

# Udyen Jain & Associates

Chartered Accountants

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

## Limited Review Report (Quarter ending June 30, 2008)

1. We have reviewed the accompanying statement of "Unaudited Financials Results for the Quarter ending June 30, 2008" in which are incorporated the results of the quarter ended June 30, 2008 ("Interim financial information") of Khandwala Securities Limited, prepared by the Company pursuant to clause 41 of the listing agreement and has been approved by the Board of Directors of the Company.
2. The review of interim financial information consists principally of applying analytical procedures for financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statement taken as whole. Accordingly, we do not express such an opinion.
3. We have neither performed a review nor performed an audit of the figures for the quarter ended June 30, 2008 or comparative figures for the preceding periods as reported in the Statement, and accordingly, do not express any opinion thereon.
4. The basic earnings per share of Rs. 0.37, as disclosed in the Statement have been calculated in the manner specified in Accounting Standard AS-20 - 'Earning per Share'.
5. 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 31<sup>st</sup> March 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. 119.82 lacs, 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.



6. Except for the matters mentioned in paragraph 5 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,**



**Sandeep Shetty  
Partner  
M. No. 121850  
Place: Mumbai  
Date: 31-7-2008**