

Date:- September 7, 2021

BSE Limited

Department of Corporate Affairs
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Limited

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

BSE Scrip Code:- 531892

NSE Symbol:- KHANDSE

Dear Sir,

Sub: Annual Report of the Company for the Financial Year 2020-21 along with Notice of the Twenty Eight Annual General Meeting

Pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith the copy of the Annual Report for the FY2020-21 along with Notice of AGM scheduled on **Thursday, September 30, 2021** at 12 noon through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

Further, the aforesaid Annual Report along with Notice of AGM has also been uploaded on the website of the Company at www.kslindia.com.

Kindly update the same in your records.

Thanking you.

For Khandwala Securities Limited



Abhishek Joshi
Company Secretary



28TH ANNUAL REPORT

2020-21



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. Rohitasava Chand
Mr. Homiar N. Vakil

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

CONTENTS	PAGE NO.
Performance Highlights	2
Notice	3
Director's Report	11
Management Discussion and Analysis	31
Corporate Governance Report	40
Standalone Financial Statement	52
Consolidated Financial Statements	75

Dear Shareholders,

As I write to you, life and lifestyles across the world are undergoing a radical change. The coronavirus pandemic hasn't ended yet; these are difficult times and we must prepare to embrace the radical changes in our lives and the way we work.

The impact of COVID-19 pandemic on both the global and domestic economies has been unprecedented and largely disruptive. The overall business environment remained muted with demand slackening in almost all sectors. Financial markets also went through extreme volatility owing to stringent lockdowns. However, the second half of the year saw a quicker and remarkable recovery due to unlocking of restrictions, pick-up in economic activity, favorable government reforms, and mass disbursement of vaccines to halt the spread of the virus. Financial markets soared to all-time highs, reflecting improvement in investor sentiment. As the pandemic spread, our topmost priority was to ensure the safety of our employees and facilitating uninterrupted services and support to our customers. Our technology team played a vital role in providing adequate systems to employees so that they can operate smoothly out of the safety of their homes. We provided remote working technology and protocols, used video calling and virtual meeting platforms to keep our operations running. During the lockdown, our technology platform worked successfully and facilitated in servicing our customers efficiently.

When the global economy went into recession in 2020 due to the COVID-19 impact, central banks embarked on record monetary stimuli and governments across the globe adopted a counter-cyclical fiscal policies by embarking on unprecedented fiscal spending to pull their respective economies out of the recession caused by the once-in-a-century crisis; these measures met with visible success. Growth recovered in the second half of Calendar Year 2020 and high frequency economic indicators such as global Purchasing Managers' Index (PMI) showed that the momentum in economic recovery continues.

At home too, the Indian government took series of measures to minimise the impact of the pandemic and to kick-start the economy. Measures like the stimulus package, the Atmanirbhar Bharat campaign, liberalisation of FDI rules, focused industry-specific incentives, and financial and food assistance to the needy helped to cushion the dire effects of the pandemic. Steps like support to MSMEs, permission for commercial mining, agri reforms etc. are expected to further help in achieving the broader goals of economic growth and self-reliance. Gradually, after the government eased Covid related restrictions on mobility, economic activity has started limping back and we closed the year with Q4FY2021 real GDP growth of 1.6%, which was the strongest quarter of the year. The IMF expects India to be the fastest growing economy in the world during CY2021 at 12.5% GDP growth. Structural reforms and pro-growth policies of the Government have the potential to extend the growth momentum for India beyond CY2021. The global GDP too is expected to grow by 6% in CY2021, after contracting by 3.3% in CY2020. Emerging economies are expected to grow faster at 6.7% than advanced economies at 5.1%.

The Indian equity markets had an eventful year: first, the bourses dipped into bear territory but soon reversed to a spectacular bull run, with the benchmark index NIFTY50 rallying 71% during FY2021. The rally was secular and broadbased, with small and midcaps outperforming headline indices. This was on the back of mirroring global markets as well as the expansionary FY2022 Union Budget which incorporated a countercyclical fiscal policy with focus on reviving growth. The year saw record number (up ~3x Y-o-Y) of new demat account holders entering the market. There was significant surge in trading volumes (average daily turnover almost doubled) led by historic levels of volatility arising out of the pandemic, lower interest rate regime in the market, and aided by the work-from-home environment.

Your Company has immense reserves of inherent strengths to capitalise on the opportunities. The biggest amongst these is its ability to constantly reinvent itself to remain relevant for the customer's changing and evolving needs. The Company has constantly innovated and added products, features and services to its arsenal, many of which have gone on to become industry standards.

I would like to reiterate that Khandwala Securities Limited is an over 90-year-old company but yet a young enterprise in mind-set. It works with the maturity of an established firm and agility of a start-up. As a consumer-centric organisation, while we are proud of our legacy, we do not rest on our laurels. We have kept augmenting customer trust, refreshed our talent, invested substantially in technology, maintained high level of corporate governance, and constantly endeavoured to give back to the society. We continue to invest in people, processes, and technology towards greater stakeholder value creation.

I take this opportunity to thank all of you - and our customers, partners, associates, employees, communities, and the regulators - for the continued support and trust by all in our long-term story, and solicit your continued support going forward. And finally, along with all of you, we look forward to a brighter, stronger post-covid future for our country and its people.

Pranav Khandwala
Whole-time Director & CFO

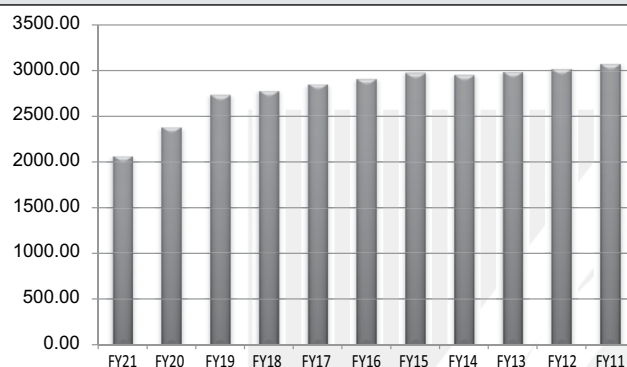
Performance Highlights

Standalone Financial Performance of Khandwala Securities Limited.

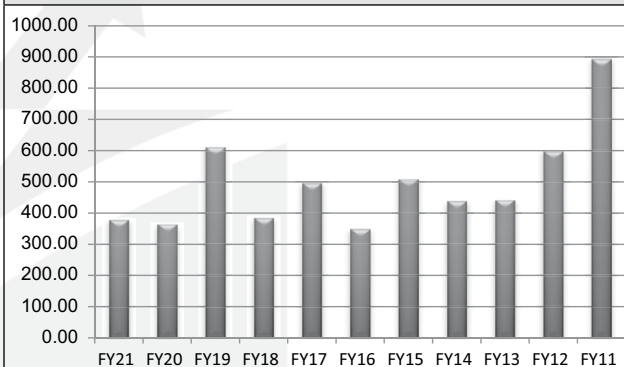
(in Rs. Lacs except per share data)

	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
Total Income	377.35	362.00	609.83	383.68	495.36	348.72	506.85	438.18	440.03	599.42	893.76
Total Expenditure	547.03	724.52	594.30	460.08	555.30	420.25	489.21	466.62	475.87	657.73	850.66
Profit Before Tax	-169.68	-362.52	15.53	-76.40	-59.94	-71.53	17.64	-28.44	-35.83	-58.31	43.11
Tax Expenses	4.68	3.82	3.58	1.30	1.02	-1.42	-7.46	-0.62	-0.83	-3.32	-0.27
Net Profit	-165.00	-358.70	19.11	-75.10	-60.95	-70.11	25.10	-27.82	-35.01	-54.99	43.37
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	2057.49	2374.96	2734.25	2772.32	2846.52	2907.48	2977.58	2952.49	2980.31	3015.31	3070.30
Diluted EPS (FV Rs. 10) (in Rs.)	-1.38	-3.00	0.16	-0.63	-0.51	-0.59	0.21	-0.23	-0.29	-0.46	0.36
BVPS (FV Rs. 10) (in Rs.)	17.23	18.64	21.65	21.55	22.17	22.68	23.26	23.05	23.29	23.58	24.04

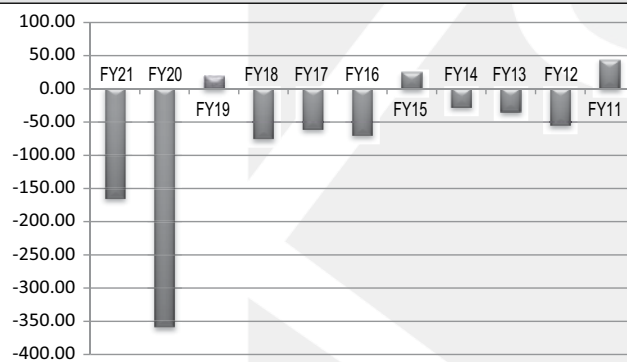
Network



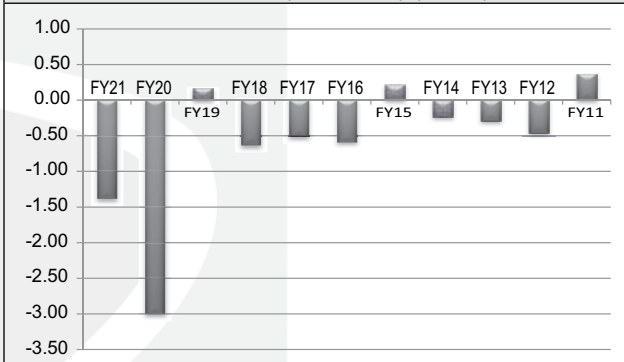
Total Income



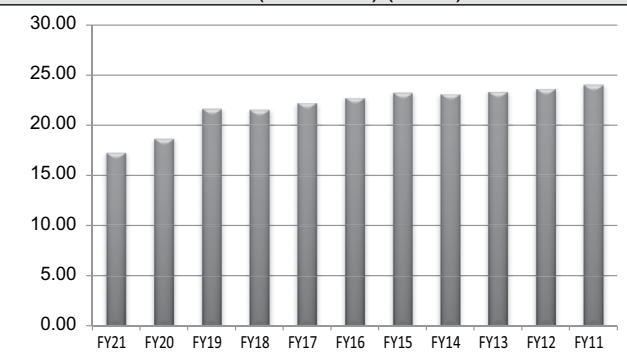
Net Profit



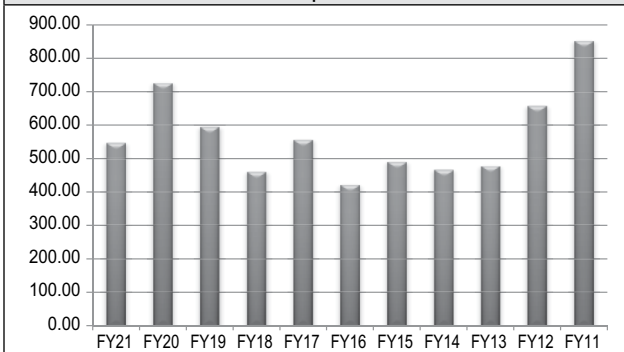
Diluted EPS (FV Rs. 10) (in Rs.)



BVPS (FV Rs. 10) (in Rs.)



Total Expenditure



NOTICE

Notice is hereby given that the Twenty Eight Annual General Meeting of the Members of **Khandwala Securities Limited** will be held on Thursday, September 30, 2021 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, 2021 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, 2021 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Pratik Khandwala (DIN: 00519147), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To approve continuation of directorship of Mr. Rohitasava Chand (DIN: 00011150), as Independent Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of the Members be and is hereby accorded to continue and hold office of Independent Director of the Company by Mr. Rohitasava Chand (DIN: 00011150) (who will attain 75 years of age on 20/10/2021) till his current tenure of appointment i.e. upto September 19, 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

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

Date : July 27, 2021
Place : Mumbai

**Paresh Khandwala
Managing Director**

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively "**MCA Circulars**") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively "**SEBI Circulars**"), have permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI circulars and applicable provisions of Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Twenty Eight AGM of the Company is being convened and conducted through VC/OAVM.
2. The deemed venue for Twenty Eight AGM shall be the Registered Office of the Company i.e. Vikas Building, Ground Floor, Green Street, Fort, Mumbai - 400023.
3. 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.
4. 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 e-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.
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the above ordinary business and special business is annexed hereto.
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. Participation at the AGM through VC/OAVM shall be allowed on a first-come-first-served basis. 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 terms of sections 101 and 136 of the Act, read with the rules made thereunder, the listed companies may send the notice of AGM and the annual report, including financial statements, boards' report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, SEBI Circular dated May 12, 2020, Notice of Twenty Eight AGM along with the Annual Report for FY 2020-21 is 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 2020-21 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.
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 23, 2021 to September 29, 2021** (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 the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 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, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
24. Members of the Company holding shares either in physical form or in electronic form as on the **cut-off date i.e. Wednesday, September 22, 2021** may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. 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. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the **cut-off date i.e. Wednesday, September 22, 2021** may obtain the User ID and Password by sending a request at evoting@nsdl.co.in
25. The Scrutinizer, M/s. Bhuvnesh Bansal & Associates, Practicing Company Secretary (Membership No. FCS 6526 & COP No. 9089) has been appointed as the Scrutinizer to scrutinize the remote e-voting/e-voting process 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, KFin Technologies Private Limited and will also be displayed on the Company's website at www.kslindia.com.
26. The Results on above resolutions shall be declared not later than 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 **MONDAY, SEPTEMBER 27, 2021 at 09:00 A.M. IST** and ends on **WEDNESDAY, SEPTEMBER 29, 2021 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 .	A. 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.

Type of shareholders	Login Method
	B. 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 C. 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	1. 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. 2. 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. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

Type of shareholders	Login Method
	4. 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

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

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

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 investor grievances@kslindia.com. The same will be replied by the company suitably.

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

Item No. 3

The Members of the Company at the Twenty Sixth Annual General Meeting held on August 30, 2019 had re-appointed Mr. Rohitasava Chand as the Independent Directors of the Company for a term of five (5) consecutive years commencing from September 20, 2019 to September 19, 2024.

Pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and justification thereof is disclosed in the explanatory statement annexed to the Notice for such appointment.

Mr. Rohitasava Chand will attain the age of 75 years on October 20, 2021 and his appointment as approved by the Members of the Company is valid up to September 19, 2024. Accordingly, to comply with the provisions of Regulations 17(1A) of the SEBI LODR Regulations, Company is seeking approval of the Members through Special Resolution.

A brief justification for his continuation as Non-executive Independent Director on the Board of the Company is as under:

Mr. Rohitasava Chand has been a serial entrepreneur who has promoted highly successful ventures in IT, ITES, Education & Financial Services domains. Mr. Rohitasava Chand has around 47 years of experience in the Indian Services Sector and is well versed with the regulatory framework in India.

After occupying senior positions in corporate India, Mr. Chand ventured out on his own in 1985 and through a series of acquisitions and mergers co-founded IIS Infotech, one of India's foremost software/education companies, of which he was the Executive Chairman. IIS was bought over by the FI

Group Plc. (now Steria) which is a European multinational and Mr. Chand exited the company. Thereafter, Mr. Chand co-founded Infinity Venture Fund and Axis-IT&T and contributed to its growth and diversification.

Mr. Chand has promoted / chaired several Educational initiatives, which are:

- ISCT (International School of Computer Technology (3 largest IT education company in India) - 160 Branches.
- Joint computer science engineering conversion program called STECH with IIT-Delhi for Engineering / Science graduates
- A joint MBA degree program with ENPC-Paris
- Vienova - K-12 education
- Aravali Institute of Management - Management Education

Mr. Chand has a Bachelor's Degree from the Indian Institute of Technology, New Delhi and an MBA from the Katz Graduate School of Business, University of Pittsburgh, USA. He is a recipient of the IIT Delhi Alumni award for "Outstanding Contribution to National Development" and has also been awarded "The Amity Global Corporate Excellence Award" and the "Hind Gaurav Award".

Considering the vast experience, expertise and valuable contribution of Mr. Rohitasava Chand, the Nomination and Remuneration Committee and the Board of Directors of the Company at their Meetings held on July 27, 2021 have recommended the continuation of Mr. Rohitasava Chand as Independent Director on the Board of the Company. Further, Mr. Rohitasava Chand is not disqualified to act as Director in terms of Section 164 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Mr. Rohitasava Chand, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice of the AGM.

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 : July 27, 2021
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	Mr. Rohitasava Chand	Mr. Pratik Khandwala
DIN	00011150	00519147
Date of Birth	21/10/1946	30/12/1980
Qualification	B.Tech - IIT, MBA	MBA (Finance), MSC (Investment Management)
Date of Appointment	23/07/2005	14/08/2020
Expertise in Functional area	He has been a serial entrepreneur who has promoted highly successful ventures in IT, ITES, Education & Financial Services domains. He has around 47 years of experience in the Indian Services Sector and is well versed with the regulatory framework in India.	He has great knowledge and experience of in financial services sector.
Remuneration last drawn (including sitting fee), if any	As mentioned in Corporate Governance Report	As mentioned in Corporate Governance Report
Directorship held in other Companies in India	• BMC International Private Limited • The British Motor Car Company (1934) Private Limited. • Trak Services Private Limited • Cades Digitech Private Limited • Madhaki Investments and Leasing Private Limited • Gyanada Software Private Limited • Vienova Education Private Limited	• Khandwala Commodity and Derivatives Private Limited • Bentley Investments Private Limited
Memberships / Chairmanship of Committees in other Companies	Member - Nomination & Remuneration Committee - The British Motor Car Company (1934) Private Limited.	Nil
No. of Equity shares held in the Company	Nil	7,96,555
Relationship with Directors / Key Managerial Personnel, if any	None	Mr. Pratik Khandwala and Mr. Pranav Khandwala are brothers. Mr. Pratik Khandwala is the son of Mr. Paresh Khandwala, Managing Director.

DIRECTORS' REPORT

To

The Members,

Your Directors hereby present the Twenty Eight 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 2021.

FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance, for the financial year 2020-21 as compared to the previous financial year 2019-20 is given below:

(I) Standalone Financial Performance :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total Income	377.35	362.00
Financial Cost	73.99	81.70
Depreciation and Amortization Expenses	27.75	27.97
Profit / (Loss) before Exceptional Items & Tax	(169.68)	(362.52)
Exceptional Items	-	-
Profit / (Loss) before Tax	(169.68)	(362.52)
Provision for Tax	(4.68)	(3.82)
Profit / (Loss) after Tax	(165.00)	(358.70)
Other Comprehensive Income	0.14	(0.60)
Total Comprehensive Income for the Year	(164.86)	(359.30)

(II) Consolidated Financial Performance :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total Income	377.36	362.01
Financial Cost	73.99	81.73
Depreciation and Amortization Expenses	27.75	27.97
Profit / (Loss) before Exceptional Items & Tax	(169.81)	(362.63)
Exceptional Items	-	-
Profit / (Loss) before Tax	(169.81)	(362.63)
Provision for Tax	(4.68)	(3.82)
Profit / (Loss) after Tax	(165.13)	(358.81)
Other Comprehensive Income	0.14	(0.60)
Total Comprehensive Income for the Year	(164.99)	(359.40)

FINANCIAL PERFORMANCE

Standalone

During the year under review, the standalone total income for the financial year was Rs. 377.35 lakhs as compared to Rs. 362.00 lakhs for the previous year. The total expenses incurred during the financial year was Rs. 547.03 lakhs as compared to Rs. 724.52 lakhs in the previous year. The Net loss after tax was Rs. 165.00 lakhs in the financial year as compared to Net loss of Rs. 358.70 lakhs in the previous year.

Consolidated

During the year under review, the consolidated total income for the financial year was Rs. 377.36 lakhs as compared to Rs. 362.01 lakhs for the previous year. The total expenses incurred during the financial year was Rs. 547.16 lakhs as compared to Rs. 724.64 lakhs in the previous year. The Net loss after tax was Rs. 165.13 lakhs in the financial year as compared to Net loss of Rs. 358.81 lakhs in the previous year.

DIVIDEND

In view of the losses incurred by your Company during the year under review, no dividend has been proposed to be declared in the financial year 2020-21.

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, 2021, 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 the provisions of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return in the prescribed form i.e. Form MGT-9 is provided as "Annexure - 2" to this report.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Retirement by Rotation of the Directors

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

b) Changes in Directors and Key Managerial Personnel

During the year under review, the Board of Directors of the Company appointed Mr. Pratik Khandwala as Non-Executive Director of the Company with effect from August 14, 2020. Further, his appointment as Non-Executive Director was approved by the Members at the Twenty Seventh Annual General Meeting of the Company held on November 23, 2020.

Further, the Board of Directors at its meeting held on July 27, 2020 approved re-appointment of Mr. Homiar N. Vakil as an Independent Director of the Company for his second term of 5 consecutive years effective from September 19, 2020 i.e. from September 19, 2020 to September 18, 2025. Accordingly, his re-appointment as Independent Director was approved by the Members at the Twenty Seventh Annual General Meeting of the Company held on November 23, 2020.

DECLARATION OF INDEPENDENCE

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

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year, the Board met 6 (six) times i.e. July 27, 2020, August 14, 2020, September 12, 2020, September 21, 2020, November 11, 2020 and February 12, 2021. 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 - 3".

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, 2021, 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 loss of the Company for the year ended 31st March, 2021;
- (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 2020-21 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 2021 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 - 4".

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/ WHISTER 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. The paid up equity share capital of the Company as on March 31, 2021 is Rs. 11,93,90,000/- (1,19,39,000 equity shares of Rs. 10/- each).

Further, during the year under review, the Board of Directors at their meeting held on November 11, 2020 approved variation in the rights of preference shareholder, holding 1,50,000 - 10.00% Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid up, of the Company by extending the due date of redemption of aforesaid shares for a further period of 3 months i.e. on or before March 31, 2021. Pursuant to the provision of the Companies Act, 2013, the Company has received the written consent from the preference shareholder.

Subsequently, the Company had redeemed 1,50,000 - 10.00% Cumulative Redeemable Preference Shares of Rs. 100/- each and paid the redemption amount aggregating to Rs. 1,50,00,000/- on March 30, 2021.

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 2020-21 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. 27 and 28 of notes of accounts to the Standalone Financial Statements and note nos. 29 and 30 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, 2021. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed as "Annexure-5" to this report.

Further, the Secretarial Auditor has given a qualification in his Secretarial Audit Report and in this regard, the Management of the Company would like to inform you that the intimations of closure of trading window were given to the Exchanges on September 2, 2020 and November 2, 2020 respectively. Further, the Company will ensure to file the separate intimation of closure of trading window to stock exchanges as per the Exchanges Rules and Regulations.

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. They 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 nil. The foreign exchange outgo was nil (Previous Year nil).

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 : June 29, 2021
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, 2021
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)	15,32,511
Profit / Loss for the year Considered in Consolidation (In Rupees)	(12,936)
Profit / Loss for the year not Considered in Consolidation	-

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: 02335473

Abhishek Joshi
Company Secretary

Place:- Mumbai
Date:- June 29, 2021

ANNEXURE – 2 to Director’s Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013 and rules 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L67120MH1993PLC070709
ii.	Registration Date	09/02/1993
iii.	Name of the Company	Khandwala Securities Limited
iv.	Category/Sub-Category of the Company	Public Company / Limited by Shares
v.	Address of the Registered office and contact details	Ground Floor, Vikas Building, Green Street, Fort, Mumbai - 400023 Tel :- 91-22-40767373/74; Fax:- 91-22-40767377/78 Website: www.kslindia.com
vi.	Whether listed company	Yes (BSE and NSE)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	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 :- 91-40-67161562 Website: www.kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product / Service	% to total turnover of the Company
1	Broking and Investment Advisory Services	6619	77.72%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Trumonee Financial Limited Add: Ground Floor, Vikas Building, Green Street, Fort, Mumbai – 400023	U67120MH2008PLC178823	Associate	43.41%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category - Wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year as on April 1, 2020				No. of Shares held at the end of the year as on March 31, 2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual / HUF	3758231	-	3758231	31.48	3785483	-	3785483	31.71	0.23
(b) Central Govt / State Govt(s)									-

Category of Shareholder	No. of Shares held at the beginning of the year as on April 1, 2020				No. of Shares held at the end of the year as on March 31, 2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Bodies Corporate	3457785	-	3457785	28.96	3470150	-	3470150	29.06	0.10
(d) Banks / FI									-
(e) Any Others									-
Sub-Total A(1) :	7216016	-	7216016	60.44	7255633	-	7255633	60.77	0.33
(2) Foreign									
(a) NRI - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter A=A(1)+A(2)	7216016	-	7216016	60.44	7255633	-	7255633	60.77	0.33
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks / FI	-	-	-	-	-	-	-	-	-
(c) Central Govt / State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-	-	-
(f) FIs	-	-	-	-	-	-	-	-	-
(g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i) Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1) :	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
(a) Bodies Corporate									
i) Indian	1476549	32000	1508549	12.64	1318873	32000	1350873	11.31	(1.32)
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i. Individuals shareholders holding nominal share capital upto Rs.1 lakh	926108	51127	977235	8.19	928665	51127	979792	8.21	0.02
ii. Individuals shareholders holding nominal share capital in excess of Rs.1 lakh	1669310	0	1669310	13.98	1781615	0	1781615	14.92	0.94
(c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d) Others (specify):									
i. Clearing Members	-	-	-	-	2994	0	2994	0.03	0.03
ii. Non Resident Indians	533090	34800	567890	4.76	533293	34800	568093	4.76	0.00
iii. Trusts	-	-	-	-	-	-	-	-	-
iv. NBFC	-	-	-	-	-	-	-	-	-
Sub-Total B(2) :	4605057	117927	4722984	39.56	4565440	117927	4683367	39.23	(0.33)
Total Public Shareholding B=B(1)+B(2)	4605057	117927	4722984	39.56	4565440	117927	4683367	39.23	(0.33)
(C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11821073	117927	11939000	100.00	11821073	117927	11939000	100.00	-

(II) Shareholding of Promoters / Promoters Group

Sr. No	Shareholder's Name	Shareholding at the beginning of the Year as on April 1, 2020			Shareholding at the end of the Year as on March 31, 2021			% Change in share holding during the year
		No. of Shares held	% of Total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares held	% of Total Shares of the Company	% of shares Pledged / encumbered to total Shares	
1	Jayantilal Khandwala & Sons Private Limited	1733321	14.52	14.52	1733321	14.52	14.52	-
2	Bentley Investments Private Limited	1440968	12.07	-	1440968	12.07	-	-
3	Mrs. Daxa Paresh Khandwala	1292807	10.83	-	1302007	10.91	-	0.08
4	Mr. Pratik Paresh Khandwala	796555	6.67	-	796555	6.67	-	-
5	Mr. Pranav Paresh Khandwala	708617	5.94	-	708617	5.94	-	-
6	Mrs. Tulsi Paresh Khandwala	303958	2.55	-	303958	2.55	-	-
7	Mrs. Bhagyashree Pranav Khandwala	133980	1.12	-	133980	1.12	-	-
8	Mrs. Leena Mayank Khandwala	54740	0.46	-	54740	0.46	-	-
9	Mr. Paresh Jayantilal Khandwala	168812	1.41	-	186864	1.57	-	0.16
10	Mr. Jatin Ashok Khandwala	16953	0.14	-	16953	0.14	-	-
11	Mr. Mayank Ashok Khandwala	14453	0.12	-	14453	0.12	-	-
12	Mr. Ashok Jayantilal Khandwala	1967	0.02	-	1967	0.02	-	-
13	Mrs. Ramila Ashok Khandwala	160	0.00	-	160	0.00	-	-
14	Mrs. Sonal Jatin Khandwala	126	0.00	-	126	0.00	-	-
15	Paresh Jayantilal Khandwala HUF	265103	2.22	-	265103	2.22	-	-
16	Piggero Investments Private Limited	283496	2.37	-	294986	2.46	-	0.09
17	Khandwala Commodity & Derivatives Pvt. Ltd	-	-	-	875	0.00	-	0.00
	Total	7216016	60.44	14.52	7255633	60.77	14.52	0.33

(III) Change in Promoters' / Promoters' Group Shareholding

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2020)		Transactions during the year		Cumulative Shareholding during the Year (01.04.2020 to 31.03.2021)	
		No. of Shares held	% of total shares of the company	Date of Transaction	No. of Shares	No. of Shares held	% of total shares of the company
1	Mrs. Daxa Paresh Khandwala						
	At the beginning of the year	1292807	10.83				
	Market Purchase			07.08.2020	2000	1294807	10.85
	Market Purchase			21.08.2020	500	1295307	10.85
	Market Purchase			18.09.2020	2700	1298007	10.87
	Market Purchase			25.09.2020	1500	1299507	10.88
	Market Purchase			30.09.2020	1000	1300507	10.89
	Market Purchase			09.10.2020	1500	1302007	10.91
	At the end of the year					1302007	10.91
2	Mr. Paresh J. Khandwala						
	At the beginning of the year	168812	1.41				
	Market Purchase			20.11.2020	2000	170812	1.43
	Market Purchase			27.11.2020	2500	173312	1.45
	Market Purchase			04.12.2020	1750	175062	1.47
	Market Purchase			11.12.2020	3185	178247	1.49
	Market Purchase			19.03.2021	393	178640	1.50
	Market Purchase			26.03.2021	6133	184773	1.55
	Market Purchase			31.03.2021	2091	186864	1.57
	At the end of the year					186864	1.57

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2020)		Transactions during the year		Cumulative Shareholding during the Year (01.04.2020 to 31.03.2021)	
		No. of Shares held	% of total shares of the company	Date of Transaction	No. of Shares	No. of Shares held	% of total shares of the company
3	Piggero Investments Pvt. Ltd.						
	At the beginning of the year	283496	2.37				
	At the end of the year			18.09.2020	11490	294986	2.47
4	Khandwala Commodity & Derivatives Pvt. Ltd						
	At the beginning of the year	-	-				
				11.12.2020	100	100	0.00
	At the end of the year			18.12.2020	775	875	0.00
						875	0.00

(IV) Shareholding Pattern of Top Ten shareholders (Other than Directors/Promoters and Holders of GDRs and ADRs)

Sr. No	Name & Type of Transaction	Shareholding at the beginning of the year (01.04.2020)		Transactions during the year		Cumulative Shareholding during the Year (01.04.2020 to 31.03.2021)	
		No. of Shares held	% of total shares of the company	Date of Transaction*	No. of Shares	No. of Shares held	% of total shares of the company
1	Sarthak Consultants LLP						
	At the beginning of the year	943000	7.90				
	At the end of the year					943000	7.90
2	Mr. Satish Kumar Arya						
	At the beginning of the year	592500	4.96				
	At the end of the year					592500	4.96
3	Mrs. Brinda P. Khandwala						
	At the beginning of the year	275761	2.31				
	At the end of the year					275761	2.31
4	Mr. Manu Kalyanji Raj						
	At the beginning of the year	218900	1.83				
	At the end of the year					218900	1.83
5	Mr. Sachin Arya						
	At the beginning of the year	122931	1.03				
	At the end of the year					122931	1.03
6	Mr. Bharat Kantilal Patel						
	At the beginning of the year	119880	1.00				
	At the end of the year					119880	1.00
7	Prabhudas Lilladher Pvt. Ltd.						
	At the beginning of the year	117000	0.98				
	At the end of the year					117000	0.98
8	Ms. Nirmala Devi						
	At the beginning of the year	41485	0.35				
	At the end of the year					41485	0.35
9	Mr. Jignesh Raj						
	At the beginning of the year	91200	0.76				
	At the end of the year					91200	0.76
10	Ms. Nipa Raj						
	At the beginning of the year	85000	0.71				
	At the end of the year					85000	0.71

*Date of Transaction (Purchase/Sale) has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.

(V) Shareholding of Directors and Key Managerial Personnel:-

Sr. No	Name of the Directors / Key Managerial Personnel	Shareholding at the beginning of the year (As on 01.04.2020)		Transactions during the year*		Cumulative Shareholding during the Year (01.04.2020 to 31.03.2021)	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total shares of the Company
1	Mr. Paresh Khandwala (Managing Director)						
	At the beginning of the year	168812	1.41				
	Market Purchase			20.11.2020	2000	170812	1.43
	Market Purchase			27.11.2020	2500	173312	1.45
	Market Purchase			04.12.2020	1750	175062	1.47
	Market Purchase			11.12.2020	3185	178247	1.49
	Market Purchase			19.03.2021	393	178640	1.50
	Market Purchase			26.03.2021	6133	184773	1.55
	Market Purchase			31.03.2021	2091	186864	1.57
	At the end of the year					186864	1.57
2	Mr. Pranav Khandwala (Whole-time Director/CFO)						
	At the beginning of the year	708617	5.94				
	At the end of the year					708617	5.94
3	Mrs. Bhagyashree Khandwala (Non-Executive Director)						
	At the beginning of the year	133980	1.12				
	At the end of the year					133980	1.12
4	Mr. Pratik Khandwala (Non-Executive Director)						
	At the beginning of the year	796555	6.67				
	At the end of the year					796555	6.67
5	Mr. Rohitasava Chand (Independent Director)						
	At the beginning of the year	-	-				
	At the end of the year					-	-
6	Mr. Homiar N. Vakil (Independent Director)						
	At the beginning of the year	-	-				
	At the end of the year					-	-
7	Mr. Abhishek Joshi (Company Secretary & Compliance Officer)						
	At the beginning of the year	-	-				
	At the end of the year					-	-

* Date of Transaction (Purchase/Sale) has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.

(VI) INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

(In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	61,134,014	-	-	61,134,014
ii) Interest due but not paid	-	1,259,035	-	1,259,035
iii) Interest accrued but not	-	-	-	-
Total (i+ii+iii)	61,134,014	1,259,035	-	62,393,049
Change in Indebtedness during the financial year				
- Addition	316,166	7,200,000	-	7,516,165
- Reduction	541,615	-	-	541,615
Net Change	(225,450)	7,200,000	-	8,057,780
Indebtedness at the end of the financial year				
i) Principal Amount	60,908,564	7,200,000	-	68,108,564
ii) Interest due but not paid	-	1,259,035	-	1,259,035
iii) Interest accrued but not due	-	36,798	-	36,798
Total (i+ii+iii)	60,908,564	8,495,833	-	69,404,397

(VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Director and/or Manager:

(In Rs.)

Sr. No	Particulars of Remuneration	Mr. Paresh Khandwala (Managing Director)	Mr. Pranav Khandwala (Whole-time Director)	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,008,750	1,165,000	3,173,750
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify*	335,000	185,000	520,000
	Total	2,343,750	1,350,000	3,693,750
	Ceiling as per the Act			#

* Others include reimbursements and special allowance.

Since the Company has incurred losses; the overall ceiling is as per the limits stipulated in Schedule V and Section 197 of the Companies Act, 2013

B. Remuneration to Other Directors (Sitting Fees):

Sr. No	Particulars of Remuneration	Name of Directors	Total Amount (In Rs)
1	Independent Directors · Fee for attending Board Meeting	1. Mr. Rohitasava Chand 2. Mr. Homiar N. Vakil	Rs.20,000/- Rs.25,000/-
2	Commission	-	-
3	Others, please specify	-	-
4	Total (1)	-	Rs.45,000/-
5	Other Non-Executive Directors · Fee for attending Board Meeting	1. Mrs. Bhagyashree Khandwala 2. Mr. Pratik Khandwala	Rs.25,000/- Rs.20,000/-
6	Others, please specify	-	-
7	Total (2)	-	Rs.45,000/-
8	Total (B)=(1+2)	-	Rs.90,000/-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTd

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount (In Rs.)
		Mr. Abhishek Joshi (Company Secretary)	Mr. Pranav Khandwala (CFO)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	4,91,650	-	4,91,650
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify *	44,600	-	44,600
	Total	5,36,250	-	5,36,250

* Others include reimbursements and special allowance

(VIII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:-

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Annexure – 3 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 – 4 to Director's Report

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

Sr. No	Requirements	Disclosure		
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year and the percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary in the Financial Year	Name of Director / KMP & Designation	Ratio of the remuneration to the median remuneration of all employees	% increase In remuneration
		Executive Directors / KMP		
		Mr. Paresh Khandwala (Managing Director)	7.08	Nil
		Mr. Pranav Khandwala (Whole-time Director/ CFO)	4.08	N.A
		Mr. Abhishek Joshi (Company Secretary)	1.62	Nil
		Non-Executive Directors		
		Mr. Rohitasava Chand	-	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	There is 16.67 percentage decrease in the median remuneration of employees in the financial year		
3	The number of employees as on 31 st March, 2021 on the rolls of Company	39 employees as on 31 st March 2021		
4	The explanation on the relationship between average increase in remuneration and company performance	The average Decrease in remuneration of all employees was 21.27%. 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 5.88% and increase in managerial remuneration was 0.48% during the year.		
6	The key parameters for any variable component of remuneration availed by the Directors.	None of the Directors have availed any variable components of remuneration during the year.		
7	The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	There was no employee who received remuneration in excess of the highest paid director during the year.		
8	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.

**Annexure - 5 to Director's Report
SECRETARIAL AUDIT REPORT****FORM NO. MR – 3****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

[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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended March 31, 2021, 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, 2021 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 and Participants) Regulations, 2018 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; **(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; **(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)**

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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. Re-appointment of Mr. Homiar N Vakil as an Independent Director (DIN: 05210178) of the Company for five consecutive years.

I further report that during the audit period, the Company has made redemption of 1,50,000 – 10% cumulative redeemable preference shares at the face value of Rs. 100/- each on 30th March, 2021.

I further report that the Company have not been complied the provisions of below stated Regulation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:-

- (i) *Intimation of Closure of Trading Window under "Codes of Fair Disclosure and Conduct" - Intimation of Closure of Trading Window for quarter ended 30th June, 2020 & 30th September, 2020 on due date. The Intimation of Closure of Trading Window for quarter ended 30th June, 2020 & 30th September, 2020 were not submitted to the Exchanges.*

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
UDIN: F006526C000524769

Place: Mumbai
Date: 29th June 2021

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

Place: Mumbai
Date: 29th June 2021

Bhwnesh Bansal
Proprietor
FCS No. – 6526
CP No. - 9089
UDIN: F006526C000524769

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Global Economy

Global economies witnessed a healthy 2.8% CAGR over 2015-2019 in the pre-pandemic period led by China, United States and India primarily. The world is becoming more and more responsible towards achieving sustainable growth, with technology playing a pivotal role. The year 2020 started on a very challenging note, as the rapid spread of Covid-19 risked overwhelming healthcare in various countries and required implementation of strict social distancing measures. However, such measures brought the world to a virtual standstill and hurt the global economy substantially. In order to contain the fallout from the Covid pandemic, Central banks and Governments announced monetary and fiscal measures bigger than the ones announced during the peak of the global financial crisis. Due to the counter recessionary measures announced by central banks and Governments globally, growth contraction in the USA (-3.5%), Eurozone (-6.6%) and moderate growth in China (2.3%), was far better than that forecasted earlier. After the initial shock, research and pharmaceutical companies backed by Governments got into the act of developing vaccines on an unprecedented level. Russia was amongst the first countries to introduce a vaccine followed by many other countries including USA, China, UK and India. Parallely, significant investments were made to increase vaccine manufacturing capacity, led by India. Today there are more than 200 vaccines under trials and almost 1.8 Bn people globally have been vaccinated by either their first or dual dose. The IMF in its latest World Economic Outlook in April 2021 has upgraded their global GDP growth projections to 6.0% and 4.4% for 2021 and 2022 respectively as compared to their earlier forecast of 5.5% and 4.2% in January 2021. The upwards revision in GDP growth estimates is a result of additional fiscal support in a few large economies and expectations of a vaccine powered normalisation in the second half of 2021.

Review of India's Economy

CRISIL Ltd. research states that India's GDP growth will rebound to 11% in fiscal 2022, after an 8% contraction this fiscal. In nominal terms, the size of the economy next fiscal may be 2% larger than what it was in fiscal 2020. Perhaps the biggest concern is that the turnaround has to be more broad-based to bring back at least 14 Mn jobs estimated by the Centre for Monitoring of the Indian Economy to have been lost. As we all know the pandemic has hit the services sector harder than manufacturing. Within services, the sharpest decline was in trade, hotels, transport, and communication services, which account for roughly 16% of employment. Small businesses, which make up more than a quarter of India's GDP and over 40% of manufacturing output, are key to a broad-based recovery. They are the "missing middle". The pandemic caused revenues of smaller firms to plunge sharper than larger firms, the main reason for job losses. Future growth depends on kick-starting the country's

investment cycle. Analysts say the National Infrastructure Pipeline and production-linked incentive (PLI) scheme to 14 sectors announced by the Government are post-pandemic investment lifelines. CRISIL Research's shows that the PLI scheme could potentially generate incremental revenue of INR 35-40 lakh Cr across 14 sectors supported by capital expenditure of INR 2-2.7 lakh Cr.

The Indian economy contracted by 8.0% in FY21 as against 4.0% growth recorded in FY20, marking a recession for the first time since 1980 as per the IMF World Economic Outlook in April 2021. Prolonged lockdown exacerbated existing vulnerabilities of the country including the weakened financial sector, private investments, and consumption demand. To promote greater participation by FPIs (Foreign Portfolio Investment), the Government proposes to increase the investment limit for FPI to 15% (currently 9%) of the outstanding stock of corporate bonds. The Government also offered certain specified categories of investment in Government securities to be fully opened for NR (Non-Resident) investors.

Key policy announcements of the Union Budget 2020-21 include:

- A new Debt-ETF (Exchange Traded Fund) consisting primarily of Government securities to be floated, given its recent experience of floating debt-based ETF.
- It proposed to exempt the stamp duty chargeable in respect of the instruments of transaction in stock exchanges and depositories established in any IFSC. This amendment is proposed to attract foreign investors to invest in Indian companies through IFSC and to provide an operational tool to the Central Government, including SEBI and RBI, for effective implementation. The amendment shall be effective from April 1, 2020.
- Liquidity measures to banking and financial institutions and micro, small, and medium enterprises (MSMEs) to boost credit growth.
- To improve overall transport infrastructure such as railways, inland waterways, roads, highways and airports and provide an impetus to connectivity while bridging the gap between remote and urban areas.
- Collateral-free loan for businesses.

As per the FY21 Budget, fiscal deficit is expected to be 3.8% of GDP in FY20 and 3.5% in FY21. This is higher than the 3.3% and 3% envisaged for FY20 and FY21, respectively, in the FY21 Budget. The Reserve Bank of India (RBI) continued with the accommodative monetary stance by bringing the key repo rate and reverse repo rate to 4% and 3.35% respectively to provide monetary stimulus and trigger economic growth back to the earlier trajectory.

The fiscal and monetary stimulus provided by the Government and RBI would assist greatly in the recovery of the economy from the challenges posed in early FY21. The Government's thrust on reviving the manufacturing and infrastructure sector, and the country's increasing prominence in the global supply chain will augur well for the Company. Further, the roll-out of the vaccination drive has commenced in India. However, the second wave of COVID-19 in April 2021 is seen as posing risks to economic recovery, with Care Ratings revising its forecast for GDP growth to 10.2% in FY22 from an earlier projection of 10.7-10.9%.

Equity Markets

Most global equity markets rallied in FY21 as central banks across the world embarked on record monetary stimulus while governments adopted a counter-cyclical fiscal policy by embarking on fiscal spending to pull their respective economies out of recession. Indian equities entered a bull market environment in FY21 after first dipping into bear market towards the end of FY20 on COVID-19 fears. In one of the most spectacular rallies since FY10 post the GFC (Global Financial Crisis), Indian benchmark index (NIFTY50) rallied 71% during FY21. Both Sensex and Nifty closed at an all-time high of 52,154 and 15,315 respectively in the month of February '21. Sensex and Nifty closed at 49,509 and 14,691 levels respectively in March 2021. Unlike the pre-COVID period, the rally was broad based with small and midcaps outperforming headline indices like the NIFTY50. Also there were signs of a return to value investing from growth investing after several years of underperformance by the former class of stocks. Bullish sentiment for Indian equities was further fuelled by the expansionary FY22 Union Budget. It provided for a counter-cyclical fiscal policy with focus on reviving growth, while ensuring adequate resources for tackling the pandemic, by expanding the fiscal deficit to a higher than expected level of 9.5% for FY21 and 6.8% for FY22.

FY21 was a landmark year for the Indian capital markets with record number of demat accounts being opened and significant surge in equity and derivatives volume growth. This was led by historic volatility arising out of the pandemic, lower interest rate regime in the market and aided by work-from-home environment. The number of National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) demat accounts opened increased from 5.0 Mn in FY20 to 14.3 Mn in FY21, a growth of 188% making this the year with highest number of demat accounts opened in any financial year till date.

India recorded the highest ever FII inflows of INR 2,740 Bn in FY21, greater than the cumulative inflows of the last six years. The size of inflow in December 2020 at INR 620 Bn was the highest ever monthly inflows ever recorded. On the contrary, DIIs recorded the first outflows of INR 1,341 Bn after five years of inflows.

The average daily traded volumes (ADTO) for the equity markets during FY21 stood at INR 27.41 lakh Cr, up 90% YoY from INR 14.44 lakh Cr in FY20. The overall Cash market ADTO reported growth of 66% YoY at INR 64,951 Cr in FY21. Delivery saw growth of 39% YoY to INR 12,718 Cr. Within derivatives, futures volume increased 24% YoY to INR 1.09 lakh Cr while options rose 95% YoY to INR 25.67 lakh Cr. Amongst cash market participants, retail constitutes 56% of total cash volume, institution constitutes 18% of total cash volume and prop constitutes 26%. The proportion of DII in the cash market was 7%.

With rapid shift in clients' behaviour towards consuming services digitally, there has been a surge in digital mode of making investments. The new breeds of investors entering the stock market are tech-savvy and seek quality user interface and user experience. The industry witnessed advent of digital brokers, who gained significant market share by leveraging their digital-first approach and creating a rich user experience.

India experienced a shift in the broking industry with digital brokers disrupting the equity broking space and gained significant traction. These brokers offer services at competitively priced fixed brokerage fees, irrespective of size of order and provide such services via their digital platform. Amongst these flat fee brokers, some offer a complete bouquet of value added services at similar competitive prices. Until recently the Indian stock broking industry was largely dominated by traditional players who followed the yield based fees model. This was backed by a branch led model of physical infrastructure, large feet on street bandwidth and convenience of three-in-one accounts. This model had its own inherent limitations thereby restricting the growth of the industry.

Ease of trading coupled with sustained growth in indices leads to a formidable opportunity of wealth creation for the retail participants. Incorporation of various advanced and easy to understand charting tools further attracts participation. This has led to a tremendous growth in active client base over the last few years, with FY21 seeing a quantum jump of 75% in the base to 18.9 Mn. The strong intent of wealth creation in the proliferation of Demat accounts across Tier II, III and beyond cities over the last few quarters has also helped increase the active client base substantially.

Technology continues to play a pivotal role in taking the broking sector to the next level, by expanding footprints even in smaller locations across the country. Tech-savvy millennial increasingly demand do-it-yourself trading platforms. The evolution of technology such as machine learning, artificial intelligence has helped digital brokers penetrate their target customer segment faster. Digital journeys, mobile-based trading and robo-advisory have resulted in enhanced user experience. Digitalisation is helping them improve efficiency at optimised cost. The penetration of internet trading has been deepening, with the number of active registered subscribers seeing a significant increase. Internet based

trading in FY21 strengthened across all segments, largely led by increased retail participation. On an average, daily turnover through internet-based trading on NSE rose by 70% YoY in cash market and 43.1% YoY in the equity derivatives segment (Source: Market Pulse, NSE).

Investment Products

Mutual Funds

Mutual Fund Investor accounts (folio count including Exchange Traded Funds - ETF) registered a growth of 10% (similar to that of last year) to reach 99 Mn accounts in FY21.

Mutual Funds (Equity) witnessed 6% increase in Average Assets under Management (AAUM) in FY21, attributed to lower base (March 2020 lows), mark-to-market gains led by broad-based market rally, steady Systematic Investment Plan (SIP) inflows and NFOs. When the Nifty crossed the previous highs in July 2020, investors started booking profits as the uncertain environment still prevailed. The average monthly equity net inflows turned negative, amounting to outflows of INR 62 Bn for the next three quarters (i.e. Q2FY21 to Q4FY21). Direct Plan contribution to equity assets increased marginally to 20% in FY21 (exit) compared to ~19% in FY20 (exit).

Average monthly SIP inflows saw a dip of 4% from INR 83.4 Bn in FY20 to INR 80 Bn in FY21. New SIP (Systematic Investment Plan) registrations were higher by 20% in FY21, to average ~1.2 Mn per month indicating staggering of investments. The period also saw growth in small ticket size SIPs from tier II and III towns.

During FY21, passive investing gained rhythm with ETFs (excluding gold) seeing net inflows through the year. There was 129% rise in the Exchange Traded Funds (ETF) folios in FY21. Debt ETFs also contributed to the increasing ETF flows. Net ETF folio added increased by 160%YoY.

Fixed Income

Heightened uncertainty in economic activity due to COVID-19 led disruptions, coupled with volatility in capital markets forced investors to divert attention to fixed income instruments for their investments. In an attempt to de-stress the financial ecosystem & revive growth, RBI resorted to a cumulative reduction of 115bps in repo rate, from 5.15% in March 2020 to 4.00% in March 2021 thereby bringing down interest rates to decadal low. Monetary policy Committee (MPC) action lead to a decline in G-Sec yields. Average yield on 3-year AAA corporate bond reduced from 8.47% on 26th March 2020 to 5.40% on 31st March 2021 making them less attractive for fresh investments. Muted economic activity and lower demand affected fund raising by corporates throughout the year. In FY21 fund raising by NBFCs through NCD issuances dropped to ~INR 105 Bn compared to issuances of INR 150 Bn in FY20.

In uncertain economic environment, gold as an asset class garnered interest amongst investors. Gold price rose from a low of INR 40,200 in March 2020 to a high of INR 55,400

in August 2020 before correcting to low of INR 43,980 in March 2021. Digital gold investments like Government of India's Sovereign Gold Bond (SGB) saw increased demand from investors. Subscription to SGB tranches increased to INR 160.48 Bn in FY21 compared to INR 23.16 Bn in FY20 registering a growth of 593% YoY.

Alternates

The Alternate Investment Fund (AIF) industry crossed another milestone in FY21 with total fund raise topping INR 2.3 Tn, a growth of 23% over FY20 and a CAGR of 39% in the last three years. Of this, Category 2 AIFs, which comprises of Private Equity, Real Estate, Venture Debt, etc., and is the largest (~INR 1.6 Tn), grew almost 30% YoY in FY21. This bodes well for the healthy development of a strong ecosystem for start-up funding in the country. Portfolio Management Scheme (PMS), being a more matured product segment, its AUM has also seen a healthy growth of more than 7% CAGR over 5 years ended Mar-2020. Since then, it has grown another 9% until Oct2020 (last published data by SEBI) to cross INR 4.6 Tn (excluding EPFO/PFs).

Life Insurance

The Life Insurance Industry had a muted start to FY21, amidst the outbreak of the pandemic which prevented any contact and hence fulfilment, registering a decline of 7% on H1 exit. Second half of the year saw a recovery as lockdown restrictions started easing. FY21 For New Business premiums* grew by 3% with INR 756.58 Bn premium collection. While Life Insurance Corporation of India (LIC) posted a decline of 3%, private sector players registered a growth of 8%. The private player's market share in retail new business premium stood at 60% in FY21. While Term & Protection plans continued to see increased interests from customers, positive traction was seen in Non-Participating (Guaranteed return plans) registering growth of 25% & Annuity growth of 39% in FY21.

*Retail Life insurance premium accounted for new business premium above are only for retail business (excluding group business) of regular premium and single premium plans (Single premium & Annuity plans considered with 10% weightage) Source: IRDA

General Insurance

General Insurance business had a growth of 5.2% in FY2021 with premiums at ` 1.98 Trillion up from ` 1.88 Trillion in FY2020. The 4 Segments (Fire, Health, Motor & Crop Insurance) contributed approximately 90% of total Industry business. While Fire Insurance & Health insurance saw annual growth of 28% & 13.4% respectively, the dominant Motor Insurance & Crop Insurance shrank due to lockdowns and saw de-growth of 1.7% & 3.3% respectively.

Health Insurance

In the health insurance space, SAHI (Stand-alone Health Insurance companies) continued the growth trajectory

with premiums growing by 11.08% YoY at INR 157.20 Bn in FY21. The SAHI players put together hold 7.9% market share.

Primary Capital Market

Q1FY21 was subdued for primary capital market activities on back of a weak Nifty till about late May 2020 but then witnessed a recovery. The 20%+ rally in Nifty from mid May 2020 to late July 2020 built the foundation for capital market activity for the remainder of the year. Initial Public Offering (IPO) market saw a revival in Q2FY21 with nine IPOs in that quarter. The second half of the year witnessed healthy IPO activity with 21 companies going public. The year also saw 31 Qualified Institutional Placements (QIP) take place. Other products like rights, Offer For Sale (OFS), InvIT, ReIT, buybacks etc. also saw robust activity.

The total equity fund raising eventually turned out to be strong to hit an all-time high of INR 2,505 Bn (vis-à-vis INR 1,472 Bn in FY20). Private Equity (PE) investments during FY21 amounted to USD 42.1 Bn (including two large ticket Reliance Group deals cumulatively worth USD 16.3 Bn) vis-à-vis USD 29.4 Bn in FY20. Merger & Acquisition (M&A) activity during FY21 remained flat at USD 38.2 Bn (vis-à-vis USD 38.4 Bn in FY20). The deal activity on the advisory side was subdued in the first quarter of the fiscal as deal making was significantly impacted due to COVID-19.

Key Highlights (Source: Prime Database and SEBI Filings):

- 34 IPOs (including FPOs, InvITs, ReITs) aggregated INR 798 Bn in FY21 as compared to 14 IPOs (including FPOs, InvITs&ReITs) which aggregated INR 227 Bn in FY20, representing an increase of 143% and 252% in count and mobilisation terms respectively
- 31 QIPs aggregated INR 780 Bn in FY21 as compared to 13 QIPs which aggregated INR 512 Bn in FY20, representing an increase of 138% and 52% in count and mobilisation terms respectively
- 20 Rights Issues aggregated INR 643 Bn in FY21 as compared to 13 Rights Issue which aggregating INR 560 Bn in FY20, representing an increase of 54% and 15% in count and mobilisation terms respectively
- 38 Offer-for-Sale aggregated INR 284 Bn in FY21 as compared to 26 Offer-for-Sale which aggregated INR 173 Bn in FY20, representing an increase of 46% and 64% in count and mobilisation terms respectively
- 46 open offers aggregating to offer amount of INR 250 Bn in FY21 as compared to 61 open offers aggregating to INR 215 Bn in FY20, representing a decline of 25% and increase of 17% in count and mobilisation terms respectively
- 61 Buybacks aggregating to total offer amount of INR 393 Bn in FY21 as compared to 52 Buybacks aggregating to INR 200 Bn in FY20, representing an increase of 17% and 97% in count and mobilisation terms respectively

- 180 PE investments (greater than USD 20 Mn) aggregating to deal size of USD 42.1 Bn in FY21 as compared to 234 PE investments aggregating to USD 29.4 Bn in FY20, representing a decline of 23% and increase of 43% in volume and value terms respectively
- 103 M&A deals (greater than USD 20 Mn) aggregating to deal size of USD 38.2 Bn in FY21 as compared to 152 M&A deals aggregating to USD 38.4 Bn in FY20, representing a decline of 32% and 1% in volume and value terms respectively

Regulatory Direction

Regulatory Authorities have taken a slew of measures to ensure smooth conduct of business during the COVID pandemic and continue to work in the direction of enhancing transparency, protecting investor interests, and also enabling the industry to serve the customer by adopting technology. Some of the notable regulatory developments that were articulated or enacted in the current fiscal include:

- For Market Intermediaries: In view of the prevailing situation due to COVID-19 pandemic and representations received from various market intermediaries, timelines for compliance with the regulatory requirements by the trading members / clearing members/ depository participants were further extended.
- Equity Business: New Margin Norms - SEBI had introduced new uniform margin norms for the equity broking industry that require standardised margins to be collected for all products from the customer upfront before entering a trade. The regulations are to be implemented in four phases starting December 1, 2020 followed by March 1, 2021, June 1, 2021 and September 1, 2021.
- Equity Business: Treatment of client securities SEBI has also issued certain guidelines regarding the method of margin finance with regards to pledging/ re-pledging of securities. Securities as margin to be collected only in the form of a pledge to ensure safe guards for investors' securities.
- Distribution of Financial Products: Segregation of Distribution and Advisory Norms of segregation of distribution and advisory customers have also been issued by SEBI during the year.
 - o Portfolio Management Services (PMS) SEBI discontinued upfront commissions for distributors of PMS. Secondly minimum investment in PMS amount was increased from INR 25 Lakh to INR 50 Lakh under the new regulations.
 - o Mutual Funds (MFs) Implementation of regulatory changes with respect to valuations of debt securities, changes in Mutual Fund exposure limits to single issuer, new rule regarding applicability of Net Asset Value (NAV) on realisation of funds and portfolio based risk classification with introduction

of a new risk-o-meter having a “Very high risk category”. Based on the new regulation many of the equity schemes got reclassified to very high-risk category from high risk

Outlook and Opportunities

The nature of interaction of stockbrokers with potential investors has undergone a massive change over the years. While traditional or full-service brokers have always enjoyed a dominant presence and preference among investors, a demographic shift towards technology has given rise to a new breed of stockbrokers, known as discount brokers. Unlike a traditional broker, a discount broker's services are limited and restricted primarily to providing a trading platform.

A tectonic shift in investor patterns with respect to participation in the market, has given a boost to discount brokerage services in India. However, internet penetration coupled with smartphones has made it easier for investors to cash in on a market opportunity by placing trade orders on platforms offered by discount brokers.

Indian investors have always been price conscious. The emergence of discount brokers offering low brokerage on a per-order basis has led to a shift in the market share of active customers. The integration of technology has brought in much-needed efficiency into a discount broker's day-to-day operation. Right from seamless account opening process to automated integration of processes has made life easier for an investor. The demographic shift towards technology augurs well for discount brokers in India.

While the economy has been reeling under the pressure of the COVID-19 pandemic and nationwide lockdowns, the trading volumes in the domestic capital markets have been on an upward trajectory. During the lockdown, an increasing number of people turned to trading on online brokerage platforms. A shift to a complete online process of customer enrolment and on boarding helped support the new account openings as operations are carried on smoothly despite the restrictions placed by the pandemic. The growing awareness among investors, increased financial literacy, and the burgeoning proportion of millennial point to a promising future for the discount brokerage industry.

In the coming years, the demand for discount brokerage services is expected to grow stronger due to the increasing participation of millennial. It is a lucrative platform for the organic investors. Customer increment is expected mainly from tier 2 and 3 cities with the rising internet penetration. New customers are more sensitive towards the cost and also conduct a thorough research before commencing the trade. A shift from traditional instruments of savings to financialisation of savings is also a great opening for the

capital market participants. However, the Demat account penetration in the country stands at 4.1%. Considering NSE Active Client Base as a more accurate representation of unique clients, that demonstrates still lower real penetration level at around ~1.4% only. In contrast, developed markets like US and China have Demat penetration of 32% (2018) and 11.4% (Dec 2019) respectively. Considering the small size of equity participation in India, there is a tremendous growth opportunity in the broking industry, especially for digital broking entities. With deeper penetration of equity culture, rising disposable incomes, and more population entering the working age bracket, the demand for equity investment will continue to grow further. In this scenario, players with robust digital capabilities will undoubtedly be the direct beneficiaries. Digital broking firms are poised to grow strongly, underpinned by their advanced technology architecture, seamless digital on boarding journeys, improved customer satisfaction and increased revenues.

AN OVERVIEW OF KHANDWALA SECURITIES LIMITED

Khandwala Securities Limited's equity shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The way to understand the activities of the Company is to analyse the business it carries out. It may be noted that the Company is focused on financial services as its core business area. Various businesses in the Company are divided in four segments. These are: **Investment banking** business comprising Capital Raising, M&A Advisory, Domestic IPOs, Private Equity placements, Corporate finance advisory, Restructuring, FCCBs and GDRs; **Institutional Equities** business comprising institutional equity sales, execution, research; **Broking and Distribution** business comprising non-institutional equity sales, trading, research, broking and distribution, depository participants; **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 377.35 Lakhs

Net Loss of INR 165.00 Lakhs

Earnings Per Share (EPS) of INR (1.38)

Segment Highlights –FY 21 over FY20 & FY19:
(INR In Lakhs)

Segment	FY21	FY20	FY19
Brokerage	292.27	208.15	232.61
Corporate Advisory Services	1.00	1.88	21.11
Income from Capital Market Operations	66.36	63.51	82.09
Others	17.73	88.46	274.02
Total Income	377.35	362.00	609.83

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 77.45% of our total revenues at INR 377.35 Lakhs for the year ended March 31, 2021.

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 2020 to 31st March 2021.

Institutional Equities business:

Equity and derivatives brokerage business of the Company contributed 77.45% of the consolidated revenue during this financial year. The Company's revenue of Rs. 377.35 lakhs for the year showed a increase of 4.24% 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 8 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 421.43% during the FY 2021 over previous FY 2020.

Category	Brokerage Revenue during FY 20-21	Brokerage Revenue during FY 19-20	Brokerage Revenue during FY 18-19
MF	-	-	-
INS	8,36,097	43,488	1,51,835
BANKS	1,99,310	5,707	81,264
CORP	14,72,000	5,45,787	1,63,788
Total	25,07,407	5,94,982	3,96,887

Investment banking business:

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

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

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

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

Portfolio Management Services:

The Portfolio Management Segment is bound to grow and offer immense business potential for financial advisory services. The NRI community is the key market segment. Successful NRI business owners and professionals are of

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

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

Market Research:

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

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

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

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

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

Our research reports are highly recognized by international investor's community including leading Foreign Institutional Investors, global central banks, multi-lateral development agencies and independent multi-strategy funds. Some of

the research reports, apart from being widely acclaimed, have been ranked among the best by international financial information providers such as Thomson- Reuters and Bloomberg.

OPPORTUNITIES AND THREATS

The following factors present specific opportunities across our businesses:

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

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

- Impact of abnormal monsoon, rising fiscal deficit, sustained high interest rates and high inflation;
- Geopolitical tensions across the globe;
- Regulatory changes impacting the landscape of business;
- Increased intensity of competition from players across the segment / industry;
- Attrition of employees caused by strong demand from ever increasing number of market participants;
- Continuous downward pressure on the fees, commissions and brokerages caused by heightened competition and willingness of most players to deliver services at very low fees;

- Entry of corporate heavy weights and global players in the lending business. Given their capital strength as well as access to cheaper 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 Thomson-Reuters and Bloomberg.

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

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

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

RISK CONCERNS AND RISK MANAGEMENT

The Risk Management Function is overseen by the Audit Committee. Risk Management Policies are designed after discussion with various constituents and experts. In a business where prices and realities change every instant, it is imperative for KSL to operate within a broadly de-risked

business model that protects stakeholder interests on the one hand and facilitates growth on the other.

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

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

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

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

Industry Risk

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

Management Perception

KSL's presence in multiple product segments also serves as a natural hedge against a downturn in any particular sector. For instance, the Company's presence in the relatively volatile equity segment is balanced by its presence in the relatively stable insurance, mutual funds and fixed interest-bearing debt instruments. Your Company has broadly three major revenue generation department viz. Broking division, Corporate Advisory Division and Capital Market Operation. The total revenue generated by the company during the year shows the overall performance of all the departments jointly and doesn't depend on any single segment of revenue.

Liquidity Risk

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

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

Management Perception

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

Economic Risk

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

Management Perception

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

Human Resource Risk

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

Management Perception

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

Client Risk

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

Regulatory risk

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

Management Perception

Your Company enjoys strong long term relationship with its clients. However, as a good Risk Management practice, the company has never relied upon particular client base and hence not exposed to such risk. During the year under review company has added 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, 2021, the Board comprises of six Directors out of which four are non-executive Directors and two are executive directors. Out of the four non-executive Directors, two are Independent Directors. The Chairman of the Board is a Non-Executive & Independent Director. The Management of the Company is headed by Mr. Paresh Khandwala, Managing Director, 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 2020-21 of directorships, category and number of memberships of board / committees of various other public companies:

Name & DIN No. of the Directors	Category of Directorship	No. of Directorships in other Companies (excl. Khandwala Securities Limited)*	No. of Committee Positions held in other Companies (excl. Khandwala Securities Limited)**	
			Member	Chairman
Mr. Homiar N. Vakil (DIN: 05210178)	Chairman, Non-Executive, Independent Director	-	-	-
Mr. Paresh J. Khandwala (DIN: 00112678)	Managing Director, Promoter	1	-	-
Mr. Pranav Khandwala (DIN: 00519113)	Whole-time Director & Chief Financial Officer (CFO)	1	-	-
Mrs. Bhagyashree Khandwala (DIN: 02335473)	Non-Executive Director	1	-	-
Mr. Rohitasava Chand (DIN: 00011150)	Non-Executive, Independent Director	-	-	-
Mr. Pratik Khandwala (DIN: 00519147)	Non-Executive 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.

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 2020-21, 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 2020-2021, 6 (six) Board Meetings were held on July 27, 2020, August 14, 2020, September 12, 2020, September 21, 2020, November 11, 2020 and February 12, 2021. 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 2020-21 and at the last Annual General meeting are given below:

Name of the Directors	No. of Board Meetings during the financial year 2020-2021		Attendance at the last Annual General Meeting held on November 23, 2020
	Held	attended	
Mr. Paresh J. Khandwala	6	6	Present
Mr. Rohitasava Chand	6	5	Absent
Mr. Pranav Khandwala	6	6	Present
Mr. Homiar N. Vakil	6	6	Present
Mrs. Bhagyashree Khandwala	6	6	Present
Mr. Pratik Khandwala	5	4	Present

(iii) Shares held by Non-Executive Directors

Sr. No	Name of the Directors	No. of equity shares held as on March 31, 2021
1	Mrs. Bhagyashree Khandwala	1,33,980
2	Mr. Rohitasava Chand	Nil
3	Mr. Homiar N. Vakil	Nil
4	Mr. Pratik Khandwala	7,96,555

(iv) Board Skills/expertise/competence matrix

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

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

(v) Familiarization Programme for Independent Directors

The Company has conducted the familiarisation programmes for Independent Directors during the Financial Year 2020-21. 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 31, 2021.

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, 2021, 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. Rohitasava Chand	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 2020-21, 4 (four) meetings of the Committee were held on July 27, 2020, September 12, 2020, November 11, 2020 and February 12, 2021. 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 2020-2021 are given below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Homiar N. Vakil	4	4
Mr. Rohitasava Chand	4	4
Mrs. Bhagyashree Khandwala	4	4

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 November 23, 2020.

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, 2021, the Nomination and Remuneration Committee comprises of following 3 (three) Directors as Members:

Sr. No	Name of Members	Designation	Category
1	Mr. Rohitasava Chand	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 2020-21, 3 (three) meetings of the Committee were held on July 27, 2020, August 14, 2020 and February 11, 2021. The details of attendance of members in the Nomination and Remuneration Committee Meeting held during the financial year 2020-2021 are given below:

Name of Members	No. of Meetings	
	Held	Attended
Mr. Rohitasava Chand	3	3
Mr. Homiar N. Vakil	3	3
Mrs. Bhagyashree Khandwala	3	3

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, 2021. 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, 2021, 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. Rohitasava Chand	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 2020-21, 2 (two) meeting of the Committee was held on July 27, 2020 and November 12, 2020. The details of attendance of members in the Stakeholders Relationship Committee Meeting held during the financial year 2020-2021 are given below:

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

The Company Secretary of the Company is the Compliance Officer.

The details of the complaints received and resolved during the financial year 2020-2021 are as follows:-

Opening as on April 1, 2020	Nil
Received during the year	Nil
Resolved during the year	Nil
Closing as on March 31, 2021	Nil

IV. Technology Committee

The terms of reference of the Committee are as follows:

- Review the implementation of the Cyber Security and Cyber Resilience Policy.
- Review of current IT and Cyber Security and Cyber Resilience Capabilities.
- Establish plans to improve and strengthen Cyber Security and Cyber Resilience.
- Any other ancillary matters related to the domain of Information Technology.

The details of the Composition of the Committee are given herein below:

Sr. No	Name of Members	Designation
1	Mr. Pranav Khandwala	Chairperson
2	Mr. Abhishek Joshi	Member
3	Mr. Surendra Juyal	Member
3	Mr. Vinod Bendre	Member

Policy on Prevention of Sexual Harassment of Women at Workplace

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

During the financial year 2020-21, 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 Executive Director during the financial year ended March 31, 2021 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)	2,008,750	Nil	3,35,000	2,343,750	January 1, 2018 to December 31, 2022
Mr. Pranav Khandwala (Whole-time Director & CFO)	1,165,000	Nil	185,000	1,350,000	February 11, 2020 to February 10, 2025

Note: There is no Scheme of "Employee Stock Options" during the financial year 2020-21.

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, 2021 are as under:

Names of Directors	Sitting Fees (in Rs.)
Mr. Rohitasava Chand	20,000
Mr. Homiar N. Vakil	25,000
Mr. Pratik Khandwala	20,000
Mrs. Bhagyashree Khandwala*	25,000
Total	90,000

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
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
2017 - 2018 25 th Annual General Meeting	Friday, September 21, 2018 at 12.30 p.m.	C.K. Nayudu Hall, Cricket Club of India (CCI), Brabourne Stadium, Churchgate, Mumbai - 400 020	• Increase in Borrowings Limits of the Company upto an amount not exceeding Rs. 175 crores at any point of time under Section 180(1)(c) of the Companies Act, 2013. • Creation of Charges, Mortgages, Hypothecation on all the Movable and Immovable Properties of the Company against the Borrowings of the Company, for an amount not exceeding Rs. 175 crores at any point of time under Section 180(1)(a) of the Companies Act, 2013.

No resolution was passed by the Company during the financial year 2020-21 through postal ballot.

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 2020-21, 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. 27 and 28 of Notes to the Standalone Financial Statements and Note Nos. 29 and 30 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, 2021.

(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, 2021 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. 2020-21.

(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 28th Annual General Meeting

The 28th Annual General Meeting of the Company is scheduled to be held through Video-Conference/Other Audio-Visuals Means at the Registered Office of the Company on Thursday, September 30, 2021 at 12.00 noon IST.

b) Financial Year of the Company

The financial year covers the period from April 1, 2020 to March 31, 2021.

c) Dates of Book Closure

September 23, 2021 to September 29, 2021 (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)
 ISIN No for NSDL/CDSL : INE060B01014

The Annual Listing Fees for financial year 2021-2022 will be paid by the Company to BSE and NSE.

f) Custodial Fees to Depositories

The Annual Custody/Issuer fee for the financial year 2021-2022 will be paid by the Company to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

g) Stock performance

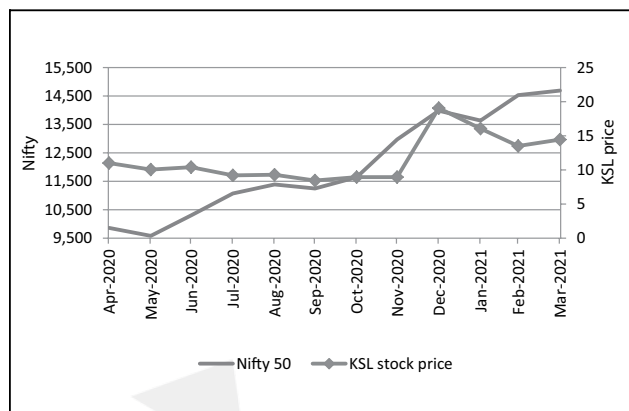
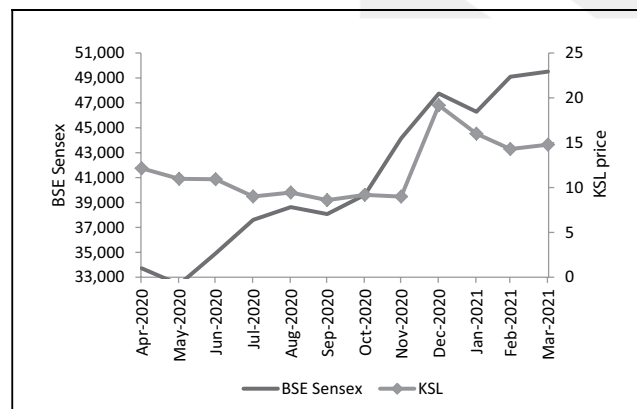
Market Price Data

Monthly High, Low and Close Price of Equity Shares of the Company during the financial year 2020-21 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 2020	12.15	11.55	12.15	12.90	10.50	11.00
May 2020	12.60	10.98	10.98	11.35	10.00	10.05
June 2020	11.99	10.00	10.93	11.35	9.40	10.40
July 2020	10.98	8.69	9.00	11.20	8.60	9.20
August 2020	10.95	9.00	9.45	10.40	8.55	9.30
September 2020	10.08	8.10	8.60	10.10	8.25	8.45
October 2020	12.38	8.00	9.18	11.75	7.45	8.95
November 2020	9.80	7.10	8.99	9.95	8.05	8.95
December 2020	23.45	8.65	19.17	23.30	8.75	19.05
January 2021	21.10	15.20	16.00	21.95	15.20	16.05
February 2021	16.00	12.75	14.30	16.60	12.75	13.50
March 2021	15.00	12.78	14.79	14.95	12.65	14.45

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 :- 91-40-67161562

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, 2021

Number of Shares		Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
From	To				
1	5000	2127	81.53	240579	2.02
5001	10000	205	7.86	175520	1.47
10001	20000	110	4.22	176751	1.48
20001	30000	44	1.69	113485	0.95
30001	40000	23	0.88	80620	0.68
40001	50000	15	0.57	70436	0.59
50001	100000	30	1.15	220022	1.84
100001	ABOVE	55	2.11	10861587	90.98
Total		2609	100.00	11939000	100.00

Shareholding Pattern as on March 31, 2021

Sr. No.	Category	No. of Shares held	% of Issued Share Capital
A	Promoter & Promoters Group	7255633	60.77
B	Mutual Funds / Banks / FIs / FII's / Insurance Companies / FPIs	-	-
C	Bodies Corporate	1350873	11.31
D	NRI's and OCB's	568093	4.76
E	Clearing Member	2994	0.03
F	Public and Others	2761407	23.13
	Total	11939000	100.00

l) Dematerialization of Shares

As on March 31, 2021, 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: kslsupport@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, 2021.

For Khandwala Securities Limited

Paresh Khandwala
Managing Director

Date: June 29, 2021

Place: Mumbai

Managing Director and Chief Financial Officer Certification

To,
The Board of Directors
Khandwala Securities Limited

We, Paresh Khandwala, Managing Director and Bhagyashree Khandwala (Executive 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, 2021 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take rectify these deficiencies.
- d) we have indicated to the Auditors and the Audit Committee that:
 - (i) there are no significant changes in internal controls over financial reporting during the year ;
 - (ii) there are significant changes in accounting policies during the year; and that the same has been disclosed in the notes to the financial statements.
 - (iii) there are no instances of significant fraud of which we have become aware and there has been no involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting.

By order of the Board
For Khandwala Securities Limited

Paresh Khandwala
Managing Director

Pranav Khandwala
Whole-time Director / CFO

Date: June 29, 2021

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 year ended 31st March 2021, 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

Date:- June 29, 2021
Place:- Mumbai

Aniket Kulkarni
Proprietor
Mem. No: 127246
UDIN: 20127246AAAAHM2887

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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Maharashtra, Mumbai or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Paresh Jayantilal Khandwala	00112678	09/02/1993
2.	Mr. Pranav Paresh Khandwala	00519113	11/02/2020
3.	Mrs. Bhagyashree Pranav Khandwala	02335473	11/02/2020
4.	Mr. Rohitasava Chand	00011150	23/07/2005
5.	Mr. Homiar Nariman Vakil	05210178	19/09/2015
6.	Mr. Pratik Paresh Khandwala	00519147	14/08/2020

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.

Place: Mumbai
Date: 29th June, 2021

For Bhunesh Bansal & Associates

Bhunesh Bansal
Proprietor
FCS No. – 6526
CP No. – 9089
UDIN: F006526C000524824

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, 2021, 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, 2021, 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:-

- 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.

- 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.
2.	The Company has made redemption of its Preference Share capital.	We have noticed that the company has made the redemption of its preference share capital on 30.03.2021 and made the payment for an amount of Rs 15,000,000/- (Rupees One Crore Fifty Lakhs Only).

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken

on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 has been no delay in transferring amounts, 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

Place: Mumbai
Date: June 29, 2021
UDIN: 21127246AAAAPV8558

“Annexure-A” to the Independent Auditors’ Report – 31st March 2021

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, 2021 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, 2021, 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: June 29, 2021
UDIN: 21127246AAAAPV8558

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Khandwala Securities Limited of even date

- (i) In respect of Company’s Fixed Assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - 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.
 - 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.
- (ii) The company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence reporting under clause 3(iii) of the Order is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has neither granted any loans to directors, etc. nor made loan and investment under section 185 and 186 of the Companies Act respectively. Hence, reporting under clause 3(iv) of the Order is not applicable to the company.
- (v) According to the information and explanations given to us, during the FY 2020-21 the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (l) of section 148 of the Act, for any of the goods manufactured or services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of

undisputed statutory dues including Income-tax, service tax, cess, Provident Fund and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. *However there have been few cases of delays in payment of Income Tax.*

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, service tax, goods and service tax, cess and other material statutory dues were in arrears as at **31 March 2021** for a period of more than six months from the date they became payable *except TDS Defaults showing on TDS Traces website amounting to Rs. 33,196/- as on 31st March 2021.*

- (b) According to the information and explanation given to us, there are no material dues of income tax or service tax or GST which have not been deposited with appropriate authorities on account of any dispute except reported as below.

Details of dues of statutory taxes which not been deposited as at March 31, 2021 on account of disputes are given 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)

- (viii) According to the information and explanations given to us, and based on the verification of records of company examined by us, the company has not defaulted in repayment of loan or borrowing’s to financial institution & bank.
- (ix) 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(ix) of the Order is not applicable to the company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial

remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

(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.

(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.

(xiv) 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 preferential allotment of Equity Share/ private placement of shares or fully or partly convertible debenture. Therefore paragraph 3(xiv) not applicable to the company.

(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 director or person connected with them.

(xvi) In our opinion and according to information and explanation provide to us, Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Therefore paragraph 3(xvi) of the Order is not applicable to the company

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

Aniket Kulkarni
Proprietor
Membership No.127246

Place: Mumbai
Date: June 29, 2021
UDIN: 21127246AAAAPV8558

BALANCE SHEET AS AT MARCH 31, 2021
(Currency : Indian Rupees)

Particulars	Note No.	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
A ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2	5,33,82,095	5,53,78,294
(b) Intangible assets		11,38,611	6,18,096
(c) Financial Assets			
(i) Investments	3	4,34,49,980	4,49,83,192
(ii) Loans	4	14,70,66,872	8,82,66,872
(iii) Others	5	2,16,68,641	2,16,68,641
(d) Deferred tax assets (net)		21,15,422	16,47,532
(e) Other non-current assets	6	1,45,49,262	1,60,75,394
		28,33,70,883	22,86,38,021
(2) Current Assets			
(a) Financial Assets			
(i) Investments	7	6,64,098	5,26,102
(ii) Trade receivables	8	6,83,60,494	9,39,08,932
(iii) Cash and cash equivalents	9	4,94,209	5,80,701
(iv) Bank balances other than (iii) above	10	6,30,47,199	7,86,72,302
(v) Loans	11	24,32,092	23,34,545
(vi) Other current assets	12	14,69,821	4,54,417
		13,64,67,913	17,64,76,999
Total Assets		41,98,38,796	40,51,15,020
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	13	11,93,90,000	13,43,90,000
(b) Other Equity	14	8,63,58,764	10,31,05,774
Total Equity		20,57,48,764	23,74,95,774
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	6,94,04,397	6,23,93,049
(b) Provisions	16	18,26,424	15,99,679
(c) Other non-current liabilities	17	3,89,730	1,65,282
Total Non Current Liabilities		7,16,20,551	6,41,58,010
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	18	12,43,77,863	9,98,37,641
(b) Other current liabilities	19	1,80,91,619	36,23,595
Total Current Liabilities		14,24,69,481	10,34,61,236
Total Equity And Liabilities		41,98,38,796	40,51,15,020

See accompanying notes (1 to 44) to the Financial Statements.

As per our report attached of even date.

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

Aniket Kulkarni
 Proprietor
 Mem. No: 127246

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

Homiar N. Vakil
 Chairman
 DIN: 05210178

Pranav Khandwala
 Whole-Time Director/ CFO
 DIN: 00519113

Paresh J. Khandwala
 Managing Director
 DIN: 00112678

Abhishek Joshi
 Company Secretary

Place : Mumbai
 Date : 29th June 2021

Place : Mumbai
 Date : 29th June 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Currency : Indian Rupees)

Particulars		Note	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
I	Revenue from Operations	20	3,59,62,848	2,73,54,285
II	Other Income	21	17,72,580	88,46,055
III	Total Income		3,77,35,428	3,62,00,340
IV	Expenses			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods	22	91,728	9,46,765
	Stock-in-Trade and work-in-progress		-	-
	Employee benefits expense	23	2,50,32,230	2,42,15,256
	Finance costs	24	73,98,528	81,70,109
	Depreciation and amortization expense		27,75,434	27,97,488
	Other expenses	25	1,94,05,236	3,63,22,797
	Total Expenses		5,47,03,156	7,24,52,415
V	Profit/(Loss) before Tax and prior period items		(1,69,67,727)	(3,62,52,074)
VI	Exceptional Items		-	-
VII	Profit/(Loss) before Extraordinary items and tax (V - VI)		(1,69,67,727)	(3,62,52,074)
VIII	Extraordinary items		-	-
IX	Profit/(Loss) before Tax (VII - VIII)		(1,69,67,727)	(3,62,52,074)
X	Tax Expense			
	(1) Current Tax		-	-
	(2) MAT Tax		-	-
	(3) Deferred Tax (Credited)/ Charged		(4,67,890)	(3,81,981)
XI	Profit / (Loss) for the period from Continuing Operations		(1,64,99,837)	(3,58,70,093)
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)		(1,64,99,837)	(3,58,70,093)
XVI	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		14,227	(59,628)
	(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)		(1,64,85,610)	(3,59,29,721)
XVIII	Earnings Per Share of - Basic (Rs.)			
	- Basic (Rs.)		(1.38)	(3.00)
	- Diluted (Rs.)		(1.38)	(3.00)

See accompanying notes (1 to 44) 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 : 29th June 2021

Place : Mumbai
Date : 29th June 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021
(Currency : Indian Rupees)

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
A. Cash flow from operational activities				
Net (Loss)/Profit before tax adjusted for prior period items and excess provisions for tax written back		(1,69,67,727)		(3,62,52,074)
Adjustments for:				
Depreciation	27,75,434		27,97,488	
Interest Income	(15,49,146)		(18,46,124)	
Finance Cost	73,98,528		81,70,109	
Unrealised Gains On Mark to Market of F&O Stock	2,97,182		6,38,539	
Provision for Diminution in Investments/ Stock	91,728		9,46,765	
Lease Rentals	-		(30,00,000)	
Other Comprehensive Expenses	14,227		(59,628)	
Interest on Income Tax Refund	(27,620)		-	
Provision for MAT	(2,61,400)		-	
Sundry Debit Balance written off	1,95,389		3,00,957	
Sundry Credit Balance Written Back	(1,04,843)		(41,70,975)	
Dividend Income	(1,73,679)		(1,09,721)	
	86,55,799		36,67,410	
	(83,11,928)		(3,25,84,665)	
Operating profit before working capital changes				
Adjustments for:				
Inventories	(5,17,258)		(5,89,329)	
Trade Receivables & Other Receivables	(3,28,16,227)		4,06,83,496	
Current Liabilities & Provision	3,95,64,281	62,30,796	(4,30,02,773)	(29,08,606)
Cash generated from operations		(20,81,132)		(3,54,93,271)
Direct taxes Refunded / (paid)		-		-
Net cash (used in) / generated from operating activities		(20,81,132)		(3,54,93,271)
B. Cash flow from investing activities				
Sale / (Purchase) of fixed assets (Net)	(12,99,750)		(6,65,457)	
Sale/ (Purchase) of Investments (Net of purchase)	15,33,212		(50,19,192)	
Interest received	13,59,224		15,68,146	
Dividend received	1,64,030		1,00,243	
Net cash (used in) / generated from investing activities		17,56,716		(40,16,259)
C. Cash flow from financing activities				
(Repayment)/Proceeds from long term borrowings(Net)	70,11,348		1,34,87,781	
(Repayment)/Proceeds from Preference shares	(1,50,00,000)		-	
(Repayment)/Proceeds from short term borrowings(Net)	-		-	
Interest and other Finance charges	(73,98,528)		(81,70,109)	
Net cash (used in) / generated from financing activities		(1,53,87,179)		53,17,671
Net increase/(decrease) in cash and cash equivalents		(1,57,11,595)		(3,41,91,859)
Cash and Cash equivalents (opening balance)	7,92,53,003		11,34,44,862	
Cash and Cash equivalents (closing balance)	6,35,41,408		7,92,53,003	
		(1,57,11,595)		(3,41,91,859)

See accompanying notes (1 to 44) to the Financial Statements.

As per our report attached of even date.

For Aniket Kulkarni & Associates
Chartered Accountants

FRN No. 130521W

Aniket Kulkarni
Proprietor

Mem. No: 127246

For and on behalf of the Board of Directors

Khandwala Securities Limited
Homiar N. Vakil
Chairman

DIN: 05210178

Pranav Khandwala
Whole-Time Director/ CFO

DIN: 00519113

Paresh J. Khandwala
Managing Director

DIN: 00112678

Abhishek Joshi
Company Secretary

Place : Mumbai

 Date : 29th June 2021

Place : Mumbai

 Date : 29th June 2021

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, 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, depository services 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

Particulars	Gross Block				Depreciation			Net Block	
	As At 01-Apr-20	Additions during the period	Deductions during the period	As At 31-Mar-21	As At 01-Apr-20	For the period	As At 31st March 21	As At 31st March 21	As At 31st March 20
Property, Plant and Equipment									
Office Buildings *	8,19,05,674	-	-	8,19,05,674	2,98,49,703	13,76,619	3,12,26,323	5,06,79,352	5,20,55,971
Computers	17,43,355	1,85,100	-	19,28,455	13,42,725	2,21,421	15,64,146	3,64,308	4,00,629
Office Equipments	17,05,968	4,40,400	-	21,46,368	11,88,897	3,07,028	14,95,925	6,50,443	5,17,071
Furniture and Fixtures	5,13,226	-	-	5,13,226	4,80,590	6,197	4,86,787	26,439	32,636
Vehicles	49,78,784	-	-	49,78,784	29,04,313	6,23,592	35,27,905	14,50,879	20,74,471
Plant & Machinery (Computer)	11,09,579	-	-	11,09,579	8,12,064	86,841	8,98,905	2,10,674	2,97,515
	9,19,56,585	6,25,500	-	9,25,82,085	3,65,78,292	26,21,699	3,91,99,991	5,33,82,095	5,53,78,294
INTANGIBLE ASSETS									
Computer Software	11,30,968	6,74,250	-	18,05,218	5,12,871	1,53,735	6,66,606	11,38,611	6,18,096
Total	9,30,87,553	12,99,750	-	9,43,87,303	3,70,91,163	27,75,434	3,98,66,597	5,45,20,706	5,59,96,390
Previous Year	9,24,22,096	6,65,457	-	9,30,87,553	3,42,93,675	27,97,488	3,70,91,163	5,59,96,390	

Particulars	Face Value	As at March 31, 2021		As at March 31, 2020	
		Number	Amount	Number	Amount
NOTE 3 - INVESTMENTS					
NON CURRENT INVESTMENTS					
Investments measured at Cost					
Quoted, fully paid up					
Creative Casting Ltd	10	11,806	44,76,038	15,850	60,09,250
Vodafone Idea Ltd	10	3,00,000	52,18,942	3,00,000	52,18,942
			96,94,980		1,12,28,192
In Equity Shares of Associate Companies					
Unquoted, fully paid up					
Trumonee Financial Limited	10	33,75,000	3,37,50,000	33,75,000	3,37,50,000
In Equity Shares					
Unquoted, fully paid up					
Kowa Spinning Limited	10	10,08,000	2,13,58,200	10,08,000	2,13,58,200
Vadodara Stock Exchange Limited	10	500	5,000	500	5,000
			2,13,63,200		2,13,63,200
			6,48,08,180		6,63,41,392
Less : Provision for diminution			2,13,58,200		2,13,58,200
TOTAL			4,34,49,980		4,49,83,192

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE - 4 LOANS		
Deposits with exchange & other	9,40,66,872	3,52,66,872
Deposit with Companies	5,30,00,000	5,30,00,000
TOTAL	14,70,66,872	8,82,66,872
NOTE - 5 OTHERS		
Share Application	2,16,68,641	2,16,68,641
TOTAL	2,16,68,641	2,16,68,641

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE - 6 OTHER NON - CURRENT ASSETS		
Advance Payment of Tax	33,49,262	55,25,394
In Fixed Deposit Accounts	1,12,00,000	1,05,50,000
TOTAL	1,45,49,262	1,60,75,394
NOTE 7 - CURRENT INVESTMENT		
Investment In Equity		
Equity Shares -(Refer Appendix 7-A)	6,64,098	5,26,102
TOTAL	6,64,098	5,26,102

Appendix 7-A

NAME OF THE SCRIP	As at March 31, 2021		As at March 31, 2020	
	Number	Rs.	Number	Rs.
Equity Shares :				
Avenue Supermart Ltd.	-	-	9	19,688
Aruna Hotels Ltd	-	-	700	-
Creative Casting Ltd	203	28	203	28
Deccan Granite Ltd	20,300	37,555	20,300	37,555
Future Consumer Enterprise Ltd	2,000	12,000	2,000	14,020
G R Magnets Ltd	7,100	-	7,100	-
ICSA (India) Ltd	3,000	600	3,000	1,710
India Bulls Housing Finance	2,000	3,93,000	-	-
LIC MF Liquid Plus Fund	15,680	1,65,536	15,016	1,55,887
Majesco Ltd	200	13,190	-	-
Reliance Power Ltd	-	-	50,000	61,000
Saraswat Co-Op Bank	2,550	25,500	2,550	25,500
Setech Electronics Ltd	2,70,000	1	2,70,000	1
Sharp Industries Ltd	2,210	10,475	2,210	10,475
Suryachakra Power Corporation	-	-	5,000	1,300
Tata Chemicals Ltd	-	-	250	-
Tata Consumer Products Ltd	-	-	285	-
UTI Top 100 Funds	1,000	6,213	1,000	6,213
Yes Bank	-	-	500	11,225
Zee Media Corporation	-	-	50,000	1,81,500
		6,64,098		5,26,102

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 8 - Trade Receivables		
(Unsecured & Considered Good)		
Outstanding for more than six months		
Considered good	3,17,25,020	4,85,11,433
Outstanding for Less than Six Months		
Considered good	3,66,35,474	4,53,97,498
TOTAL	6,83,60,494	9,39,08,932

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 9 - Cash and cash equivalents		
Cash on hand	4,94,209	5,80,701
TOTAL	4,94,209	5,80,701
NOTE 10 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance with Scheduled Banks:		
In Current Accounts	5,04,97,199	6,31,72,302
In Fixed Deposit Accounts (Less than One Year)	1,25,50,000	1,55,00,000
TOTAL	6,30,47,199	7,86,72,302
NOTE 11 - LOANS		
(Unsecured and Considered Good)		
Employees	4,40,800	4,19,500
Prepaid Expenses	19,17,542	12,87,745
Advance to Sundry Creditors	73,750	6,27,300
TOTAL	24,32,092	23,34,545
NOTE 12 - OTHER CURRENTS ASSETS		
Interest Accrued on Fixed Deposit	2,25,172	2,72,988
Advance for Expenses	3,00,280	1,81,429
Balance with GST Authorities	9,44,369	-
TOTAL	14,69,821	4,54,417

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	14,00,00,000	1,40,00,000	14,00,00,000
500,000 (P.Y. 500,000) Cumulative Redeemable Preference Shares of Rs. 100/- each	5,00,000	5,00,00,000	5,00,000	5,00,00,000
400,000 (P.Y. 400,000) Cumulative Convertible Preference Shares of Rs. 100/- each	4,00,000	4,00,00,000	4,00,000	4,00,00,000
2,00,000 (P.Y. 2,00,000) Optionally Convertible Redeemable Preference Shares of Rs. 100/- each	2,00,000	2,00,00,000	2,00,000	2,00,00,000
TOTAL	1,51,00,000	25,00,00,000	1,51,00,000	25,00,00,000
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	11,93,90,000	1,19,39,000	11,93,90,000
TOTAL	1,19,39,000	11,93,90,000	1,19,39,000	11,93,90,000

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos	Amount	Nos	Amount
Preference Share Capital				
150,000 10.00% Cumulative Redeemable	-	-	1,50,000	1,50,00,000
Preference shares of Rs. 100/- each fully paid-up.				
TOTAL	-	-	1,50,000	1,50,00,000
Reconciliation Of Shares				
Equity shares with voting rights				
Balance as at the beginning of the year	1,19,39,000	11,93,90,000	1,19,39,000	11,93,90,000
Add: Issue of fresh shares during the year	-	-	-	-
Balance as at the end of the year	1,19,39,000	11,93,90,000	1,19,39,000	11,93,90,000
Preference shares				
Balance as at the beginning of the year	1,50,000	1,50,00,000	1,50,000	1,50,00,000
Add: Issue of fresh shares during the year	-	-	-	-
Less : Repayment of shares during the year	1,50,000	1,50,00,000	-	-
Balance as at the end of the year	-	-	1,50,000	1,50,00,000
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	13,02,007	10.91%	12,92,807	10.83%
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%
Name of Preference Share Holder				
Rohit Chand	-	-	1,50,000	100.00%

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 FINANCIAL STATEMENTS

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 14 - Other Equity		
Securities Premium Account	4,82,73,000	4,82,73,000
Capital Redemption Reserve	3,40,00,000	3,40,00,000
Profit & Loss Account		
As per last Balance Sheet	2,08,32,774	5,67,62,496
Add: Transferred from Profit & Loss Account	(1,64,85,610)	(3,59,29,721)
Less:- Provision for MAT F.Y.2018-2019	(2,61,400)	-
TOTAL	40,85,764	2,08,32,774
	8,63,58,764	10,31,05,774

Statement of Changes in Equity for the period ended 31.03.2021

A. Equity Share Capital

Rupees in lakhs

Balance at the beginning of the reporting period	Changes in share capital during the year	Balance at the end of the reporting period
1,343.90	150.00	1,193.90

B. Other Equity

Rupees in lakhs

	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	-	-	-	340.00	482.73	-	208.33	-	-	-	-	-	-	-	1,031.06
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(167.47)	-	-	-	-	-	-	-	(167.47)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	-	340.00	482.73	-	40.86	-	-	-	-	-	-	-	863.59

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 15 - BORROWINGS		
Secured		
Canara Bank Overdraft Account	5,99,29,197	5,96,13,032
Vehicle Loan (Secured by hypothecation of vehicle) (Terms of payment 84 Months EMI Rs.56,045/- P.M. Interest Rate @10.25%)	9,79,367	15,20,982
	6,09,08,564	6,11,34,014
Unsecured		
Yukti Securities Ltd.	12,59,035	12,59,035
Evasion Gems	60,36,798	-
Pareesh J. Khandwala	12,00,000	-
TOTAL	84,95,833	12,59,035
	6,94,04,397	6,23,93,049

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 16 - PROVISIONS		
Provision for Taxation (FBT)	5,64,501	5,64,501
Provision for Gratuity	8,99,943	6,73,198
Provision for Leave Encashment	11,980	11,980
Provision MAT Tax	3,50,000	3,50,000
TOTAL	18,26,424	15,99,679
NOTE 17 - OTHER NON CURRENTS LIABILITIES		
Security Deposits	3,89,730	1,65,282
TOTAL	3,89,730	1,65,282

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 18 - TRADE PAYABLE		
Sundry Creditors	12,43,77,863	9,98,37,641
TOTAL	12,43,77,863	9,98,37,641
NOTE 19 - OTHER CURRENTS LIABILITIES		
Payable to Employees	21,22,806	15,33,746
Statutory Dues	13,85,182	15,02,958
Other Expenses Liabilities	2,64,800	5,86,891
NSE Obligation- Payable	1,43,18,830	-
TOTAL	1,80,91,619	36,23,595

Particulars	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
NOTE 20 - REVENUE FROM OPERATIONS		
Sale of Services		
Brokerage	2,92,26,739	2,08,15,404
Corporate Advisory Services	1,00,000	1,87,818
Income from Capital Market Operations	66,36,109	63,51,063
TOTAL	3,59,62,848	2,73,54,285
NOTE 21 - OTHER INCOME		
Interest on Fixed deposits with Banks <i>[Tax deducted at source Rs.-1,16,503/-]</i> <i>(Previous year Rs. 1,84,621/-)</i>	15,49,146	18,46,124
Dividend :- On stock in trade	1,73,679	1,09,721
Lease Rentals	-	30,00,000
Interest on Income Tax Refund	27,620	-
Unrealised Gains/(Loss) On Mark to Market of F&O Stock	(2,97,182)	(6,38,539)
Other Income	3,19,318	45,28,749
TOTAL	17,72,580	88,46,055
NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS		
Loss on Stock Valuation	91,728	9,46,765
TOTAL	91,728	9,46,765

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
NOTE 23 - EMPLOYEE BENEFITS EXPENSE		
Salaries and Bonus	2,02,27,367	1,90,76,263
Managing Director's Remuneration	36,93,785	36,76,023
Contribution to Provident and other Funds	6,61,757	6,51,604
Staff Welfare Expenses	1,83,439	5,59,652
Gratuity	2,65,882	2,51,714
TOTAL	2,50,32,230	2,42,15,256

Particulars	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
NOTE - 24 FINANCE COST		
Interest Expense	1,70,707	38,54,162
Bank Guarantee Commission and Other Charges	72,27,821	43,15,947
TOTAL	73,98,528	81,70,109
NOTE 25 - OTHER EXPENSES		
Financial Advisory charges	20,231	1,63,404
Computer Expenses	4,44,839	4,52,678
Demat charges	2,27,538	3,24,388
Rates and Taxes	30,07,089	16,40,322
Consultancy Charges	57,341	12,658
Commission Brokerage	66,71,121	18,71,210
Insurance	3,92,993	6,40,751
Internet Expenses	1,38,000	1,35,000
Advertisement Expenses	1,03,079	1,01,178
Business Promotion Expenses	1,63,327	2,33,031
Legal & Professional Fees	16,11,146	18,55,429
Telephone/Postage and Courier Charges	4,12,047	4,66,813
Electricity Charges	4,38,233	6,73,088
Registration Fees	10,47,622	10,94,748
Repairs and Maintenance	22,62,013	15,79,962
Security Charges	1,63,157	1,62,720
Printing and Stationery	3,12,167	2,92,596
Subscription Expenses	2,57,831	10,06,022
Travelling and Conveyance	7,57,792	11,03,171
Auditor's Remuneration		
For Statutory Audit	2,25,000	2,25,000
For Certification	25,000	25,000
Directors sitting fees	90,000	55,000
Donation	24,000	24,000
Miscellaneous Expenses	2,55,826	4,14,177
Sundry Balance Written off	1,95,389	3,00,957
Loss on Market Operation	1,02,457	2,14,69,494
TOTAL	1,94,05,236	3,63,22,797

NOTES FORMING PART OF FINANCIAL STATEMENTS

26. 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.
27. The Share Application Money for an amount of Rs. 216.69 Lakhs (Previous Year Rs. 216.69 Lakhs) is outstanding for a period of 228 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.
28. 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, 2021. 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.
29. In the matter of M/s. Shree Rama Multitech Limited (SRML) in relation to recovery of rental income from SRML, the Hon'ble High Court has passed the order/decree in favor of the company. Although the company is yet to receive the rental Income from SRML. Further, the Company is in the process to file an application in the Small Cause Court, Mumbai for recovering the pending rental income amount from SRML.
30. 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.

31. SEBI vide its order no. WTM/RKA/EFD/DRA-11/45/2015 dated May 13, 2015 suspended 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.

32. There is a Mark to Market Loss of Rs.2,97,182/- as on 31st March 2021 on account of Unrealized Loss on Future Contract as per Ind AS-39.
33. The net deferred tax assets are calculated as follows:

(Rs. In Lakhs)

Particulars	Accumulated As at 31 st March 2020	Charge/ Credit during the year	As at 31 st March 2021
Deferred tax asset:			
Provision for doubtful debtors/advances that are deducted for tax purposes when written off	199.45	-	199.45
Deferred Tax Asset on account of Unabsorbed Depreciation	216.50	-	216.50
Deferred tax liability:			
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates	(398.25)	4.67	(393.58)
Expenses carried forward as per books but claimed for tax purposes as incurred	(1.22)	-	(1.22)
Net Deferred tax Assets/ (Liability)	16.48	4.67	21.15

NOTES FORMING PART OF FINANCIAL STATEMENTS

34. 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

(Amount in Rs. Lakhs)

Sr. No.	Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
1	Segment Revenue-external		
a)	Investment / Stock Operations	66.36	63.51
b)	Fee-based Operations	293.27	210.03
c)	Other Unallocated Revenue	17.73	88.46
	Total revenue	377.35	362.00
2	Segment Result		
a)	Investment / Stock Operations	58.63	(167.09)
b)	Fee-based Operations	(27.89)	(63.74)
	Total	30.74	(230.84)
	Less: Interest	73.99	81.70
	Unallocated Expenses less unallocated income	(126.43)	(49.98)
	Net (Loss) / Profit before Tax & prior Period Items	(169.68)	(362.52)
	Provision for tax (including deferred tax)	(4.68)	(3.82)
	Net (Loss)/Profit after tax for the year	(165.00)	(358.70)

Sr. No.	Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
	Other Comprehensive Income	0.14	(0.60)
	Total Comprehensive Income	(164.86)	(359.30)
	Other Items		
3	Segment Assets		
a)	Investment / Stock Operations	441.18	455.13
b)	Fee-based Operations	2295.89	2074.07
c)	Unallocated Corporate Assets	1460.55	1512.56
		4197.62	4041.76
4	Segment Liabilities		
a)	Investment / Stock Operations	0.01	0.02
b)	Fee-based Operations	1339.83	943.72
c)	Unallocated Corporate Liabilities	106.25	108.52
		1446.09	1052.26
5	Depreciation	27.75	27.97
6	Non cash items other than depreciation		
a)	Investment / Stock operations	0.92	9.47
b)	Fee based operations	-	-

35. Earnings per share:

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Basic		
Numerator used for calculating basic earnings per share – Profit after taxation (Rs. Lakhs)	(165.00)	(358.70)
Less: Dividend on Cumulative Preference share dividend (including dividend tax thereon)	-	-
Profit / (Loss) attributable to equity shareholders (Rs. Lakhs)	(165.00)	(358.70)
Weighted average number of shares (in Lakhs) used as Denominator for calculating basic earnings per share	119.39	119.39
Nominal value per equity share (Rs.)	10.00	10.00
Basic earnings per share – (Rs.)	(1.38)	(3.00)
Diluted		
Numerator used for calculating Diluted earning per Share-Profit /(Loss) after taxation (Rs. In Lakhs)	(165.00)	(358.70)
Weighted Average Number of Shares (In Lakhs) used as Denominator for calculating Diluted Earning per Share	119.39	119.39
Diluted earnings per Share- (Rs.)	(1.38)	(3.00)

36. Related Party Disclosures
Names of Related Parties:

- A) Enterprises where control exists
- Associate Companies:
- Trumonee Financial Ltd.
- B) Enterprises controlled by the relatives of the Key Managerial Personnel:
- Pigero Investments Pvt. Ltd.
 - Bentley Investments Pvt. Ltd.
 - Khandwala Commodity & Derivatives Pvt. Ltd.
- C) Key Management Personnel:
- Mr. Paresh J. Khandwala - Managing Director
 - Mr. Pranav P. Khandwala - Whole-Time Director/CFO
 - Mrs. Bhagyashree Khandwala - Non-Executive Director
 - Mr. Rohitasava Chand - Independent Director
 - Mr. HomiarVakil - Independent Director
 - Mr. Pratik Khandwala - Non-Executive Director
- D) Relatives of Key Management Personnel:
- Mrs. Daxa P. Khandwala
 - Mrs. Tulsi Khandwala
 - Mrs. Brinda P. Khandwala
 - Mr. Mayank Khandwala

Transactions with related parties for the year ended 31st March 2021.
[Rs. in Lakhs]

Transaction	2020-21	2019-20
Brokerage received	0.25	0.63
Remuneration Paid	36.94	36.76
Outstanding Balance		
Loans and Advance	12.00	-
Sundry Debtors	0.20	152.46
Sundry Creditors	0.79	2.54
Investment Associate Companies	337.50	337.50

37. As per information and explanation received there are no dues payable to Small Scale Industrial Undertakings as at March 31, 2021.
38. Transaction in foreign currency: (In Lakhs)
- Foreign travel expenses – Rs. Nil, Previous year Rs. Nil .
39. Debtors include:
- Due from a firm in which a director is interested as partner - Rs. Nil (Previous year Rs.110.73 Lakhs)
 - Due from relatives and Enterprises controlled by the relatives of the Key Management Personnel– Rs. Nil Lakhs.
 - The above dues have arisen in the normal course of business.
40. 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.
41. Managerial Remuneration:
- Remuneration to Managing Director
Salary and Other Allowances : Rs. 36.94 Lakhs (P.Y. Rs. 36.76 Lakhs)
 - Sitting fees to other Directors : Rs. 0.90 Lakhs (P.Y. Rs. 0.55 Lakhs)
42. 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.

Change in Benefit Obligation:	Current Period	Previous Period
Present Value of Benefit Obligation at the beginning of the Period	38,67,790	33,96,182
Interest Cost	2,65,717	2,64,563
Current Service Cost	2,19,633	1,79,126
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Settlement	-	-
Liability Transfer in	-	-
Liability Transfer out	-	-
(Benefit Paid from the Fund)	(27,467)	(26,718)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Change in Benefit Obligation:	Current Period	Previous Period
Actuarial (Gain) / Loss on Obligations-Due to change in Demographic Assumptions	88,151	-
Actuarial (Gain) / Loss on Obligations-Due to change in Financial Assumptions	2,167	2,19,763
Actuarial (Gain) / Loss on Obligations-Due to Experience	(1,39,677)	(1,65,126)
Present Value of Benefit Obligation at the End of the Period	42,76,314	38,67,790

Fair value of Plan Assets:	Current Period	Previous Period
Fair Value of Plan Assets at the Beginning of the Period	31,94,592	24,64,377
Interest Income	2,19,468	1,91,975
Contributions by the Employer	24,910	5,69,949
Expected Contribution by the employees	-	-
Expected Contributions by the Employees	-	-
(Benefit Paid from the Fund)	(27,467)	(26,718)
Return on Plan Assets, Excluding Interest Income	(35,132)	(4,991)
Fair Value of Plan Assets at the End of the Period	33,76,371	31,94,592

Amount Recognized in the Balance Sheet:	Current Period	Previous Period
(Present Value of Benefit Obligation at the end of the Period)	(42,76,314)	(38,67,790)
Fair Value of Plan Assets at the End of the Period	33,76,371	31,94,592
Funded Status (Surplus/ (Deficit))	(8,99,943)	(6,73,198)
Net (Liability) /Asset Recognized in the Balance Sheet	(8,99,943)	(6,73,198)

Net Interest Cost for Current Period	Current Period	Previous Period
Present Value of Benefit Obligation at the Beginning of the Period	38,67,790	33,96,182
(Fair Value of Plan Assets at the Beginning of the Period)	(31,94,592)	(24,64,377)

Net (Liability) /Asset at the Beginning	6,73,198	9,31,805
Interest Cost	2,65,717	2,64,563
(Interest Income)	(2,19,468)	(1,91,975)
Net Interest Cost for Current Period	46,249	72,588

Expenses Recognized in the Income Statement:	Current Period	Previous Period
Current Service Cost	2,19,633	1,79,126
Net Interest Cost	46,249	72,588
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/ Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expense Recognized	2,65,882	2,51,714

Balance Sheet Reconciliation	Current Period	Previous Period
Opening Net Liability	6,73,198	9,31,805
Expense Recognized in Statement of Profit or Loss	2,65,882	2,51,714
Expense Recognized in OCI	(14,227)	59,628
Net Liability/ (Asset) Transfer in	-	-
Net Liability/ (Asset) Transfer out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(24,910)	(5,69,949)
Net Liability /(Asset) Recognized in Balance Sheet	8,99,943	6,73,198

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	33,76,371	31,94,592
Other	-	-
Total	33,76,371	31,94,592

Expenses Recognized in the Other Comprehensive Income OCI for Current Period	Current Period	Previous Period
Actuarial (Gains)/ Losses on Obligation for the Period	(49,359)	54,637

NOTES FORMING PART OF FINANCIAL STATEMENTS

Return on Plan Assets, Excluding Interest Income	35,132	4,991
Change in Asset Ceiling	-	-
Net (Income)/ Expense for the Period Recognized in OCI	(14,227)	59,628

Assumptions	Current Period	Previous Period
Expected Return on Plan Assets	6.86%	6.87%
Rate of Discounting	6.86%	6.87%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	5.00%	2.00%

Other Details	Current Period	Previous Period
No. Of Active Members	39	29
Per Month Salary For Active Member	9,38,891	5,93,065
Weighted Average Duration of the Projected Benefit Obligation	6	8
Average Expected Future Service	11	13
Projected Benefit Obligation	42,76,314	38,67,790
Prescribed Contribution for next year (12 Months)	9,38,891	5,93,065

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.

43. 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 Lakhs]

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	4.96	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 2021 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.
44. The figures for the previous period have been regrouped, rearranged or reclassified wherever necessary to conform to the current period's presentation.

See accompanying notes (1 to 44) to the Financial Statements.
As per our report attached of even date.

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

Aniket Kulkarni
Proprietor
Mem. No: 127246

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

Homiar N. Vakil
Chairman
DIN: 05210178

Pranav Khandwala
Whole-Time Director/ CFO
DIN: 00519113

Paresh J. Khandwala
Managing Director
DIN: 00112678

Abhishek Joshi
Company Secretary

Place : Mumbai
Date : 29th June 2021

Place : Mumbai
Date : 29th June 2021

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, 2021, 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, 2021, 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.
2.	The Company has made redemption of its Preference Share capital.	We have noticed that the company has made the redemption of its preference share capital on 30.03.2021 and made the payment for an amount of Rs 15,000,000 (Rupees One Crore Fifty Lakhs Only).

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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 has been no delay in transferring amounts, 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

Place: Mumbai
Date: June 29, 2021
UDIN: 21127246AAAAPW5003

ANNEXURE-A" TO THE INDEPENDENT AUDITORS' REPORT – 31ST MARCH 2021

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, 2021 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, 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accounts of India.

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

Aniket Kulkarni
Proprietor
Membership No: - 127246

Place: Mumbai
Date: June 29, 2021
UDIN: 21127246AAAAAPW5003

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Khandwala Securities Limited of even date

(i) In respect of Company’s Fixed Assets:

- (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.

(ii) The company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence reporting under clause 3(iii) of the Order is not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the company has neither granted any loans to directors, etc. nor made loan and investment under section 185 and 186 of the Companies Act respectively. Hence, reporting under clause 3(iv) of the Order is not applicable to the company.

(v) According to the information and explanations given to us, during the FY 2020-21 the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (l) of section 148 of the Act, for any of the goods manufactured or services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, service tax, cess, Provident Fund and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. *However there have been few cases of delays in payment of Income Tax.*

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, service tax, goods and service tax, cess and other material statutory dues were in arrears as at **31 March 2021** for a period of more than six months from the date they became payable *except TDS Defaults showing on TDS Traces website amounting to Rs. 33,196/- as on 31st March 2021.*

- (b) According to the information and explanation given to us, there are no material dues of income tax or service tax or GST which have not been deposited with appropriate authorities on account of any dispute except reported as below.

Details of dues of statutory taxes which not been deposited as at March 31, 2021 on account of disputes are given 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)

(viii) According to the information and explanations given to us, and based on the verification of records of company examined by us, the company has not defaulted in repayment of loan or borrowing's to financial institution & bank.

(ix) 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(ix) of the Order is not applicable to the company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

(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.

(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.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made preferential allotment of Equity Share/ private placement of shares or fully or partly convertible debenture. Therefore paragraph 3(xiv) not applicable to the company.

(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 director or person connected with them.

(xvi) In our opinion and according to information and explanation provide to us, Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Therefore paragraph 3(xvi) of the Order is not applicable to the company

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

Aniket Kulkarni
Proprietor
Membership No: - 127246

Place: Mumbai
Date: June 29, 2021
UDIN: 21127246AAAAPW5003

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021
(Currency : Indian Rupees)

Particulars	Note No.	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
A ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2	5,33,82,095	5,53,78,294
(b) Intangible assets		11,38,611	6,18,096
(c) Goodwill on Consolidation		2,59,76,616	2,59,76,616
(d) Financial Assets			
(i) Investments	3	96,99,980	1,12,33,192
(ii) Loans	4	14,71,53,712	8,84,01,463
(iii) Others	5	2,16,68,641	2,16,68,641
(e) Deferred tax assets (net)		21,15,422	16,47,532
(f) Other non-current assets	6	1,45,49,262	1,60,75,394
		27,56,84,340	22,09,99,229
(2) Current Assets			
(a) Financial Assets			
(i) Investments	7	6,70,935	5,32,540
(ii) Trade receivables	8	6,84,03,036	9,39,51,473
(iii) Cash and cash equivalents	9	5,81,400	6,67,892
(iv) Bank balances other than (iii) above	10	6,30,72,799	7,86,79,319
(v) Loans	11	24,61,231	23,34,545
(vi) Other current assets	12	27,42,220	17,26,817
		13,79,31,621	17,78,92,586
Total Assets		41,36,15,961	39,88,91,815
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	13	11,93,90,000	13,43,90,000
(b) Other Equity	14	8,01,17,892	9,68,77,838
Total Equity		19,95,07,892	23,12,67,838
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	6,94,04,397	6,23,93,049
(b) Provisions	16	18,26,424	15,99,679
(c) Other non-current liabilities	17	3,89,730	1,65,282
Total Non Current Liabilities		7,16,20,551	6,41,58,010
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	18	12,43,95,899	9,98,42,372
(b) Other current liabilities	19	1,80,91,619	36,23,595
Total Current Liabilities		14,24,87,518	10,34,65,967
Total Equity And Liabilities		41,36,15,961	39,88,91,815

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

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 : 29th June 2021

Place : Mumbai

Date : 29th June 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Currency : Indian Rupees)

Particulars		Note	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
I	Revenue from Operations	20	3,59,62,848	2,73,54,285
II	Other Income	21	17,72,978	88,46,799
III	Total Income		3,77,35,826	3,62,01,084
IV	Expenses			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods	22	91,728	9,46,765
	Stock-in -Trade and work-in-progress		-	-
	Employee benefits expense	23	2,50,32,230	2,42,15,256
	Finance costs	24	73,98,556	81,73,242
	Depreciation and amortization expense		27,75,434	27,97,488
	Other expenses	25	1,94,18,541	3,63,31,114
	Total Expenses		5,47,16,489	7,24,63,865
V	Profit/(Loss) before Tax and prior period items		(1,69,80,663)	(3,62,62,781)
VI	Exceptional Items		-	-
VII	Profit/(Loss) before Extraordinary items and tax (V - VI)		(1,69,80,663)	(3,62,62,781)
VIII	Extraordinary items		-	-
IX	Profit/(Loss) before Tax (VII - VIII)		(1,69,80,663)	(3,62,62,781)
X	Tax Expense			
	(1) Current Tax		-	-
	(2) MAT Tax		-	-
	(3) Deferred Tax (Credited)/ Charged		(4,67,890)	(3,81,981)
XI	Profit / (Loss) for the period from Continuing Operations		(1,65,12,773)	(3,58,80,800)
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)		(1,65,12,773)	(3,58,80,800)
XVI	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		14,227	(59,628)
	(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)		(1,64,98,546)	(3,59,40,428)
XVIII	Earnings Per Share of - Basic (Rs.)			
	- Basic (Rs.)		(1.38)	(3.01)
	- Diluted (Rs.)		(1.38)	(3.01)

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

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 : 29th June 2021

Place : Mumbai

Date : 29th June 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021
(Currency : Indian Rupees)

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
A. Cash flow from operational activities				
Net (Loss)/Profit before tax adjusted for prior period items and excess provisions for tax written back		(1,69,80,663)		(3,62,62,781)
Adjustments for:				
Depreciation	27,75,434		27,97,488	
Interest Income	(15,49,146)		(18,46,124)	
Finance Cost	73,98,556		81,73,242	
Unrealised Gains On Mark to Market of F&O Stock	2,97,182		6,38,539	
Provision for Diminution in Investments/ Stock	91,728		9,46,765	
Lease Rentals	-		(30,00,000)	
Other Comprehensive Expenses	14,227		(59,628)	
Interest on Income Tax Refund	(27,620)		-	
Provision for MAT	(2,61,400)		-	
Sundry Debit Balance written off	1,95,389		3,00,957	
Sundry Credit Balance Written Back	(1,04,843)		(41,70,975)	
Dividend Income	(1,74,077)		(1,10,465)	
		86,55,430		36,69,799
Operating profit before working capital changes		(83,25,233)		(3,25,92,982)
Adjustments for:				
Inventories	(5,17,656)		(5,89,328)	
Trade Receivables & Other Receivables	(3,27,97,615)		4,06,94,895	
Current Liabilities & Provision	3,95,77,586	62,62,315	(4,30,00,212)	(28,94,645)
Cash generated from operations		(20,62,918)		(3,54,87,627)
Direct taxes Refunded / (paid)		-		-
Net cash (used in) / generated from operating activities		(20,62,918)		(3,54,87,627)
B. Cash flow from investing activities				
Sale / (Purchase) of fixed assets (Net)	(12,99,750)		(6,65,457)	
Sale/ (Purchase) of Investments (Net of purchase)	15,33,212		(50,19,192)	
Interest received	13,59,224		15,68,146	
Dividend received	1,64,428		1,00,243	
Net cash (used in) / generated from investing activities		17,57,114		(40,16,260)
C. Cash flow from financing activities				
(Repayment)/Proceeds from long term borrowings(Net)	70,11,348		1,34,87,781	
(Repayment)/Proceeds from Preference shares	(1,50,00,000)		-	
(Repayment)/Proceeds from short term borrowings(Net)	-		-	
Interest and other Finance charges	(73,98,556)		(81,73,242)	
Net cash (used in) / generated from financing activities		(1,53,87,208)		53,14,539
Net increase/(decrease) in cash and cash equivalents		(1,56,93,012)		(3,41,89,348)
Cash and Cash equivalents (opening balance)	7,93,47,211		11,35,36,559	
Cash and Cash equivalents (closing balance)	6,36,54,199		7,93,47,211	
		(1,56,93,012)		(3,41,89,348)

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

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 : 29th June 2021

Place : Mumbai

 Date : 29th June 2021

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, depository services 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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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 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

Particulars	Gross Block				Depreciation			Net Block	
	As At 01-Apr-20	Additions during the period	Deductions during the period	As At 31-Mar-21	As At 01-Apr-20	For the period	As At 31st March 21	As At 31st March 21	As At 31st March 20
Property, Plant and Equipment									
Office Buildings *	8,19,05,674	-	-	8,19,05,674	2,98,49,703	13,76,619	3,12,26,323	5,06,79,352	5,20,55,971
Computers	17,43,355	1,85,100	-	19,28,455	13,42,725	2,21,421	15,64,146	3,64,308	4,00,629
Office Equipments	17,05,968	4,40,400	-	21,46,368	11,88,897	3,07,028	14,95,925	6,50,443	5,17,071
Furniture and Fixtures	5,13,226	-	-	5,13,226	4,80,590	6,197	4,86,787	26,439	32,636
Vehicles	49,78,784	-	-	49,78,784	29,04,313	6,23,592	35,27,905	14,50,879	20,74,471
Plant & Machinery (Computer)	11,09,579	-	-	11,09,579	8,12,064	86,841	8,98,905	2,10,674	2,97,515
	9,19,56,585	6,25,500	-	9,25,82,085	3,65,78,292	26,21,699	3,91,99,991	5,33,82,095	5,53,78,294
INTANGIBLE ASSETS									
Computer Software	11,30,968	6,74,250	-	18,05,218	5,12,871	1,53,735	6,66,606	11,38,611	6,18,096
Total	9,30,87,553	12,99,750	-	9,43,87,303	3,70,91,163	27,75,434	3,98,66,597	5,45,20,706	5,59,96,390
Previous Year	9,24,22,096	6,65,457	-	9,30,87,553	3,42,93,675	27,97,488	3,70,91,163	5,59,96,390	

Particulars	Face Value	As at March 31, 2021		As at March 31, 2020	
		Number	Amount	Number	Amount
NOTE 3 - INVESTMENTS					
NON CURRENT INVESTMENTS					
Investments measured at Cost					
Quoted, fully paid up					
Creative Casting Ltd	10	11,806	44,76,038	15,850	60,09,250
Vodafone Idea Ltd	10	3,00,000	52,18,942	3,00,000	52,18,942
			96,94,980		1,12,28,192
In Equity Shares					
Unquoted, fully paid up					
Kowa Spinning Limited	10	10,08,000	2,13,58,200	10,08,000	2,13,58,200
Vadodara Stock Exchange Limited	10	500	5,000	500	5,000
			2,13,63,200		2,13,63,200
			3,10,58,180		3,25,91,392
Less : Provision for diminution			2,13,58,200		2,13,58,200
		TOTAL	96,99,980		1,12,33,192

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE - 4 LOANS		
Deposits with exchange & other	9,41,53,712	3,54,01,463
Deposit with Companies	5,30,00,000	5,30,00,000
TOTAL	14,71,53,712	8,84,01,463
NOTE - 5 OTHERS		
Share Application	2,16,68,641	2,16,68,641
TOTAL	2,16,68,641	2,16,68,641

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE - 6 OTHER NON - CURRENT ASSETS		
Advance Payment of Tax	33,49,262	55,25,394
In Fixed Deposit Accounts	1,12,00,000	1,05,50,000
TOTAL	1,45,49,262	1,60,75,394
NOTE 7 - CURRENT INVESTMENT		
Investment In Equity		
Equity Shares -(Refer Appendix 7-A)	6,70,935	5,32,540
TOTAL	6,70,935	5,32,540

Appendix 7-A

NAME OF THE SCRIP	As at March 31, 2021		As at March 31, 2020	
	Number	Rs.	Number	Rs.
Equity Shares :				
Avenue Supermart Ltd.	-	-	9	19,688
Aruna Hotels Ltd	-	-	700	-
Creative Casting Ltd	203	28	203	28
Deccan Granite Ltd	20,300	37,555	20,300	37,555
Future Consumer Enterprise Ltd	2,000	12,000	2,000	14,020
G R Magnets Ltd	7,100	-	7,100	-
ICSA (India) Ltd	3,000	600	3,000	1,710
India Bulls Housing Finance	2,000	3,93,000	-	-
LIC MF Liquid Plus Fund	15,680	1,72,372	15,016	1,62,325
Majesco Ltd	200	13,190	-	-
Reliance Power Ltd	-	-	50,000	61,000
Saraswat Co-Op Bank	2,550	25,500	2,550	25,500
Setech Electronics Ltd	2,70,000	1	2,70,000	1
Sharp Industries Ltd	2,210	10,475	2,210	10,475
Suryachakra Power Corporation	-	-	5,000	1,300
Tata Chemicals Ltd	-	-	250	-
Tata Consumer Products Ltd	-	-	285	-
UTI Top 100 Funds	1,000	6,213	1,000	6,213
Yes Bank	-	-	500	11,225
Zee Media Corporation	-	-	50,000	1,81,500
		6,70,935		5,32,540

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 8 - Trade Receivables		
(Unsecured & Considered Good)		
Outstanding for more than six months		
Considered good	3,17,67,562	4,85,53,975
Outstanding for Less than Six Months		
Considered good	3,66,35,474	4,53,97,498
TOTAL	6,84,03,036	9,39,51,473

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 9 - Cash and cash equivalents		
Cash on hand	5,81,400	6,67,892
TOTAL	5,81,400	6,67,892
NOTE 10 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balance with Scheduled Banks:		
In Current Accounts	5,05,22,799	6,31,79,319
In Fixed Deposit Accounts (Less than One Year)	1,25,50,000	1,55,00,000
TOTAL	6,30,72,799	7,86,79,319
NOTE 11 - LOANS (Unsecured and Considered Good)		
Employees	4,40,800	4,19,500
Prepaid Expenses	19,17,542	12,87,745
Advance to Sundry Creditors	1,02,889	6,27,300
TOTAL	24,61,231	23,34,545
NOTE 12 - OTHER CURRENTS ASSETS		
Interest Accrued on Fixed Deposit	2,25,172	2,72,988
Advance for Expenses	3,00,280	1,81,430
Balance with GST Authorities	22,16,768	12,72,399
TOTAL	27,42,220	17,26,817

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	14,00,00,000	1,40,00,000	14,00,00,000
500,000 (P.Y. 500,000) Cumulative Redeemable Preference Shares of Rs. 100/- each	5,00,000	5,00,00,000	5,00,000	5,00,00,000
400,000 (P.Y.400,000) Cumulative Convertible Preference Shares of Rs. 100/- each	4,00,000	4,00,00,000	4,00,000	4,00,00,000
2,00,000 (P.Y. 2,00,000) Optionally Convertible Redeemable Preference Shares of Rs. 100/- each	2,00,000	2,00,00,000	2,00,000	2,00,00,000
TOTAL	1,51,00,000	25,00,00,000	1,51,00,000	25,00,00,000
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	11,93,90,000	1,19,39,000	11,93,90,000
TOTAL	1,19,39,000	11,93,90,000	1,19,39,000	11,93,90,000
Preference Share Capital				
150,000 10.00% Cumulative Redeemable Preference shares of Rs. 100/- each fully paid-up.	-	-	1,50,000	1,50,00,000
TOTAL	-	-	1,50,000	1,50,00,000

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2021		As at March 31, 2020	
	Nos	Amount	Nos	Amount
Reconciliation Of Shares				
Equity shares with voting rights				
Balance as at the beginning of the year	1,19,39,000	11,93,90,000	1,19,39,000	11,93,90,000
Add: Issue of fresh shares during the year	-	-	-	-
Balance as at the end of the year	1,19,39,000	11,93,90,000	1,19,39,000	11,93,90,000
Preference shares				
Balance as at the beginning of the year	1,50,000	1,50,00,000	1,50,000	1,50,00,000
Add: Issue of fresh shares during the year	-	-	-	-
Less : Repayment of shares during the year	1,50,000	1,50,00,000	-	-
Balance as at the end of the year	-	-	1,50,000	1,50,00,000

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	13,02,007	10.91%	12,92,807	10.83%
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%
Name of Preference Share Holder				
Rohit Chand	-	-	1,50,000	100.00%

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.

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 14 - Other Equity		
Securities Premium Account	4,82,73,000	4,82,73,000
Capital Redemption Reserve	3,40,00,000	3,40,00,000
Profit & Loss Account		
As per last Balance Sheet	1,46,04,838	5,05,45,266
Add: Transferred from Profit & Loss Account	(1,64,98,546)	(3,59,40,428)
Less:- Provision for MAT F.Y.2018-2019	(2,61,400)	-
TOTAL	8,01,17,892	9,68,77,838

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of Changes in Equity for the period ended 31.03.2021

A. Equity Share Capital

Rupees in lakhs

Balance at the beginning of the reporting period	Changes in share capital during the year	Balance at the end of the reporting period
1,343.90	150.00	1,193.90

B. Other Equity

Rupees in lakhs

	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	-	-	-	340.00	482.73	-	146.05	-	-	-	-	-	-	-	968.78
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	(167.60)	-	-	-	-	-	-	-	(167.60)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	-	340.00	482.73	-	(21.55)	-	-	-	-	-	-	-	801.18

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 15 - BORROWINGS		
Secured		
Canara Bank Overdraft Account	5,99,29,197	5,96,13,032
Vehicle Loan (Secured by hypothecation of vehicle)	9,79,367	15,20,982
(Terms of payment 84 Months EMI Rs.56,045/- P.M. Interest Rate @10.25%)		
	6,09,08,564	6,11,34,014
Unsecured		
Loan from Yukti Securities Ltd.	12,59,035	12,59,035
Evasion Gems	60,36,798	-
Paresh J. Khandwala	12,00,000	-
	84,95,833	12,59,035
TOTAL	6,94,04,397	6,23,93,049

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As At March 31, 2021 Rs.	As At March 31, 2020 Rs.
NOTE 16 - PROVISIONS		
Provision for Taxation (FBT)	5,64,501	5,64,501
Provision for Gratuity	8,99,943	6,73,198
Provision for Leave Encashment	11,980	11,980
Provision MAT Tax	3,50,000	3,50,000
TOTAL	18,26,424	15,99,679
NOTE 17 - OTHER NON CURRENTS LIABILITIES		
Security Deposits	3,89,730	1,65,282
TOTAL	3,89,730	1,65,282
NOTE 18 - TRADE PAYABLE		
Sundry Creditors	12,43,95,899	9,98,42,372
TOTAL	12,43,95,899	9,98,42,372
NOTE 19 - OTHER CURRENTS LIABILITIES		
Payable to Employees	21,22,806	15,33,746
Statutory Dues	13,85,182	15,02,958
Other Expenses Liabilities	2,64,800	5,86,891
NSE Obligation- Payable	1,43,18,830	-
TOTAL	1,80,91,619	36,23,595
Particulars	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
NOTE 20 - REVENUE FROM OPERATIONS		
Sale of Services		
Brokerage	2,92,26,739	2,08,15,404
Corporate Advisory Services	1,00,000	1,87,818
Income from Capital Market Operations	66,36,109	63,51,063
TOTAL	3,59,62,848	2,73,54,285
NOTE 21 - OTHER INCOME		
Interest on Fixed deposits with Banks <i>[Tax deducted at source Rs.-1,16,503/-]</i> <i>(Previous year Rs. 1,84,621/-)</i>	15,49,146	18,46,124
Dividend :- On stock in trade	1,74,077	1,10,465
Lease Rentals	-	30,00,000
Interest on Income Tax Refund	27,620	-
Unrealised Gains/(Loss) On Mark to Market of F&O Stock	(2,97,182)	(6,38,539)
Other Income	3,19,318	45,28,749
TOTAL	17,72,978	88,46,799
NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS		
Loss on Stock Valuation	91,728	9,46,765
TOTAL	91,728	9,46,765

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
NOTE 23 - EMPLOYEE BENEFITS EXPENSE		
Salaries and Bonus	2,02,27,367	1,90,76,263
Managing Director's Remuneration	36,93,785	36,76,023
Contribution to Provident and other Funds	6,61,757	6,51,604
Staff Welfare Expenses	1,83,439	5,59,652
Gratuity	2,65,882	2,51,714
TOTAL	2,50,32,230	2,42,15,256
NOTE - 24 FINANCE COST		
Interest Expense	1,70,707	38,57,295
Bank Guarantee Commission and Other Charges	72,27,849	43,15,947
TOTAL	73,98,556	81,73,242
NOTE 25 - OTHER EXPENSES		
Financial Advisory charges	20,231	1,63,404
Computer Expenses	4,44,839	4,52,678
Demat charges	2,27,538	3,24,388
Rates and Taxes	30,08,456	16,41,260
Consultancy Charges	57,341	12,658
Commission Brokerage	66,71,121	18,71,210
Insurance	3,92,993	6,40,751
Internet Expenses	1,38,000	1,35,000
Advertisement Expenses	1,03,079	1,01,178
Business Promotion Expenses	1,63,327	2,33,031
Legal & Professional Fees	16,15,487	18,60,639
Telephone/Postage and Courier Charges	4,12,047	4,66,813
Electricity Charges	4,38,233	6,73,088
Registration Fees	10,47,622	10,94,748
Repairs and Maintenance	22,67,439	15,79,962
Security Charges	1,63,157	1,62,720
Printing and Stationery	3,12,167	2,92,596
Subscription Expenses	2,57,831	10,06,022
Travelling and Conveyance	7,57,792	11,03,171
Auditor's Remuneration		
For Statutory Audit	2,27,171	2,27,171
For Certification	25,000	25,000
Directors sitting fees	90,000	55,000
Donation	24,000	24,000
Miscellaneous Expenses	2,55,826	4,14,177
Sundry Balance Written off	1,95,389	3,00,957
Loss on Market Operation	1,02,457	2,14,69,494
TOTAL	1,94,18,541	3,63,31,114

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, 2021 is as under:

Sr. No	Name of Associate Enterprises	As at March 31, 2021	
		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, 2021 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.

- 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 228 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, 2021. 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 rental income from SRML, the Hon'ble High Court has passed the order in favor of the company. Although the company is yet to receive the rental Income from SRML. Further, the Company is in the process to file an application in the Small Cause Court, Mumbai for recovering the pending rental income amount from SRML

- 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.

- SEBI vide its order no. WTM/RKA/EFD/DRA-11/45/2015 dated May 13, 2015 suspended 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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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.

34. There is a Mark to Market Loss of Rs.2,97,182/- as on 31st March 2021 on account of Unrealized Loss on Future Contract as per Ind AS-39.
35. The net deferred tax assets are calculated as follows:

(Rs. In Lakhs)

Particulars	Accumulated As at 31 st March 2020	Charge/ Credit during the year	As at 31 st March 2021
Deferred tax asset:			
Provision for doubtful debtors/advances that are deducted for tax purposes when written off	199.45	-	199.45
Deferred Tax Asset on account of Unabsorbed Depreciation	216.50	-	216.50
Deferred tax liability:			
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates	(398.25)	4.67	(393.58)
Expenses carried forward as per books but claimed for tax purposes as incurred	(1.22)	-	(1.22)
Net Deferred tax Assets/ (Liability)	16.48	4.67	21.15

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

(Amount in Rs. Lakhs)

Sr. No.	Particulars	Year Ended 31 st March 2021	Year Ended 31 st March 2020
1	Segment Revenue-external		
a)	Investment / Stock Operations	63.36	63.51
b)	Fee-based Operations	293.27	210.03
c)	Other Unallocated Revenue	17.73	88.47
	Total revenue	377.36	362.01
2	Segment Result		
a)	Investment / Stock Operations	58.63	(167.09)
b)	Fee-based Operations	(27.89)	(63.74)
	Total	30.74	(230.84)
	Less: Interest	73.99	81.73
	Unallocated Expenses less unallocated income	(126.56)	(50.06)
	Net (Loss) / Profit before Tax & prior Period Items	(169.81)	(362.63)
	Provision for tax (including deferred tax)	(4.68)	(3.82)
	Net (Loss)/Profit after tax for the year	(165.13)	(358.81)
	Other Comprehensive Income	0.14	(0.60)
	Total Comprehensive Income	(164.99)	(359.40)
	Other Items		
3	Segment Assets		
a)	Investment / Stock Operations	103.75	117.70
b)	Fee-based Operations	2308.90	2087.00
c)	Unallocated Corporate Assets	1722.74	1784.23
		4135.39	3988.92
4	Segment Liabilities		
a)	Investment / Stock Operations	0.01	0.02
b)	Fee-based Operations	1339.83	943.72
c)	Unallocated Corporate Liabilities	106.43	108.57
		1446.27	1052.31
5	Depreciation	27.75	27.97
6	Non cash items other than depreciation		
a)	Investment / Stock operations	0.92	9.47
b)	Fee based operations	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Basic		
Numerator used for calculating basic earnings per share – Profit after taxation (Rs. Lakhs)	(165.13)	(358.81)
Less: Dividend on Cumulative Preference share dividend (including dividend tax thereon)	-	-
Profit / (Loss) attributable to equity shareholders (Rs. Lakhs)	(165.13)	(358.81)
Weighted average number of shares (in Lakhs) used as Denominator for calculating basic earnings per share	119.39	119.39
Nominal value per equity share (Rs.)	10.00	10.00
Basic earnings per share – (Rs.)	(1.38)	(3.01)
Diluted		
Numerator used for calculating Diluted Earnings per Share-Profit/(Loss) after taxation (Rs. In Lakhs)	(165.13)	(358.81)
Weighted Average Number of Shares (In Lakhs) used as Denominator for calculating Diluted earning per Share	119.39	119.39
Diluted earning per Share- (Rs.)	(1.38)	(3.01)

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

C) Key Management Personnel:

1. Mr. Paresh J. Khandwala - Managing Director
2. Mr. Pranav P. Khandwala - Whole-Time Director/CFO
3. Mrs. Bhagyashree P. Khandwala - Non-Executive Director
4. Mr. Rohitasava Chand - Independent Director
5. Mr. Homiar Vakil - Independent Director
6. Mr. Pratik Khandwala - Non-Executive 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 2021.

[Rs. in Lakhs]

Transaction	2020-21	2019-20
Brokerage received	0.25	0.63
Remuneration Paid	36.94	36.76
Outstanding Balance	12.00	-
Loans and Advance	0.20	152.46
Sundry Debtors	0.79	2.54
Sundry Creditors	337.50	337.50
Investment Associate Companies		

39. As per information and explanation received there are no dues payable to Small Scale Industrial Undertakings as at March 31, 2021.
40. Transaction in foreign currency: (In Lakhs)

Foreign travel expenses – Rs. Nil, Previous year Rs. Nil.

41. Debtors include:

Due from a firm in which a director is interested as partner - Rs. Nil (Previous year Rs.110.73 Lakhs)

Due from relatives and Enterprises controlled by the relatives of the Key Management Personnel– Rs. Nil Lakhs.

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

43. Managerial Remuneration:

(i) Remuneration to Managing Director

Salary and Other Allowances : Rs. 36.94 Lakhs
(P.Y. Rs. 36.76 Lakhs)

(ii) Sitting fees to other Directors : Rs. 0.90 Lakhs (P.Y. Rs. 0.55 Lakhs)

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.

Change in Benefit Obligation:	Current Period	Previous Period
Present Value of Benefit Obligation at the beginning of the Period	38,67,790	33,96,182
Interest Cost	2,65,717	2,64,563
Current Service Cost	2,19,633	1,79,126
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Settlement	-	-
Liability Transfer in	-	-
Liability Transfer out	-	-
(Benefit Paid from the Fund)	(27,467)	(26,718)
Actuarial (Gain) / Loss on Obligations-Due to change in Demographic Assumptions	88,151	-
Actuarial (Gain) / Loss on Obligations-Due to change in Financial Assumptions	2,167	2,19,763
Actuarial (Gain) / Loss on Obligations-Due to Experience	(1,39,677)	(1,65,126)
Present Value of Benefit Obligation at the End of the Period	42,76,314	38,67,790

Fair value of Plan Assets:	Current Period	Previous Period
Fair Value of Plan Assets at the Beginning of the Period	31,94,592	24,64,377
Interest Income	2,19,468	1,91,975
Contributions by the Employer	24,910	5,69,949
Expected Contribution by the employees	-	-
Expected Contributions by the Employees	-	-
(Benefit Paid from the Fund)	(27,467)	(26,718)
Return on Plan Assets, Excluding Interest Income	(35,132)	(4,991)
Fair Value of Plan Assets at the End of the Period	33,76,371	31,94,592

Amount Recognized in the Balance Sheet:	Current Period	Previous Period
(Present Value of Benefit Obligation at the end of the Period)	(42,76,314)	(38,67,790)
Fair Value of Plan Assets at the End of the Period	33,76,371	31,94,592
Funded Status (Surplus/ (Deficit))	(8,99,943)	(6,73,198)
Net (Liability) /Asset Recognized in the Balance Sheet	(8,99,943)	(6,73,198)

Net Interest Cost for Current Period	Current Period	Previous Period
Present Value of Benefit Obligation at the Beginning of the Period	38,67,790	33,96,182
(Fair Value of Plan Assets at the Beginning of the Period)	(31,94,592)	(24,64,377)
Net (Liability) /Asset at the Beginning	6,73,198	9,31,805
Interest Cost	2,65,717	2,64,563
(Interest Income)	(2,19,468)	(1,91,975)
Net Interest Cost for Current Period	46,249	72,588

Expenses Recognized in the Income Statement:	Current Period	Previous Period
Current Service Cost	2,19,633	1,79,126
Net Interest Cost	46,249	72,588
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/ Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expense Recognized	2,65,882	2,51,714

Balance Sheet Reconciliation	Current Period	Previous Period
Opening Net Liability	6,73,198	9,31,805
Expense Recognized in Statement of Profit or Loss	2,65,882	2,51,714
Expense Recognized in OCI	(14,227)	59,628
Net Liability/ (Asset) Transfer in	-	-
Net Liability/ (Asset) Transfer out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(24,910)	(5,69,949)
Net Liability /(Asset) Recognized in Balance Sheet	8,99,943	6,73,198

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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	33,76,371	31,94,592
Other	-	-
Total	33,76,371	31,94,592

Expenses Recognized in the Other Comprehensive Income OCI for Current Period	Current Period	Previous Period
Actuarial (Gains)/ Losses on Obligation for the Period	(49,359)	54,637
Return on Plan Assets, Excluding Interest Income	35,132	4,991
Change in Asset Ceiling	-	-
Net (Income)/ Expense for the Period Recongnized in OCI	(14,227)	59,628

Assumptions	Current Period	Previous Period
Expected Return on Plan Assets	6.86%	6.87%
Rate of Discounting	6.86%	6.87%
Rate of Salary Increase	5.00%	5.00%
Rate of Employee Turnover	5.00%	2.00%

Other Details	Current Period	Previous Period
No. Of Active Members	39	29
Per Month Salary For Active Member	9,38,891	5,93,065
Weighted Average Duration of the Projected Benefit Obligation	6	8
Average Expected Future Service	11	13
Projected Benefit Obligation	42,76,314	38,67,790
Prescribed Contribution for next year (12 Months)	9,38,891	5,93,065

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 Lakhs]

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	4.96	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 2021 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 : 29th June 2021

Place : Mumbai
Date : 29th June 2021

REGISTERED POST / SPEED POST / COURIER

If undelivered, please return to :

KHANDWALA SECURITIES LIMITED

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