

**KHANDWALA SECURITIES LIMITED**

Regd. Office : Vikas Bldg, Ground floor, Green Street, Fort, Mumbai - 400 023

**STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

(Rs. In lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Revenue from Operations	50.13	98.45	44.65	273.54	335.82
2	Other Income	61.95	4.91	72.33	88.46	274.01
3	<b>Total ( 1 + 2 )</b>	<b>112.08</b>	<b>103.36</b>	<b>116.97</b>	<b>362.00</b>	<b>609.83</b>
4	<b>Expenses</b>					
	a) Cost of materials consumed	-	-	-	-	-
	b) Purchases of Stock-in-Trade	-	-	-	-	-
	c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	2.47	1.40	(0.49)	9.47	1.33
	d) Employee benefits expense	49.96	62.86	53.66	242.15	252.64
	e) Finance Cost	50.18	11.86	5.70	81.70	23.23
	f) Depreciation and amortization expense	5.69	7.51	6.29	27.97	27.78
	g) Other Expenses	241.41	41.62	65.98	363.23	289.32
	<b>Total Expenses</b>	<b>349.71</b>	<b>125.25</b>	<b>131.14</b>	<b>724.52</b>	<b>594.30</b>
5	<b>Profit / (Loss) before Exceptional and Extraordinary items and Tax ( 3-4 )</b>	<b>(237.62)</b>	<b>(21.89)</b>	<b>(14.16)</b>	<b>(362.52)</b>	<b>15.53</b>
6	Exceptional Items	-	-	-	-	-
7	<b>Profit / (Loss) before Extraordinary Items and Tax ( 5-6 )</b>	<b>(237.62)</b>	<b>(21.89)</b>	<b>(14.16)</b>	<b>(362.52)</b>	<b>15.53</b>
8	Extraordinary Items	-	-	-	-	-
9	<b>Profit / (Loss) before Tax ( 7 - 8 )</b>	<b>(237.62)</b>	<b>(21.89)</b>	<b>(14.16)</b>	<b>(362.52)</b>	<b>15.53</b>
10	<b>Tax Expenses</b>					
	Current tax	-	-	-	-	-
	Deferred tax	(0.31)	(1.31)	1.30	(3.82)	(3.58)
	<b>Total Tax Expenses</b>	<b>(0.31)</b>	<b>(1.31)</b>	<b>1.30</b>	<b>(3.82)</b>	<b>(3.58)</b>
11	<b>Profit / (Loss) for the period from continuing operations ( 9-10 )</b>	<b>(237.31)</b>	<b>(20.58)</b>	<b>(15.46)</b>	<b>(358.70)</b>	<b>19.11</b>
12	<b>Profit / (Loss) from discontinuing operations before tax</b>	-	-	-	-	-
13	<b>Tax expense of discontinuing operations</b>	-	-	-	-	-
14	<b>Profit / (Loss) from Discontinuing operations after tax (12-13)</b>	-	-	-	-	-
15	<b>Profit / (Loss) for the period (11 + 14)</b>	<b>(237.31)</b>	<b>(20.58)</b>	<b>(15.46)</b>	<b>(358.70)</b>	<b>19.11</b>
16	<b>Other Comprehensive Income</b>					
	A) - Amount of item that will not be reclassified to Profit and loss	(0.60)	-	(7.18)	(0.60)	(7.18)
	- Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
	B) - Amount of item that will not be reclassified to Profit and loss	-	-	-	-	-
	- Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
17	<b>Total Comprehensive Income for the period (15+16) ( Comprising Profit/(Loss) and other Comprehensive Income for the period)</b>	<b>(237.91)</b>	<b>(20.58)</b>	<b>(22.64)</b>	<b>(359.30)</b>	<b>11.93</b>
18	Paid-Up Equity Share Capital (Face Value Rs.10/- Per Share)	1,193.90	1,193.90	1,193.90	1,193.90	1,193.90
19	Reserves excluding Revaluation Reserve	-	-	-	1,031.06	1,390.35
20	<b>Earning Per Share before Extraordinary Items</b>					
	a) Basic	(1.99)	(0.17)	(0.13)	(3.00)	0.16
	b) Diluted	(1.99)	(0.17)	(0.13)	(3.00)	0.16
21	<b>Earning Per Share after Extrordinary Items</b>					
	a) Basic	(1.99)	(0.17)	(0.13)	(3.00)	0.16
	b) Diluted	(1.99)	(0.17)	(0.13)	(3.00)	0.16



**STANDALONE AUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR QUARTER AND YEAR ENDED MARCH 31, 2020**

(Rs. In lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
<b>1</b>	<b>Segment Revenue</b>					
a)	Investment / Stock Operations	(10.20)	45.06	(0.05)	63.51	82.09
b)	Feebased Operations	60.33	53.39	44.70	210.03	253.73
c)	Other Unallocated Revenue	61.95	4.91	72.33	88.46	274.01
	<b>Total</b>	<b>112.08</b>	<b>103.36</b>	<b>116.97</b>	<b>362.00</b>	<b>609.83</b>
	Less : Intersegment Revenue	-	-	-	-	-
	<b>Net Income / (Loss) from operations</b>	<b>112.08</b>	<b>103.36</b>	<b>116.97</b>	<b>362.00</b>	<b>609.83</b>
<b>2</b>	<b>Segment Results Profit/ (loss) before interest and tax</b>					
a)	Investment / Stock Operations	(225.00)	42.20	4.54	(167.09)	47.45
b)	Feebased Operations	2.21	(9.82)	(33.01)	(63.74)	(57.18)
	<b>Total</b>	<b>(222.80)</b>	<b>32.38</b>	<b>(28.47)</b>	<b>(230.84)</b>	<b>(9.73)</b>
	Less : Interest	50.18	11.86	5.70	81.70	23.23
	Other unallocable Expenditure net of unallocable revenue	35.36	(42.41)	20.01	(49.98)	48.50
	<b>Total Net profit/ (Loss) before Tax</b>	<b>(237.62)</b>	<b>(21.89)</b>	<b>(14.16)</b>	<b>(362.52)</b>	<b>15.53</b>
<b>3</b>	<b>Segment Assets</b>					
a)	Investment / Stock Operations	455.13	463.72	414.81	455.13	414.81
b)	Feebased Operations	2,074.20	1,809.62	2,577.48	2,074.20	2,577.48
c)	Unallocated	1,521.82	1,449.07	1,746.08	1,521.82	1,746.08
	<b>Total Assets</b>	<b>4,051.15</b>	<b>3,722.41</b>	<b>4,738.36</b>	<b>4,051.15</b>	<b>4,738.36</b>
<b>4</b>	<b>Segment Liabilities</b>					
a)	Investment / Stock Operations	0.02	0.01	0.02	0.02	0.02
b)	Feebased Operations	943.72	531.41	1,421.69	943.72	1,421.69
c)	Unallocated	108.52	100.73	93.35	108.52	93.35
	<b>Total Liabilities</b>	<b>1,052.26</b>	<b>632.15</b>	<b>1,515.06</b>	<b>1,052.26</b>	<b>1,515.06</b>
<b>5</b>	<b>Capital Employed (Segment Assests- Segment Liabilities)</b>					
a)	Investment / Stock Operations	455.11	463.70	414.79	455.11	414.79
b)	Feebased Operations	1,130.48	1,278.21	1,155.79	1,130.48	1,155.79
c)	Unallocated	1,413.29	1,348.34	1,652.73	1,413.29	1,652.73
	<b>Total Capital Employed</b>	<b>2,998.89</b>	<b>3,090.26</b>	<b>3,223.31</b>	<b>2,998.89</b>	<b>3,223.31</b>



**STANDALONE STATEMENT OF ASSETS & LIABILITIES AS ON 31st MARCH 2020**
*(Rs. in lakhs)*

<b>Particulars</b>	<b>As At March 31, 2020 (Audited)</b>	<b>As At March 31, 2019 (Audited)</b>
<b>A ASSETS</b>		
(1) Non Current Assets		
(a) Property, Plant and Equipment	553.78	574.82
(b) Intangible assets	6.18	6.46
(c) Financial Assets		
(i) Investments	449.83	399.64
(ii) Loans	882.67	1,324.75
(iii) Others	216.69	216.69
(d) Deferred tax assets (net)	16.48	12.66
(e) Other non-current assets	160.75	143.91
(2) Current Assets		
Financial Assests		
(i) Investments	5.26	15.13
(ii) Trade receivables	939.09	891.27
(iii) Cash and cash equivalents	5.81	6.09
(iv) Bank balances other than (iii) above	786.72	1,128.35
(v) Loans	23.35	21.06
(vi) Other current assets	4.54	6.49
<b>Total Assets</b>	<b>4,051.15</b>	<b>4,747.31</b>
<b>B EQUITY AND LIABILITIES</b>		
(1) Equity		
(a) Equity Share Capital	1,343.90	1,343.90
(b) Other Equity	1,031.06	1,390.35
(2) Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	623.93	489.05
(b) Provisions	16.00	18.58
(c) Other non-current liabilities	1.65	1.65
(3) Current Liabilities		
(a) Financial Liabilities		
(i) Trade payables	998.38	1,481.11
(b) Other current liabilities	36.24	22.66
<b>Total Equity And Liabilities</b>	<b>4,051.15</b>	<b>4,747.31</b>



# KHANDWALA

## SECURITIES LIMITED

### STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
<b>A. Cash flow from operational activities</b>				
Net (Loss)/Profit before tax adjusted for prior period items and excess provisions for tax written back		(362.52)		15.53
Adjustments for:				
Depreciation	27.97		27.78	
Interest Income	(18.46)		(17.94)	
Finance Cost	81.70		23.23	
Unrealised Gains On Mark to Market of F&O Stock	6.39		(7.81)	
Provision for Diminution in Investments/ Stock	9.47		1.33	
Lease Rentals	(30.00)		-	
Profit of Sale of Fixed Assest	-		(183.35)	
Other Comprehensive Expenses	(0.60)		(7.18)	
Interest on Income Tax Refund	-		(0.21)	
Sundry Debit Balance written off	3.01		24.20	
Sundry Credit Balance Written Back	(41.71)		(56.68)	
Dividend Income	(1.10)		(1.95)	
		36.67		(198.58)
Operating profit before working capital changes		(325.85)		(183.05)
Adjustments for:				
Inventories	(5.89)		(5.86)	
Trade Receivables & Other Receivables	406.83		(4.39)	
Current Liabilities & Provision	(430.03)	-	551.92	541.66
Cash generated from operations		(325.85)		358.62
Direct taxes Refunded / (paid)		-		-
Net cash (used in) / generated from operating activities		(325.85)		358.62
<b>B. Cash flow from investing activities</b>				
Sale / (Purchase) of fixed assets (Net)	(6.65)		244.85	
Sale/ (Purchase) of Investments (Net of purchase)	(50.19)		(62.09)	
Interest received	15.68		14.97	
Dividend received	1.00		1.86	
Net cash (used in) / generated from investing activities		(40.16)		199.59
<b>C. Cash flow from financing activities</b>				
(Repayment)/Proceeds from long term borrowings(Net)	134.88		204.75	
(Repayment)/Proceeds from Preference shares	-		(50.00)	
(Repayment)/Proceeds from short term borrowings(Net)	-		-	
Interest and other Finance charges	(81.70)		(23.23)	
Net cash (used in) / generated from financing activities		53.18		131.52
Net increase/(decrease) in cash and cash equivalents		(341.92)		689.73
Cash and Cash equivalents (opening balance)	1,134.45		444.72	
Cash and Cash equivalents (closing balance)	792.53		1,134.45	
		(341.92)		689.73

**Notes:**

1. The above audited standalone financial results of the Company for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on July 27, 2020.
2. The Company had adopted Indian Accounting Standards (Ind AS) from April 1, 2017 with a transition date of April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurements principles laid down in the applicable Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
3. The above results are after considering the diminution in the value of the shares held as stock-in-trade.
4. The figures for the quarter ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter ended 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2018 respectively.
5. The outbreak of Coronavirus (Covid-19) pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Due to this, there has been an impact on the business operations of the Company. The Management of the Company has accessed and considered the impact of this pandemic on carrying amounts of receivables, other assets and its business operations including all relevant internal and external information available upto the date of approval of these financial results. The impact of Covid-19 may be different from the estimates as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to the future economic conditions.
6. Figures of the previous periods have been re-grouped/re-classified wherever considered necessary to make them comparable with the current period's classification.

**For and on behalf of the Board of Directors.****Khandwala Securities Limited****Paresh J. Khandwala**  
**Managing Director**

Place: Mumbai

Date : July 27, 2020





**Independent Auditor's Review Report on the Quarterly and Year to date Audited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**TO THE BOARD OF DIRECTORS OF KHANDWALA SECURITIES LIMITED**

**Qualified Opinion**

We have audited the accompanying statement of Standalone Financial Results of **Khandwala Securities Limited** ("the Company") for the quarter and year ended on 31<sup>st</sup> March, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for qualified opinion paragraph below, these standalone quarterly as well as the year to date financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year April 1 2019, to March 31, 2020.

**Basis for Qualified Opinion.**

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

1. *The Company had advanced application money towards purchase of shares of Rs 216.69 lakhs which is outstanding for a period of 216 months as at the end of the year. In the absence of information regarding the status of the allotment or the net worth of the entities in which the company made applications, we are unable to ascertain the extent to which an amount of Rs 216.69 lakhs is recoverable and accordingly, the effect thereof on the financial statements cannot be ascertained.*

*However, it has been noted and confirmed after looking at relevant documents that at present the said matter is under litigation and pending for hearing before the Hon'ble High Court of Mumbai.*

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

### **Key Audit Matters**

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

<b>Sr. No.</b>	<b>Key Audit Matter</b>	<b>Auditor's Response</b>
1	The company has incurred loss on market operations totaling to Rs 2.14 Crores on F&O trading & loss on sale of investments and speculation loss.	We have verified the loss working on F&O trading & loss on sale of Investments and speculation loss provided by the management and portfolio trades summary generated from the company's software.

### **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.

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

**Aniket  
Rajendra  
Kulkarni**

Digitally signed by Aniket Rajendra Kulkarni  
DN: c=IN, o=Personal, postalCode=400076,  
st=Maharashtra,  
2.5.4.20=2d39ded89d8e4788b1ded3242e02  
717aace3becac69096762247d10f86e6850,  
serialNumber=6f8cbe02897dab2b830af101  
bd138f27636b1a14da72aa23fb210276f0374  
293, cn=Aniket Rajendra Kulkarni  
Date: 2020.07.27 11:35:54 +05'30'

**Aniket Kulkarni**  
Proprietor  
Membership No.127246

**Place: Mumbai**  
**Date: - July 27, 2020**  
**UDIN: 20127246AAAET2516**

**KHANDWALA SECURITIES LIMITED**

Regd. Office : Vikas Bldg, Ground floor, Green Street, Fort, Mumbai - 400 023

**CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

(Rs. In lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
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1	Revenue from Operations	50.13	98.45	44.65	273.54	335.82
2	Other Income	61.95	4.91	72.33	88.47	274.01
3	<b>Total ( 1 + 2 )</b>	<b>112.09</b>	<b>103.37</b>	<b>116.97</b>	<b>362.01</b>	<b>609.83</b>
4	<b>Expenses</b>					
	a) Cost of materials consumed	-	-	-	-	-
	b) Purchases of Stock-in-Trade	-	-	-	-	-
	c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	2.47	1.40	(0.49)	9.47	1.33
	d) Employee benefits expense	49.96	62.86	53.66	242.15	252.64
	e) Finance Cost	50.22	11.86	5.70	81.73	23.23
	f) Depreciation and amortization expense	5.69	7.51	6.29	27.97	27.78
	g) Other Expenses	241.43	41.69	66.11	363.31	289.45
	<b>Total Expenses</b>	<b>349.76</b>	<b>125.31</b>	<b>131.27</b>	<b>724.64</b>	<b>594.43</b>
5	<b>Profit / (Loss) before Exceptional and Extraordinary items and Tax ( 3-4 )</b>	<b>(237.67)</b>	<b>(21.95)</b>	<b>(14.29)</b>	<b>(362.63)</b>	<b>15.40</b>
6	Exceptional Items	-	-	-	-	-
7	<b>Profit / (Loss) before Extraordinary Items and Tax ( 5-6 )</b>	<b>(237.67)</b>	<b>(21.95)</b>	<b>(14.29)</b>	<b>(362.63)</b>	<b>15.40</b>
8	Extraordinary Items	-	-	-	-	-
9	<b>Profit / (Loss) before Tax ( 7 - 8 )</b>	<b>(237.67)</b>	<b>(21.95)</b>	<b>(14.29)</b>	<b>(362.63)</b>	<b>15.40</b>
10	<b>Tax Expenses</b>					
	Current tax	-	-	-	-	-
	Deferred tax	(0.31)	(1.31)	1.30	(3.82)	(3.58)
	<b>Total Tax Expenses</b>	<b>(0.31)</b>	<b>(1.31)</b>	<b>1.30</b>	<b>(3.82)</b>	<b>(3.58)</b>
11	<b>Profit / (Loss) for the period from continuing operations ( 9-10 )</b>	<b>(237.36)</b>	<b>(20.64)</b>	<b>(15.59)</b>	<b>(358.81)</b>	<b>18.98</b>
12	<b>Profit / (Loss) from discontinuing operations before tax</b>	-	-	-	-	-
13	<b>Tax expense of discontinuing operations</b>	-	-	-	-	-
14	<b>Profit / (Loss) from Discontinuing operations after tax (12-13)</b>	-	-	-	-	-
15	<b>Profit / (Loss) for the period (11 + 14)</b>	<b>(237.36)</b>	<b>(20.64)</b>	<b>(15.59)</b>	<b>(358.81)</b>	<b>18.98</b>
16	<b>Other Comprehensive Income</b>					
	A) - Amount of item that will not be reclassified to Profit and loss	(0.60)	-	(7.18)	(0.60)	(7.18)
	- Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
	B) - Amount of item that will not be reclassified to Profit and loss	-	-	-	-	-
	- Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-	-
17	<b>Total Comprehensive Income for the period (15+16) ( Comprising Profit/(Loss) and other Comprehensive Income for the period)</b>	<b>(237.96)</b>	<b>(20.64)</b>	<b>(22.77)</b>	<b>(359.40)</b>	<b>11.80</b>
18	Paid-Up Equity Share Capital (Face Value Rs.10/- Per Share)	1,193.90	1,193.90	1,193.90	1,193.90	1,193.90
19	Reserves excluding Revaluation Reserve	-	-	-	968.78	1,328.18
20	<b>Earning Per Share before Extraordinary Items</b>					
	a) Basic	(1.99)	(0.17)	(0.13)	(3.01)	0.16
	b) Diluted	(1.99)	(0.17)	(0.13)	(3.01)	0.16
21	<b>Earning Per Share after Extrordinary Items</b>					
	a) Basic	(1.99)	(0.17)	(0.13)	(3.01)	0.16
	b) Diluted	(1.99)	(0.17)	(0.13)	(3.01)	0.16



# KHANDWALA

## SECURITIES LIMITED

### CONSOLIDATED AUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR QUARTER AND YEAR ENDED MARCH 31, 2020

(Rs. In lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
<b>1</b>	<b>Segment Revenue</b>					
a)	Investment / Stock Operations	(10.20)	45.06	(0.05)	63.51	82.09
b)	Feebased Operations	60.33	53.39	44.70	210.03	253.73
c)	Other Unallocated Revenue	61.95	4.91	72.33	88.47	274.01
	<b>Total</b>	<b>112.09</b>	<b>103.36</b>	<b>116.97</b>	<b>362.01</b>	<b>609.83</b>
	Less : Intersegment Revenue	-	-	-	-	-
	<b>Net Income / (Loss) from operations</b>	<b>112.09</b>	<b>103.36</b>	<b>116.97</b>	<b>362.01</b>	<b>609.83</b>
<b>2</b>	<b>Segment Results Profit/ (loss) before interest and tax</b>					
a)	Investment / Stock Operations	(225.00)	42.20	4.54	(167.09)	47.45
b)	Feebased Operations	2.26	(9.88)	(33.01)	(63.74)	(57.18)
	<b>Total</b>	<b>(222.74)</b>	<b>32.32</b>	<b>(28.47)</b>	<b>(230.84)</b>	<b>(9.73)</b>
	Less : Interest	50.22	11.86	5.70	81.73	23.23
	Other unallocable Expenditure net of unallocable revenue	35.28	(42.41)	19.88	(50.06)	48.37
	<b>Total Net profit/ (Loss) before Tax</b>	<b>(237.67)</b>	<b>(21.95)</b>	<b>(14.29)</b>	<b>(362.63)</b>	<b>15.40</b>
<b>3</b>	<b>Segment Assets</b>					
a)	Investment / Stock Operations	117.70	126.28	77.36	117.70	77.36
b)	Feebased Operations	2,087.00	1,824.27	2,590.21	2,087.00	2,590.21
c)	Unallocated	1,784.23	1,709.71	2,008.65	1,784.23	2,008.65
	<b>Total Assets</b>	<b>3,988.92</b>	<b>3,660.26</b>	<b>4,676.21</b>	<b>3,988.92</b>	<b>4,676.21</b>
<b>4</b>	<b>Segment Liabilities</b>					
a)	Investment / Stock Operations	0.02	0.01	0.02	0.02	0.02
b)	Feebased Operations	943.72	531.41	1,421.69	943.72	1,421.69
c)	Unallocated	108.57	100.81	93.37	108.57	93.37
	<b>Total Liabilities</b>	<b>1,052.31</b>	<b>632.23</b>	<b>1,515.08</b>	<b>1,052.31</b>	<b>1,515.08</b>
<b>5</b>	<b>Capital Employed (Segment Assets- Segment Liabilities)</b>					
a)	Investment / Stock Operations	117.68	126.27	77.34	117.68	77.34
b)	Feebased Operations	1,143.28	1,292.86	1,168.52	1,143.28	1,168.52
c)	Unallocated	1,675.66	1,608.90	1,915.27	1,675.66	1,915.27
	<b>Total Capital Employed</b>	<b>2,936.61</b>	<b>3,028.03</b>	<b>3,161.14</b>	<b>2,936.61</b>	<b>3,161.14</b>





## CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES AS ON 31st MARCH 2020

(Rs. in lakhs)

Particulars	As At March 31, 2020 (Audited)	As At March 31, 2019 (Audited)
<b>A ASSETS</b>		
(1) Non Current Assets		
(a) Property, Plant and Equipment	553.78	574.82
(b) Intangible assets	6.18	6.46
(c) Goodwill on Consolidation	259.77	259.77
(d) Financial Assets		
(i) Investments	112.33	62.14
(ii) Loans	884.01	1,326.21
(iii) Others	216.69	216.69
(e) Deferred tax assets (net)	16.48	12.66
(f) Other non-current assets	160.75	143.91
(2) Current Assets		
Financial Assests		
(i) Investments	5.33	15.18
(ii) Trade receivables	939.51	891.69
(iii) Cash and cash equivalents	6.68	6.97
(iv) Bank balances other than (iii) above	786.79	1,128.40
(v) Loans	23.35	21.06
(vi) Other current assets	17.27	19.21
<b>Total Assets</b>	<b>3,988.92</b>	<b>4,685.16</b>
<b>B EQUITY AND LIABILITIES</b>		
(1) Equity		
(a) Equity Share Capital	1,343.90	1,343.90
(b) Other Equity	968.78	1,328.18
(2) Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	623.93	489.05
(b) Provisions	16.00	18.58
(c) Other non-current liabilities	1.65	1.65
(3) Current Liabilities		
(a) Financial Liabilities		
(i) Trade payables	998.42	1,481.13
(b) Other current liabilities	36.24	22.66
<b>Total Equity And Liabilities</b>	<b>3,988.92</b>	<b>4,685.16</b>



### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
<b>A. Cash flow from operational activities</b>				
Net (Loss)/Profit before tax adjusted for prior period items and excess provisions for tax written back		(362.63)		15.40
Adjustments for:				
Depreciation	27.97		27.78	
Interest Income	(18.46)		(17.94)	
Finance Cost	81.73		23.23	
Unrealised Gains On Mark to Market of F&O Stock	6.39		(7.81)	
Provision for Dimunition in Investments/ Stock	9.47		1.33	
Lease Rentals	(30.00)			
Profit of Sale of Fixed Assest	-		(183.35)	
Other Comprehensive Expenses	(0.60)		(7.18)	
Interest on Income Tax Refund	-		(0.21)	
Sundry Debit Balance written off	3.01		24.20	
Sundry Credit Balance Written Back	(41.71)		(56.68)	
Dividend Income	(1.10)		(1.95)	
		36.70		(198.58)
Operating profit before working capital changes		(325.93)		(183.18)
Adjustments for:				
Inventories	(5.89)		(5.86)	
Trade Receivables & Other Receivables	406.95		(4.31)	
Current Liabilities & Provision	(430.00)	-	551.92	541.75
Cash generated from operations		(325.93)		358.57
Direct taxes Refunded / (paid)		-		-
Net cash (used in) / generated from operating activities		(325.93)		358.57
<b>B. Cash flow from investing activities</b>				
Sale / (Purchase) of fixed assets (Net)	(6.65)		244.85	
Sale/ (Purchase) of Investments (Net of purchase)	(50.19)		(62.09)	
Interest received	15.68		14.97	
Dividend received	1.00		1.86	
Net cash (used in) / generated from investing activities		(40.16)		199.59
<b>C. Cash flow from financing activities</b>				
(Repayment)/Proceeds from long term borrowings(Net)	134.88		204.75	
(Repayment)/Proceeds from Preference shares	-		(50.00)	
(Repayment)/Proceeds from short term borrowings(Net)	-		-	
Interest and other Finance charges	(81.73)		(23.23)	
Net cash (used in) / generated from financing activities		53.15		131.52
Net increase/(decrease) in cash and cash equivalents		(341.89)		689.69
Cash and Cash equivalents (opening balance)	1,135.37		445.68	
Cash and Cash equivalents (closing balance)	793.47		1,135.37	
		(341.89)		689.69

**Notes:**

1. The above audited consolidated financial results of the Company for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on July 27, 2020.
2. The Company had adopted Indian Accounting Standards (Ind AS) from April 1, 2017 with a transition date of April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurements principles laid down in the applicable Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
3. The above results are after considering the diminution in the value of the shares held as stock-in-trade.
4. The figures for the quarter ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter ended 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2018 respectively.
5. The outbreak of Coronavirus (Covid-19) pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Due to this, there has been an impact on the business operations of the Company. The Management of the Company has assessed and considered the impact of this pandemic on carrying amounts of receivables, other assets and its business operations including all relevant internal and external information available upto the date of approval of these financial results. The impact of Covid-19 may be different from the estimates as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to the future economic conditions.
6. Figures of the previous periods have been re-grouped/re-classified wherever considered necessary to make them comparable with the current period's classification.

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



**Paresh J. Khandwala**  
**Managing Director**



Place: Mumbai  
Date : July 27, 2020



**Independent Auditor's Review Report on the Quarterly and Year to date Audited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

TO THE BOARD OF DIRECTORS OF KHANDWALA SECURITIES LIMITED

**Qualified Opinion**

We have audited the accompanying statement of Consolidated Financial Results of **Khandwala Securities Limited** ("the Company") for the quarter and year ended on 31<sup>st</sup> March, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for qualified opinion paragraph below, these consolidated quarterly as well as the year to date financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year April 1 2019, to March 31, 2020.

**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 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 216 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	The company has incurred loss on market operations totaling to Rs 2.14 Crores on F&O trading & loss on sale of investments and speculation loss.	We have verified the loss working on F&O trading & loss on sale of Investments and speculation loss provided by the management and portfolio trades summary generated from the company's software.

#### **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.

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

**Aniket  
Rajendra  
Kulkarni**

Digitally signed by Aniket Rajendra Kulkarni  
DN: cn=Aniket Rajendra Kulkarni, postalCode=400076,  
st=Maharashtra,  
2.5.4.20=2d39ded89d8e4788b1ded324e027f  
7aace3becac690967622247d10f86e6850,  
serialNumber=6f8cbce02897dab2b830a1101bd  
138727636b1a14da72aa23fb21027610374293,  
c=Aniket Rajendra Kulkarni  
Date: 2020.07.27 11:34:58 +05'30'

**Aniket Kulkarni**  
Proprietor  
Membership No. 127246

**Place: Mumbai**  
**Date: - July 27, 2020**  
**UDIN: 20127246AAAAEU3336**

**KHANDWALA SECURITIES LIMITED**

CIN: L67120MH1993PLC070709



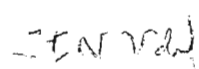
Reg. Off: Ground Floor, Vikas Building, Green Street, Fort, Mumbai - 400 023.


Tel. No:- 91-22-40767373; Fax No:- 91-22-40767377; Website: www.kslindia.com

**ANNEXURE II****Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Financial Results – (Standalone)****Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020**

[See Regulation 33/52 of the SEBI (LODR)(Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs in lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs in lakhs)
	1	Turnover/Total Income	362.00	362.00
	2	Total Expenditure	724.52	724.52
	3	Net Profit/(Loss)	(358.70)	(358.70)
	4	Earnings Per Share	(3.00)	(3.00)
	5	Total Assets	4051.15	4051.15
	6	Total Liabilities	1676.19	1676.19
	7	Net Worth	2374.96	2374.96
	8	Any other financial items (as felt appropriate by the management)		
II.	<b>Audit Qualification:</b>			
	<b>a. Details of Audit Qualification</b>			
	<p>1. The Company had advanced application money towards purchase of shares of Rs 216.69 lakhs which is outstanding for a period of 216 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 looking at relevant documents that at present the said matter is under litigation and pending for hearing before the Hon'ble High Court at Mumbai.</p> <p>2. Long-Term deposits to various companies of Rs 530.00 lakhs are subject to subsequent adjustments. We are unable to ascertain the recoverability of these amounts, as the Company has not made any provisions for the same in the standalone financial statements.</p>			
	<b>b. Type of Audit Qualification:</b> Qualified Opinion			
	<b>c. Frequency of Qualification:</b> Repetitive			

	<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Not Applicable	
	<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b>  <b>i. Management's estimation on the impact of audit qualification</b>  1. The Share Application Money for an amount of Rs. 216.69 Lacs is outstanding for a period of 216 months as at date of Balance Sheet date, for which the financial statements are in the process of being obtained. The Company has 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.  2. Long-term Deposits which were given to M/s. Shree Rama Polysynth Private Ltd and M/s. Vimpanan Investments Private Ltd are still outstanding as at March 31, 2020, for total aggregate amount of Rs. 530.00 lakhs. Since the Company is not in the receipt of any interests on the said deposits since long period, the Company has not accounted any interest on the said deposits. The Company has already commenced the process to initiate legal proceedings against them for recovery of the said deposits.  <b>f. If management is unable to estimate the impact, reasons for the same:</b>  Not Applicable  <b>g. Auditor's comments on (i) or (ii) above</b>  As per Auditor's Report	
<b>III</b>	<b>Signatories</b>	
	• CEO/Managing Director	 (Paresh Khandwala)
	• CFO	 (Pranav Khandwala)
	• Audit Committee Chairman	 (Homiar N. Vakil)

	<ul style="list-style-type: none"><li>• Statutory Auditor</li></ul>	<p><i>A Kulkarni</i></p> <p>(Aniket Kulkarni)</p> 
	Place: Mumbai	
	Date: 27/07/2020	

**KHANDWALA SECURITIES LIMITED**


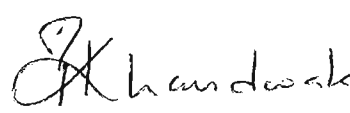
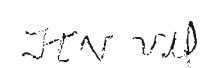

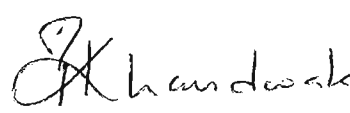
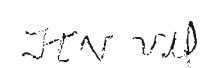

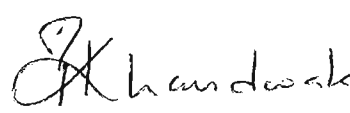
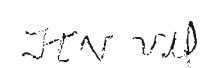
CIN: L67120MH1993PLC070709

Reg. Off: Ground Floor, Vikas Building, Green Street, Fort, Mumbai - 400 023.

Tel. No:- 91-22-40767373; Fax No:- 91-22-40767377; Website: www.kslindia.com

**ANNEXURE II****Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Financial Results – (Consolidated)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020</b> [See Regulation 33/52 of the SEBI (LODR)(Amendment) Regulations, 2016]				
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications) (Rs in lakhs)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications) (Rs in lakhs)</b>
	1	Turnover/Total Income	362.01	362.01
	2	Total Expenditure	724.64	724.64
	3	Net Profit/(Loss)	(358.81)	(358.81)
	4	Earnings Per Share	(3.01)	(3.01)
	5	Total Assets	3988.92	3988.92
	6	Total Liabilities	1676.24	1676.24
	7	Net Worth	2312.68	2312.68
	8	Any other financial items (as felt appropriate by the management)		
<b>II.</b>	<b>Audit Qualification:</b>			
	<b>a. Details of Audit Qualification</b>			
	<p>1. The Company had advanced application money towards purchase of shares of Rs 216.69 lakhs which is outstanding for a period of 216 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 at Mumbai.</p> <p>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.</p>			
	<b>b. Type of Audit Qualification: Qualified Opinion</b>			
	<b>c. Frequency of Qualification: Repetitive</b>			

	<p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Not Applicable</p>						
	<p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p><b>i. Management's estimation on the impact of audit qualification</b></p> <ol style="list-style-type: none"> <li>1. The Share Application Money for an amount of Rs. 216.69 Lacs is outstanding for a period of 216 months as at date of Balance Sheet date, for which the financial statements are in the process of being obtained. The Company has 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.</li> <li>2. Long-term Deposits which were given to M/s. Shree Rama Polysynth Private Ltd and M/s. Vimpasan Investments Private Ltd are still outstanding as at March 31, 2019, for total aggregate amount of Rs. 530.00 lakhs. Since the Company is not in the receipt of any interests on the said deposits since long period, the Company has not accounted any interest on the said deposits. The Company is in the process to initiate legal proceedings against them for recovery of the said deposits.</li> </ol> <p><b>f. If management is unable to estimate the impact, reasons for the same:</b></p> <p>Not Applicable</p> <p><b>g. Auditor's comments on (i) or (ii) above</b></p> <p>As per Auditor's Report</p>						
<b>III</b>	<b>Signatories</b>						
	<table> <tr> <td>• CEO/Managing Director</td><td>   (Paresh Khandwala) </td></tr> <tr> <td>• CFO</td><td>   (Pranav Khandwala) </td></tr> <tr> <td>• Audit Committee Chairman</td><td>   (Homiar N. Vakil) </td></tr> </table>	• CEO/Managing Director	 (Paresh Khandwala)	• CFO	 (Pranav Khandwala)	• Audit Committee Chairman	 (Homiar N. Vakil)
• CEO/Managing Director	 (Paresh Khandwala)						
• CFO	 (Pranav Khandwala)						
• Audit Committee Chairman	 (Homiar N. Vakil)						

• Statutory Auditor

*A Kulkarni*



(Aniket Kulkarni)

Place: Mumbai

Date: 27/07/2020