

**NINETEENTH  
ANNUAL REPORT  
2011-12**



**KHANDWALA  
SECURITIES  
LIMITED**

# OUR NEW MANTRA

It gives us immense pleasure to announce the new corporate identity of Khandwala Securities Limited (KSL) which is a part of our brand repositioning initiative. The transition of KSL to the new identity has been an ongoing endeavor since a year and a lot of brainstorming has gone into achieving it. Our new identity is recognition of our constant efforts towards your growth. We will like to share with you our vision and journey behind developing our new Logo.

## **KSL New Logo**

The Form of the Logo has the letters 'K' & 'S' showing an upward trend with an arrow. The form truly represents the core principles of KSL which are dedicated towards continuous growth and development. The letters are given a dynamic action which represents our commitment to meet the dynamics of a new market place.

The Blue in the logo represents knowledge, power and integrity in our work. The Red represents our passion, commitment and strength. The color scheme of blue and red is selected to balance the passion for growth with the depth of knowledge.

The Logo in the entirety represents KSL as growth centric and knowledge driven global financial company which is focused on a vision to create, generate and manage wealth for their customers. For our customers we are 'Wealth Visionaries' and our new Logo advocates their belief.

Khandwala Securities Limited (KSL) has always maintained pace with the latest technological advancements. Our new interactive website "<http://www.kslindia.com>", e-communication tools for an environment-friendly paperless interaction and KSL Wealth Console (for your smart phones and tablets) allow us to provide prompt and efficient services to our customers. The KSL website provides in depth information of our products and services and offers information on Research, IPOs, Derivatives, Mutual funds and more. Kindly sign in with your personal customer identity and explore more interactive features on our website.

We will like to introduce our new products that are created to suit the current market scenario and growing urban needs:

*Investment Advisory:* The mission of KSL's advisory team is to provide the highest level of performance, service, and integrity and information dissemination to its clients. This involves helping clients to maximize returns in favorable investment climates and protecting assets during unfavorable climates.

*Financial Planning:* Everybody wants to manage their finances well so that they get desired money for their goals like child education & their marriage, buying a new car, buying a dream home, financial self-sufficient retirement etc. To achieve these goals, one needs to carefully plan for life goals through proper management of finances. KSL helps you to lay out a road map for achieving your goals and objectives.

The heritage, goodwill and experience since 1930s continue to strengthen our core values even today. Adding new global sensibilities and financial foresight, KSL promises efficient services and personal attention to each customer. As we make this transition, please be assured that KSL is the same value-based and service oriented organization that remains focused towards maximizing returns for your wealth.

We thank you for all of your support in the past and as we move ahead!

## BOARD OF DIRECTORS

Mr. Shreedhar Parande (Chairman)  
Mr. Paresh J. Khandwala (Managing Director & CEO)  
Mr. Rohit Chand  
Mr. Kalpen Shukla  
Mr. Brijmohan Rai Bahl  
Mr. Pranav P Khandwala  
Mr. Homiar N. Vakil

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Pooja Gupta

## REGISTERED OFFICE

Ground Floor, Vikas Building,  
Green Street, Fort, Mumbai – 400 023.

## AUDITORS

UDYEN JAIN & ASSOCIATES  
Chartered Accountants,  
540, 5th Floor, D Wing, Clover Centre,  
7 Moledina Road, Pune 411 001

## BANKERS

Union Bank of India  
Mumbai Samachar Marg,  
Mumbai – 400 023.

Axis Bank Limited  
Sir P. M. Road, Fort, Mumbai 400 001.

HDFC Bank Ltd.,  
Manekji wadia Bldg.,  
Nanik Motwani Marg, Fort, Mumbai 400 001

## REGISTRARS & TRANSFER AGENTS

KARVY COMPUTERSHARE PRIVATE LIMITED  
46, Avenue 4, Street No. 1,  
Banjara Hills, Hyderabad – 500 034.

## LEGAL ADVISOR

Mulla & Mulla & Craigie Blunt & Caroe,  
(Advocates, Solicitors & Notaries),  
Mulla House, 51, M.G. Road,  
Mumbai 400 001

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## NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of **Khandwala Securities Limited** will be held at C. K. Naidu Hall, Cricket Club of India (CCI), Brabourne Stadium, Churchgate, Mumbai 400 020 on Friday, 28<sup>th</sup> day of September, 2012 at 12.00 noon to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012 and Profit and Loss Account for the period ended as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kalpen Shukla who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors M/s. Udyen Jain & Associates, Chartered Accountants, the retiring auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution;

**RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any other statutory modification(s) or re-enactment thereof, Mr. Pranav P. Khandwala who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 in the Board meeting held on 14th November, 2011, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provision of Articles of Association of the Company”.

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution;

**RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any other statutory modification(s) or re-enactment thereof, Mr. Homiar N. Vakil who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 in the Board meeting held on 3<sup>rd</sup> February, 2012, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provision of Articles of Association of the Company”.

By Order of the Board of Directors

Pooja Gupta  
Company Secretary

Date: 9th August, 2012

Place: Mumbai

### NOTES

1. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, setting out the material facts in respect of special business for Item No. 4 & 5 is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY / PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. The Register of Members and the Share Transfer Books of the Company will remain close from 20<sup>th</sup> September, 2012 to 28<sup>th</sup> September, 2012 (both days inclusive) for the purpose of Annual General Meeting.

4. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, there is no dividend or interest which remains unpaid / unclaimed for a period of 7 years which should be transferred by the Company to 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.

5. 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.

6. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.

7. Members are requested to bring their copy of the Annual Report, as copies of the Report will not be distributed again at the Meeting.

8. Members are requested to bring their attendance slip, duly signed, so as to avoid any inconvenience.

9. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least ten days in advance, so as to enable the Company to keep the information ready.

10. Members holding shares in physical form are requested to notify, immediately, any change in their address or bank details to the Company. Shareholders are requested to quote ledger folio / beneficiary numbers in all their correspondence. Members holding shares in electronic form should update such details with their respective Depository Participants.

Ministry of Corporate Affairs (“MCA”), Government of India has taken a “Green Initiative in Corporate Governance” by allowing paperless communication by Companies. MCA vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively allowed the service of notice / documents by a company to its Members to be made through electronic mode, after giving an advance opportunity to the Member to register his e-mail address and changes therein from time to time with the Company or with the concerned depository. Keeping this in view, your Company proposes to send documents such as the Notice of the Annual General Meeting, Audited Financial Statements, Directors’ Report, Auditors’ Report, Explanatory Statement etc., henceforth



to such Members in electronic mode, who opt for the same. We have enclosed a Form for you to exercise your option by submitting the same to us either by e-mail at [regcomm@kslindia.com](mailto:regcomm@kslindia.com) and / or [investorgrivances@kslindia.com](mailto:investorgrivances@kslindia.com) and / or by sending registered post at the Registered Office of the Company addressed to the Company Secretary after your signature. In this behalf, we are confident that you would appreciate the "Green Initiative" taken by MCA. We solicit your co-operation in helping the Company to implement the e-governance initiatives of the Government.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS TO BE TRANSACTED**

**ITEM NO. 4**

The Board of Directors of the Company ('the Board'), under Section 260 of the Companies Act, 1956 ('the Act') and the Articles of Association of the Company, appointed Mr. Pranav P Khandwala as an Additional Directors of the Company with effect from 14<sup>th</sup> November, 2011.

In terms of Section 260 of the Act, Mr. Pranav P Khandwala will hold office up to the date of ensuing Annual General Meeting.

A notice has been received from a member as required proposing Mr. Pranav P Khandwala as a candidate for the office of Director under Section 257 of the Act. Mr. Pranav P Khandwala have confirmed that he is not disqualified from being appointed as Directors under Section 274 (1) (g) of the Act.

Details regarding the person proposed to be appointed as the Director and his brief resume is appended below.

Name	Mr. Pranav P Khandwala
Date of Birth	30-12-1980
Address	Rekha Bldg., Block no. 36, 46, Ridge Road, Malbar Hill, Bombay – 6.
PAN Number	AABPK5769M
Educational Qualification	B.Com & MBA
Profession	Presently Managing Director of M/s. Trumonee Financial Limited.
Experience	Presently Managing Director of Trumonee Financial Limited (Promoted by Khandwala Securities Limited). Advisory to Corporate & HNIs, Relationship Management, Investment Banking & Corporate Finance, Retail Broking and E-Broking, strategic planning & MIS development and has an experience of about 10 years in Investment sector.
Other Directorship	- Khandwala Commodity & Derivatives Private Limited - Trumonee Financial Limited - Piggero Investments Private Limited

The Board of Directors is of the view that the skills and knowledge of Mr. Pranav P Khandwala would be of immense benefit to the company and recommends his appointment for your approval. Approval of the shareholders is sought by way of Ordinary resolution in the Annual General Meeting for his appointments as Director.

None of the Directors except Mr. Pranav P Khandwala are concerned or interested in the resolution

**ITEM NO. 5**

The Board of Directors of the Company ('the Board'), under Section 260 of the Companies Act, 1956 ('the Act') and the Articles of Association of the Company, appointed Mr. Homiar N. Vakil as an Additional Directors of the Company with effect from 03<sup>rd</sup> February, 2012.

In terms of Section 260 of the Act, Mr. Homiar N. Vakil will hold office up to the date of ensuing Annual General Meeting.

A notice has been received from a member as required proposing Mr. Homiar N. Vakil as a candidate for the office of Director under Section 257 of the Act. Mr. Homiar N. Vakil have confirmed that he is not disqualified from being appointed as Directors under Section 274 (1) (g) of the Act.

Details regarding the person proposed to be appointed as the Director and his brief resume is appended below.

Name	Mr. Homiar N. Vakil
Date of Birth	21-12-1958
Address	1A/2, Tata Mills Co-operative Housing Society, Elphinstone Road, Parel, Mumbai – 400 012.
PAN Number	AACPV4702G
Educational Qualification	B.Com (Hon), L.L.B. Solicitor (Bombay & London)
Profession	Partner of Messrs. Mulla & Mulla & Craigie Blunt & Carce, Advocates, Solicitors & Notaries
Experience	Having work experience of more than 25 years in Civil and Criminal Litigations, Arbitration, Constitutional matters, Writ Petitions, Indirect Taxes, and Public Interest Litigations. He has advised several large Public & Private sectors, foreign banks and individual in respect of litigation as well as property cases. He specializes in the area of Conveyancing, Title Investigation, drafting contracts, preparing and vetting International Banking documents.
Other Directorship	NIL

The Board of Directors is of the view that the skills and knowledge of Mr. Homiar N. Vakil would be of immense benefit to the company and recommends his appointment for your approval. Approval of the shareholders is sought by way of Ordinary resolution in the Annual General Meeting for his appointments as Director.

None of the Directors except Mr. Homiar N. Vakil are concerned or interested in the resolution

Your Board recommends the Special resolution for your approval.

**By order of the Board of Directors**

Date: 9th August, 2012  
Place: Mumbai

**Pooja Gupta  
Company Secretary**



Come; let's join hands for a new experience

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting herewith the Nineteenth Annual Report along with Audited Statement of Accounts for the year ended on 31<sup>st</sup> March 2012.

### FINANCIAL HIGHLIGHTS

The performance of the Company for the Financial Year ended 31<sup>st</sup> March, 2012 is summarized below:-

(Rs. in Lakhs)

Particulars	Year ended	Year ended
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
Total Income	599.41	893.76
Interest & other Financial Charges	39.60	36.53
Depreciation	39.53	44.72
Profit / (Loss) before Tax and prior period item	(58.31)	43.11
Less: Prior Period item	-	-
Provision for Tax (including Deferred Tax & Fringe Benefit Tax)	(3.32)	(0.27)
Profit / (Loss) after Tax	(54.99)	43.37
<b>Appropriations</b>		
Dividend on Preference Shares	-	-
Provision for Corporate Tax on Dividend	-	-
Surplus / (Deficit) carried forward	737.00	792.00
Reserves and Surplus	1621.41	1676.40

### RESULTS OF OPERATIONS

The Revenue for the year decreased from Rs. 893.76lacs to Rs.599.42 lacs. The Profit before interest, exceptional items, prior period expenses and taxation registered a decrease from a profit figure of Rs. 43.11 Lacs in the FY 2011 to a loss figure of Rs. (58.31) Lacs in the current FY 2012.

The detailed information on operational and financial performance, etc., is also given in the Management Discussion and Analysis Report which is annexed to the Directors' Report and has been prepared in compliance with the terms of Clause 49 of the Listing Agreement with the Indian Stock Exchanges.

### DIVIDEND

Your Directors do not recommend Equity dividend for the financial year under review because of inadequacy of profits / loss.

### DIRECTORS

During the period Mr. Ajay Narsimhan has vacated the office and Mr. Pranav P Khandwala & Mr. Homiar N. Vakil were appointed as an Additional Directors effective from 14<sup>th</sup> November, 2011& 3<sup>rd</sup> February, 2012 respectively. In terms

of Section 260 of the Companies Act, 1956 they will hold the office only upto the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing their candidature for the office of Director liable to retire by rotation.

In accordance with Section 255 and 256 of the Companies Act 1956 and with reference to Article 109 of the Articles of Association of the Company, Mr. Kalpen Shukla, a Non-Executive Independent Director retires by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting of the Company.

Brief resume of the Director proposed to be re-appointed, qualification, experience and the name of the Companies in which he holds directorship, membership of the board committees, as stipulated in the clause 49 of the listing agreement is provided in the Report on Corporate Governance forming a part of the annual report.

### CORPORATE GOVERNANCE

Your Company has complied with all the mandatory provisions of the Clause 49 of the Listing Agreement with the Stock Exchanges. As part of the Company's efforts towards better corporate practice and transparency, a separate report on Corporate Governance compliances is included as a part of Annual Report.

A certificate from the auditors, M/s Udyen Jain & Associates, Chartered Accountants, of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Directors' Report.

### RECONCILIATION OF SHARE CAPITAL

Your Company voluntarily appointed M/s. Bhuvnesh Bansal & Associates, Practicing Company Secretary, to conduct Share Capital Audit of the Company for the financial year ended March 31, 2012. The Reconciliation of share Capital Audit Report confirms that the Company has complied with all the applicable provisions of the Listing Agreement, the Companies Act, 1956, and the Depositories Act, 1996.

### MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as required under Clause 49 of the Listing Agreement, is given as a separate statement in the annual report.

### EMPLOYEES

Your Company is consciously aware that its well being largely depends upon the quality and strength of human resource. The Company endeavors to attract and retain talent. The Company ensures that its operations are adequately staffed. 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.



**AUDITORS' REPORT**

Observations made by the Auditor in their Report, have been appropriately dealt with in the notes forming part of the accounts for the year, which are self-explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

**AUDITORS**

M/s. Udyen Jain & Associates, Chartered Accountants, who retires on the conclusion of this Annual General Meeting has requested to consider their re-appointment at the ensuing AGM of the Company. A Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such an appointment within the meaning of sub section (3) and (4) of Section 226 of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

The Company doesn't have any employee drawing remuneration as per monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

**COMPLIANCE CERTIFICATE**

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

In pursuance of Section 217(2AA) of the Companies Act, 1956, the Directors state, as an averment of their responsibility, that:

- (i) The Company has, in the preparation of the annual accounts, followed the applicable accounting standards along with proper explanations relating to material departures, if any;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at March 31, 2012 and of the profit or loss of the Company for the year ended March 31, 2012.

- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts for the financial year ended March 31, 2012 on a going concern basis.

**DEPOSITS**

Your Company has not accepted any deposits from the public and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

**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 made the phenomenal growth possible year after year.

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

**S M Parande**  
Chairman

Date: 9<sup>th</sup> August, 2012  
Place: Mumbai.

**ANNEXURE A TO DIRECTORS REPORT**

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**a) Conservation of Energy:**

Your Company consumes electricity mainly for the operation of its computers. Though the consumption of electricity is negligible as compared to the total turnover of the Company, your company has taken effective steps at every stage to reduce consumption of electricity.

**b) Technology Absorption**

This is not applicable to your Company as it has not purchased or acquired any Technology for development of software from any outside party.

**c) Foreign Exchange Earnings / Outgo**

Foreign Exchange Earnings	: Rs. 0.30 Lacs	(previous year – Rs. 0.52 Lacs)
Foreign Exchange Outgo	: Rs. 2.03 Lacs	(previous year– Rs. 5.62 Lacs)

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

**S M Parande**  
Chairman

Date: 9<sup>th</sup> August, 2012  
Place: Mumbai.



