



Udyen Jain & Associates

Chartered Accountants

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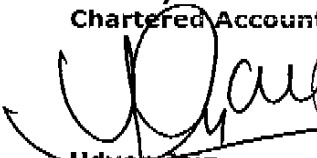
To,
The Board of Directors,
Khandwala Securities Limited,
Mumbai.

Limited Review Report (Quarter ending 31st December 2008)

1. We have reviewed the accompanying statement of unaudited financial results of the Quarter ending 31st December, 2008" in which are incorporated the results of the quarter ended 31st December, 2008 ("interim financial information") of Khandwala Securities Limited, This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion
3. The Company has not disclosed in the statement, the impact if any, on the interim financial information, of the following qualifications made in the last audited accounts of the Company:
 - (a) Share application money valued at Rs. 216.69 lacs advanced by the Company for the purchase of shares (Rs. 216.69 lacs as on 30th September, 2008), of which management confirms that it has initiated legal proceedings against the party for the recovery of Rs. 216.69 lacs.
 - (b) Rs. 100.00 lacs being short term deposits taken from companies together with interest accrued of Rs. 128.64 (Rs. 124.23 as on 30th September 2008), and Rs. 530.00 lacs being deposits placed by the Company together with interest thereon of Rs. 135.80 which were subject to confirmation, subsequent adjustments and reconciliation, if any.

4. Except for the matters mentioned in paragraph 3 above, based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of un-audited financials results, prepared in accordance with accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of clause 41 of the listing agreements with stock exchanges in India, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Udyen Jain & Associates,
Chartered Accountants**



**Udyen Jain
Partner
(M. No. 101201)**

**Mumbai.
Date: 27-1-2009 .**