



# *Annual Report*

## *2011-12*

KOTHARI WORLD FINANCE LTD.

27<sup>th</sup> Annual General Meeting  
on Friday, 28<sup>th</sup> September 2012

**KOTHARI WORLD FINANCE LTD**

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**ANNUAL REPORT 2011-2012**

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**BOARD OF DIRECTORS**

Mrs. Liza Kothari	Managing Director
Mr. Nitesh Kothari	Director
Mr. Manohar Mhatre	Director
Mr. Jeetendra Wala	Director (Appointed w.e.f. 30/01/2012)
Mr. Jayesh N Gandhi	Director (Appointed w.e.f. 30/01/2012)
Ms Meena Dalvi	Director (Appointed w.e.f. 30/01/2012)

**BOARD COMMITTEES**

Audit Committee		Remuneration Committee	
Mr. Jeetendra Wala	Chairman	Mr. Jeetendra Wala	Chairman
Mr. Jayesh H Gandhi	Member	Mr. Jayesh H Gandhi	Member
Ms Meena Dalvi	Member	Ms Meena Dalvi	Member
Mr. Nitesh Kothari	Member	Mr. Nitesh Kothari	Member

Shareholder/Investors Grievance Committee	
Mr. Nitesh Kothari	Chairman
Mr. Manohar Mhatre	Member

**REGISTERED OFFICE**

**KOTHARI WORLD FINANCE LIMITED**  
121/C, Mittal Tower, 12<sup>th</sup> Floor,  
Nariman Point, Mumbai 400021

**SHARE TRANSFER AGENT**

**SHAREX DYNAMIC (INDIA) PRIVATE LIMITED**  
Unit 1, Luthra Industrial Premises  
Safeed Pul, Andheri Kurla Road  
Andheri East, Mumbai-400072

KOTHARI WORLD FINANCE LTD

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**AUDITORS**

Shahade & Associates,  
Chartered Accountants,  
Gautam, Plot No. 29, Road No. 2,  
Sion (East), Mumbai-400 022

27<sup>th</sup> Annual General Meeting, on Friday 28<sup>th</sup> September, 2012 at 11.30a.m. at company registered office address,  
121/C, Mittal Tower, 12<sup>th</sup> Floor, Nariman Point, Mumbai 400021

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 27<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF KOTHARI WORLD FINANCE LIMITED WILL BE HELD ON FRIDAY, 28<sup>th</sup> SEPTEMBER 2012 AT 121/C, MITTAL TOWER, 12<sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI – 400021 AT 11.30 A.M. TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as of 31<sup>st</sup> March, 2012 and the profit and loss account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manohar M. Mhatre who retires by rotation and being eligible offers himself for reappointment.
3. To appoint an Auditor to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

4. **TO CONSIDER, AND IF, THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**  
"RESOLVED THAT Mr. Jeetendra Wala, who was appointed as an Additional Director w.e.f. 30th January 2012 by the Board of Directors vide resolution passed on that date and who holds office as such up to the date of this meeting and is eligible for appointment as Director in respect of whom Notice under Section 257 of the Companies Act, 1956 has been received, be and is hereby appointed as a Director of the Company retiring by rotation.
5. **TO CONSIDER, AND IF, THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**  
"RESOLVED THAT Mr. Jayesh N Gandhi, who was appointed as an Additional Director w.e.f. 30th January 2012 by the Board of Directors vide resolution passed on that date and who holds office as such up to the date of this meeting and is eligible for appointment as Director in respect of whom Notice under Section 257 of the Companies Act, 1956 has been received, be and is hereby appointed as a Director of the Company retiring by rotation.
6. **TO CONSIDER, AND IF, THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**  
"RESOLVED THAT Ms. Meena Dalvi, who was appointed as an Additional Director w.e.f. 30th January 2012 by the Board of Directors vide resolution passed on that date and who holds office as such up to the date of this meeting and is eligible for appointment as Director in respect of whom Notice under Section 257 of the Companies Act, 1956 has been received, be and is hereby appointed as a Director of the Company retiring by rotation.
7. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**  
"RESOLVED THAT in accordance to the provisions of Sections 198, 269, 309, 317 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (the 'Act') or any statutory modification or re-enactment thereof and subject to the approval of the Central Government, if any, Mrs. Liza Nitesh Kothari be appointed as a Managing Director of the Company for the period of 3 years (Three years) with effect from 30<sup>th</sup> January 2012 to 29<sup>th</sup> January 2015 on the terms and conditions including remuneration and perquisites as per the agreement entered into with Mrs. Liza Kothari. (A copy of which is available for inspection by any member).  
"RESOLVED FURTHER THAT the consent of the members be and is hereby accorded for the payment of remuneration, as set out in the explanatory statement annexed hereto and forming part of this notice, to Mrs. Liza Nitesh Kothari who has been appointed as a Managing Director of the Company for the period of 3 years (Three years) with effect from 30<sup>th</sup> January 2012, to 29<sup>th</sup> January 2015.

KOTHARI WORLD FINANCE LTD

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**“RESOLVED FURTHER THAT** even in the absence of or inadequacy of profits in any financial year, subject to the approval of the Central Government and such other approvals as may be required, Mrs. Liza Kothari be paid the same remuneration as mentioned in the draft Agreement as minimum remuneration for a maximum period of 3 (Three) years or such period as may be approved by the Central Government.”

**By Order of the Board**  
**KOTHAI WORLD FINANCE LIMITED**  
**Sd/-**  
**DIRECTOR**

**DATE: 16<sup>th</sup> AUGUST 2012**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and share transfer books of the Company will remain closed from Tuesday, 18<sup>th</sup> September, 2012 to Friday 28<sup>th</sup> September, 2012(both days inclusive).
3. The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the Meeting is annexed hereto.
5. All documents referred in the accompanying Notice including the new set of Articles of Association are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
6. Members are requested to:
  - a) Intimate changes, if any, in their registered address at the earliest.
  - b) Furnish PAN with Income Tax Ward/Range/District to the Company.
  - c) Quote ledger folio nos. in all the correspondence with the Company and the Transfer Agent. In case shares are held in dematerialized mode, please quote the DP ID No. and client ID in all the correspondence.
  - d) Bring the copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
  - e) Send the queries, if any, at least 7 (Seven) days in advance of the meeting so that the information can be made available at the meeting.

**FOR: AND ON BEHALF OF THE BOARD OF DIRECTOR**

Sd/-

**MRS. LIZA KOTHARI**  
**MANAGING DIRECTOR**

**DATE : 16<sup>th</sup> AUGUST 2012**  
**PLACE: MUMBAI**

**KOTHARI WORLD FINANCE LTD**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 sets out all material facts relating to the business mentioned in the accompanying notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

**ITEM NO. 4**

The Board of Directors of the Company has appointed Mr. Jeetendra Wala as an Additional Director of the Company w.e.f. from 30<sup>th</sup> January 2012. He has been associated with the Company since past several years. Since the said appointment was made by the Board of Directors as an Additional Director he holds the office up to the date of this Annual General Meeting in terms of the provisions contained in Section 260 of the Companies Act, 1956. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying the intention to the proposed appointment of Mr. Jeetendra Wala as Director of the Company.

**ITEM NO. 5**

The Board of Directors of the Company has appointed Mr. Jayesh N Gandhi as an Additional Director of the Company w.e.f. from 30<sup>th</sup> January 2012. He has been associated with the Company since past several years. Since the said appointment was made by the Board of Directors as an Additional Director he holds the office up to the date of this Annual General Meeting in terms of the provisions contained in Section 260 of the Companies Act, 1956. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying the intention to the proposed appointment of Mr. Jayesh N Gandhi as Director of the Company.

**ITEM NO. 6**

The Board of Directors of the Company has appointed Ms Meena Dalvi as an Additional Director of the Company w.e.f. from 30<sup>th</sup> January 2012. Since the said appointment was made by the Board of Directors as an Additional Director she holds the office up to the date of this Annual General Meeting in terms of the provisions contained in Section 260 of the Companies Act, 1956. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying the intention to the proposed appointment of Ms. Meena Dalvi as Director of the Company.

**ITEM NO. 7**

The Board of Directors of the Company has at their Meeting held on 30<sup>th</sup> January 2012 appointed Mrs. Liza Kothari as Managing Director of the Company subject to the approval of the members and Central Government, if Company for the period of 3 years (Three years) with effect from 30<sup>th</sup> January 2012 to 29<sup>th</sup> January 2015.

A statement containing information required to be provided to the shareholders as per the provision of Schedule XIII in respect of appointment of Mrs. Liza Kothari and the details as required under the listing agreement are given below:

**I. GENERAL INFORMATION**

- 1) **Nature of Industry:** The Company is engaged in finance activity.
- 2) **Date of Commencement of commercial operations:** Not applicable.
- 3) **In case of new companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus:** Not Applicable
- 4) **Financial Performance:**

**Financial Parameters for the year 2011-12**

  - Gross Income Rs.165.87 lacs
  - Net Profit (PAT) Rs.32.92 lacs
  - Total Amount of Dividend Paid NIL
  - Dividend Declared NIL
- 5) **Export performance and net foreign exchange collaborations:** NIL
- 6) **Foreign investments or collaborators, if any:** Not applicable

**II. INFORMATION ABOUT THE APPOINTEE:**

**Background Details:**

Mrs. Liza N. Kothari is a B. Com graduate from Mumbai University and also a diploma in interior designing. Currently she is handling the Business Administration of the company. She has been involved in the real estate business since the age of 20. She has more than 10 years of experience in managing the operations, design and development, sales, media and marketing functions of the Company. She is the youngest member of the managing committee.

Mrs. Liza Kothari brings to the table an aggressive dynamism & perseverance for results.

**Past Remuneration:** Not Applicable

**Recognition or awards, Job profile and his suitability:**

Considering the qualification, outstanding experience in Finance activities and her understanding of variety of business financing and business relations across the industries the remuneration offered to Mrs. Liza Kothari is at par with the prevailing Industry norms.

**Remuneration Proposed:**

Mrs. Liza Kothari has been appointed as Managing Director of the Company by the Board of Directors of the Company at its meeting held on 30<sup>th</sup> January 2012 on the following terms and conditions, as recommended by the Remuneration Committee. It is proposed to pay Rs. 1,00,000/- p.m. as salary and other perquisites

**TERMS OF APPOINTMENT ARE AS FOLLOWS:**

**Tenure:** Mrs. Liza Kothari shall hold office of Managing Director for the period of 3 years from 30<sup>th</sup> January 2012 to 29<sup>th</sup> January 2015 subject to the approval of the shareholders by Special Resolution, approval of the Central Government under Section 269, 198, 310, 311 and other applicable provisions of the Companies Act, 1956 and any other approvals, if any, required.

She shall be paid remuneration including perquisites as follows for the period of three years from 30<sup>th</sup> January 2012 to 29<sup>th</sup> January 2015.

**TERMS OF APPOINTMENT ARE AS FOLLOWS:**

The proposed remuneration payable to Mrs. Liza Nitesh Kothari is as follows:

- 1) **Remuneration:** Rs.1, 00,000/- P.M. (Rupees One Lac) with yearly increment as may be determined by the Board) as salary and Perquisites, as per details given below:
- 2) **Medical Reimbursement:** For self and family will be as per rules of the Company.
- 3) **Contribution to Provident Fund:** To the extent these, either singly or put together are not taxable under the Income Tax Act.
- 4) **Gratuity:** Half a month's salary for each completed year of service after a period of 3 years.
- 5) **Earned Leave and encashment of leave:** As applicable as per under Rules of the Company.
- 6) **Casual Leave and Sick Leave:** As applicable as per under the Rules of the Company
- 7) **Provision of car:** For use on Company's business.
- 8) **Reimbursement of Expenses actually incurred for Company's business:** Against submission of supporting.
- 9) **Actual traveling and other related expenses for self touring in India and abroad for Company's work.**

**Note:**

She shall not be paid any sitting fees for attending the meetings of the Board of Directors / Committees thereof.

The Board shall determine the Annual increment from time to time.

Either side can terminate the appointment by giving three months notice in Writing.

Mrs. Liza Nitesh Kothari is concerned or interested in the said resolution.

**Other Perquisites, as per details given below:**

- 1) **Housing:** In case the accommodation is owned/hired by the Company, perquisites will be evaluated as per Income Tax Rules.  
In case the Company provides no accommodation, she shall be entitled to house rent allowances subject to the ceiling of 60% of salary.
- 2) The expenditure incurred on Gas, Electricity, Water and Furnishings will be on actual basis.
- 3) Club fees (excluding admission to life membership fee) will be on actual basis.
- 4) Expenses on children's education not exceeding Rs.15, 000/- per annum per child, subject to maximum of two children.
- 5) Personal Accident Insurance and Mediclaim Insurance for self and family will be as per company's rules.
- 6) The perquisites for servant, gardener etc. (maximum two persons) provided by the company will be evaluated as per the Income Tax Rules, 1962.
- 7) Expenses incurred on soft furnishing not exceeding Rs. 24, 000/- per annum.

For the above purpose family means the spouse, the dependent children and Dependent parents.

Mrs. Liza Kothari along with Mr. Nitesh Kothari relative of Mrs. Liza Kothari Directors is interested or concerned in the above resolution.

**III. OTHER INFORMATION:**

- 1) **Reason of loss or inadequate profits:** Looking at the current market scenario and in spite of sluggish Market Conditions, the Company is motivated for a larger market share.
- 2) **Steps taken or proposed to be taken for improvement:** Looking at the current market scenario and in spite of sluggish Market Conditions, the Company is motivated for a larger market share which is expected to generate adequate revenue and add to the profitability of the Company in the coming years.

**KOTHARI WORLD FINANCE LTD**

- 3) Expected increase in productivity and profits in measurable terms:** The quantification of expected increase in profit is difficult to measure at present. However the Company has during last years entered into certain business arrangements which will help to increase the income as well as profitability of the Company substantially. In addition, new business activities are also being explored

**IV. DISCLOSURES:**

The remuneration package of managerial person Mrs. Liza Kothari is provided hereinabove. The period of contract is three years, the notice period is one month and there are no severance fees or any other terminal benefits payable to Mrs. Liza Kothari.

Your Directors recommend the passing of this Resolution. Mrs. Liza Kothari along with Mr. Nitesh Kothari relative of Mrs. Liza Kothari Director is interested or concerned in the above resolution.

**FOR: AND ON BEHALF OF THE BOARD OF DIRECTOR**

Sd/-

**MRS. LIZA KOTHARI**  
**MANAGING DIRECTOR**

**DATE : 16<sup>th</sup> AUGUST 2012**

**PLACE: MUMBAI**

**DIRECTORS' REPORT**

**THE MEMBERS OF KOTHARI WORLD FINANCE LIMITED**

Dear Shareholders,

Your Directors have pleasure in presenting their 27<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2012.

Particulars	Year Ended 31-03-2012 Rs. In lakh	Year Ended 31-03-2011 Rs. In lakh
Total Income	165.87	50.64
Gross Operating Profit	53.26	0.22
Depreciation	9.77	2.10
Profit Before Tax	43.49	-1.88
Provision for:		
• Current Tax	13.58	-3.20
• Deferred Tax (Asset)	3.01	0.57
Profit After Tax	32.92	-4.51
Transferred to statutory Reserve	6.58	--
Surplus available for appropriations	26.34	--
Profit/(Loss) brought forward from Previous year	57.16	61.67
Proposed Dividend	-	--
Tax on Dividend	-	--
Balance carried forward	83.5	57.16

**DIVIDEND**

Your Directors are unable to recommend the Dividend on Equity Shares, since the Company wants to plough back its Profit in view of current scenario.

**REVIEW OF OPERATIONS**

The financial year 2011-12 was challenging for the corporate India particularly the finance sector with the global meltdown and a slowdown in Indian economy. As we pen this report, the scenario has improved and we believe that the economy is once again gearing up for 6-7% growth in GDP having achieved strong political stability.

The total income of the Company for the year ended 31<sup>st</sup> March, 2012 was Rs 165.87 lacs as against Rs 50.64 lacs reported as on 31<sup>st</sup> March, 2011. The Company has reported profit after tax to the extent of Rs 32.92 lacs as against loss Rs 4.51 lacs for the previous year ended 31<sup>st</sup> March, 2011.

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### ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS

During the year under review, the Company issued 59,37,500 Equity Shares on Preferential basis. Out of this 40,00,000 shares were issued to promoters and 19,37,500 shares were issued to non-promoters. The Company received the in principle approval for issue of 19,37,500 Equity Shares to non promoters on 14<sup>th</sup> September 2011. Accordingly, at the Board Meeting held on 26<sup>th</sup> September 2011, the Company allotted 19,37,500 to non promoters and the shares were listed on the stock Exchange on 9<sup>th</sup> November 2011. Subsequently the Company received the in principle approval for issue of 40,00,000 Equity Shares to promoters on 8<sup>th</sup> November 2011. Accordingly, at the Board Meeting held on 25<sup>th</sup> November 2011, the Company allotted 40,00,000 Equity Shares to promoters. Listing Approval for the same has been received by the Company.

### FUTURE PROSPECTS

Your company at present has started directly negotiating with Government Organization namely the Food Corporation of India and Government of Gujarat for taking over of the vacant Godowns on License Basis as they are in need of Godowns Space in the vicinity of Rajkot. If the deal is materialized, it will bring good returns to your company. Further your company is exploring the best opportunity to invest the fund at its disposal into real estate business and to generate income from such investment. Your Directors are, therefore optimistic of a fairly good performance in the coming years.

### TAX PROVISIONS

The Company has made adequate tax provisions under the provisions of Income Tax Act, 1961.

### LISTING

The Equity Shares of the Company continues to be listed at Bombay Stock Exchange and trading in the shares have commenced with effect from Thursday June, 17<sup>th</sup> 2010 on the BSE vide notice no. 20100611-13 The scrip code number of the Equity shares of the Company on BSE is 511138. The trading in the Securities of the Company has been resumed in "T" group. The Company has paid up-to-date listing fees to the exchange.

### DEMATERIALIZATION

The Equity shares of the Company can be held in dematerialized form. The Company has signed the tripartite agreement with National Securities Depository Limited and Central Depository Services (India) Limited and existing Registrar & Transfer Agent for dematerialization of existing holding of the shareholders.

The International Securities Identification Number, allotted to the Company is INE988F01017. The equity shares of the Company are listed on Bombay Stock Exchange Limited.

### DIRECTORS RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies (Amendment) Act 2000, the Directors state that:

- 1) In the preparation of annual accounts, the applicable accounting standards have been followed and proper explanations relating to material departures, if any, have been furnished.
- 2) Accounting policies as listed in **Note 15** to the financial statements have been selected and consistently applied and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the company as on 31<sup>st</sup> March, 2012 and of the Profit or Loss of the Company for the Accounting Year ended on that day.
- 3) Proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of the said act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- 4) The annual accounts have been prepared on a going concern basis.

### HUMAN RESOURCES

Your Directors acknowledge and appreciate the sincere efforts and effective services rendered by the committed officers and staff of the company.

The information as required under section 217(2A) of the Companies Act, 1956 as amended, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report is not applicable.

### AUDITORS OBSERVATIONS

The Auditors have referred to certain routine matters in their report and the respective notes to the accounts are self-explanatory.



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**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 require disclosure of particulars regarding conservation of energy in Form A and Technology Absorption in Form B prescribed by the rules. The Company not being a manufacturing Company is advised that Form A and B are not applicable to it.

**FOREIGN EXCHANGE EARNINGS & EXPENDITURE**

During the year ended 31<sup>st</sup> March, 2012 the Company has not earned any Income in Foreign Exchange.

**FIXED DEPOSITS**

During the year ended 31<sup>st</sup> March, 2012 the Company had not accepted any Fixed Deposits from the Public under Section 58-A of the Companies Act, 1956. The Company does not hold any Fixed Deposits from the public.

**DIRECTORS**

Mr. Manohar M. Mhatre Director, retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Your Directors recommend his re-appointment.

**AUDITORS**

M/s. Shahade & Associates, Chartered Accountants and Statutory Auditors will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to consider their re-appointment at a remuneration to be decided by the Board of Directors for the financial year ending 31<sup>st</sup> March, 2013

**ACKNOWLEDGMENT**

We take this opportunity to express our deep sense of gratitude to Securities and Exchange Board of India, Bombay Stock Exchange Ltd., Registrar of Companies, National Securities Depository Ltd., Central Depository Services (India) Ltd., M/s. **Sharex (India) Private Limited**, Bankers and other Government Agencies for their continued support.

**FOR: AND ON BEHALF OF THE BOARD OF DIRECTOR**

**DATE : 16<sup>th</sup> AUGUST 2012**  
**PLACE: MUMBAI**

Sd/-  
**MRS. LIZA KOTHARI**  
**MANAGING DIRECTOR**

**ANNEXURE TO DIRECTOR'S REPORT**

Information as per Section 217(2A) of the Companies Act, 1956 read with the companies (particulars of employees) Rules, 1975.  
**NOT APPLICABLE**

**FOR: AND ON BEHALF OF THE BOARD OF DIRECTOR**

**DATE : 16<sup>th</sup> AUGUST 2012**  
**PLACE: MUMBAI**

Sd/-  
**MRS. LIZA KOTHARI**  
**MANAGING DIRECTOR**

**REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

**PHILOSOPHY ON CODE OF GOVERNANCE**

The Company firmly believes in and continues to practice Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

**BOARD OF DIRECTORS**

Board Meetings held during the financial year 2011-2012.

The Board of Directors had met 8 (Eight) times during the financial year 2011-2012. These meetings were held on 28<sup>th</sup> April, 2011, 26<sup>th</sup> July, 2011, 26<sup>th</sup> August, 2011, 26<sup>th</sup> September 2011, 20<sup>th</sup> October, 2011, 25<sup>th</sup> November 2011, 30<sup>th</sup> January, 2012 and 11<sup>th</sup> February 2012.

Composition of Board of Directors, attendance at the Board Meetings and the last Annual General Meeting as on 31<sup>st</sup> March, 2012, as applicable, is tabulated hereunder :

**KOTHARI WORLD FINANCE LTD**

Name of the Director	No. of Board Meeting attended	Attendance at previous AGM on 30/09/2011	No. of outside Directorships held (Excluding Kothari World Finance Limited)	No. of membership/ chairmanship in other Board Committees (including Kothari World Finance Limited)		Executive/ Non Executive
				Member	Chairman	
Mrs. Liza Kothari	8	Yes	1	Nil	Nil	Executive
Mr. Nitesh Kothari	8	Yes	1	2	1	Non Executive
Mr. Manohar Mhatre	8	Yes		1	Nil	Non Executive
Mr. Jeetendra Wala (Appointed as additional Director on 30/01/2012)	2	No	2	4	2	Non Executive (Independent)
Mr. Jayesh H Gandhi (Appointed as Additional Director on 30/01/2012)	2	No	1	3	Nil	Non Executive (Independent)
Ms Meena Dalvi (Appointed as Additional Director on 30/01/2012)	2	No	0	2	Nil	Non Executive (Independent)

**AUDIT COMMITTEE**

The Audit Committee was constituted on 30<sup>th</sup> January 2012. The Audit Committee Comprises of 5 members namely, Mr. Jeetendra Wala, Mr. Jayesh H. Gandhi, Ms. Meena G. Dalvi and Mr. Nitesh Kothari. Mr. Jeetendra Wala has been appointed as Chairman of the Audit Committee.

As the Committee was formulated on 30<sup>th</sup> January 2012, the Committee met one time during the year under review. Composition of Audit Committee, attendance at the Committee is tabulated hereunder:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship	No. of Meetings attended upto 31 <sup>st</sup> March, 2012
1.	Mr. Jeetendra Wala	Chairman	Non-Executive (Independent)	1
2.	Mr. Jayesh H Gandhi	Member	Non-Executive (Independent)	1
3.	Ms Meena Dalvi	Member	Non-Executive (Independent)	1
4	Mr. Nitesh Kothari	Member	Non-Executive	1

**REMUNERATION COMMITTEE**

The Company has the qualified remuneration committee to determine, the company's policy on specified remuneration packages for Executive directors including pension rights and any compensation payment.

The Remuneration Committee was constituted on 30<sup>th</sup> January 2012 Comprising of Non-Executive Directors. The details of the Remuneration Committee are as follows:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship	No. of Meetings attended upto 31 <sup>st</sup> March, 2012
1.	Mr. Jeetendra Wala	Chairman	Non-Executive (Independent)	1
2.	Mr. Jayesh H Gandhi	Member	Non-Executive (Independent)	1
3.	Ms Meena Dalvi	Member	Non-Executive (Independent)	1
4	Mr. Nitesh Kothari	Member	Non-Executive	1

Mrs. Liza Kothari, Managing Director is in service contract with the Company. The remuneration payable to her is in terms of the said contract. The matters of remuneration of Directors are considered by the Board of Directors of the Company from time to time.

**Remuneration of Directors for the financial year 2011-2012.**

Sitting fees is not paid to any of the Independent Directors for Board Meetings attended by them. The Company has one Executive Director to whom monthly remuneration is being paid as approved by the Members.

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee.

**SHAREHOLDER/INVESTOR'S GRIEVANCE COMMITTEE**

The Company has constituted a "Shareholders/Investors Grievance Committee" of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc. Mr. Nitesh

**KOTHARI WORLD FINANCE LTD**

Kothari a Non Executive Director is Chairman of the Shareholder/Investors Grievance Committee. Mr. Manohar Mhatre is the Compliance Officer. The composition of the Shareholders/Investors Grievance Committee:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship
1.	Mr. Nitesh Kothari	Chairman	Non Executive
2.	Mr. Manohar Mhatre	Member	Non Executive

The committee takes on record the details of submissions made by Registrar & Transfer Agent (RTA) on every 15<sup>th</sup> day of the month and also consider status of grievances/complaints pending on the same day.

During the financial year 2011-2012, no communications were received from shareholders and investors.

All valid requests for share transfer received during 2011-2012 have been acted upon by the Company and no transfer is pending.

**GENERAL BODY MEETINGS:**

Location and time of last three Annual General Meetings are as under:

YEAR	VENUE	DATE	TIME
2008-2009	121/C, MITTAL TOWER, 12 <sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI – 400021	25 <sup>TH</sup> SEPTEMBER, 2009	11.30 A.M
2009-2010	121/C, MITTAL TOWER, 12 <sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI – 400021	30 <sup>TH</sup> SEPTEMBER, 2010	11.30 A.M
2010-2011	121/C, MITTAL TOWER, 12 <sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI – 400021	30 <sup>TH</sup> SEPTEMBER, 2011	11.30 A.M

Details of Special Resolutions passed in previous three Annual General Meetings.

Date of Annual General Meeting	No. of Special Resolutions passed	Details of Special Resolutions Passed
25 <sup>TH</sup> SEPTEMBER, 2009	NIL	
30 <sup>TH</sup> SEPTEMBER, 2010	2	<ol style="list-style-type: none"> <li>To adopt new set of Articles of Association of the Company.</li> <li>Change of name of the Company from Grenada Investment and Trading Co. Limited to Kothari world Finance limited</li> </ol>
30 <sup>TH</sup> SEPTEMBER, 2011	6	<ol style="list-style-type: none"> <li>Authorized Share Capital of the Company increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 Equity shares of Rs. 10/- (Rupees Ten) each to Rs. 25,00,00,000 /- (Rupees Twenty Five Crores only) divided into 2,50,00,000 Equity shares of Rs. 10/- (Rupees Ten) each ranking pari- passu with the existing Equity Shares of the Company.</li> <li>Alteration of Articles of Association consequent to increase in Authorized Share Capital</li> <li>Alteration of Memorandum of Association consequent to increase in Authorized Share Capital</li> <li>To create, offer, issue and allot in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board by way of preferential allotment upto 40,00,000 (Forty Lac) Equity shares at Rs 16.40/- each</li> <li>Ratification of the Resolution no. 1 passed at the Extra Ordinary General Meeting held on 24<sup>th</sup> March 2011</li> <li>Ratification of the Resolution no. 2 passed at the Extra Ordinary General Meeting held on 24<sup>th</sup> March 2011</li> </ol>

**DISCLOSURES**

During the financial year 2011-2012, the Company had no materially significant related party transaction which is considered to have potential conflict with the interest of the Company at large.

**MEANS OF COMMUNICATION**

The quarterly, half yearly & annual results are published by the Company in the Free Press Journal and Navshakti, Mumbai “Limited Review” by the Auditors of the Company of the quarterly results is sent to Bombay Stock Exchange Limited where the shares of the company are listed. Shareholders can also access the quarterly results on website of these exchanges where the equity shares of the company are listed (i.e. [www.bseindia.com](http://www.bseindia.com))

KOTHARI WORLD FINANCE LTD

Tentative Financial Calendar for Financial Results – 2012 – 2013:

Particulars	
1 <sup>st</sup> Quarter (June, 2012)	Already published on 20 <sup>th</sup> July 2012
2 <sup>nd</sup> Quarter (September, 2012)	Last week of October, 2012
3 <sup>rd</sup> Quarter (December, 2012)	Last week of January, 2013
4 <sup>th</sup> Quarter (March, 2013)	Second week of May, 2013
Audited Financial Results for the year ended 31 <sup>st</sup> March, 2013	Third week of August, 2013

GENERAL SHAREHOLDER'S INFORMATION

Annual General Meeting

Date and time	28th September 2012 at 11.30 A.M
Venue	121/C, MITTAL TOWER, 12 <sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI: 400021
Financial Year Ending	31 <sup>st</sup> March, 2012
Date of Book Closure	From Tuesday, 18 <sup>th</sup> September, 2012 to Friday 28 <sup>th</sup> September, 2012 (both days inclusive) for the purpose of 27 <sup>th</sup> Annual General Meeting
Listing on Stock Exchange and Stock Code	Equity Shares of the Company are listed at Bombay Stock Exchange Limited. (Scrip Code:511138)
Face Value of Equity Shares	10/- each.

Monthly High/Low price of Equity Shares of the Company during the financial year 2011-2012 on Bombay Stock Exchange Limited

All Prices in ₹

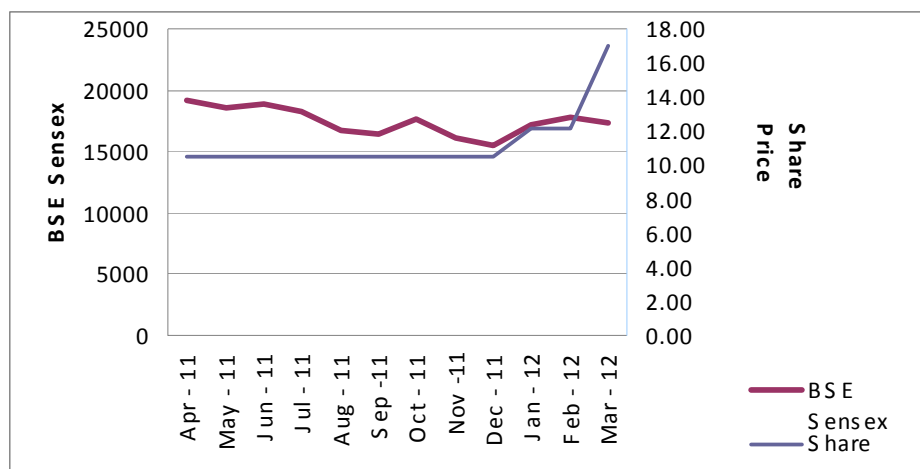
Month	Open	High	Low	Close	No. Of Shares	No. Of Trades	Total Turnover	*Spread	
								H-L	C-O
Sep 11	10.50	10.50	10.50	10.50	500	2	5,250	0.00	0.00
Jan 12	11.02	12.14	11.02	12.14	300	3	3,473	1.12	1.12
Feb 12	12.74	14.73	12.74	14.73	500	5	6,761	1.99	1.99
Mar 12	15.46	17.04	15.46	17.04	700	4	11,608	1.58	1.58

\*Spread

H-L: High-Low

C-O: Close-Open

Graphical Representation of Performance of Kothari World Finance Limited share price in comparison with BSE Sensex.



SHAREX DYNAMIC (INDIA) PRIVATE LIMITED

Unit 1, Luthra Industrial Premises  
Safeed Pul, Andheri Kurla Road  
Ahdheri East, Mumbai-400072

**KOTHARI WORLD FINANCE LTD**

**SHARE TRANSFER SYSTEM**

The Company's share being in compulsory Demat list, are transferable through the depository system. However, shares in the physical form are processed by the Registrar & Transfer Agent and approved by the Shareholders' and Investors' Grievance Committee. The share transfer process is reviewed by the said committee.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice as required under Clause 47 (C) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges on or before the due date.

**DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2012.**

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Up to 500	69	44.8	11400	.15
501 to 1000	2	1.3	1250	.02
1001 to 5000	13	8.44	37700	.51
5001 to 10000	6	3.90	45000	.61
10001 to 100000	46	29.87	1988550	26.74
100001 TO ABOVE	18	11.69	5353600	71.98
<b>TOTAL</b>	<b>154</b>	<b>100</b>	<b>7437500</b>	<b>100</b>

**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2012**

Sr. No.	Category of Shares	No. of Shares	% of total shares
(A)	<b>Promoter &amp; Promoter Group :</b>		
	(a) Individuals/ Hindu Undivided Family	2241800	30.142
	(b) Bodies Corporate	2786050	37.459
	Sub Total :	<b>5027850</b>	<b>67.601</b>
(B)	<b>Public Shareholding :</b>		
	1. Institutions	0	0
	(a) Mutual Funds/UTI	0	0
	(b) Financial Institutions/Banks	0	0
	(c) Foreign Institutional Investors	0	0
	2. Non-Institutions		
	(a) Bodies Corporate	100	
	(b) Individuals	2409550	0
	(c) Non-Resident Indians	0	0
	(d) Trust	0	0
	(e) Hindu Undivided Family	0	0
	(f) Clearing Members	0	0
	Sub Total :	<b>2409650</b>	<b>32.399</b>
	<b>GRAND TOTAL</b>	<b>7437500</b>	<b>100.000</b>

**Dematerialization of Shares:** 72, 77,000 Equity Shares of ` 10/- each (i.e. 97.8 %) of the total capital of the Company have been dematerialized as on 31<sup>st</sup> March, 2012.

**CODE OF CONDUCT**

The Company has in place a Code of Conduct applicable to the Board as well as the designated employees. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2012.

A declaration to this effect, duly signed by Managing Director, is annexed and form part of this report.

**ADDRESS FOR CORRESPONDENCE:**

121/C, Mittal Tower, 12<sup>th</sup> Floor,  
Nariman Point, Mumbai 400021

E-mail for Investors: [companysecretary@kothariworld.com](mailto:companysecretary@kothariworld.com)

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The financial year witnessed good capital market conditions and your company has been able to move the performance by completing various assignments of different nature. Total income of the Company increased from Rs.50.64 lacs to Rs.165.87 lacs in the year ended 31/03/2012. Profit before tax increased from (Loss) Rs.1.88 lacs to (Profit) Rs.43.49 lacs. Company continued to be profitable by registering Profit after Tax of Rs.32.92 lacs for the financial year 31/03/2012 as against (Loss) Rs.4.51 in the year 31/03/2011. The loss incurred during the year 31/03/2011 pertains to major expense Rs.6.30 Lacs, reported on account of increase in Company's Authorized Capital. By the time said discussions and analysis is being made, the capital market has witnessed rough phase on account of concerns of rising inflation, slowing economy growth, lack of structural reforms, corruption issues etc. Recent downgrade of US debt rating has put international economy scenario in uncertainty thereby adversely affecting capital market conditions. Your company expects to deal with general adverse capital market conditions by remaining cautious and moving forward strategically.

By Order of the Board  
**For Kothari World Finance Limited**  
Sd/-  
**Liza Kothari**  
Managing Director

**16<sup>th</sup> AUGUST 2012**  
**Place: Mumbai**

**Details of the Directors seeking appointment/re-appointment in the forthcoming Annul General Meeting.**

Name, Age, Qualification and Address of Director	Experience/Expertise in specific functional area	Directorship held in other companies.
<p><u>Mr. Manohar Mhatre</u> (Director due to retire by rotation seeking re-appointment) Age : 46 years Qualification: B.Com Address: Flat No.101, Shanti Sagar, CHSL, Plot No. 48, Sector 50, Opp: Sector-46. Nerul Seawood (West)., Navi Mumbai 400706</p>	<p>Graduate in Commerce and associated with this group / organization for the last 24 years in various fields namely Accounts, legal and general administration. His sole moto and aim is to contribute for the growth of the Company.</p>	<ul style="list-style-type: none"> <li>▪ Amity Engineers Private Limited.</li> <li>▪ Atamdeep Engineers Private Limited</li> <li>▪ Goldcoin Engineers Private Limited</li> <li>▪ Famous Commercial &amp; Leasing Private Limited</li> <li>▪ Steady Mercantile Company Private Limited</li> <li>▪ Kaikhusroo Manekji Mehta Stone &amp; Engineering Private Limited</li> <li>▪ Mithani Engineers Private Limited</li> <li>▪ International Health Care Products Limited</li> <li>▪ D. Dahyabhai &amp; Company Private Limited</li> <li>▪ Mansi Engineers Private Limited</li> <li>▪ Vishal Construction Company Private Limited</li> <li>▪ VIP Construction Private Limited</li> <li>▪ Paras Silk Mills Private Limited</li> </ul>
<p><u>Mr. Jeetendra Wala</u> (Director seeking appointment) Age : 56 Years Qualification: Practicing Chartered Accountant Address : 502, Anand Dham No.1, Near Amboli Rly Station, Andheri (East), Mumbai 400069</p>	<p>Mr. Jeetendra B. Wala is a practicing Chartered Accountant and brings with him more than 28 years of industry experience. His expertise lies in the areas of corporate advisory, management audit, finance and taxation.</p>	<ul style="list-style-type: none"> <li>▪ Tricom Fruit Products Limited</li> <li>▪ Advantage Finvest Limited</li> </ul>
<p><u>Mr. Jayesh Gandhi</u> (Director seeking appointment) Age 53 years Qualification: B.Com, DBMS Address: B/403, 7 Star, Jayraj Nagar, Borivali (West), Mumbai</p>	<p>Mr. Jayesh Gandhi holds a Commerce degree and has wide-ranging experience in General Management of Business for over 25 years. Mr. Gandhi has played an instrumental part and possesses deep domain knowledge in fields of Finance &amp; Investments.</p>	<ul style="list-style-type: none"> <li>• Shachi Consultants Private Limited</li> <li>• Trio Mercantile &amp; Trading Limited</li> </ul>
<p><u>Ms Meena Dalvi</u> Age 27 years Qualification: B.Com Address: 419, "A" Wing, Sambhaji Nagar, Akurli Road, Kandivali (East), Mumbai 400101</p>	<p>Ms. Meena G. Dalvi holds a Commerce degree from Mumbai University and also has done certificate course in Mechanical &amp; Piping Draughtsman. She has wide-ranging knowledge &amp; experience in the field of Investment and Taxation.</p>	<p>NIL</p>

KOTHARI WORLD FINANCE LTD

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**Declaration by Managing Director**

I, Liza Kothari, Managing Director of Kothari World Finance Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49 (1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2012.

16<sup>th</sup> AUGUST 2012

Place: Mumbai

For Kothari World Finance Limited

Sd/-

Liza Kothari

Managing Director

**Managing Director Certification**

I, Liza Kothari, Managing Director of Kothari World Finance, Managing Director of Kothari World Finance Limited hereby certify that:

- 1) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2012 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) 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.
- 2) 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 volatile of the Company's Code of Conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of 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 we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the Auditors and the Audit Committee that -
  - a) There has not been any significant change in internal control over financial reporting during the year under reference;
  - b) There has not been any significant changes in accounting policies during the year under requiring disclosure in the notes to the financial statements; and
  - c) There has not been any instances during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Kothari World Finance Limited

Sd/-

Liza Kothari

Managing Director

16<sup>th</sup> AUGUST 2012

Place: Mumbai

**CERTIFICATE ON CORPORATE GOVERNANCE**

**The Members of Kothari World Finance Limited.**

We have examined the compliance of conditions of Corporate Governance by Kothari World Finance Limited (the Company) for the year ended 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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 Uma Lodha & Co.

Practicing Company Secretaries

Sd/-

Uma Lodha

Proprietor

C.P. No. 2593

Place: Mumbai

Date: 16<sup>th</sup> August 2012

**AUDITORS' REPORT TO THE MEMBERS OF KOTHARI WORLD FINANCE LIMITED**

- 1) We have audited the attached Balance Sheet of **Kothari World Finance Limited** as at 31<sup>st</sup> March, 2012 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 2) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 3) Further we report that:
  - a) We have 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 appears from our examination of those books;
  - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012
    - ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
    - iii) In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For Shahade & Associates**  
Chartered Accountants  
**(ICAI Firm Regn. No. 109840W)**  
sd/-  
**(Shubhada Shahade)**  
Partner  
**M. No. 38342**

Place: Mumbai  
Date: 16<sup>th</sup> August, 2012

**ANNEXURE TO THE AUDITORS' REPORT**

Annexure referred to in paragraph 2 of the Auditors' Report of even date on the accounts of Kothari World Finance Limited for the year ended on 31<sup>st</sup> March, 2012.

- 1) a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.
  - b) As explained to us, the physical verification of a major portion of Fixed Assets was conducted by the management during the year and no material discrepancies were noticed on such verification as compared with the book records.
  - c) Based on the scrutiny of records of the Company and the information and explanations received by us, the Company has not disposed off any major part of the Fixed Assets, so as to affect its going concern.
- 2) a) The Securities held as stock in trade have been physically verified by the Management during the year. In our opinion the frequency of verification is reasonable.



KOTHARI WORLD FINANCE LTD

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- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock in trade followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stock and book records, which were not material, have been properly dealt with in the books of account.
3. In respect of the unsecured loans granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
- a) The Company has not given interest free loan to its Associate Company during the year.
  - b) The Company has taken interest free loan from its shareholder/director during the preceding year. Balance outstanding at the year end is Rs. NIL (maximum amount outstanding during the year Rs. 174 lacs)
  - c) In our opinion and based on explanations received from the management, the terms and conditions of the aforesaid loan are prima facie not prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in these internal controls.
5. a) Based on the audit procedures applied by us and according to the information & explanation provided by the Management, we are of the opinion that the transactions that need to be entered in to the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 and exceeding the value of five lacs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public in terms of the provisions of sections 58 A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975.
7. The Company does not have an Internal Audit system.
8. As per the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the type of business carried on by the Company.
9. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, employees' state insurance, Provident Fund, Income tax, Sales Tax, Customs duty, and other statutory dues applicable to it.
- b) According to the information and explanations given to us and as per the records of the Company, no undisputed amounts payable in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax and Excise Duty were outstanding as on 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.
- c) According to the records of the Company, there are no dues of Sales Tax, Income Tax, Custom tax/ Wealth Tax, excise duty/ Cess which have not been deposited on account of any dispute.
10. The Company does not have accumulated losses. The company has not incurred any cash loss during the financial year covered by our audit or during the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institution, bank or debenture holders.
12. Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other similar securities.
13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to Chit Fund/Nidh/Mutual benefit fund/Society are not applicable to the Company.

KOTHARI WORLD FINANCE LTD

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14. The company has maintained proper records for dealing and trading in shares, securities, debentures and timely entries have been made therein. The shares, securities and debentures have been held by the company in its own name except to the extent of exemption granted under section 49 of the Act.
15. As per the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the records of the Company, no term loans have been raised during the year by the Company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment and vice versa.
18. According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 and to others. According to the information and explanations given to us the price at which shares have been issued is as approved by the Bombay Stock Exchange.
19. According to the records of the Company, the Company has not issued debentures during the year under audit.
20. The company has not raised any money by public issue during the period covered by our audit report.
21. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

**For Shahade & Associates**  
Chartered Accountants  
**(ICAI Firm Regn. No. 109840W)**  
sd/-  
**(Shubhada Shahade)**  
Partner  
**M. No. 38342**

Place: Mumbai  
Date: 16<sup>th</sup> August, 2012

**BALANCE SHEET**

<b>KOTHARI WORLD FINANCE LIMITED</b>			
<b>BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012</b>			
	NOTE	AS AT	AS AT
		31 <sup>ST</sup> March 2012	31 <sup>ST</sup> March 2011
		Rs.	Rs.
<b>A</b>	<b>EQUITY AND LIABILITIES:-</b>		
	Shareholder's Funds		
	a) Share Capital	74,375,000	14,800,000
	b) Reserves & Surplus	48,046,401	7,409,014
	c) Share Application Money	-	56,000,000
		<b>122,421,401</b>	<b>78,209,014</b>
	d) Current Liabilities	981,842	18,383,294
		<b>123,403,243</b>	<b>96,592,308</b>
<b>B</b>	<b>ASSETS:-</b>		
	Non Current Assets		
	a) Fixed Assets		
	(i) Tangible Assets	18,362,613	19,286,155
	(ii) Capital Work in Progress	1,003,207	1,003,207
		<b>19,365,820</b>	<b>20,289,362</b>
	b) Investments	6,303,242	3,603,242
	c) Deferred Tax Asset (Net)	397,022	96,022
	d) Deposits	1,375,385	1,375,385
		<b>8,075,649</b>	<b>5,074,649</b>
	<b>Current Assets:-</b>		
	a) Inventories - Stock in Trade	1,160,249	2,049,524
	b) Cash & Cash Equivalents	92,561,280	66,017,457
	c) Trade Receivables	257,368	651,304
	d) Other Current Assets	1,982,877	2,510,012
		<b>95,961,774</b>	<b>71,228,297</b>
	<b>TOTAL</b>	<b>123,403,243</b>	<b>96,592,308</b>
<b>Notes forming part of the Financial Statements</b>		<b>1 TO 15</b>	

As per our report of even date  
**For Shahade & Associates**  
Chartered Accountants  
(ICAI Firm Regn. No. 109840W)  
sd/-  
**(Shubhada Shahade)**  
**Partner**  
M. No. 38342

**For and on behalf of the board**

sd/-  
**(Liza Kothari)**  
**Managing Director**

sd/-  
**(Manohar Mhatre)**  
**Director**

Place: Mumbai  
Date: 16<sup>th</sup> August, 2012

<b>KOTHARI WORLD FINANCE LIMITED</b>				
<b>STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012</b>				
		NOTE	<u>2011-12</u>	<u>2010-11</u>
			Rs.	Rs.
<b>I</b>	Revenue from Operations	<b>10</b>	16,494,399	5,054,501
<b>II</b>	Other Income	<b>11</b>	92,125	9,430
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>16,586,524</b>	<b>5,063,931</b>
<b>IV</b>	<b>Expenses</b>			
	a) Purchase of Stock in Trade		6,952,242	2,392,382
	b) Change in Valuation of Stock in Trade	<b>12</b>	889,275	(236,154)
	c) Employees Benefits Expenses	<b>13</b>	583,423	589,804
	d) Depreciation & Amortization Expense		977,442	210,284
	e) Other Expenses	<b>14</b>	2,834,755	2,295,588
	<b>Total Expenses</b>		<b>12,237,137</b>	<b>5,251,904</b>
<b>V</b>	<b>Profit / (Loss) Before Tax</b>		<b>4,349,387</b>	<b>(187,973)</b>
<b>VI</b>	<b>Tax Expenses:</b>			
	(a) Current Tax		1,358,000	320,000
	(b) Deferred Tax (Asset)		301,000	57,269
			<b>(1,057,000)</b>	<b>(262,731)</b>
<b>VII</b>	<b>Profit / (Loss) for the year</b>		<b>3,292,387</b>	<b>(450,704)</b>
<b>VIII</b>	Earnings per share - Basic			
	(Rupees) (Face Value of Rs.10/- each)		0.44	-
	Refer Note No. 15			
<b>Notes forming part of the Financial Statements</b>		<b>1 TO 15</b>		

As per our report of even date

**For Shahade & Associates**

Chartered Accountants

(ICAI Firm Regn. No. 109840W)

sd/-

**(Shubhada Shahade)****Partner**

M. No. 38342

**For and on behalf of the board**

sd/-

**(Liza Kothari)****Managing Director**

sd/-

**(Manohar Mhatre)****Director**

Place: Mumbai

Date: 16<sup>th</sup> August, 2012

KOTHARI WORLD FINANCE LTD

<b>KOTHARI WORLD FINANCE LIMITED</b>				
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012</b>				
	(Amount in Rs)			
		Year Ended 31-03-2012		Year Ended 31-03-2011
<b>A. Cash flow from operating activities:</b>				
Profit before Exceptional items		4,349,387		(187,973)
Add: Depreciation	977,442		210,284	
<b>Sub Total</b>		977,442		210,284
<b>Total</b>		<b>5,326,829</b>		<b>22,311</b>
Less: Interest Income	5,409,534		746,586	
Interest on Income Tax Refund	19,112		0	
Dividend Received/ Income From Investments	39,156		9,430	
<b>Sub Total</b>		5,467,802		756,016
<b>Operating profit before working capital changes</b>		<b>(140,973)</b>		<b>(733,705)</b>
Increase / (Decrease) in Trade / other payables		(1,452)		593,416
Decrease / ( Increase) in Trade / other receivables		921,071		(1,036,549)
Decrease / ( Increase) in Inventories		889,275		(236,154)
<b>Cash generated from operations</b>		<b>1,667,921</b>		<b>(1,412,992)</b>
Direct taxes refund / (paid) (Net)		(1,358,000)		0
<b>Net cash inflow / (outflow) from operating activities</b>		<b>309,921</b>		<b>(1,412,992)</b>
<b>B. Cash flow from investing activities:</b>				
Purchase of fixed assets		(53,900)		(16,815,850)
Proceeds from sale of fixed assets		0		0
Interest received		5,409,534		746,586
Interest on Income Tax Refund		19,112		0
Noncurrent investments		(2,700,000)		0
Dividend received / income from investment		39,156		9,430
<b>Net cash inflow / (outflow) from investing activities</b>		<b>2,713,902</b>		<b>(16,059,834)</b>
<b>C. Cash flow from Financing activities:</b>				
Proceeds (Repayment) of unsecured loans from borrowings (Net)		(17,400,000)		17,400,000
Equity Shares issued		59,575,000		0
Share Premium		37,345,000		0
Share money received		(56,000,000)		56,000,000
Dividend including dividend distribution tax		0		0
<b>Net cash inflow / (outflow) from financing activities</b>		<b>23,520,000</b>		<b>73,400,000</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>		<b>26,543,823</b>		<b>55,927,174</b>
<b>Cash and cash equivalents as at opening</b>				
Cash and Bank Balances		66,017,457		10,090,283
<b>Cash and cash equivalents as at closing</b>				
Cash and Bank Balances		92,561,280		66,017,457
		<b>26,543,823</b>		<b>55,927,174</b>

**KOTHARI WORLD FINANCE LTD**

Notes: a) All figures in brackets are outflow.  
b) Previous year's figures are regrouped / recited wherever necessary.

As per our report of even date

**For Shahade & Associates**

Chartered Accountants

(ICAI Firm Regn. No. 109840W)

sd/-

**(Shubhada Shahade)**

**Partner**

M. No. 38342

**For and on behalf of the board**

sd/-

**(Liza Kothari)**

**Managing Director**

sd/-

**(Manohar Mhatre)**

**Director**

Place: Mumbai

Date: 16<sup>th</sup> August, 2012

<b>KOTHARI WORLD FINANCE LIMITED</b>				
<b>NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>				
<b>NOTE 1:- SHARE CAPITAL</b>				
<b>Particulars</b>	<b>As at 31 March, 2012</b>		<b>As at 31 March, 2011</b>	
	<b>Number of shares</b>	<b>Amt</b>	<b>Number of shares</b>	<b>Amt</b>
(a) Authorised				
Equity shares of Rs.10/- each with voting rights	25000000	250,000,000	15000000	150,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of `Rs.10/- each with voting rights	7437500	74,375,000	1480000	14,800,000
<b>Total</b>	<b>7437500</b>	<b>74,375,000</b>	<b>1480000</b>	<b>14,800,000</b>
<b>Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the period.</b>				
<b>Particulars</b>	<b>As at 31 March, 2012</b>		<b>As at 31 March, 2011</b>	
	<b>Number of shares</b>	<b>Amt</b>	<b>Number of shares</b>	<b>Amt</b>
<b>Equity Shares</b>				
At the beginning of the year	1480000	14,800,000	1500000	14,900,000
Issued during the year	5957500	59,575,000	-	-
Forfeiture of Partly Paid Shares	0	-	20000	100,000
Outstanding at the end of the year				
<b>Total</b>	<b>7437500</b>	<b>74,375,000</b>	<b>1480000</b>	<b>14,800,000</b>
<b>Details of shareholders holding more than 5 % of shares in the Company.</b>				
<b>Name of the Shareholder</b>	<b>As at 31 March, 2012</b>		<b>As at 31 March, 2011</b>	
	<b>No. of shares</b>	<b>% of Holding</b>	<b>No. of Eq. Shares</b>	<b>% of Holding</b>
NITESH PRATAPRAI KOTHARI	803650	10.805	178650	12.071
VIP CONSTRUCTION PRIVATE LIMITED	-	-	178500	12.061
RAMESH U. RAMCHANDANI	-	-	120000	8.108
LIZA NITESH KOTHARI	623650	8.385	123650	8.355
D DAHYABHAI AND CO PRIVATE LIMITED	960300	12.912	147800	9.986
STEADY MERCANTILE CO PVT LTD	-	-	140000	9.45

KOTHARI WORLD FINANCE LIMITED		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		
	AS AT	AS AT
	31.03.2012	31.03.2011
	Rs.	Rs.
<b>Note. 2:-</b>		
<b>RESERVES &amp; SURPLUS:-</b>		
<b>a) Share Premium Account</b>		
Opening Balance	-	-
Add: Premium on shares issued during the year	37,345,000	-
	<b>37,345,000</b>	-
<b>b) Statutory Reserve Account</b>		
Opening Balance	1,593,025	1,593,025
Add: Transfer from surplus in the Statement of Profit & Loss Account	658,477	-
<b>Closing Balance</b>	<b>2,251,502</b>	<b>1,593,025</b>
<b>c) General Reserve</b>		
Opening Balance	100,000	-
Add: Forfeiture of Shares	-	100,000
	<b>100,000</b>	<b>100,000</b>
<b>d) Surplus in the Statement of Profit &amp; Loss Account</b>		
Opening Balance	5,715,989	6,166,693
Add/ (Less): Profit / (Loss) for the current year	3,292,387	(450,704)
	9,008,376	5,715,989
Less: Transfer to Statutory Reserve	658,477	-
	8,349,899	5,715,989
<b>TOTAL RESERVES &amp; SURPLUS (a+b+c+d)</b>	<b>48,046,401</b>	<b>7,409,014</b>
<b>NOTE - 3:-</b>		
<b>CURRENT LIABILITIES:-</b>		
Outstanding Liabilities for Expenses	981,842	983,294
Amount due to Director	-	17,400,000
	<b>981,842</b>	<b>18,383,294</b>

KOTHARI WORLD FINANCE LIMITED		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		
Non- current Assets (Contd.)	AS AT	AS AT
	31.03.2012	31.03.2011
	Rs.	Rs.
<b>NOTE - 5:-</b>		
<b>INVESTMENTS IN SHARES:-</b>		
<b>a) QUOTED (At Cost)</b>		
56,900 Equity shares of Munoth Hire Purchase Ltd. Of Rs. 10/ each fully paid up (Delisted)	98,437	98,437

**KOTHARI WORLD FINANCE LTD**

38,500 Equity shares of Suchak Trading Ltd. Of Rs. 10/-each fully paid up (M.V. Rs.1,05,875/- Previous Year Rs. 1,05,875/-)	89,705	89,705
200000 Equity shares of Tricom India Ltd. Of Rs. 13.50/-each fully paid up (M.V. Rs.22,00,000/- Previous Year Rs.Nil)	2,700,000	-
<b>A)</b>	<b>2,888,142</b>	<b>188,142</b>
<b>b) UNQUOTED (At Cost)</b>		
500 Equity shares of Kaikhusroo Manekji Mehta Stone & Engg. Works Pvt. Ltd. Of Rs. 100/- each Fully paid up	50,000	50,000
7050 Equity shares of International Health Care Products Ltd.of Rs.100/- each Fully paid up	2,530,100	2,530,100
900 Equity shares of Goldcoin Engineers Pvt. Ltd. of Rs.100/- each fully paid up	90,000	90,000
1950 Equity shares of Amity Agriculture Pvt. Ltd. of Rs.100/- each fully paid up	195,000	195,000
600 Equity shares of Steady Mercantile Co. Pvt. Ltd. Of Rs. 100/-each fully paid up	60,000	60,000
1000 Equity shares of Famous Commercial & Leasing Pvt. Ltd. Rs.100/- each fully paid up	100,000	100,000
1700 Equity shares of Mithani Agriculture Pvt.Ltd. of Rs.100/- each fully paid up	170,000	170,000
300 Equity shares of Atamdeep Engineers Pvt. Ltd. Of Rs. 100/- each fully paid up	30,000	30,000
800 Equity shares of Mansi Engineers Pvt. Ltd. Of Rs. 100/- each fully paid up	80,000	80,000
1100 Equity shares of D.Dahyabhai & Co. Pvt. Ltd. Of Rs.100/- each Fully paid up	110,000	110,000
<b>B)</b>	<b>3,415,100</b>	<b>3,415,100</b>
<b>[ A+B ]</b>	<b>6,303,242</b>	<b>3,603,242</b>
<b>Non- current Assets (Contd)</b>		
<b>NOTE - 6:-</b>		
<b>DEPOSITS</b>		
(a) Security Deposits	1,200,000	1,200,000
(b) Other Deposits	175,385	175,385
	<b>1,375,385</b>	<b>1,375,385</b>
<b>NOTE - 7 :-</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
(a) Cash on hand	82,269	375,033



**KOTHARI WORLD FINANCE LTD**

(b) Balance with banks:		
Bank of India	3,020,983	680,255
IDBI Bank Ltd	80,659,207	56,932,277
(c) Deposits with Bank	8,798,821	8,029,892
	<b>92,561,280</b>	<b>66,017,457</b>
<b>NOTE - 8:-</b>		
<b>Trade Receivables</b>		
Unsecured considered good unless otherwise stated		
(a) Debts outstanding exceeding six months	-	447,832
(b) Other Debts	257,368	203,472
	<b>257,368</b>	<b>651,304</b>
<b>NOTE - 9:-</b>		
<b>OTHER CURRENT ASSETS</b>		
(a) Loans and Advances	1,000,000	-
(b) Advance to employees	21,675	22,000
(c) Prepaid Expenses	226,258	276,377
(d) Interest accrued on Auto Sweep Account	117,332	1,259,313
(d) Advance Income Tax (Net)	617,612	952,322
	<b>1,982,877</b>	<b>2,510,012</b>
<b>NOTE - 10 :-</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Shares	7,378,582	2,130,649
Other Sales	80,000	-
Interest Income	5,409,534	746,586
Lease Rent	3,626,283	2,177,266
	<b>16,494,399</b>	<b>5,054,501</b>
<b>NOTE - 11:-</b>		
<b>OTHER INCOME</b>		
Interest on Income Tax Refund	19,112	-
Dividend Income	39,156	9,430
Speculation Income on shares	33,857	-
	<b>92,125</b>	<b>9,430</b>
<b>NOTE - 12:-</b>		
<b>CHANGE IN VALUATION OF STOCK IN TRADE</b>		
Value of Opening Stock	2,049,524	1,813,370
Value of Closing Stock	1,160,249	2,049,524
<b>(Increase) / Decrease in Stock</b>	<b>889,275</b>	<b>(236,154)</b>
<b>NOTE - 13:-</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Staff welfare Expenses.	583,423	589,804
	<b>583,423</b>	<b>589,804</b>
<b>NOTE - 14:-</b>		
<b>OTHER EXPENSES</b>		
Electricity Charges	47,534	70,338
Rent	110,940	110,940

**KOTHARI WORLD FINANCE LTD**

Repairs & Maintenance	24,174	15,496
Printing & Stationery	32,390	32,367
Donation	200,000	-
Travelling & Conveyance Expenses	-	4,320
Telephone Charges	39,659	38,773
Bank Charges	428	9,810
Director's Remuneration	200,000	-
Listing Fees	15,000	495,000
Filing Fees	88,770	681,894
Legal & Professional Fees	191,286	211,517
Property Taxes	288,428	243,435
Lease Rent W/off	397,832	-
Sundry Deposit W/off	50,000	-
<b>Auditor's Remuneration</b>		
Audit Fees	30,000	30,000
Sundry Expenses	57,928	32,561
Advertisement	63,684	40,090
Development Charges	45,016	-
Share Issue Expenses	947,050	275,387
Postage & Telegram	4,636	3,660
	<b>2,834,755</b>	<b>2,295,588</b>

**NOTE - 15**

**A) SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Accounting**

The Financial Statements are prepared under historical cost convention and on accrual basis.

**b) Fixed Assets**

- (i) Fixed Assets are stated at cost inclusive of all expenses directly attributable in bringing the assets to their working condition.
- (ii) Depreciation
- (iii) The Company provides depreciation on Written down Value Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.
- (iv) Depreciation on Assets has been provided on pro –rata basis from the date of acquisition or till the date of disposal as the case may be.

**c) Stock in trade and investments**

- (i) The securities acquired with the intention of short term holding and trading position are considered as stock in trade and shown as Current Assets. Other securities acquired with the intention of long-term holding are considered as Investments being of long term nature are stated at Cost.
- (ii) In respect of investment, brokerage and stamp duty payable are considered to arrive at the cost. However in respect of the securities held in stock in trade, brokerage and stamp duty are written off as revenue expenditure.
- (iii) The securities held as stock in trade under the current asset are valued at cost or market value whichever is lower.
- (iv) The investments are shown in Balance Sheet at cost, In the case of quoted investments, provisions for diminution in value of investments is not made, since the Investments are Long Term Investments.

**d) Statutory Reserve**

In accordance with Section 45 – IC of the Reserve Bank of India (Amendment) Act, 1997, Twenty percent of the profit after taxation has been transferred to Statutory Reserve.

**B) Earnings per share: -**

In accordance with the Accounting Standard 20 "Earning per Share" issued by The institute of Chartered Accountants of India, basic earnings per share is computed by dividing net profit after tax for the year by the number of equity shares outstanding for the period. Diluted earnings per shares have not been computed.

KOTHARI WORLD FINANCE LTD

		Current year	Previous Year
	Profit (Loss) for the year after adjustment and appropriation	Rs. 3,292,387	(450,704)
	Number of Equity Shares	7437500	1480000
	Basic Earnings per Share	Rs. 0.44	Nil
<b>C) Segment Reporting:-</b>			
	Based on the guiding principle given in the Accounting Standard –17 “Segment Reporting “ issued by the institute of Chartered Accountants of India, the company’s main activities is investment and finance and hence the said segment wise reporting is not applicable.		
<b>D)</b> There is no amount payable to any small scale industrial undertaking.			
<b>E)</b> In the opinion of the Board the Current Assets, if realised in the ordinary course of business will be at least of the valued Stated in the Balance Sheet. Provisions for all known liabilities are made in the account and are not in excess of amount considered necessary.			
<b>F) - Value of Imports Calculated on CIF Basis.</b>			
	- Raw Materials	NIL	NIL
	- Capital Goods	NIL	NIL
	- Expenditure in Foreign Currencies	NIL	NIL
	- Earnings in Foreign Currencies	NIL	NIL
<b>G) Related Party Disclosure</b>			
	Related Parties:		
	<b>a) Key Management Personnel:</b>		
	Mrs. Liza N. Kothari, Managing Director.		
	Mr. Nitesh P. Kothari, Director		
	Mr. Manohar M.Mhatre, Director		
	Mr. Jeetendra B. Wala, Director		
	Mr. Jayesh kumar Gandhi, Director		
	Miss Meena G. Dalvi, Director		
	<b>b) Associate Companies: -</b>		
	International Health Care Products Limited		
	D Dahyabhai Co Private Limited		
	Famous Commercial Leasing Private Limited		
	Steady Mercantile Co Private Limited		
	Vishal Construction Co Private Limited		
	Paras Silk Mills Private Limited		
	Spectrum Capital Private Limited		
	Amity Agriculture Private Limited		
	Mithani Agriculture Private Limited		
	Goldcoin Engineers Private Limited		
	Atamdeep Engineers Private Limited		
	Mansi Engineers Private Limited		
	VIP Construction Co Private Limited		
	Kaikhusroo Manekji Mehta Stone & Engineering Works Private Limited		
	<b>Payment to Related Parties during the year:-</b>		
	Mrs, Liza N. Kothari, Managing Director		
	Remuneration: Rs. 2,00,000/- (Previous Year - Nil )		
<b>H)</b> Figures of the previous year have been regrouped, rearranged, reclassified wherever necessary to make them comparable with that of current year.			

KOTHARI WORLD FINANCE LTD

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KOTHARI WORLD FINANCE LIMITED											
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012											
NOTE - 4 :- Non Current Assets											
FIXED ASSETS											
	Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
		Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(a) Plant and Equipment	289,032	-	-	289,032	270,699	2,516	-	273,215	15,817	18,333
	(b) Furniture and Fixtures	48,094	-	-	48,094	45,862	417	-	46,279	1,815	2,232
	(c) Office equipment	367,600	6,900	-	374,500	258,738	14,927	-	273,665	100,835	108,862
	(d) Electrical Installation	114,955	-	-	114,955	114,955	-	-	114,955	-	-
	(e) Godown at Thangadh	9,067,546	-	-	9,067,546	6,598,382	123,096	-	6,721,478	2,346,068	2,469,164
	(f) Godown At Thane	16,755,850	47,000	-	16,802,850	68,860	836,406	-	905,266	15,897,584	16,686,990
	(g) Water Pump	5,300	-	-	5,300	4,726	80	-	4,806	494	574
	<b>Total</b>	<b>26,648,377</b>	<b>53,900</b>	<b>-</b>	<b>26,702,277</b>	<b>7,362,222</b>	<b>977,442</b>	<b>-</b>	<b>8,339,664</b>	<b>18,362,613</b>	<b>19,286,155</b>
	<b>Previous year</b>	<b>9,832,527</b>	<b>16,815,850</b>	<b>-</b>	<b>26,648,377</b>	<b>7,151,938</b>	<b>210,284</b>	<b>-</b>	<b>7,362,222</b>	<b>19,286,155</b>	<b>2,680,589</b>

As per our report of even date  
**For Shahade & Associates**  
Chartered Accountants  
(ICAI Firm Regn. No. 109840W)  
sd/-  
**(Shubhada Shahade)**  
**Partner**  
M. No. 38342

**For and on behalf of the board**

sd/-  
**(Liza Kothari)**  
**Managing Director**

sd/-  
**(Manohar Mhatre)**  
**Director**

Place: Mumbai  
Date: 16<sup>th</sup> August, 2012

**KOTHARI WORLD FINANCE LIMITED**  
**Registered Office: 121/C, Mittal Tower, 12<sup>th</sup> Floor, Nariman Point, Mumbai- 400021.**

Please fill the Attendance Slip and hand it over at the entrance of the meeting hall

DP. Id*	
Client Id*	

Folio No.	
No. of share(s) held	

Name and Address of the Shareholder/Proxy:

I/We hereby record my/our presence at the 27<sup>th</sup> Annual General Meeting of the Company to be held on 28<sup>th</sup> September 2012, Friday at 11.30 A.M. at 121/C, Mittal Tower, 12<sup>th</sup> Floor, Nariman Point, Mumbai - 400 021.

Signature of Shareholder or Proxy

\*Applicable for investors holding share(s) in electronic form.

.....Tear Here.....

PROXY FORM

**KOTHARI WORLD FINANCE LIMITED**  
**Registered Office: 121/C, Mittal Tower, 12<sup>th</sup> Floor, Nariman Point, Mumbai- 400021.**

DP. Id*	
Client Id*	

Folio No.	
No. of share(s) held	

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being member/ members of KOTHARI WORLD FINANCE LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my / our proxy to vote for me / us on my / our behalf at the 27<sup>th</sup> Annual General Meeting of the Company to be held on 28<sup>th</sup> September, Friday 2012 at 11.30 A.M. at 121/C, Mittal Tower, 12<sup>th</sup> Floor, Nariman Point, Mumbai - 400 021.

Signed this ..... day of ..... 2012.

\*Applicable for investors holding share(s) in electronic form.

Affix Rs 1/- Revenue stamp
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- Notes:** 1) The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the company.  
 2) Members holding shares under more than one folio may use photocopy of this proxy form for other folios. The company shall provide additional forms on request.

Book Post

To,

If undelivered please return to:

**Kothari World Finance Ltd**

C/121, Mittal Tower

12<sup>th</sup> Floor, Nariman Point.

Mumbai: 400 021.

Tel No: +91-22-22851620.