs as compared to Rs. 377.36 lakhs for the previous year. The total expenses incurred during the financial year was Rs. 628.94 lakhs as compared to Rs. 547.16 lakhs in the previous year. The Net Profit after tax was Rs. 11.90 lakhs in the financial year as compared to Net loss of Rs. 165.13 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, 2022.

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, 2022, 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.

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, Mrs. Bhagyashree Khandwala, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment. The Board of Directors recommends her re-appointment.

b) Changes in Directors and Key Managerial Personnel

Mr. Rohitasava Chand (DIN: 00011150) resigned as a Non Executive Independent Director of the Company w.e.f January 31, 2022 due to his personal reason. The Board places on record its sincere appreciation of the services rendered by Mr. Rohitasava Chand during his tenure as an Independent Director on the Company.

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board has, subject to the approval of the Members, 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 vide the Postal Ballot on May 9, 2022, approved their appointment.

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 5 (five) times i.e. 8th June 2021, 29th June 2021, 27th July 2021, 12th November 2021 and 12th February 2022. 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 31st March, 2022, 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 31st March, 2022;
- (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 2021-22 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 2022 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/ WHISTLE 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, there was no change in the equity share capital of the Company as on March 31, 2022.

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 2021-22 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, 2022.

The Secretarial Audit Report for the financial year ended March 31, 2022 issued by the Secretarial Auditor has been annexed as "Annexure-4" to this report and there is no adverse remark, qualifications or reservation in the Secretarial Audit Report of the Company.

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 2021-2022. 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.114.00 Lakhs (Previous Year was Nil). The foreign exchange outgo was Nil (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, 2022:

- There has been no change in the nature of business of the Company;
- There are no significant 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;
- Disclosure pertaining to maintenance of cost records as specified under the Companies Act, 2013 is not applicable to the Company; and
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

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 24, 2022
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

Name of the Associate Company	Trumonee Financial Limited
Latest Audited Balance Sheet Date	31 st March, 2022
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)	15,17,010
Profit / Loss for the year Considered in Consolidation (In Rupees)	(15,502)
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

Paresh J. Khandwala
Managing Director
 DIN: 00112678

Pranav Khandwala
Whole-time Director / CFO
 DIN: 02335473

Abhishek Joshi
Company Secretary

Place:- Mumbai
 Date:- May 24, 2022

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		
		Name of Director / KMP & Designation	Ratio of the remuneration to the median remuneration of all employees	% increase In remuneration
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	Executive Directors / KMP		
		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
		Non -Executive Directors		
		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	20.00%		
3	The number of employees as on 31 st March, 2022 on the rolls of Company	30 employees as on 31 st March 2022		
4	The explanation on the relationship between average increase in remuneration and company performance	The average Increase in remuneration of all employees was 49.94%. 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 15.34%. 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 24, 2022
Place: Mumbai

Annexure – 4
SECRETARIAL AUDIT REPORT
FORM NO. MR – 3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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.

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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance mechanism in place to the extent, in the manner and subject to the 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, 2022 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 SEBI 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 Regulation 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;
(Not applicable to the Company during the Audit period)
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and 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 Debt Securities) Regulations, 2008; **(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, 2009 and 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 (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable to the Company during the Audit Period)**
- k. 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).**

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, 1993;
- 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.

As per the minutes, decisions at the Board Meetings were taken unanimously.

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. Rohitasava Chand (DIN: 00011150), as Independent Director (who will attain 75 years of age on 20/10/2021) for the period of Five Years upto 19 September, 2024 in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

- (i) Public/Right/ preferential issue of shares/ 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

Place: Mumbai
Date: 24th May 2022

UDIN:F006526D000372210
Peer Review Certificate No.: 1708/2022

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: F006526D000372210

Peer Review Certificate No.: 1708/2022

Place: Mumbai
Date: 24th May 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Global Economy

Investors today are navigating economies in the late stages of business cycle. There have hardly been times in the history of global economy when Inflation is at record high and unemployment at record lows. Underlying growth appears robust but increasingly vulnerable to downside risk, leading to downward revisions in growth forecasts. Inflation, already high, will soon start cooling down on account of lowering commodity prices and global recessionary fears. During periods of acute volatility, it's helpful to take a long-term view of financial markets not only to put recent swings in context but to prepare for what may lie ahead. Recent moves in economic data, monetary policy, and financial markets have involved magnitudes not seen in decades. CPI Inflation hit a 40-year high in US to which the Federal Reserve responded with its biggest interest-rate hike since 1994. The average 30-year mortgage rate rose to its highest level since 2008 on the biggest weekly climb since 1987. Major equity indices have fallen into bear markets, down more than 20% from recent peaks, while bonds have suffered by far the worst start to any year on record. Investors are keenly aware of the losses that have been inflicted on even the most diversified portfolios. And there's no guarantee that an end is in sight. But there are signs that, as in past steep market declines, the current losses are resetting valuations to levels that can prove attractive to investors who stay focused on the long term, with potential diversification benefits also improving.

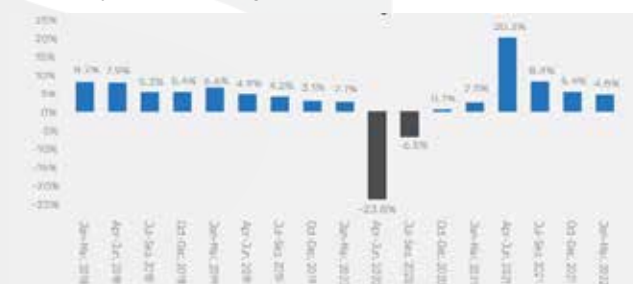
The world today is overwhelmed with supply side disruptions in food grain supplies, basic metals and commodities resulting in inflation not experienced by the world for more than two decades. In the east, China has chosen to continue with its Zero covid policy resulting in shutting down ports, cities and production facilities wherever the threat of Covid has raised its ugly head. Reports as late as March 2022 state that there are ships waiting to dock in Shenzhen which handles about a quarter of all U.S. bound Chinese manufactured exports. In Europe, the war has disrupted oil, gas and agricultural supplies including staple products used by households namely, palm oil and sunflower oil - indispensable in many households and used in the food services industry. Record-high food inflation is tightening its grip on the global economy, most critically in developing nations where financial distress is also contributing to increased political instability. Global bond yields have jumped on structured concerns indicating an end to the pandemic-era ultra-loose monetary policies and resultantly several EM central banks are raising rates to counter high inflation in their countries. Further, it is believed that even if inflation were to decline from current levels, as forecasted by many research firms, and settle at long-term average rates over the next few quarters, reports suggest that central banks would still have to raise rates significantly to align rates with long-term inflation.

The last 12-13 years post the financial crisis in the, US the US Fed had kept the Funds rate below inflation in an endeavour to boost growth while target inflation rate of 2% in the United States, which has suddenly been surpassed and seems will now remain way above 2% for quite some time. This sharp upward move of inflation has compelled the Fed to increase the Fund rate. The Balance – a US Based Research Firm estimates indicate a gradual fall in inflation over the next two years albeit led by a sharper up move in the US Fed rate going forward.

Outlook for the global economy has dampened due to the impact of the on-going geopolitical disturbances arising from the Russia-Ukraine war and the renewed pandemic related lockdowns in China emanating primarily from its zero Covid policy. These events have accentuated supply shortages and inflationary trends across the world. The IMF has scaled down global GDP growth for 2022 by 80bps to 3.6%. Likewise, the WTO has scaled down projection of world trade growth for 2022 by 170bps to 3.0%. IMF notes that the medium-term outlook is revised downwards for all groups, except commodity exporters who benefit from the surge in energy and food prices.

Review of India's Economy

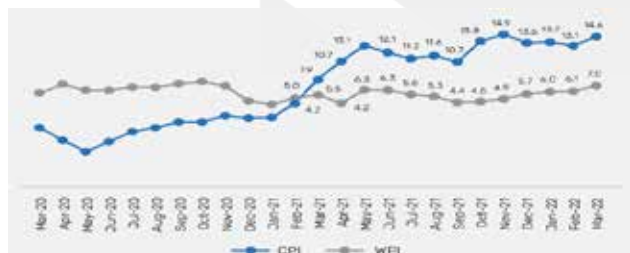
The Indian economy had begun to recover since the second half of FY21. Thus, FY22 began with an expectation that we would soon see GDP surpass the pre-pandemic level of the FY2020. That has just about been the case, as shown in the chart below. Despite the recovery, we as a nation have still lost two years of GDP growth.



The second advance estimates of national income for FY22 released by the Central Statistics Office on 28 February 2022 expect GDP growth in FY22 to be 8.9%. Sectoral growth estimates show that all three sectors — agriculture, manufacturing, and services — grew well. In absolute terms, the economic output of all the three sectors crossed the pre-pandemic levels of FY20. RBI in its monetary policy report dated 8 April 2022 projected a real GDP growth of 7.2% for the FY23. The service sector which accounts for more than half the Indian economy was most impacted on account of the COVID-19 restrictions especially for activities that needed human contact. Although the overall service sector now contributes to 54% of the GDP as against the

pre-pandemic levels of 55%, there is a wide dispersion of performance among the different sub-sectors. The financial, real estate and the public administration segments are now well above the pre-pandemic levels. However, contact sensitive segments like travel, trade and hotels are yet to reach the pre-pandemic levels of value added.

Although private consumption expenditure barely crossed the pre-pandemic levels, growth of government consumption expenditure and gross fixed capital formation made up for the muted private consumption expenditure. GST collection is a good indicator to assess country's growth and economic recovery, it increased by over 30% in FY22 to INR 14.83 lakh crore, indicating revival and growth momentum. The Government of India announced a growth oriented and expansionary budget for FY23 with a strong push on investments to lift economic growth. The compounded annual growth rate for capital expenditure of FY23 over FY20 is projected at 28% while revenue expenditure is contained at 12%. The budget's expectation is that such capex-led growth would take India on a growth path even at the cost of a fiscal deficit of 6.4% in FY23, coming on top of 6.8% in FY22. Unfortunately, the conflict in Ukraine has led to chaos in global commodity markets. Crude prices are oscillating between USD100 to USD120 posing a threat to India's economic recovery. How increased commodity prices will unfold is yet to be seen. What is sure, however, is that there will be a considerable impact on inflation which was already a cause of concern. Inflation has emerged as a global challenge owing to the surge in energy prices, non-food commodities, input prices disruptions of global supply chains and rising freight costs. In India, retail inflation measured by the Consumer Price Index (CPI) edged up to 6.95% in March 2022 from 5.66% in December 2021. The food group registered a significant decline in prices primarily on account of vegetables, meat and fish, edible oils, and fruits. Fuel inflation eased in December 2021 but remained in double digit and remains a serious cause of worry. The chart below depicts India's Inflation rate and wholesale price index (WPI).



Non-food credit growth of the scheduled commercial banks was 7.9% as of 25 February 2022 over 26 February 2021 as against 6.6% for the same period in the previous year. Credit growth to industry accelerated to 6.5% in February 2022 from 1% in February 2021. Credit growth within industry was the largest in the medium scale industry which recorded a

71.4% growth in the period followed by a 19.9% growth to micro and small industries. In contrast, large-scale industries saw a meagre 0.5% growth. Credit growth in personal loan segment was 7.9%. Fortnightly data released by the RBI on 21 April 2022 reflected credit growth of the scheduled commercial banks crossed 10% as of 8 April 2022

The RBI introduced its Resolution Framework-2.0 in May 2021 during the outbreak of the deadly second wave which gave impacted and vulnerable borrowers breathing space to meet their repayment obligations. Simultaneously, the RBI maintained adequate liquidity to support its accommodative stance throughout the year. It resorted to rebalancing liquidity on a dynamic basis without compromising systemic liquidity. Moreover, the RBI kept its key policy rates including repo rate, reverse repo rate and bank rate unchanged at 4%, 3.35% and 4.25% respectively throughout FY2022. On balance, we believe that the Indian economy is well positioned to counter the challenges posed by any new waves of the pandemic. The inflation challenge needs to be tackled carefully without resorting to sharp interest rate hikes, as it may dampen the pace of economic recovery. The other serious risk relates to major disruptions in the global supply chains mostly emanating from China; and, more recently, with the Ukraine conflict, from Russia. It is difficult to predict how these will play out. So, we need to be prepared for continuous volatility and external disruptions.

Global rating agencies are bullish about the country's economy, which is expected to register the fastest GDP growth in the Asia-Pacific region in FY23 (Source: S&P Global). India's GDP is estimated to grow at 7.8% for FY23 while the average GDP growth in the Asia-Pacific region is projected to be at 5.1% for 2022 and ~4.5% in 2023-2025. The fast pace of the growth will be aided by an increasing number of vaccinated individuals, gains from supply-side reforms, strengthening export growth (driven by PLI scheme as well as India emerging as an alternative sourcing destination), and increasing capital spending, especially on large scale infrastructure projects

Global Capital Markets

The year 2021 started on an optimistic note for the global capital markets, with the successful rollout of vaccines and release of pent-up demand acting as tailwinds. Further, central banks of all major economies remained accommodative, supporting strong performance at the capital markets. Although unpredictability returned towards the end of November due to the emergence of the new Omicron variant, it was short-lived. Despite persistent inflationary pressures and prospects of tightening monetary policy weighing on investor sentiment, corporate earnings remained robust. Global equities exited 2021 with positive returns. Developed markets outperformed emerging markets (EMs), with the MSCI World Index rising by 20.1%, on the back of positive returns for the third year in a row. MSCI Emerging Markets Index ended 2021 with a loss of 4.6% as a result of significant underperformance of Chinese

equities, unfavourable regulatory actions and concerns around global policy tightening. Across the globe, asset classes are witnessing unparalleled growth, driven by enhanced liquidity and prospects of a strong post-pandemic economic recovery. Retail investors are one of the primary drivers for this growth in liquidity. One of the key drivers of this trend is digitisation of financial products and currency, helping retail individuals open demat / broking accounts, buy global equities, gold, crypto, and others without having to leave their homes. Case in point, according to a report, in the US, retail participation in January 2021 saw around six million Americans download a retail brokerage trading app. They were part of 10 million+ Americans opening a new brokerage account in 2020.

US: The US stock market is by far the largest in the world, with an aggregate global stock market capitalisation of 44.15% at the end of 2021. (Source: Bloomberg). Its share in world market capitalisation increased 2.84% in 2021 as it outperformed nearly every major country's stock market during the year. Strong corporate earnings and confidence in mitigating the impact of the Omicron variant offset worries pertaining to the US Fed's shift to a hawkish stance. The S&P 500 and Dow Jones Index ended 2021 with gains of 26.9% and 18.7% respectively.

Key European market indices: Germany's DAX 30, EuroStoxx600, France's CAC 40 and UK's FTSE100 reported gains of 15.8%, 21%, 28.9% and 14.3% respectively for 2021.

The benchmark Nikkei stock index witnessed its highest yearend finish since 1989, with manufacturers' solid earnings contributing to a 4.9% rise over 2020.

Indian Capital Markets

After witnessing some of the sharpest rallies in FY21, following the steep decline induced by the pandemic, Indian equity markets performed reasonably well in FY22. It had to grapple with several headwinds, such as the continuous northward movement of crude oil prices coupled with supply side disruptions, which led to inflationary pressure that drove up commodity and food prices. The markets saw relentless selling by foreign investors along with the emergence of new COVID variants, the hawkish stance of the US Fed and geopolitical conflict.

Despite these developments, the benchmark stock market indices in India – Sensex and Nifty 50 – surged by 18.3% and 18.9%, respectively. This performance was supported by strong corporate earnings, sharp rise in COVID-19 vaccination, opening up of business establishments across the country and, more importantly, explosive growth in the size of India's retail investor segment that is increasingly looking at equity investments as a viable and sustainable option to the sublime returns offered by risk free assets.

Markets continued to have a bullish run since the beginning of FY22. The 2nd wave of Covid did not have any substantial

impact on the market run and the Sensex breached the 60,000 mark for the 1st time. Both Sensex and Nifty closed at an all-time high of 61,766 and 18,477 respectively in the month of October 2021. However, owing to tensions arising due to Russia Ukraine conflict, market witnessed a fall and Sensex went below 53,000. Subsequently, Sensex and Nifty regained most of the losses and closed at 58,569 and 17,465 levels respectively in March 2022. Indian stock markets outperformed most of the global peers and ended the financial year with the second best return in seven years.

After witnessing highest ever FII inflows in FY21, India recorded highest ever FII outflows of INR 1.4 lakh crores in FY22, after 5 consecutive year of inflows. March 2022 recorded FY22 highest monthly outflows of INR 41,123 crores. Domestic investments, however, have offset the FII selling pressure. DIIs recorded highest ever inflows of INR 2.2 lakh crores. Direct investments by retail investors in equities has been strong in FY22, with net inflows amounting to INR 2.1 trillion, nearly 1.9x of net inflows during the same period of the last fiscal.

Indian Broking Industry

Despite the pandemic induced sharp correction in the equity markets, a new wave of investors swarmed the markets thereafter, scouting for value picks armed with growing awareness and determined to harness the virtues of equity investing. This phenomenon has not only carried on, but has also become a sustained habit for the new age investors. The period between FY22 which saw a 48% CAGR in demat accounts, only shows what is in store for the future.

Technological advances have also supported increasing participation in equity markets. Fintech companies are increasingly playing a significant role in the growth of the capital markets, backed by increased usage of smart phones and low-cost high-speed internet connection. Retail investors, especially millennials and Gen-Z, who are increasingly getting drawn to intuitive and extremely powerful mobile trading apps. New-age brokers, who offer seamlessness and convenience are fast acquiring a growing base of young, new-to-market clients.

The broking industry, on the whole, is transitioning from a volume-based to an order-based revenue model that offers services such as investment advisory and wealth management. The role of the broker has evolved from being facilitators of trading to one providing a holistic platform that not just provides the new age investors with an opportunity to invest in stocks, but offers other products helping them create wealth over their lifetimes.

The average daily traded volumes (ADTO) for the equity markets during FY22 stood at INR 69.5 lakh crores, up 161% YoY from INR 26.7 lakh crores in FY21. The overall Cash market ADTO reported growth of 12% YoY at INR 72,443 crores in FY22. Within derivatives, futures volume increased 9% YoY to INR 1.2 lakh crores while options rose 171% YoY to INR 67.6 lakh crores. Amongst cash market

participants, retail constituted 51% of total cash volume, institution 20% and prop 28%. The proportion of DII in the cash market was 8%.

In FY22, a record of 3.5 crores new demat accounts were added as against 1.4 crores in FY21. This spike is attributed to the disposable income and saved time due to work from home culture coupled with strong rally in equity markets. CDSL, the largest depository in India in terms of number of demat clients, crossed the 6 crore accounts mark in February 2022. The number of demat accounts stood at 8.97 crores in FY22, a growth of 63% YoY.

Individual investor participation in equity cash segment has seen a sharp rise, with the share of individual investors in the total turnover at NSE increasing from 33.0% in FY16 to 40.7% in FY22. Individual investors shareholding in Nifty 50, Nifty 500 and Nifty listed companies expanded by 21bps, 29bps and 36bps in December 2021 over September 2021, to near 14-year highs of 8.3%, 9.0% and 9.7% respectively. The holding of individual investors in NSE listed companies increased by 130bps since December 2019.

The substantial increase in share of individual investors FY22 can be ascribed to greater awareness of the markets that makes it possible for them to make informed decisions. Their willingness to explore avenues beyond risk free asset classes like bank fixed deposits and gold, coupled with increasing access to alternative financial instruments, is stimulated by rise of digital platforms. The growing band of individual investors led by millennials and Gen Z are coming from Tier II, III and beyond cities. This is leading to deepening and broad basing of the Indian capital markets. Despite this implosion we are still far below our global peers in terms of per capita penetration.

Investment Banking

IPO market had an exceptional year in FY22, even in the face of the uncertain environment that grappled the country. Fund mobilization via the primary market route was one of the highest ever during the financial year. FY22 witnessed 76 IPOs as compared to 69 in FY21. The amount of funds raised through 52 main-board IPOs in FY22 was INR 1.1 lakh crores which was over 3.5 times of INR 31,268 crores raised through 30 IPOs in FY21. At INR 18,300 crores, One 97 Communications (Paytm), India's largest IPO was launched followed by Zomato (INR 9,375 crores), Star Health (INR 6,019 crores), PB Fintech (Policybazaar) (INR 5,710 crores), Sona BLW (INR 5,550 crores) and FSN E-Commerce (Nykaa) (INR 5,350 crores). 4 out of the top 6 IPOs were from new age technology companies which together raised INR 38,734 crores. Primary market witnessed increased retail participation in FY22, with an average of 14.1 lakh applications as compared to 12.7 lakh applications in FY21.

Mergers and Acquisitions: During FY22, 845 deals were announced as compared to 541 deals in FY21. The total value of the deals announced was INR 9 lakh Crore for

FY22 (this does not include 220 deals for which deal values were not available) as against INR 7 lakh Crore for FY21 (this does not include 129 deals for which deal values were not available).

Domestic versus cross border activity: During FY22, domestic transactions contributed 37% to the overall M&A activity with deal value aggregating INR 3.3 lakh Crore compared to 36% in FY21 and a deal value aggregating INR 2.5 lakh Crore.

Private Equity: 2021 was a remarkable year for private equity investors, despite the second wave's toll on the economy. PE-VC firms invested USD 48 billion in Indian companies across 1,624 deals. Tech-savvy sectors including start-up, IT & ITes and e-commerce were the major beneficiaries of these investments. The year witnessed eight investments worth USD 1 billion or more, led by Flipkart's USD 3.6 billion pre-IPO round, which marked the re-entry of SoftBank Corp. The other major transactions included stake acquisition by Carlyle Group in Hexaware Technologies, Blackstone buying out a 75% stake in publicly listed Mphasis, Advent International's acquisition of Encora and Byju's fund raise led by Prosus Ventures. Sequoia Capital India was the most active investor with 105 transactions followed by global investor Tiger Global with 60 investments. 2021 also witnessed a major leap for India's PE growth, fuelled by heightened interest from foreign funds, Indian family offices participating in direct investments, continued participation from domestic funds and incubation of sector agnostic funds, sustained interest from sovereign wealth funds, pension funds and AIFs participation, increase in the number of large size bets, growing PE-backed acquisitions and IPOs, among other things. Pick-up in consumption supporting demand along with structural policy reform measures and support from government spending is preparing a conducive backdrop for a spurt in private sector growth resulting in a strong positive outlook for the PE landscape for the coming years.

Asset Management

Overall mutual fund industry AUM was INR 37.6 lakh crores in FY22, a jump of 20% YoY. On the front of equity mutual fund (excluding arbitrage), AUM stood at INR 17.6 lakh crores contributing 47% of the total AUM. Equity category witnessed net inflows in all of the 12 months in FY22 with total net inflows of INR 2.3 lakh crores as compared to INR 0.7 lakh crores of outflows in FY21. Around 2.7 crores of new SIPs were registered in FY22 as compared to 1.4 crores in FY21. SIP monthly contribution touched an all-time high of INR 12,328 crores in March 2022. SIP flows for FY22 stood at INR 1,24,566 crores vs INR 96,080 crores in FY21. During the year, several new guidelines and regulations were issued by SEBI, the most prominent one being "Skin in the Game" rule that aims to align the interest of the 'Key employees' of the mutual fund house with the unitholders of its schemes. As per the rule, key employees of the asset management companies will have to mandatorily invest

a minimum of 20% of the salary/ perks/ bonus/non-cash compensation (gross annual CTC) net of income tax and any statutory contributions i.e. PF and NPS, in the units of Mutual Fund schemes in which they have a role/ oversight. SEBI expects that getting the key employees to invest in the schemes they manage can lead to better accountability on the part of the fund management team, thus paving way for a better quality of securities and improved performance. The regulator also came up with a revised risk management framework for fund houses and has called for standardization of the benchmarks of mutual fund schemes which will bring in uniformity and facilitate easy comparison of returns. The rationale behind all the regulatory changes is to act in favor of investors which bodes well for the industry in the long run.

Wealth Management

As per Knight Frank's latest edition of The Wealth Report 2022, the number of ultra-high net worth individuals (UHNWIs) has globally increased by 9.3% in 2021 with over 51,000 people witnessing their net assets increased to USD 30 million or more. In India, the number of UHNWIs has grown by 11% YoY in 2021, the highest percentage growth in APAC. Equity markets and digital adoption have been key factors driving growth in the super rich category of India. Further, around 69% of the super wealthy individuals in India is expected to witness an increase of over 10% in their net worth in 2022. India has ranked 3rd in terms of billionaires' population in 2021, following the US and China. Amongst key Indian cities, Bengaluru witnessed highest growth in the number of UHNWIs followed by Delhi and Mumbai.

AN OVERVIEW OF KHANDWALA SECURITIES LIMITED

Khandwala Securities Limited's equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (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 635.14 Lakhs

Net Profit of INR 11.90 Lakhs

Earnings Per Share (EPS) of INR 0.10

Segment Highlights – FY 22 over FY21 & FY20:

(INR In Lakhs)

Segment	FY22	FY21	FY20
Brokerage	448.58	292.27	208.15
Corporate Advisory Services	148.06	1.00	1.88
Income from Capital Market Operations	13.20	66.36	63.51
Others	25.30	17.73	88.46
Total Income	635.14	377.35	362.00

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 70.63% of our total revenues at INR 635.14 Lakhs for the year ended March 31, 2022.

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 1st April 2021 to 31st March 2022.

Institutional Equities business:

Equity and derivatives brokerage business of the Company contributed 70.63% of the consolidated revenue during this financial year. The Company's revenue of Rs. 635.14 lakhs for the year showed a increase of 68.31% 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 14 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 an increase of 128.68% during the FY 2022 over previous FY 2021.

Category	Brokerage Revenue during FY 21-22	Brokerage Revenue during FY 20-21	Brokerage Revenue during FY 19-20
MF	-	-	-
INS	10,66,490	8,36,097	43,488
BANKS	5,39,113	1,99,310	5,707
CORP	41,28,367	14,72,000	5,45,787
Total	57,33,970	25,07,407	5,94,982

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 Banking 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, 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 sources 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 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 1 (One) 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 31st March, 2022, the Board comprises of seven Directors out of which five are non-executive Directors and two are executive directors. Out of the five non-executive Directors, three are Independent Directors. The Chairman of the Board is a Non-Executive & Independent Director. The Management of the Company is headed by Mr. Pareshe 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 2021-22 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. Pareshe 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 ^(§1) (DIN:- 05242397)	Non-Executive, Independent Director	-	-	-
Mr. Subramanian Murlidhardas ^(§1) (DIN: 00268983)	Non-Executive, Independent Director	-	-	-
Mr. Rohitasava Chand ^(§2) (DIN: 00011150)	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.

^{§1} Appointed as Non-Executive Independent Director w.e.f February 12, 2022.

^{§2} Resigned as an Independent Director from the Board w.e.f January 31, 2022.

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board has, subject to the approval of the Members, 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. The Members vide the Postal Ballot on May 9, 2022, approved their appointment.

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 2021-22, 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 2021-2022, 5 (five) Board Meetings were held on 8th June 2021, 29th June 2021, 27th July 2021, 12th November 2021 and 12th February 2022. 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 2021-22 and at the last Annual General meeting are given below:

Name of the Directors	No. of Board Meetings during the financial year 2021-2022		Attendance at the last Annual General Meeting held on September 30, 2021
	Held	attended	
Mr. Paresh J. Khandwala	5	5	Present

Name of the Directors	No. of Board Meetings during the financial year 2021-2022		Attendance at the last Annual General Meeting held on September 30, 2021
	Held	attended	
Mr. Pranav Khandwala	5	5	Present
Mr. Homiar N. Vakil	5	5	Present
Mrs. Bhagyashree Khandwala	5	5	Present
Mr. Shyam M. Seshadri (w.e.f February 12, 2022)	1	-	-
Mr. Subramanian Murlidhardas (w.e.f February 12, 2022)	1	-	-
Mr. Pratik Khandwala	5	4	Absent
Mr. Rohitasava Chand (upto January 31, 2022)	4	4	Absent

(iii) Shares held by Non-Executive Directors

Sr. No	Name of the Directors	No. of equity shares held as on March 31, 2022
1	Mrs. Bhagyashree Khandwala	1,33,980
2	Mr. Subramanian Murlidhardas	Nil
3	Mr. Homiar N. Vakil	Nil
4	Mr. Pratik Khandwala	7,96,555
5	Mr. Shyam M. Seshadri	Nil

(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 2021-22. 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 30, 2022.

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. As on 31st March, 2022, 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. Subramanian Murlidhardas	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 2021-22, 5 (five) meetings of the Committee were held on 8th June 2021, 29th June 2021, 27th July 2021, 12th November 2021 and 12th February 2022. 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 2021-2022 are given below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Homiar N. Vakil	5	5
Mr. Rohitasava Chand*	4	4
Mrs. Bhagyashree Khandwala	5	5
Mr. Subramanian Murlidhardas**	1	1

* Resigned as an Independent Director from the Board w.e.f January 31, 2022 and accordingly ceased to be member.

** Appointed as Member w.e.f February 12, 2022.

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 30, 2021.

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. As on 31st March, 2022, the Nomination and Remuneration Committee comprises of following 3 (three) Directors as Members:

Sr. No	Name of Members	Designation	Category
1	Mr. Subramanian Murlidhardas	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 2021-22, 2 (two) meetings of the Committee were held on June 29, 2021 and February 12, 2022. The details of attendance of members in the Nomination and Remuneration Committee Meeting held during the financial year 2021-2022 are given below:

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

* Resigned as an Independent Director from the Board w.e.f January 31, 2022 and accordingly ceased to be member.

** Appointed as Member w.e.f February 12, 2022.

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.kslindia.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, 2022. 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, 2022, 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. Subramanian Murlidhardas	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 2021-22, 2 (two) meeting of the Committee was held on June 29, 2021 and November 12, 2021. The details of attendance of members in the

Stakeholders Relationship Committee Meeting held during the financial year 2021-2022 are given below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Rohitasava Chand*	2	-
Mr. Paresh Khandwala	2	2
Mr. Homiar N. Vakil	2	2
Mr. Subramanian Murlidhardas**	-	-

* Resigned as an Independent Director from the Board w.e.f January 31, 2022 and accordingly ceased to be member.

** Appointed as Member w.e.f February 12, 2022.

The Company Secretary of the Company is the Compliance Officer.

The details of the complaints received and resolved during the financial year 2021-2022 are as follows:-

Opening as on April 1, 2021	Nil
Received during the year	Nil
Resolved during the year	Nil
Closing as on March 31, 2022	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 woman 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 2021-22, 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, 2022 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, 2018 to December 31, 2022
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 2021-22.

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 for the year ended March 31, 2022 are as under:

Names of Directors	Sitting Fees (in Rs.)
Mr. Rohitasava Chand	15,000
Mr. Homiar N. Vakil	20,000
Mr. Pratik Khandwala	20,000
Mrs. Bhagyashree Khandwala	20,000
Mr. Shyam M. Seshadri	-
Mr. Subramanian Murlidhardas	-
Total	75,000

5. GENERAL BODY MEETINGS:

Annual General Meetings

Details of last three Annual General Meetings of the Company are given below:

Financial Year & Name of Meeting	Day, Date and Time	Venue	Special Resolutions passed
2020-21 28 th 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)	➤ 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
2019-20 27 th Annual General Meeting	Monday, November 23, 2020 at 12 noon	Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') at Vikas Building, Ground Floor, Green Street, Fort, Mumbai – 400023 (deemed venue)	➤ Re-appointment of Mr. Homiar N Vakil as an Independent Director
2018-19 26 th Annual General Meeting	Friday, August 30, 2019 at 12.30 p.m.	C.K. Nayudu Hall, Cricket Club of India (CCI), Brabourne Stadium, Churchgate, Mumbai - 400 020	➤ Re-appointment of Mr. Rohitasava Chand as an Independent Director

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.

(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. 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 2021-22, 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.

(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, 2022.

(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. 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, 2022 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

(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. 2021-22.

(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. 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 29th Annual General Meeting

The 29th 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 Wednesday, September 28, 2022 at 12.00 noon IST.

b) Financial Year of the Company

The financial year covers the period from April 1, 2021 to March 31, 2022.

c) Dates of Book Closure

September 21, 2022 to September 27, 2022 (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 2022-2023 has been paid by the Company to BSE and NSE.

f) Custodial Fees to Depositories

The Annual Custody/Issuer fee for the financial year 2022-2023 has been paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

g) Stock performance

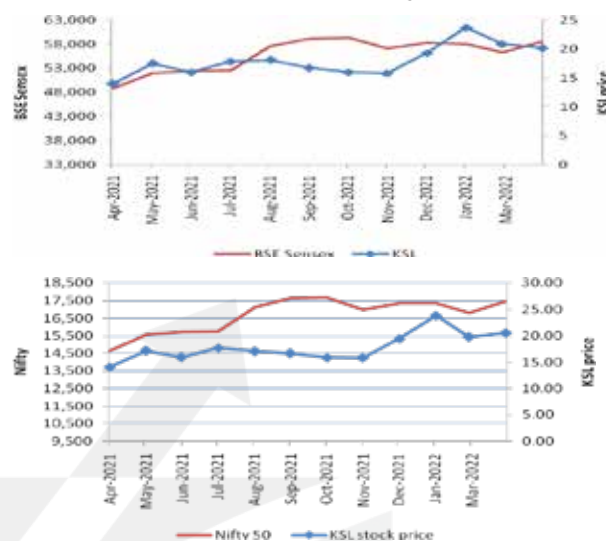
Market Price Data

Monthly High, Low and Close Price of Equity Shares of the Company during the financial year 2021-22 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 2021	16.19	12.25	14.00	15.65	12.35	14.05
May 2021	18.86	13.15	17.52	19.60	13.15	17.15
June 2021	18.70	15.50	16.00	18.65	15.35	15.95
July 2021	19.50	15.00	17.85	19.35	15.05	17.70
August 2021	20.25	16.60	18.10	20.30	16.45	17.05
September 2021	21.25	15.80	16.75	20.90	15.65	16.65
October 2021	17.80	15.20	16.00	18.05	14.45	15.85
November 2021	18.90	14.50	15.80	19.25	15.20	15.80
December 2021	21.50	14.60	19.30	22.75	15.20	19.50
January 2022	33.25	16.10	23.65	33.65	18.25	23.85
February 2022	25.00	19.50	20.85	24.75	19.25	19.80
March 2022	21.45	18.90	20.15	21.35	18.55	20.55

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, 2022

Number of Shares		Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
From	To				
1	1000	3115	92.27	480073	4.02
1001	2000	111	3.29	182505	1.53
2001	3000	35	1.04	89958	0.75
3001	4000	19	0.56	65799	0.55
4001	5000	15	0.44	70966	0.59
5001	10000	29	0.86	216438	1.81
10001	20000	14	0.41	193188	1.62
20001	Above	38	1.13	10640073	89.13
Total		3376	100.00	11939000	100.00

Shareholding Pattern as on March 31, 2022

Sr. No.	Category	No. of Shares held	% of Issued Share Capital
A	Promoter & Promoters Group	7270977	60.90
B	Mutual Funds / Banks / FIs / FPIs / Insurance Companies / FPIs	-	-
C	Bodies Corporate	1348043	11.29
D	NRI's and OCB's	576341	4.83
E	Clearing Member	1390	0.01
F	Public and Others	2742249	22.97
	Total	11939000	100.00

l) Dematerialization of Shares

As on March 31, 2022, 99.01% 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.

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

Not Applicable

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

Nil

o) Plant Location

The Company does not have any plant at any locations.

p) 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, 2022.

For Khandwala Securities Limited

Paresh Khandwala
Managing Director

Date: May 24, 2022

Place: Mumbai

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 31st March, 2022 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 to 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

Pranav Khandwala
Whole-time Director / CFO

Date: May 24, 2022

Place: Mumbai

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 31st March 2022, 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
UDIN: 22127246AJVVXC1649

Date:- May 24, 2022
Place:- Mumbai

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) 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 31st March, 2022 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. Paresch Jayantilal Khandwala	00112678	09/02/1993
2.	Mr. Pranav Paresch Khandwala	00519113	11/02/2020
3.	Mrs. Bhagyashree Pranav Khandwala	02335473	11/02/2020
4.	Mr. Subramanian Murlidhardas	00268983	12/02/2022
5.	Mr. Homiar Nariman Vakil	05210178	19/09/2015
6.	Mr. Pratik Paresch Khandwala	00519147	14/08/2020
7.	Mr. Shyam Muralidhardas Seshadri	05242397	12/02/2022

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

For Bhuvnesh Bansal & Associates

Bhuvnesh Bansal
Proprietor
FCS No. – 6526
CP No. – 9089

Place: Mumbai
Date: 24th May, 2022

UDIN: F006526D000372243
Peer Review Certificate No.: 1708/2022

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, 2022, 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, 2022, 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 240 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	There has been an increase in brokerage Income as compared to the brokerage Income of last year.	We have observed that in the last quarter of the Financial year, the volume of transactions has increased at a decent rate thereby resulting in a good amount of brokerage Income. This is the consequence of strategic changes made by the management of the company. We have verified the trades happened from the summary generated from the company's software (SOHAM) and found the same to be in order.

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 if 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 2016 ("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

UDIN:22127246AJMBWJ7937

Place: Mumbai

Date: May 24th 2022

“Annexure-A” to the Independent Auditors’ Report – 31st March 2022

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 31st March, 2022 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 31st March, 2022, 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
 Registration No. 130521W

Aniket Kulkarni

Proprietor

Membership No.127246

UDIN:22127246AJMBWJ7937

Place: Mumbai

Date: May 24th 2022

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 **31st March 2022**).

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 2022 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 31st March 2022, 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
 Registration No. 130521W

Aniket Kulkarni
 Proprietor

Membership No. 127246

UDIN:22127246AJMBWJ7937

Place: Mumbai
Date: -May 24th 2022

BALANCE SHEET AS AT MARCH 31, 2022
(Rupees In Thousand)

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021
A ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2	51,025.19	53,382.09
(b) Intangible assets		935.99	1,138.61
(c) Financial Assets			
(i) Investments	3	39,276.11	43,449.98
(ii) Loans	4	1,57,474.87	1,47,066.87
(iii) Others	5	21,668.64	21,668.64
(d) Deferred tax assets (net)		2,684.80	2,115.42
(e) Other non-current assets	6	14,501.18	14,549.26
		2,87,566.79	2,83,370.88
(2) Current Assets			
(a) Financial Assets			
(i) Investments	7	588.56	664.10
(ii) Trade receivables	8	47,010.19	68,360.49
(iii) Cash and cash equivalents	9	145.68	494.21
(iv) Bank balances other than (iii) above	10	89,598.03	63,047.20
(v) Loans	11	53,199.72	2,432.09
(vi) Other current assets	12	822.34	1,469.82
		1,91,364.53	1,36,467.91
Total Assets		4,78,931.32	4,19,838.80
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	13	1,19,390.00	1,19,390.00
(b) Other Equity	14	87,884.15	86,358.76
Total Equity		2,07,274.15	2,05,748.76
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	64,629.25	69,404.40
(b) Provisions	16	1,907.34	1,826.42
(c) Other non-current liabilities	17	514.73	389.73
Total Non Current Liabilities		67,051.32	71,620.55
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	18	2,00,401.11	1,24,377.86
(b) Other current liabilities	19	4,204.74	18,091.62
Total Current Liabilities		2,04,605.85	1,42,469.48
Total Equity And Liabilities		4,78,931.32	4,19,838.80

See accompanying notes (1 to 46) 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

Pranav Khandwala

Whole-Time Director/ CFO

DIN: 00519113

Paresh J. Khandwala

Managing Director

DIN: 00112678

Abhishek Joshi

Company Secretary

Place : Mumbai

Date : 24th May 2022

Place : Mumbai

Date : 24th May 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rupees In Thousand)

Particulars		Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from Operations	20	60,983.56	35,962.85
II	Other Income	21	2,530.03	1,772.58
III	Total Income		63,513.59	37,735.43
IV	Expenses			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods	22	117.96	91.73
	Stock-in -Trade and work-in-progress		-	-
	Employee benefits expense	23	32,860.45	25,032.23
	Finance costs	24	7,109.22	7,398.53
	Depreciation and amortization expense		2,856.16	2,775.43
	Other expenses	25	19,934.04	19,405.24
	Total Expenses		62,877.83	54,703.16
V	Profit/(Loss) before Tax and prior period items		635.76	(16,967.73)
VI	Exceptional Items		-	-
VII	Profit/(Loss) before Extraordinary items and tax (V - VI)		635.76	(16,967.73)
VIII	Extraordinary items		-	-
IX	Profit/(Loss) before Tax (VII - VIII)		635.76	(16,967.73)
X	Tax Expense			
	(1) Current Tax		-	-
	(2) MAT Tax		-	-
	(3) Deferred Tax (Credited)/ Charged		(569.38)	(467.89)
XI	Profit / (Loss) for the period from Continuing Operations		1,205.13	(16,499.84)
XII	Profit / (Loss) from Discontinuing Operations		-	-
XIII	Tax Expense of Discontinuing Operations		-	-
XIV	Profit / (Loss) from Discontinuing Operations (after tax) (XII -XIII)		-	-
XV	Profit (Loss) for the period (XI +XIV)		1,205.13	(16,499.84)
XVI	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		320.25	14.23
	(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	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		1,525.38	(16,485.61)
XVIII	Earnings Per Share of - Basic (Rs.)			
	- Basic (Rs.)		0.10	(1.38)
	- Diluted (Rs.)		0.10	(1.38)

See accompanying notes (1 to 46) 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 : 24th May 2022

Place : Mumbai
Date : 24th May 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022
(Rupees In Thousand)

Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
A. Cash flow from operational activities				
Net (Loss)/Profit before tax adjusted for prior period items and excess provisions for tax written back		635.76		(16,967.73)
Adjustments for:				
Depreciation	2,856.16		2,775.43	
Interest Income	(1,263.22)		(1,549.15)	
Finance Cost	7,109.22		7,398.53	
Unrealised Gains On Mark to Market of F&O Stock	36.17		297.18	
Provision for Diminution in Investments/ Stock	117.96		91.73	
Other Comprehensive Expenses	320.25		14.23	
Interest on Income Tax Refund	-		(27.62)	
Provision for MAT	-		(261.40)	
Sundry Debit Balance written off	21.77		195.39	
Sundry Credit Balance Written Back	-		(104.84)	
Dividend Income	(124.59)		(173.68)	
		9,073.73		8,655.80
		9,709.48		(8,311.93)
Operating profit before working capital changes				
Adjustments for:				
Inventories	(73.10)		(517.26)	
Trade Receivables & Other Receivables	(38,933.99)		(32,816.23)	
Current Liabilities & Provision	62,342.29	23,335.19	39,564.28	6,230.80
Cash generated from operations		33,044.67		(2,081.13)
Direct taxes Refunded / (paid)				
Net cash (used in) / generated from operating activities		33,044.67		(2,081.13)
B. Cash flow from investing activities				
Sale / (Purchase) of fixed assets (Net)	(296.65)		(1,299.75)	
Sale/ (Purchase) of Investments (Net of purchase)	4,173.87		1,533.21	
Interest received	1,045.68		1,359.22	
Dividend received	119.09		164.03	
Net cash (used in) / generated from investing activities		5,041.99		1,756.72
C. Cash flow from financing activities				
(Repayment)/Proceeds from long term borrowings(Net)	(4,775.15)		7,011.35	
(Repayment)/Proceeds from Preference shares	-		(15,000.00)	
(Repayment)/Proceeds from short term borrowings(Net)	-		-	
Interest and other Finance charges	(7,109.22)		(7,398.53)	
Net cash (used in) / generated from financing activities		(11,884.36)		(15,387.18)
Net increase/(decrease) in cash and cash equivalents		26,202.31		(15,711.60)
Cash and Cash equivalents (opening balance)	63,541.41		79,253.00	
Cash and Cash equivalents (closing balance)	89,743.71		63,541.41	
		26,202.31		(15,711.60)

See accompanying notes (1 to 46) 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 : 24th May 2022

Place : Mumbai

Date : 24th May 2022

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)
Tangible Fixed Assets :	
Building	60
Office equipment's	5
Computers	3
Furniture and fixtures	10
Vehicles	8
Plant and Machinery	15
Intangible Fixed Assets :	
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-21	Additions during the period	Deductions during the period	As At 31-Mar-22	As At 01-Apr-21	For the period	On deletion for the year	Dep. Prov. on deletions	As At 31st March 22	As At 31st March 22	As At 31st March 21
Property, Plant and Equipment											
Office Buildings *	81,905.67	-	-	81,905.67	31,226.32	1,464.82	-	-	32,691.14	49,214.53	50,679.35
Computers	1,928.45	117.20	-	2,045.66	1,564.15	219.59	-	-	1,783.74	261.92	364.31
Office Equipments	2,146.37	104.44	-	2,250.81	1,495.93	212.63	-	-	1,708.55	542.26	650.44
Furniture and Fixtures	513.23	-	-	513.23	486.79	6.20	-	-	492.98	20.24	26.44
Vehicles	4,978.78	-	631.25	4,347.53	3,527.90	588.47	45.00	586.25	3,485.12	862.41	1,450.88
Plant & Machinery (Computer)	1,109.58	-	-	1,109.58	898.90	86.84	-	-	985.75	123.83	210.67
	92,582.09	221.65	631.25	92,172.48	39,199.99	2,578.55	45.00	586.25	41,147.29	51,025.19	53,382.09
INTANGIBLE ASSETS											
Computer Software	1,805.22	75.00	-	1,880.22	666.61	277.62	-	-	944.22	935.99	1,138.61
Total	94,387.30	296.65	631.25	94,052.70	39,866.60	2856.16	45.00	586.25	42,091.51	51,961.19	54,520.71
Previous Year	93,087.55	1,299.75	-	94,387.30	37,091.16	2,775.43	-	-	39,866.60	54,520.71	

(Rupees In Thousand)

Particulars	Face Value	As at March 31 2022		As at March 31 2021	
		Number	Amount	Number	Amount
NOTE 3 - INVESTMENTS					
NON CURRENT INVESTMENTS					
Investments measured at Cost					
Quoted, fully paid up					
Creative Casting Ltd	10	797	302.17	11,806	4,476.04
Vodafone Idea Ltd	10	3,00,000	5,218.94	3,00,000	5,218.94
			5,521.11		9,694.98
In Equity Shares of Associate Companies					
Unquoted, fully paid up					
Trumonee Financial Limited	10	33,75,000	33,750.00	33,75,000	33,750.00
In Equity Shares					
Unquoted, fully paid up					
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
			21,363.20		21,363.20
			60,634.31		64,808.18
Less : Provision for diminution			21,358.20		21,358.20
TOTAL			39,276.11		43,449.98

Notes of Financial Statements

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE - 4 LOANS		
Deposits with Exchanges & Other	1,04,474.87	94,066.87
Deposit with Companies	53,000.00	53,000.00
TOTAL	1,57,474.87	1,47,066.87

NOTES FORMING PART OF FINANCIAL STATEMENTS
(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE - 5 OTHERS		
Share Application	21,668.64	21,668.64
TOTAL	21,668.64	21,668.64
NOTE - 6 OTHER NON - CURRENT ASSETS		
Advance Payment of Tax	4,001.18	3,349.26
In Fixed Deposit Accounts	10,500.00	11,200.00
TOTAL	14,501.18	14,549.26
NOTE 7 - CURRENT INVESTMENT		
Investment In Equity		
Equity Shares -(Refer Appendix 7-A)	588.56	664.10
TOTAL	588.56	664.10

Appendix 7-A
(Rupees In Thousand)

NAME OF THE SCRIP	As at March 31, 2022		As at March 31, 2021	
	Number	Rs.	Number	Rs.
Equity Shares :				
Creative Casting Ltd	203	0.03	203	0.03
Deccan Granite Ltd	20,300	37.56	20,300	37.56
Future Consumer Enterprise Ltd	2,000	9.10	2,000	12.00
G R Magnets Ltd	7,100	-	7,100	-
ICSA (India) Ltd	3,000	0.60	3,000	0.60
India Bulls Housing Finance	-	-	2,000	393.00
LIC MF Liquid Plus Fund	15,801	171.03	15,680	165.54
Majesco Ltd	-	-	200	13.19
Saraswat Co-Op Bank	2,550	25.50	2,550	25.50
Setech Electronics Ltd	2,70,000	0.00	2,70,000	0.00
Sharp Industries Ltd	2,210	10.48	2,210	10.48
Steel Authority Of India	4,900	328.06	-	-
UTI Top 100 Funds	1,000	6.21	1,000	6.21
		588.56		664.10

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 8 - Trade Receivables		
Undisputed. Considered Good, Unsecured (Less than 180 Days)		
Considered Doubtful	14,892.86	36,635.47
Less :- Provision for Doubtful Debtors	-	-
	14,892.86	36,635.47
Undisputed, Considered Good, Unsecured (More than 180 Days)		
Considered Doubtful	32,117.34	31,725.02
Less :- Provision for Doubtful Debtors	-	-
	32,117.34	31,725.02
TOTAL	47,010.19	68,360.49

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 9 - Cash and cash equivalents		
Cash on hand	145.68	494.21
TOTAL	145.68	494.21
NOTE 10 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance with Scheduled Banks:		
In Current Accounts	76,348.03	50,497.20
In Fixed Deposit Accounts (Less than One Year)	13,250.00	12,550.00
TOTAL	89,598.03	63,047.20
NOTE 11 - LOANS (Unsecured and Considered Good)		
Employees	1,592.91	440.80
Prepaid Expenses	1,978.71	1,917.54
Advance to Sundry Creditors	181.88	73.75
Exchange Obligation -Receivable	49,446.23	-
TOTAL	53,199.72	2,432.09
NOTE 12 - OTHER CURRENTS ASSETS		
Interest Accrued on Fixed Deposit	187.53	225.17
Advance for Expenses	188.11	300.28
Other Receivable Account	20.00	-
Balance with GST Authorities	426.70	944.37
TOTAL	822.34	1,469.82

(Rupees In Thousand)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos	Amount	Nos	Amount
NOTE 13 - SHARE CAPITAL				
Authorised				
14,000,000 (P.Y. 14,000,000) Equity Shares of Rs. 10/- each	1,40,00,000	1,40,000	1,40,00,000	1,40,000
500,000 (P.Y. 500,000) Cumulative Redeemable Preference Shares of Rs. 100/- each	5,00,000	50,000	5,00,000	50,000
400,000 (P.Y.400,000) Cumulative Convertible Preference Shares of Rs. 100/- each	4,00,000	40,000	4,00,000	40,000
2,00,000 (P.Y. 2,00,000) Optionally Convertible Redeemable Preference Shares of Rs. 100/- each	2,00,000	20,000	2,00,000	20,000
TOTAL	1,51,00,000	2,50,000	1,51,00,000	2,50,000
Issued, Subscribed and Paid-up				
Equity Share Capital				
1,19,39,000 (P. Y. 1,19,39,000) Shares of Rs. 10/- each fully paid-up	1,19,39,000	1,19,390	1,19,39,000	1,19,390
TOTAL	1,19,39,000	1,19,390	1,19,39,000	1,19,390
Reconciliation Of Shares				
Equity shares with voting rights				
Balance as at the beginning of the year	1,19,39,000	1,19,390	1,19,39,000	1,19,390
Add: Issue of fresh shares during the year	-	-	-	-
Balance as at the end of the year	1,19,39,000	1,19,390	1,19,39,000	1,19,390

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

Name of Equity Share Holder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Percentage Shareholding	Number of Shares	Percentage Shareholding
Jayantilal Khandwala & Sons Pvt. Ltd.	17,33,321	14.52%	17,33,321	14.52%
Bentley Investments Pvt Ltd	14,40,968	12.07%	14,40,968	12.07%
Daxa Paresh Khandwala	13,02,058	10.91%	13,02,007	10.91%
Sarthak Consultants LLP	9,43,000	7.90%	9,43,000	7.90%
Pratik Paresh Khandwala	7,96,555	6.67%	7,96,555	6.67%
Pranav Paresh Khandwala	7,08,617	5.94%	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, 2022		As at March 31, 2021		% Change in Share holding during the year
	Nos	%	Nos	%	
Paresh Jayantilal Khandwala (HUF)	2,65,103	2.22%	2,65,103	2.22%	0.00%
Pratik Paresh Khandwala	7,96,555	6.67%	7,96,555	6.67%	0.00%
Tulsi Paresh Khandwala	3,03,958	2.55%	3,03,958	2.55%	0.00%
Pranav Paresh Khandwala	7,08,617	5.94%	7,08,617	5.94%	0.00%
Mayank Ashok Khandwala	14,453	0.12%	14,453	0.12%	0.00%
Jatin Ashok Khandwala	16,953	0.14%	16,953	0.14%	0.00%
Leena Mayank Khandwala	54,740	0.46%	54,740	0.46%	0.00%
Daxa Paresh Khandwala	13,02,058	10.91%	13,02,007	10.90%	0.01%
Ramila Ashok Khandwala	160	0.00%	160	0.00%	0.00%
Sonal Jatin Khandwala	126	0.00%	126	0.00%	0.00%
Paresh Jayantilal Khandwala	2,02,157	1.69%	1,86,864	1.57%	0.12%
Bhagyashree Pranav Khandwala	1,33,980	1.12%	1,33,980	1.12%	0.00%
Ashok Jayantilal Khandwala	1,967	0.02%	1,967	0.02%	0.00%
Bentley Investments Pvt Ltd	14,40,968	12.07%	14,40,968	12.07%	0.00%
Jayantilal Khandwala & Sons Pvt. Ltd.	17,33,321	14.52%	17,33,321	14.52%	0.00%
Piggero Investments Private Limited	2,94,986	2.47%	2,94,986	2.47%	0.00%
Khandwala Commodity And Derivatives Pvt. Ltd.	875	0.00%	875	0.00%	0.00%

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 14 - Other Equity		
Securities Premium Account	48,273.00	48,273.00
Capital Redemption Reserve	34,000.00	34,000.00
Profit & Loss Account		
As per last Balance Sheet	4,085.76	20,832.77
Add: Transferred from Profit & Loss Account	1,525.38	(16,485.61)
Less:- Provision for MAT F.Y.2018-2019	-	(261.40)
TOTAL	5,611.15	4,085.76
	87,884.15	86,358.76

NOTES FORMING PART OF FINANCIAL STATEMENTS

Statement of Changes in Equity for the period ended 31.03.2022

A. Equity Share Capital

(Rupees in Thousand)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
1,19,390.00	-	1,19,390.00

B. Other Equity

(Rupees in Thousand)

	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	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings								
Balance at the beginning of the reporting period	-	-	-	34,000.00	48,273.00	-	4,085.76	-	-	-	-	-	-	-	86,358.76
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	1,525.38	-	-	-	-	-	-	-	1,525.38
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	-	34,000.00	48,273.00	-	5,611.15	-	-	-	-	-	-	-	87,884.15

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 15 - BORROWINGS		
Secured		
Canara Bank Overdraft Account	59,790.66	59,929.20
Vehicle Loan (Secured by hypothecation of vehicle)	379.55	979.37
(Terms of payment 84 Months EMI Rs.56,045/- P.M. Interest Rate @10.25%)		
	60,170.21	60,908.56
Unsecured		
Yukti Securities Ltd.	1,259.04	1,259.04
Evasion Gems	-	6,036.80
Khandwala Commodity and Derivatives Pvt Ltd	2,000.00	-
Paresh J. Khandwala	1,200.00	1,200.00
	4,459.04	8,495.83
TOTAL	64,629.25	69,404.40
NOTE 16 - PROVISIONS		
Provision for Taxation (FBT)	564.50	564.50
Provision for Gratuity	980.86	899.94
Provision for Leave Encashment	11.98	11.98
Provision MAT Tax	350.00	350.00
TOTAL	1,907.34	1,826.42
NOTE 17 - OTHER NON CURRENTS LIABILITIES		
Security Deposits	514.73	389.73
TOTAL	514.73	389.73

NOTES FORMING PART OF FINANCIAL STATEMENTS
(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 18 - TRADE PAYABLE		
Dues of Creditors Other Than Micro & Small Enterprises		
Undisputed, Considered Good, Unsecured (Less than 180 Days)	1,93,472.51	1,18,011.64
Considered Doubtful	-	-
Less :- Provision for Doubtful Debtors	-	-
	1,93,472.51	1,18,011.64
Dues of Creditors Other Than Micro & Small Enterprises		
Undisputed, Considered Good, Unsecured (More than 180 Days)	6,928.60	6,366.22
Considered Doubtful	-	-
Less :- Provision for Doubtful Debtors	-	-
	6,928.60	6,366.22
Total Trade Payables	2,00,401.11	1,24,377.86

1. 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.
2. 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"

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 19 - OTHER CURRENTS LIABILITIES		
Payable to Employees	2,343.80	2,122.81
Statutory Dues	1,742.09	1,385.18
Other Expenses Liabilities	118.85	264.80
NSE Obligation- Payable	-	14,318.83
TOTAL	4,204.74	18,091.62

(Rupees In Thousand)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE 20 - REVENUE FROM OPERATIONS		
Sale of Services		
Brokerage	44,857.63	29,226.74
Corporate Advisory Services	14,805.78	100.00
Income from Capital Market Operations	1,320.15	6,636.11
TOTAL	60,983.56	35,962.85
NOTE 21 - OTHER INCOME		
Interest on Fixed deposits with Banks	1,263.22	1,549.15
[Tax deducted at source Rs.-1,26,324/-]		
(Previous year Rs. 1,16,503/-)		
Dividend :- On stock in trade	124.59	173.68
Interest on Income Tax Refund	-	27.62
Unrealised Gains/(Loss) On Mark to Market of F&O Stock	(36.17)	(297.18)
Other Income	1,178.39	319.32
TOTAL	2,530.03	1,772.58

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rupees In Thousand)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS		
Loss on Stock Valuation	117.96	91.73
TOTAL	117.96	91.73
NOTE 23 - EMPLOYEE BENEFITS EXPENSE		
Salaries and Bonus	26,901.92	20,227.37
Managing Director's Remuneration	3,693.79	3,693.79
Contribution to Provident and other Funds	702.62	661.76
Staff Welfare Expenses	1,160.95	183.44
Gratuity	401.17	265.88
TOTAL	32,860.45	25,032.23

(Rupees In Thousand)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE - 24 FINANCE COST		
Interest Expense	6,736.14	6,879.49
Bank Guarantee Commission and Other Charges	373.07	519.03
TOTAL	7,109.22	7,398.53
NOTE 25 - OTHER EXPENSES		
Financial Advisory charges	102.79	20.23
Computer Expenses	1,172.99	444.84
Demat charges	198.78	227.54
Rates and Taxes	975.31	3,007.09
Consultancy Charges	12.75	57.34
Commission Brokerage	6,764.07	6,671.12
Insurance	471.00	392.99
Internet Expenses	135.00	138.00
Advertisement Expenses	114.51	103.08
Business Promotion Expenses	321.51	163.33
Legal & Professional Fees	2,978.12	1,611.15
Telephone/Postage and Courier Charges	407.16	412.05
Electricity Charges	508.46	438.23
Registration Fees	1,116.93	1,047.62
Repairs and Maintenance	2,160.70	2,262.01
Security Charges	163.17	163.16
Printing and Stationery	264.22	312.17
Subscription Expenses	365.76	257.83
Travelling and Conveyance	841.07	757.79
Auditor's Remuneration		
For Statutory Audit	225.00	225.00
For Certification	25.00	25.00
Directors sitting fees	75.00	90.00
Donation	33.10	24.00
Miscellaneous Expenses	284.82	255.83
Sundry Balance Written off	21.77	195.39
Loss on Market Operation	195.04	102.46
TOTAL	19,934.04	19,405.24

NOTES FORMING PART OF FINANCIAL STATEMENTS
26. Financial Ratios :

The ratios for the years ended 31st March 2022 and 31st March 2021 are as follows :

Particulars	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	Variance
Current Ratio	Current Assets	Current Liabilities	0.94	0.96	0.02
Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.31	0.34	0.03
Debt Service Coverage Ratio	* Earnings Available for Debt Service	Debt Service	0.16	(0.10)	(0.26)
Return on Equity	Net Profit after taxes	Average Shareholder's Equity	0.01	(0.08)	(0.09)
Trade Receivables Turnovers Ratio	Trade Receivable	Turnover	0.77	1.90	1.13
Trade Payables Turnovers Ratio	Trade Payable	Turnover	3.29	3.46	0.17
Net Capital Turnover Ratio	Share Capital	Turnover	1.96	3.32	1.36
Net Profit Ratio	Net Profit before Tax	Revenue	0.01	(0.47)	(0.48)
Return on Capital Employed	Earning before Interest and Taxes	# Capital Employed	0.04	(0.05)	(0.08)

* 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 240 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, 2022. 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. Further, the Company has 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. At present, the matter has been initiated for hearing before the Hon'ble Small Cause Court, Mumbai.

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 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. During the year under review, M/s. Sarthak Consultants LLP filed a petition under sec. 241 and 242 of the Companies Act, 2013 alleging oppression and mismanagement against the Company and its Directors before the Hon'ble National Company Law Tribunal, Mumbai Bench at Mumbai (NCLT). The Company had appointed a legal representative/advocate in this matter and filed its reply to the NCLT. At present, the said matter is pending for hearing before the Hon'ble NCLT.
34. There is a Mark to Market Loss of Rs.36,169/- as on 31st March 2022 on account of Unrealized Loss on Future Contract as per Ind AS-39.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(Rs. In Thousand)

Particulars	Accumulated As at 31 st March 2021	Charge/ Credit during the year	As at 31 st March 2022
Deferred tax asset:			
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
Deferred tax liability:			
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates	(39,358.86)	569.38	(38,789.48)
Expenses carried forward as per books but claimed for tax purposes as incurred	(121.87)	-	(121.87)
Net Deferred tax Assets/ (Liability)	2,115.42	569.38	2,684.80

36. 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 st March 2022	Year Ended 31 st March 2021
1	Segment Revenue-external		
a)	Investment / Stock Operations	1,320.15	6636.11
b)	Fee-based Operations	59,663.41	29,327.74
c)	Other Unallocated Revenue	2,530.03	1,772.58
	Total revenue	63,514.59	37,735.43
2	Segment Result		
a)	Investment / Stock Operations	(588.53)	5862.86
b)	Fee-based Operations	19,495.66	(2788.83)

Sr. No.	Particulars	Year Ended 31 st March 2022	Year Ended 31 st March 2021
	Total	18,907.13	3,074.04
	Less: Interest	7,109.22	7,398.53
	Unallocated Expenses less unallocated income	(11,162.16)	(12,643.24)
	Net (Loss) / Profit before Tax & prior Period Items	635.76	(16,967.73)
	Provision for tax (including deferred tax)	(569.38)	(467.89)
	Net (Loss)/Profit after tax for the year	1,205.13	(16,499.84)
	Other Comprehensive Income	320.25	14.23
	Total Comprehensive Income	1,525.38	(16,485.61)
	Other Items		
3	Segment Assets		
a)	Investment / Stock Operations	39,868.67	44,118.07
b)	Fee-based Operations	2,42,869.90	2,29,588.74
c)	Unallocated Corporate Assets	1,46,326.71	1,46,055.44
		4,29,065.27	4,19,762.26
4	Segment Liabilities		
a)	Investment / Stock Operations	1.25	1.39
b)	Fee-based Operations	1,46,744.74	1,33,982.69
c)	Unallocated Corporate Liabilities	10,415.89	10,625.01
		1,57,161.88	1,44,609.09
5	Depreciation	2,856.16	2,775.43
6	Non cash items other than depreciation		
a)	Investment / Stock operations	117.96	91.73
b)	Fee based operations	-	-

37. 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, 2022	Year ended March 31, 2021
Basic		
Numerator used for calculating basic earnings per share – Profit after taxation	1,205.13	(16,499.84)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Less: Dividend on Cumulative Preference share dividend (including dividend tax thereon)	-	-
Profit / (Loss) attributable to equity shareholders	1,205.13	(16,499.84)
Weighted average number of shares used as Denominator for calculating basic earnings per share	1,19,390.00	1,19,390.00
Nominal value per equity share (Rs.)	10.00	10.00
Basic earnings per share – (Rs.)	0.10	(1.38)
Diluted		
Numerator used for calculating Diluted earning per Share-Profit/(Loss) after taxation	1,205.13	(16,499.84)
Weighted Average Number of Shares used as Denominator for calculating Diluted Earning per Share	1,19,390.00	1,19,390.00
Diluted earnings per Share-(Rs.)	0.10	(1.38)

38. 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. Piggiero 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
7. Mr. Subramanian Murlidhardas - 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 31st March 2022.
(Rs. In Thousand)

Transaction	2021-22	2020-21
Brokerage received	161.53	24.59
Remuneration Paid	3,693.79	3,693.79
Outstanding Balance		
Loans and Advance	3,200.00	1,200.00
Sundry Debtors	116.69	20.39
Sundry Creditors	1,129.01	78.63
Investment Associate Companies	33,750.00	33,750.00

39. As per information and explanation received there are no dues payable to Small Scale Industrial Undertakings as at March 31, 2022.

40. Transaction in foreign currency: (In Thousand)

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

Foreign Currency Income – Rs. 11,400.00, Previous year Rs. Nil .

41. 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. Nil.
- (iii) The above dues have arisen in the normal course of business.

42. 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.

43. Managerial Remuneration:

- (i) Remuneration to Managing Director (In Thousand)
Salary and Other : Rs. 3,693.79
Allowances (P.Y. Rs. 3,693.79)
- (ii) Sitting fees to other Directors : Rs. 75.00 (P.Y. Rs. 90.00)

44. 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	4,276.31	3,867.79
Interest Cost	293.36	265.72
Current Service Cost	3,39.44	219.63

NOTES FORMING PART OF FINANCIAL STATEMENTS

Change in Benefit Obligation:	Current Period	Previous Period
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Settlement	-	-
Liability Transfer in	-	-
Liability Transfer out	-	-
(Benefit Paid from the Fund)	(22.13)	(27.47)
Actuarial (Gain) / Loss on Obligations-Due to change in Demographic Assumptions	(1.39)	88.15
Actuarial (Gain) / Loss on Obligations-Due to change in Financial Assumptions	(26.58)	2.17
Actuarial (Gain) / Loss on Obligations-Due to Experience	(270.58)	(139.68)
Present Value of Benefit Obligation at the End of the Period	4,588.42	4,276.31

Fair value of Plan Assets:	Current Period	Previous Period
Fair Value of Plan Assets at the Beginning of the Period	3,376.37	3,194.59
Interest Income	231.62	219.47
Contributions by the Employer	-	24.91
Expected Contribution by the employees	-	-
Expected Contributions by the Employees	-	-
(Benefit Paid from the Fund)	(22.13)	(27.47)
Return on Plan Assets, Excluding Interest Income	21.70	(35.13)
Fair Value of Plan Assets at the End of the Period	3,607.56	3,376.37

Amount Recognized in the Balance Sheet:	Current Period	Previous Period
(Present Value of Benefit Obligation at the end of the Period)	(4,588.42)	(4,276.31)
Fair Value of Plan Assets at the End of the Period	3,607.56	3,376.37
Funded Status (Surplus/ (Deficit))	(980.86)	(899.94)
Net (Liability) /Asset Recognized in the Balance Sheet	(980.86)	(899.94)

Net Interest Cost for Current Period	Current Period	Previous Period
Present Value of Benefit Obligation at the Beginning of the Period	4,276.31	3,867.79
(Fair Value of Plan Assets at the Beginning of the Period)	(3,376.37)	(3,194.59)
Net (Liability) /Asset at the Beginning	899.94	673.20
Interest Cost	293.36	265.72
(Interest Income)	(231.62)	(219.47)
Net Interest Cost for Current Period	61.74	46.25

Expenses Recognized in the Income Statement:	Current Period	Previous Period
Current Service Cost	339.44	219.63
Net Interest Cost	61.74	46.25
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/ Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expense Recognized	401.17	265.88

Balance Sheet Reconciliation	Current Period	Previous Period
Opening Net Liability	899.94	673.20
Expense Recognized in Statement of Profit or Loss	401.17	265.88
Expense Recognized in OCI	(320.25)	(14.23)
Net Liability/ (Asset) Transfer in	-	-
Net Liability/ (Asset) Transfer out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	(24.91)
Net Liability / (Asset) Recognized in Balance Sheet	980.86	899.94

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	3,607.56	3,376.37
Other	-	-
Total	3,607.56	3,376.37

NOTES FORMING PART OF FINANCIAL STATEMENTS

Expenses Recognized in the Other Comprehensive Income OCI for Current Period	Current Period	Previous Period
Actuarial (Gains)/ Losses on Obligation for the Period	(298.55)	(49.36)
Return on Plan Assets, Excluding Interest Income	(21.70)	35.13
Change in Asset Ceiling	-	-
Net (Income)/ Expense for the Period Recognized in OCI	(320.25)	(14.23)

Assumptions	Current Period	Previous Period
Expected Return on Plan Assets	6.98%	6.86%
Rate of Discounting	6.98%	6.86%
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	30	39
Per Month Salary For Active Member	618.65	938.89
Weighted Average Duration of the Projected Benefit Obligation	6	6
Average Expected Future Service	10	11
Projected Benefit Obligation	4,588.42	4,276.31
Prescribed Contribution for next year (12 Months)	618.65	938.89

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.

45. 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 31st March 2022 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.

46. The figures for the previous period have been regrouped, rearranged or reclassified wherever necessary to conform to the current period's presentation.

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 : 24th May 2022

Place : Mumbai
Date : 24th May 2022

INDEPENDENT AUDITOR'S REPORT

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, 2022, 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, 2022, 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 228 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.*

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	There has been an increase in brokerage Income as compared to the brokerage Income of last year.	We have observed that in the last quarter of the Financial year, the volume of transactions has increased at a decent rate thereby resulting in a good amount of brokerage Income. This is the consequence of strategic changes made by the management of the company. We have verified the trades happened from the summary generated from the company's software (SOHAM) and found the same to be in order.

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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 24th 2022
UDIN: 22127246AJMCHK1336

ANNEXURE-A" TO THE INDEPENDENT AUDITORS' REPORT – 31ST MARCH 2022**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 31st March, 2022 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 31st March, 2022, 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**

Registration No. 130521W

Aniket Kulkarni

(Proprietor)
Membership No.127246

Place: Mumbai

Date: May 24th 2022

UDIN: 22127246AJMCHK1336

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 **31st March 2022**).

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 2022 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 31st March 2022, 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(xxii) 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**

Registration No. 130521W

Aniket Kulkarni

(Proprietor)

Membership No.127246

Place: Mumbai**Date: May 24th 2022****UDIN: 22127246AJMCHK1336**

CONSOLIDATED BALANCE SHEET AS AT MARCH 2022
(Rupees In Thousand)

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021
A ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2	51,025.19	53,382.09
(b) Intangible assets		935.99	1,138.61
(c) Goodwill on Consolidation		25,976.62	25,976.62
(d) Financial Assets			
(i) Investments	3	5,526.11	9,699.98
(ii) Loans	4	1,57,581.25	1,47,153.71
(iii) Others	5	21,668.64	21,668.64
(e) Deferred tax assets (net)		2,684.80	2,115.42
(f) Other non-current assets	6	14,501.18	14,549.26
		2,79,899.78	2,75,684.34
(2) Current Assets			
(a) Financial Assets			
(i) Investments	7	595.63	670.93
(ii) Trade receivables	8	47,052.74	68,403.04
(iii) Cash and cash equivalents	9	232.87	581.40
(iv) Bank balances other than (iii) above	10	89,604.20	63,072.80
(v) Loans	11	53,199.72	2,461.23
(vi) Other current assets	12	2,094.74	2,742.22
		1,92,779.89	1,37,931.62
Total Assets		4,72,679.67	4,13,615.96
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	13	1,19,390.00	1,19,390.00
(b) Other Equity	14	81,627.77	80,117.89
Total Equity		2,01,017.77	1,99,507.89
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	64,629.25	69,404.40
(b) Provisions	16	1,907.34	1,826.42
(c) Other non-current liabilities	17	514.73	389.73
Total Non Current Liabilities		67,051.32	71,620.55
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	18	2,00,405.84	1,24,395.90
(b) Other current liabilities	19	4,204.74	18,091.62
Total Current Liabilities		2,04,610.58	1,42,487.52
Total Equity And Liabilities		4,72,679.67	4,13,615.96

See accompanying notes (1 to 48) 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

Pranav Khandwala

Whole-Time Director/ CFO

DIN: 00519113

Paresh J. Khandwala

Managing Director

DIN: 00112678

Abhishek Joshi

Company Secretary

Place : Mumbai

Date : 24th May 2022

Place : Mumbai

Date : 24th May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rupees In Thousand)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from Operations	20	60,983.56	35,962.85
II Other Income	21	2,530.26	1,772.98
III Total Income		63,513.82	37,735.83
IV Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods	22	117.96	91.73
Stock-in -Trade and work-in-progress		-	-
Employee benefits expense	23	32,860.45	25,032.23
Finance costs	24	7,109.31	7,398.56
Depreciation and amortization expense		2,856.16	2,775.43
Other expenses	25	19,949.68	19,418.54
Total Expenses		62,893.56	54,716.49
V Profit/(Loss) before Tax and prior period items		620.25	(16,980.66)
VI Exceptional Items			
VII Profit/(Loss) before Extraordinary items and tax (V - VI)		620.25	(16,980.66)
VIII Extraordinary items			
IX Profit/(Loss) before Tax (VII - VIII)		620.25	(16,980.66)
X Tax Expense			
(1) Current Tax			
(2) MAT Tax			
(3) Deferred Tax (Credited)/ Charged		(569.38)	(467.89)
XI Profit / (Loss) for the period from Continuing Operations		1,189.63	(16,512.77)
XII Profit / (Loss) from Discontinuing Operations			
XIII Tax Expense of Discontinuing Operations			
XIV Profit / (Loss) from Discontinuing Operations (after tax) (XII -XIII)			
XV Profit (Loss) for the period (XI +XIV)		1,189.63	(16,512.77)
XVI Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		320.25	14.23
(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 Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		1,509.88	(16,498.55)
XVIII Earnings Per Share of - Basic (Rs.)			
- Basic (Rs.)		0.10	(1.38)
- Diluted (Rs.)		0.10	(1.38)

See accompanying notes (1 to 48) 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 : 24th May 2022

Place : Mumbai

Date : 24th May 2022

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022
(Rupees In Thousand)

Particulars	For the Year ended March 31, 2022		For the Year ended March 31, 2021	
A. Cash flow from operational activities				
Net (Loss)/Profit before tax adjusted for prior period items and excess provisions for tax written back		620.25		(16,980.66)
Adjustments for:				
Depreciation	2,856.16		2,775.43	
Interest Income	(1,263.22)		(1,549.15)	
Finance Cost	7,109.31		7,398.56	
Unrealised Gains On Mark to Market of F&O Stock	36.17		297.18	
Provision for Dimunition in Investments/ Stock	117.96		91.73	
Other Comprehensive Expenses	320.25		14.23	
Interest on Income Tax Refund	-		(27.62)	
Provision for MAT	-		(261.40)	
Sundry Debit Balance written off	21.77		195.39	
Sundry Credit Balance Written Back	-		(104.84)	
Dividend Income	(124.82)		(174.08)	
		9,073.59		8,655.43
Operating profit before working capital changes		9,693.84		(8,325.23)
Adjustments for:				
Inventories	(73.33)		(517.66)	
Trade Receivables & Other Receivables	(38,924.39)		(32,797.61)	
Current Liabilities & Provision	62,328.98	23,331.26	39,577.59	6,262.32
Cash generated from operations		33,025.11		(2,062.92)
Direct taxes Refunded / (paid)		-		-
Net cash (used in) / generated from operating activities		33,025.11		(2,062.92)
B. Cash flow from investing activities				
Sale / (Purchase) of fixed assets (Net)	(296.65)		(1,299.75)	
Sale/ (Purchase) of Investments (Net of purchase)	4,173.87		1,533.21	
Interest received	1,045.68		1,359.22	
Dividend received	119.32		164.43	
Net cash (used in) / generated from investing activities		5,042.22		1,757.11
C. Cash flow from financing activities				
(Repayment)/Proceeds from long term borrowings(Net)	(4,775.15)		7,011.35	
(Repayment)/Proceeds from Preference shares	-		(15,000.00)	
(Repayment)/Proceeds from short term borrowings(Net)	-		-	
Interest and other Finance charges	(7,109.31)		(7,398.56)	
Net cash (used in) / generated from financing activities		(11,884.45)		(15,387.21)
Net increase/(decrease) in cash and cash equivalents		26,182.88		(15,693.01)
Cash and Cash equivalents (opening balance)	63,654.20		79,347.21	
Cash and Cash equivalents (closing balance)	89,837.08		63,654.20	
		26,182.88		(15,693.01)

See accompanying notes (1 to 48) 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 : 24th May 2022

Place : Mumbai

 Date : 24th May 2022

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:

- Certain financial assets and liabilities (including derivative instruments),
- Defined benefit plans - plan assets and
- 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)
Tangible Fixed Assets :	
Building	60
Office equipment's	5
Computers	3
Furniture and fixtures	10
Vehicles	8
Plant and Machinery	15
Intangible Fixed Assets :	
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 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**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-21	Additions during the period	Deductions during the period	As At 31-Mar-22	As At 01-Apr-21	For the period	On deletion for the year	Dep. Prov. on deletions	As At 31st March 22	As At 31st March 22	As At 31st March 21
Property, Plant and Equipment											
Office Buildings *	81,905.67	-	-	81,905.67	31,226.32	1,464.82	-	-	32,691.14	49,214.53	50,679.35
Computers	1,928.45	117.20	-	2,045.66	1,564.15	219.59	-	-	1,783.74	261.92	364.31
Office Equipments	2,146.37	104.44	-	2,250.81	1,495.93	212.63	-	-	1,708.55	542.26	650.44
Furniture and Fixtures	513.23	-	-	513.23	486.79	6.20	-	-	492.98	20.24	26.44
Vehicles	4,978.78	-	631.25	4,347.53	3,527.90	588.47	45.00	586.25	3,485.12	862.41	1,450.88
Plant & Machinery (Computer)	1,109.58	-	-	1,109.58	898.90	86.84	-	-	985.75	123.83	210.67
	92,582.09	221.65	631.25	92,172.48	39,199.99	2,578.55	45.00	586.25	41,147.29	51,025.19	53,382.09
INTANGIBLE ASSETS											
Computer Software	1,805.22	75.00	-	1,880.22	666.61	277.62	-	-	944.22	935.99	1,138.61
Total	94,387.30	296.65	631.25	94,052.70	39,866.60	2856.16	45.00	586.25	42,091.51	51,961.19	54,520.71
Previous Year	93,087.55	1,299.75	-	94,387.30	37,091.16	2,775.43	-	-	39,866.60	54,520.71	

(Rupees In Thousand)

Particulars	Face Value	As at March 31, 2022		As at March 31, 2021	
		Number	Amount	Number	Amount
NOTE 3 - INVESTMENTS					
NON CURRENT INVESTMENTS					
Investments measured at Cost					
Quoted, fully paid up					
Creative Casting Ltd	10	797	302.17	11,806	4,476.04
Vodafone Idea Ltd	10	3,00,000	5,218.94	3,00,000	5,218.94
			5,521.11		9,694.98
In Equity Shares					
Unquoted, fully paid up					
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
			21,363.20		21,363.20
			26,884.31		31,058.18
Less : Provision for diminution			21,358.20		21,358.20
TOTAL			5,526.11		9,699.98

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

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE - 4 LOANS		
Deposits with Exchanges & other	1,04,581.25	94,153.71
Deposit with Companies	53,000.00	53,000.00
TOTAL	1,57,581.25	1,47,153.71
NOTE - 5 OTHERS		
Share Application	21,668.64	21,668.64
TOTAL	21,668.64	21,668.64
NOTE - 6 OTHER NON - CURRENT ASSETS		
Advance Payment of Tax	4,001.18	3,349.26
In Fixed Deposit Accounts	10,500.00	11,200.00
TOTAL	14,501.18	14,549.26
NOTE 7 - CURRENT INVESTMENT		
Investment In Equity		
Equity Shares -(Refer Appendix 7-A)	595.63	670.93
TOTAL	595.63	670.93

Appendix 7-A
(Rupees In Thousand)

NAME OF THE SCRIP	As at March 31, 2022		As at March 31, 2021	
	Number	Rs.	Number	Rs.
Equity Shares :				
Creative Casting Ltd	203	0.03	203	0.03
Deccan Granite Ltd	20,300	37.56	20,300	37.56
Future Consumer Enterprise Ltd	2,000	9.10	2,000	12.00
G R Magnets Ltd	7,100	-	7,100	-
ICSA (India) Ltd	3,000	0.60	3,000	0.60
India Bulls Housing Finance	-	-	2,000	393.00
LIC MF Liquid Plus Fund	15,801	178.10	15,680	172.37
Majesco Ltd	-	-	200	13.19
Saraswat Co-Op Bank	2,550	25.50	2,550	25.50
Setech Electronics Ltd	2,70,000	0.00	2,70,000	0.00
Sharp Industries Ltd	2,210	10.48	2,210	10.48
Steel Authority Of India	-	328.06	-	-
UTI Top 100 Funds	1,000	6.21	1,000	6.21
		595.63		670.93

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 8 - Trade Receivables		
(Unsecured & Considered Good)		
Undisputed, Considered Good, Unsecured (Less than 180 Days)		
Considered Doubtful	14,892.86	36,635.47
Less :- Provision for Doubtful Debtors	-	-
	14,892.86	36,635.47
Undisputed, Considered Good, Unsecured (More than 180 Days)		
Considered Doubtful	32,159.88	31,767.56
Less :- Provision for Doubtful Debtors	-	-
	32,159.88	31,767.56
TOTAL	47,052.74	68,403.04
NOTE 9 - Cash and cash equivalents		
Cash on hand	232.87	581.40
TOTAL	232.87	581.40
NOTE 10 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance with Scheduled Banks:		
In Current Accounts	76,354.20	50,522.80
In Fixed Deposit Accounts (Less than One Year)	13,250.00	12,550.00
TOTAL	89,604.20	63,072.80
NOTE 11 - LOANS		
(Unsecured and Considered Good)		
Employees	1,592.91	440.80
Prepaid Expenses	1,978.71	1,917.54
Advance to Sundry Creditors	181.88	102.89
Exchange Obligation -Receivable	49,446.23	-
TOTAL	53,199.72	2,461.23
NOTE 12 - OTHER CURRENTS ASSETS		
Interest Accrued on Fixed Deposit	187.53	225.17
Advance for Expenses	188.11	300.28
Other Receivable Account	20.00	-
Balance with GST Authorities	1,699.10	2,216.77
TOTAL	2,094.74	2,742.22

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos	Amount	Nos	Amount
NOTE 13 - SHARE CAPITAL				
Authorised				
14,000,000 (P.Y. 14,000,000) Equity Shares of Rs. 10/- each	1,40,00,000	1,40,000.00	1,40,00,000	1,40,000.00
500,000 (P.Y. 500,000) Cumulative Redeemable Preference Shares of Rs. 100/- each	5,00,000	50,000.00	5,00,000	50,000.00
400,000 (P.Y. 400,000) 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
TOTAL	1,51,00,000	2,50,000.00	1,51,00,000	2,50,000.00
Issued, Subscribed and Paid-up				
Equity Share Capital				
1,19,39,000 (P. Y. 1,19,39,000) Shares of Rs. 10/- each fully paid-up	1,19,39,000	1,19,390.00	1,19,39,000	1,19,390.00
TOTAL	1,19,39,000	1,19,390.00	1,19,39,000	1,19,390.00
Reconciliation Of Shares				
Equity shares with voting rights				
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	-	-	-	-
Balance as at the end of the year	1,19,39,000	1,19,390.00	1,19,39,000	1,19,390.00

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.	17,33,321	14.52%	17,33,321	14.52%
Bentley Investments Pvt Ltd	14,40,968	12.07%	14,40,968	12.07%
Daxa Paresh Khandwala	13,02,058	10.91%	13,02,007	10.91%
Sarthak Consultants LLP	9,43,000	7.90%	9,43,000	7.90%
Pratik Paresh Khandwala	7,96,555	6.67%	7,96,555	6.67%
Pranav Paresh Khandwala	7,08,617	5.94%	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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2022		As at March 31, 2021		% Change in Share holding during the year
	Nos	%	Nos	%	
Paresh Jayantilal Khandwala (HUF)	2,65,103	2.22%	2,65,103	2.22%	0.00%
Pratik Paresh Khandwala	7,96,555	6.67%	7,96,555	6.67%	0.00%
Tulsi Paresh Khandwala	3,03,958	2.55%	3,03,958	2.55%	0.00%
Pranav Paresh Khandwala	7,08,617	5.94%	7,08,617	5.94%	0.00%
Mayank Ashok Khandwala	14,453	0.12%	14,453	0.12%	0.00%
Jatin Ashok Khandwala	16,953	0.14%	16,953	0.14%	0.00%
Leena Mayank Khandwala	54,740	0.46%	54,740	0.46%	0.00%
Daxa Paresh Khandwala	13,02,058	10.91%	13,02,007	10.90%	0.01%
Ramila Ashok Khandwala	160	0.00%	160	0.00%	0.00%
Sonal Jatin Khandwala	126	0.00%	126	0.00%	0.00%
Paresh Jayantilal Khandwala	2,02,157	1.69%	1,86,864	1.57%	0.12%
Bhagyashree Pranav Khandwala	1,33,980	1.12%	1,33,980	1.12%	0.00%
Ashok Jayantilal Khandwala	1,967	0.02%	1,967	0.02%	0.00%
Bentley Investments Pvt Ltd	14,40,968	12.07%	14,40,968	12.07%	0.00%
Jayantilal Khandwala & Sons Pvt. Ltd.	17,33,321	14.52%	17,33,321	14.52%	0.00%
Piggero Investments Private Limited	2,94,986	2.47%	2,94,986	2.47%	0.00%
Khandwala Commodity And Derivatives Pvt. Ltd.	875	0.00%	875	0.00%	0.00%

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 14 - Other Equity		
Securities Premium Account	48,273.00	48,273.00
Capital Redemption Reserve	34,000.00	34,000.00
Profit & Loss Account		
As per last Balance Sheet	(2,155.11)	14,604.84
Add: Transferred from Profit & Loss Account	1,509.88	(16,498.55)
Less:- Provision for MAT F.Y.2018-2019	-	(261.40)
TOTAL	81,627.77	80,117.89

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
Statement of Changes in Equity for the period ended 31.03.2022
A. Equity Share Capital
(Rupees In Thousand)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
1,19,390.00	-	1,19,390.00

B. Other Equity
(Rupees In Thousand)

	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	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings								
Balance at the beginning of the reporting period	-	-	-	34,000.00	48,273.00	-	(2,155.11)	-	-	-	-	-	-	-	80,117.89
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	1,509.88	-	-	-	-	-	-	-	1,509.88
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	-	34,000.00	48,273.00	-	(645.23)	-	-	-	-	-	-	-	81,627.77

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 15 - BORROWINGS		
Secured		
Canara Bank Overdraft Account	59,790.66	59,929.20
Vehicle Loan (Secured by hypothecation of vehicle)	379.55	979.37
(Terms of payment 84 Months EMI Rs.56,045/- P.M. Interest Rate @10.25%)		
	60,170.21	60,908.56
Unsecured		
Yukti Securities Ltd.	1,259.04	1,259.04
Evasion Gems	-	6,036.80
Khandwala Commodity and Derivatives Pvt Ltd	2,000.00	-
Paresh J. Khandwala	1,200.00	1,200.00
	4,459.04	8,495.83
TOTAL	64,629.25	69,404.40

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 16 - PROVISIONS		
Provision for Taxation (FBT)	564.50	564.50
Provision for Gratuity	980.86	899.94
Provision for Leave Encashment	11.98	11.98
Provision MAT Tax	350.00	350.00
TOTAL	1,907.34	1,826.42
NOTE 17 - OTHER NON CURRENTS LIABILITIES		
Security Deposits	514.73	389.73
TOTAL	514.73	389.73

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 18 - TRADE PAYABLE		
Dues of Creditors Other Than Micro & Small Enterprises		
Undisputed, Considered Good, Unsecured (Less than 180 Days)		
Considered Doubtful	1,93,477.24	1,18,029.68
Less :- Provision for Doubtful Debtors	-	-
	1,93,477.24	1,18,029.68
Dues of Creditors Other Than Micro & Small Enterprises		
Undisputed, Considered Good, Unsecured (More than 180 Days)		
Considered Doubtful	6,928.60	6,366.22
Less :- Provision for Doubtful Debtors	-	-
	6,928.60	6,366.22
Total Trade Payables	2,00,405.84	1,24,395.90

- 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"

(Rupees In Thousand)

Particulars	As At March 31, 2022	As At March 31, 2021
NOTE 19 - OTHER CURRENTS LIABILITIES		
Payable to Employees	2,343.80	2,122.81
Statutory Dues	1,742.09	1,385.18
Other Expenses Liabilities	118.85	264.80
NSE Obligation- Payable	-	14,318.83
TOTAL	4,204.74	18,091.62

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE 20 - REVENUE FROM OPERATIONS		
Sale of Services		
Brokerage	44,857.63	29,226.74
Corporate Advisory Services	14,805.78	100.00
Income from Capital Market Operations	1,320.15	6,636.11
TOTAL	60,983.56	35,962.85
NOTE 21 - OTHER INCOME		
Interest on Fixed deposits with Banks	1,263.22	1,549.15
<i>[Tax deducted at source Rs. 1,26,324/-]</i>		
<i>(Previous year Rs. 1,16,503/-)</i>		
Dividend :- On stock in trade	124.82	174.08
Lease Rentals	-	-
Interest on Income Tax Refund	-	27.62
Unrealised Gains/(Loss) On Mark to Market of F&O Stock	(36.17)	(297.18)
Other Income	1,178.39	319.32
TOTAL	2,530.26	1,772.98
NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS		
Loss on Stock Valuation	117.96	91.73
TOTAL	117.96	91.73
NOTE 23 - EMPLOYEE BENEFITS EXPENSE		
Salaries and Bonus	26,901.92	20,227.37
Managing Director's Remuneration	3,693.79	3,693.79
Contribution to Provident and other Funds	702.62	661.76
Staff Welfare Expenses	1,160.95	183.44
Gratuity	401.17	265.88
TOTAL	32,860.45	25,032.23

(Rupees In Thousand)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE - 24 FINANCE COST		
Interest Expense	6,736.14	6,879.49
Bank Guarantee Commission and Other Charges	373.16	519.06
TOTAL	7,109.31	7,398.56

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rupees In Thousand)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
NOTE 25 - OTHER EXPENSES		
Financial Advisory charges	102.79	20.23
Computer Expenses	1,172.99	444.84
Demat charges	198.78	227.54
Rates and Taxes	985.30	3,008.46
Consultancy Charges	12.75	57.34
Commission Brokerage	6,764.07	6,671.12
Insurance	471.00	392.99
Internet Expenses	135.00	138.00
Advertisement Expenses	114.51	103.08
Business Promotion Expenses	321.51	163.33
Legal & Professional Fees	2,981.60	1,615.49
Telephone/Postage and Courier Charges	407.16	412.05
Electricity Charges	508.46	438.23
Registration Fees	1,116.93	1,047.62
Repairs and Maintenance	2,160.70	2,267.44
Security Charges	163.17	163.16
Printing and Stationery	264.22	312.17
Subscription Expenses	365.76	257.83
Travelling and Conveyance	841.07	757.79
Auditor's Remuneration		
For Statutory Audit	227.17	227.17
For Certification	25.00	25.00
Directors sitting fees	75.00	90.00
Donation	33.10	24.00
Miscellaneous Expenses	284.82	255.83
Sundry Balance Written off	21.77	195.39
Loss on Market Operation	195.04	102.46
TOTAL	19,949.68	19,418.54

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, 2022 is as under:

Sr. No	Name of Associate Enterprises	As at March 31, 2022	
		No of shares	% of Holding
1	Trumonee Financial Limited	33,75,000	43.41

27. Principles used in preparing Consolidated Financial Statements:

- 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.
- Intra-group transactions are eliminated in preparation of consolidated financial statements.
- 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.
- 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.
- In case of Associate Enterprises, the financial statements as on 31st March, 2022 have been consolidated as per Ind AS111 "Accounting for Investments in Associates in Consolidated Financial Statements".
- Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

28. Financial Ratios :

The ratios for the years ended 31st March 2022 and 31st March 2021 are as follows :

Particulars	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	Variance
Current Ratio	Current Assets	Current Liabilities	0.94	0.97	0.03
Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.32	0.35	0.03
Debt Service Coverage Ratio	* Earnings Available for Debt Service	Debt Service	0.16	(0.10)	(0.26)

Particulars	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	Variance
Return on Equity	Net Profit after taxes	Average Shareholder's Equity	0.01	(0.08)	(0.09)
Trade Receivables Turnovers Ratio	Trade Receivable	Turnover	0.77	1.90	1.13
Trade Payables Turnovers Ratio	Trade Payable	Turnover	3.29	3.46	0.17
Net Capital Turnover Ratio	Share Capital	Turnover	1.96	3.32	1.36
Net Profit Ratio	Net Profit before Tax	Revenue	0.01	(0.47)	(0.48)
Return on Capital Employed	Earning before Interest and Taxes	# Capital Employed	0.04	(0.05)	(0.09)

* Net profit after taxes + Non-cash operating expenses + Interest

Tangible Net Worth + Deferred Tax Liabilities + Lease Liabilities

- 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.
- The Share Application Money for an amount of Rs. 216.69 Lakhs (Previous Year Rs. 216.69 Lakhs) is outstanding for a period of 240 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.
- 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, 2022. 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.
- 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. Further, the Company has filed the execution application in the Small Cause Court during the period April 2022 in Mumbai for recovering the pending rental

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

income/license fee amount from SRML. At present, the matter has been initiated for hearing before the Hon'ble Small Cause Court, Mumbai.

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/EPD/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. During the year under review, M/s. Sarthak Consultants LLP filed a petition under sec. 241 and 242 of the Companies Act, 2013 alleging oppression and mismanagement against the Company and its Directors before the Hon'ble National Company Law Tribunal, Mumbai Bench at Mumbai (NCLT). The Company had appointed a legal representative/advocate in this matter and filed its reply to the NCLT. At present, the said matter is pending for hearing before the Hon'ble NCLT.

36. There is a Mark to Market Loss of Rs.36,169/- as on 31st March 2022 on account of Unrealized Loss on Future Contract as per Ind AS-39.

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

(Rs. In Thousand)

Particulars	Accumulated As at 31 st March 2021	Charge/ Credit during the year	As at 31 st March 2022
Deferred tax asset:			
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
Deferred tax liability:			
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates	(39,358.86)	569.38	(38,789.48)
Expenses carried forward as per books but claimed for tax purposes as incurred	(121.87)	-	(121.87)
Net Deferred tax Assets/ (Liability)	2,115.42	569.38	2,684.80

38. 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 st March 2022	Year Ended 31 st March 2021
1	Segment Revenue-external		
a)	Investment / Stock Operations	1,320.15	6636.11
b)	Fee-based Operations	59,663.41	29,326.74
c)	Other Unallocated Revenue	2,530.26	1,772.98
	Total revenue	63,513.82	37,735.83
2	Segment Result		
a)	Investment / Stock Operations	(588.53)	5862.86
b)	Fee-based Operations	19,495.66	(2788.83)
	Total	18,907.13	3,074.04

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sr . No.	Particulars	Year Ended 31 st March 2022	Year Ended 31 st March 2021
	Less: Interest	7,109.31	7,398.56
	Unallocated Expenses less unallocated income	(11,177.57)	(12,656.14)
	Net (Loss) / Profit before Tax & prior Period Items	620.25	(16,980.66)
	Provision for tax (including deferred tax)	(569.38)	(467.89)
	Net (Loss)/Profit after tax for the year	1,189.63	(16,512.77)
	Other Comprehensive Income	320.25	14.23
	Total Comprehensive Income	1,509.88	(16,498.55)
	Other Items		
3	Segment Assets		
a)	Investment / Stock Operations	6125.73	10,374.91
b)	Fee-based Operations	2,42,869.90	2,30,890.28
c)	Unallocated Corporate Assets	1,73,818.00	1,72,274.24
		4,22,813.63	4,13,539.42
4	Segment Liabilities		
a)	Investment / Stock Operations	1.25	1.39
b)	Fee-based Operations	1,46,744.74	1,33,982.69
c)	Unallocated Corporate Liabilities	10,420.62	10,643.05
		1,57,166.61	1,44,627.13
5	Depreciation	2,856.16	2,775.43
6	Non cash items other than depreciation		
a)	Investment / Stock operations	117.96	91.73
b)	Fee based operations	-	-

39. 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, 2022	Year ended March 31, 2021
Basic		
Numerator used for calculating basic earnings per share – Profit after taxation	1,189.63	(16,512.77)
Less: Dividend on Cumulative Preference share dividend (including dividend tax thereon)	-	-
Profit / (Loss) attributable to equity shareholders	1,189.63	(16,512.77)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Weighted average number of shares used as Denominator for calculating basic earnings per share	1,19,390.00	1,19,390.00
Nominal value per equity share (Rs.)	10.00	10.00
Basic earnings per share – (Rs.)	0.10	(1.38)
Diluted		
Numerator used for calculating Diluted Earnings per Share-Profit / (Loss) after taxation	1,189.63	(16,512.77)
Weighted Average Number of Shares used as Denominator for calculating Diluted earning per Share	1,19,390.00	1,19,390.00
Diluted earning per Share- (Rs.)	0.10	(1.38)

40. 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. Pares 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

7. Mr. Subramanian Murlidhardas - 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 31st March 2022.

[Rs. in Thousand]

Transaction	2021-22	2020-21
Brokerage received	161.53	24.59
Remuneration Paid	3,693.79	3,693.79
Outstanding Balance		
Loans and Advance	3,200.00	1,200.00
Sundry Debtors	116.69	20.39
Sundry Creditors	1,129.01	78.63
Investment Associate Companies	33,750.00	33,750.00

41. As per information and explanation received there are no dues payable to Small Scale Industrial Undertakings as at March 31, 2022.
42. Transaction in foreign currency: (In Thousand)
Foreign Travel Expenses – Rs. Nil, Previous year Rs. Nil .
Foreign Currency Income – Rs. 11,400.00, Previous year Rs. Nil .
43. Debtors include:
Due from a firm in which a director is interested as partner - Rs. Nil (Previous year Nil)
Due from relatives and Enterprises controlled by the relatives of the Key Management Personnel– Rs. Nil .
The above dues have arisen in the normal course of business.
44. 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.
45. Managerial Remuneration:
(i) Remuneration to Managing Director (In Thousand)
Salary and Other : Rs. 3,693.79 (P.Y. Rs. 3,693.79)
Allowances
(ii) Sitting fees to other Directors : Rs. 75.00 (P.Y. Rs. 90.00)
46. 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	4,276.31	3,867.79
Interest Cost	293.36	265.72
Current Service Cost	3,39.44	219.63
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-

Change in Benefit Obligation:	Current Period	Previous Period
Settlement	-	-
Liability Transfer in	-	-
Liability Transfer out	-	-
(Benefit Paid from the Fund)	(22.13)	(27.47)
Actuarial (Gain) / Loss on Obligations-Due to change in Demographic Assumptions	(1.39)	88.15
Actuarial (Gain) / Loss on Obligations-Due to change in Financial Assumptions	(26.58)	2.17
Actuarial (Gain) / Loss on Obligations-Due to Experience	(270.58)	(139.68)
Present Value of Benefit Obligation at the End of the Period	4,588.42	4,276.31

Fair value of Plan Assets:	Current Period	Previous Period
Fair Value of Plan Assets at the Beginning of the Period	3,376.37	3,194.59
Interest Income	231.62	219.47
Contributions by the Employer	-	24.91
Expected Contribution by the employees	-	-
Expected Contributions by the Employees	-	-
(Benefit Paid from the Fund)	(22.13)	(27.47)
Return on Plan Assets, Excluding Interest Income	21.70	(35.13)
Fair Value of Plan Assets at the End of the Period	3,607.56	3,376.37

Amount Recognized in the Balance Sheet:	Current Period	Previous Period
(Present Value of Benefit Obligation at the end of the Period)	(4,588.42)	(4,276.31)
Fair Value of Plan Assets at the End of the Period	3,607.56	3,376.37
Funded Status (Surplus/ (Deficit))	(980.86)	(899.94)
Net (Liability) /Asset Recognized in the Balance Sheet	(980.86)	(899.94)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Net Interest Cost for Current Period	Current Period	Previous Period
Present Value of Benefit Obligation at the Beginning of the Period	4,276.31	3,867.79
(Fair Value of Plan Assets at the Beginning of the Period)	(3,376.37)	(3,194.59)
Net (Liability) /Asset at the Beginning	899.94	673.20
Interest Cost	293.36	265.72
(Interest Income)	(231.62)	(219.47)
Net Interest Cost for Current Period	61.74	46.25

Expenses Recognized in the Income Statement:	Current Period	Previous Period
Current Service Cost	339.44	219.63
Net Interest Cost	61.74	46.25
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/ Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expense Recognized	401.17	265.88

Balance Sheet Reconciliation	Current Period	Previous Period
Opening Net Liability	899.94	673.20
Expense Recognized in Statement of Profit or Loss	401.17	265.88
Expense Recognized in OCI	(320.25)	(14.23)
Net Liability/ (Asset) Transfer in	-	-
Net Liability/ (Asset) Transfer out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	-	(24.91)
Net Liability/(Asset) Recognized in Balance Sheet	980.86	899.94

Category of Assets	Current Period	Previous Period
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debts Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalent	-	-
Insurance Fund	3,6,07.56	3,376.37
Other	-	-
Total	3,607.56	3,376.37

Expenses Recognized in the Other Comprehensive Income OCI for Current Period	Current Period	Previous Period
Actuarial (Gains)/ Losses on Obligation for the Period	(298.55)	(49.36)
Return on Plan Assets, Excluding Interest Income	(21.70)	35.13
Change in Asset Ceiling	-	-
Net (Income)/ Expense for the Period Recongnized in OCI	(320.25)	(14.23)

Assumptions	Current Period	Previous Period
Expected Return on Plan Assets	6.98%	6.86%
Rate of Discounting	6.98%	6.86%
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	30	39
Per Month Salary For Active Member	618.65	938.89
Weighted Average Duration of the Projected Benefit Obligation	6	6
Average Expected Future Service	10	11
Projected Benefit Obligation	4,588.42	4,276.31
Prescribed Contribution for next year (12 Months)	618.65	938.89

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

47. 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 31st March 2022 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.

48. The figures for the previous period have been regrouped, rearranged or reclassified wherever necessary to conform to the current period's presentation.

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

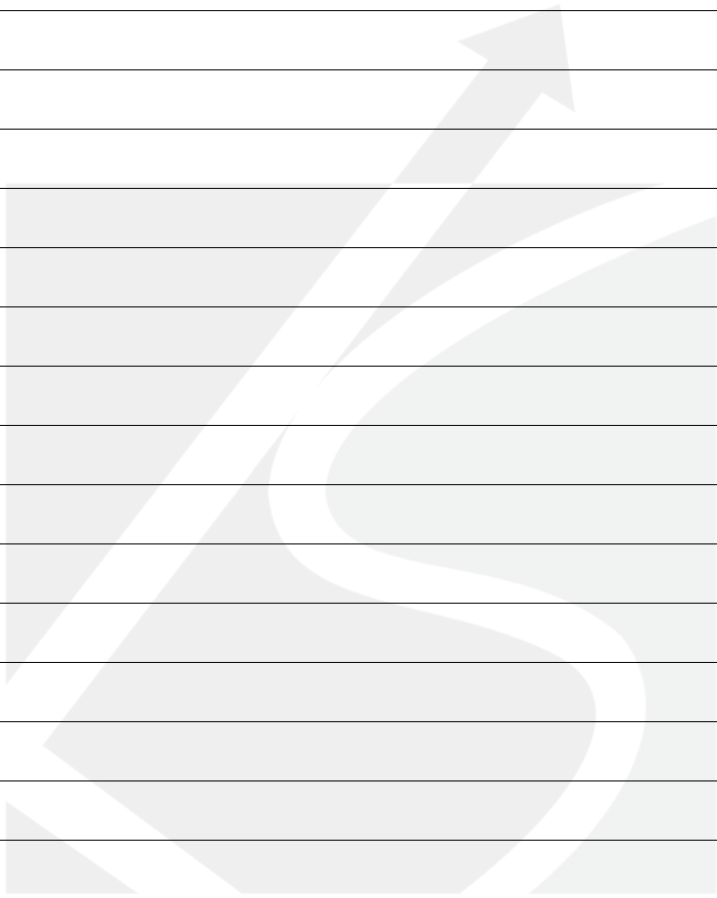
Place : Mumbai

Date : 24th May 2022

Place : Mumbai

Date : 24th May 2022

NOTES



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KHANDWALA SECURITIES LIMITED

Ground Floor, Vikas Building,
Green Street, Fort,
Mumbai - 400 023