

1<sup>st</sup> September, 2017

To  
The Manager  
BSE Limited  
Corporate Relations Department,  
1st Floor, New Trading Ring,  
P.J. Towers, Dalal Street,  
Mumbai- 400 001

Dear Sir,

**Ref: SCRIP CODE: 511138**

**REG: Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulation").**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulation") Please find enclosed herewith Annual Report 2016-2017 being approved and adopted in the 32<sup>nd</sup> Annual General Meeting of the Company held on 1<sup>st</sup> September, 2017 at 9.30 a.m. at the Registered Office of the Company situated at C-121, Mittal Tower, Nariman Point, Mumbai -400021 for your record.

Thanking you and assuring you of our best co-operation always.

Yours sincerely,

**For KOTHARI WORLD FINANCE LIMITED**



**NITESH KOTHARI**  
**DIRECTOR**  
(DIN: 00024195)

Place: Mumbai

Date: 1<sup>st</sup> September, 2017

Encl: as above

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**KOTHARI WORLD FINANCE LTD.**

C-121, Mittal Tower, Nariman Point, Mumbai - 400 021 (India) • www.kothariworld.com

Tel. +91-22-22851620 • Fax: +91-22-22871695 • Email: info@kothariworld.com • CIN: L65993MH1985PLC035005



# *Annual Report*

## *2016-17*

KOTHARI WORLD FINANCE LIMITED.

32<sup>nd</sup> Annual General Meeting

On Friday, 1<sup>st</sup> September 2017



## KOTHARI WORLD FINANCE LIMITED

### ANNUAL REPORT 2016-2017

Sr. No.	Contents
1.	Board of Directors
2.	Notice of Annual General Meeting
3.	Director's Report
4.	Management Discussion and Analysis
5.	Report on Corporate Governance
6.	Auditor's Report to the Shareholders
7.	Balance Sheet
8.	Statement of Profit and Loss
9.	Notes to the Accounts
10.	Cash Flow Statement
<b>CONSOLIDATED ACCOUNTS</b>	
11.	Auditor's Report
12.	Balance Sheet
13.	Profit and Loss Account
14.	Notes to the Accounts
15.	Cash Flow Statement

#### BOARD OF DIRECTORS

Mrs. Liza Kothari	Managing Director
Mr. Nitesh Kothari	Director
Mr. Manohar Mhatre	Director
Mr. Jayesh Gandhi	Independent Director
Mrs. Atheva Mayekar	Independent Director (w.e.f 10 <sup>th</sup> February 2017)
Mr. Vivek Mhatre	Independent Director (w.e.f 10 <sup>th</sup> February 2017)
Ms. Nina Ashar	Independent Director (upto 10 <sup>th</sup> February 2017)
Ms. Meena Dalvi	Independent Director (upto 10 <sup>th</sup> February 2017)

#### CHIEF FINANCIAL OFFICER

Ms. Varsha Prabhakar Tambe

#### BOARD COMMITTEES

AUDIT COMMITTEE		NOMINATION AND REMUNERATION COMMITTEE	
Mrs. Atheva Mayekar**	Chairperson	Mrs. Atheva Mayekar**	Chairperson
Mr. Jayesh Gandhi	Member	Mr. Jayesh Gandhi	Member
Mr. Nitesh Kothari	Member	Mr. Nitesh Kothari	Member
Mr. Vivek Mhatre**	Member	Mr. Vivek Mhatre**	Member
Ms. Nina Ashar*	Member	Ms. Nina Ashar*	Member
Ms. Meena Dalvi*	Member	Ms. Meena Dalvi*	Member
STAKEHOLDERS RELATIONSHIP COMMITTEE			
Mr. Nitesh Kothari	Chairman		
Mr. Manohar Mhatre	Member		

\*Ms. Meena Dalvi and Ms. Nina Ashar resigned with effect from 10th February 2017

\*\* Mrs. Atheva Mayekar and Mr. Vivek Mhatre was appointed with effect from 10th February 2017

#### REGISTERED OFFICE

KOTHARI WORLD FINANCE LIMITED  
121/C, Mittal Tower, 12th Floor,  
Nariman Point, Mumbai - 400021

SHARE TRANSFER AGENT  
SHAREX DYNAMIC (INDIA) PRIVATE LIMITED  
Unit 1, Luthra Industrial Premises  
Safeed Pool, Andheri Kurla Road  
Andheri East, Mumbai-400072

AUDITORS  
M/S JMK & Co.  
Chartered Accountant  
Office No. 208, Blue Rose Industrial Estate,  
Western Express Highway, Near Magathane  
Petrol Pump, Borivali East, Mumbai 400066

32<sup>nd</sup> Annual General Meeting on Friday, 1<sup>st</sup> September, 2017 at 9.30 A.M at the Registered Office of the company at 121/C, Mittal Tower, 12th Floor, Nariman Point, Mumbai 400021

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 32<sup>nd</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF KOTHARI WORLD FINANCE LIMITED WILL BE HELD ON FRIDAY, 1<sup>st</sup> SEPTEMBER, 2017 AT 9.30 A.M AT 121/C, MITTAL TOWER, 12TH FLOOR, NARIMAN POINT, MUMBAI – 400021 TO TRANSACT THE FOLLOWING BUSINESS

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as of 31st March, 2017 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 Mrs. Liza Kothari (Din No. 01273272) who retires by rotation and being eligible offers herself for reappointment.
3. To re-appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time M/S JMK & Co. Chartered Accountants Mumbai (Firm Registration No. 120459W), be and is hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 37th AGM of the Company (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR  
KOTHARI WORLD FINANCE LIMITED

DATE: 18th July 2017  
PLACE: MUMBAI

Sd/-  
LIZA KOTHARI  
MANAGING DIRECTOR  
(DIN NO. 01273272)

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 such proxy need not be a member of the company. Proxies, in order to be effective, Must be deposited at the registered office of the company not less than 48 hours before the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate Resolution/authority, as applicable. Pursuant to the provisions of section 105 of the companies act, 2013, Read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding Fifty and holding in the aggregate not more than ten percent of the total share capital of the company Carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as A proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting.
3. Members/Proxies should bring duly filled attendance slips attached here with for attending the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 26<sup>th</sup> August 2017 to Friday, 1<sup>st</sup> September 2017 (both days inclusive).
6. As per RBI notification, with effect 1, 2009 from October, the remittance of money through ECS is replaced by National Electronic Clearing Services (NECS) and banks have been instructed to move to the NECS platform. This is in addition to the existing facility of ECS in other locations. NECS essentially operates on the new and unique bank account number, allotted by banks pursuant to implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transaction.  
In this regard, shareholders holding shares in electronic form are requested to furnish the new 9-digit Bank Account Number allotted to them by your bank, (after implementation of CBS), along with photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP). Please send these details to the Company/Registrars, if the shares are held in physical form, immediately.
7. Members who hold shares in the dematerialized form and want to change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details.
8. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new share transfer form SH-4.
9. Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (D.P.) ID number on all correspondence with the Company.
10. Members/Proxy holders are requested to bring their copies of the Annual Report with them to the Annual General Meeting, as extra copies will not be provided.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent.
12. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In Continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the company /Registrar and Share Transfer Agent for registration of such transfer of shares.
13. Details under Regulation 36 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
15. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least ten days before the meeting so that the same could be suitably answered at the meeting.
16. Company will be disclosing to the Stock Exchanges, as per Regulation 44 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of results of voting on each of the resolutions proposed in this Notice. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who

have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to SHAREX DYNAMIC (INDIA) PRIVATE LIMITED. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.

17. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during business hours between 11.00 am to 1.00 pm except on holidays, up to and including the date of the Annual General Meeting of the Company.
18. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services by National Services Depository Limited.

The instructions for shareholders voting electronically are as under:

The instructions for remote e-Voting are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and SME ITP of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the Annual General Meeting (AGM) may also attend the Annual General Meeting (AGM) but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday 29<sup>th</sup> August, 2017 at 9.00 A.M. and ends on Thursday, 31<sup>st</sup> August, 2017 at 5.00 P.M. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday 25<sup>th</sup> August 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participant(s)]:
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder – Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "KOTHARI WORLD FINANCE LIMITED". Members can cast their vote online Tuesday 29<sup>th</sup> August, 2017 at 9.00 A.M. and ends on Thursday, 31<sup>st</sup> August, 2017 at 5.00 P.M Note: e-Voting shall not be allowed beyond said time.
  - viii) Now you are ready for remote e-voting as Cast Vote page opens.

- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to lodhauma@yahoo.co.in with a copy marked to evoting@nsdl.co.in (B) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

Initial password is provided as below/at the bottom of the Attendance Slip for the AGM) / EGM / EOGM :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

- (i) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.  
NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password" option available on "<http://www.evoting.nsdl.com>" [www.evoting.nsdl.com](http://www.evoting.nsdl.com).  
In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).  
In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of (Friday 25th August 2017).
- IX. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of (Friday 25th August 2017).
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday 25th August 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or SHAREX DYNAMIC (INDIA) PRIVATE LIMITED  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll-free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mrs. Uma Lodha, having (Membership No. 5363) Company Secretary, has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote E-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company <http://www.kothariworld.com> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Bombay Stock Exchange Limited, Mumbai.



19. The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM), a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
20. The Company has appointed Mrs. Uma Lodha Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company. The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the Annual General Meeting of the Company and will accordingly be communicated to the stock exchanges.
21. Members may note that no gifts/gift coupons shall be distributed at the venue of the meeting.

ANNEXURE A

Details of Directors as on March 31st, 2017 seeking re-appointment at the Annual General Meeting Scheduled to be held on Friday, 1st September, 2017.

(Regulation 36 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Mrs. Liza Kothari (Din No. 01273272)

A. A brief resume of the director and Nature of her expertise in specific function areas:

Mrs. Liza Kothari is B. Com graduate and she is currently the Managing Director of the Company. She has been involved in the real estate and finance business since the age of 20.

B. Disclosure of relationships between directors inter-se:

Mr. Nitesh Kothari is the spouse of Mrs. Liza Kothari. None of the other Directors are related to any other Director on the Board.

C. Name of the listed entities in which the person also holds the directorship and the membership of Committees of the board: NIL

D. Shareholding in the Company:

6,23,650 Equity shares as on 31st March, 2017

By Order of the Board

For KOTHARI WORLD FINANCE LIMITED

Sd/-

Nitesh Kothari

Director

(DIN: 00024195)

Sd/-

Liza Kothari

Managing Director

(DIN: 01273272)

Place: Mumbai

Date: 18TH JULY, 2017

DIRECTORS' REPORT

The Members of KOTHARI WORLD FINANCE LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting the 32nd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2017.

FINANCIAL SUMMARY OF THE COMPANY:

	2016-17	2015-16
Total Income	293.57	343.14
Profit before depreciation	254.35	235.00
Less: Depreciation	(19.73)	52.97
Profit before Tax	234.62	182.03
Provision for Taxation:		
- Current Tax	56.83	
- Deferred Tax Liability / (Asset)	38.26	48.50
- Add: Excess/(Short) Provision	5.17	
Profit after Tax	134.36	133.53
Profit brought forward from Previous Years	352.61	245.79
Less: Transfer to Statutory Reserve	26.87	26.71
Less: Depreciation adjustment for previous year	0.00	0.00
Surplus carried forward	460.10	352.61

REVIEW OF OPERATIONS/PERFORMANCE:

During the financial year under review, the Company has earned total income of Rs.293.56 Lacs as compared to Rs.343.14 Lacs for the previous year. Profit after Tax stood at Rs.134.36 Lacs as compared to Rs.133.53 Lacs for the previous year.

DIVIDEND:

The Directors of the Company have decided to conserve the resources and no dividend is being recommended.

TRANSFER TO RESERVES

Company does not propose to transfer any amount to the General Reserves. But company has transferred an amount of Rs.26.87 Lacs to Statutory Reserves. An amount of Rs.107.48 lacs is proposed to be retained in the Statement of Profit and Loss Account.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Regulation 34 of the (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 entered with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

DISCLOSURE IN COMPLIANCE WITH THE ACCOUNTING STANDARD ON "RELATED PARTY DISCLOSURES":

As required under Regulation 34 of the (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 with Stock Exchanges, the disclosure in compliance with the accounting standard on "related party disclosures are enclosed as a part of this report.

HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

✦ There are no subsidiary Companies of Kothari World Finance Limited

✦ Your Company has the following Companies as its Associate Companies at the year end. Statement containing salient features of the financial statement of the following Associate Companies are made in Form AOC-1 as (Part "B": associates) and attached to this report as Annexure – D

Sr. No.	Name of the Company	Joint Venture / Associate	No. of shares held in %
1.	International Health Care Product Limited (CIN: U70200MH1985PLC036438)	Associate	26.11
2.	Atamdeep Engineers Private Limited (CIN: U29259GJ1988PTC011126)	Associate	21.13

✦ Your Company does not have any Joint Venture Company at the year end.

#### CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 34(3) read with Schedule V of the (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015. A report on Corporate Governance is included as a part of this Annual Report. Certificate from the M/s. Uma Lodha & Co. Practicing Company Secretaries confirming the compliance with the conditions of Corporate Governance as stipulated under (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 is included as a part of this report.

The Company is regularly complying with Corporate Governance practices and also uploading the information under Corporate Filing & Dissemination System (corp. filing). Your Company has also been enlisted in the new SEBI compliant redressal system (SCORES) enabling the investors to register their complaints if any for speedy redressal.

#### LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-18 to Bombay Stock Exchange where the Company's Shares are listed.

#### 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.

99.88% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2017 and balance 0.12% is in physical form. The Company's Registrars are Sharex Dynamic (India) Private Limited Situated at Unit - 1, Luthra Ind. Premises Safed Pool, Andheri Kurla Road., Andheri (E), Mumbai – 400 072.

#### PUBLIC DEPOSIT:

Your Company has neither accepted nor renewed any deposit within the meaning of Section 73 and other applicable provisions if any, of the Companies Act, 2013 and the necessary rules made there under during the year ended 31st March, 2017.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans, guarantees and investment have been disclosed in the notes to the financial statements.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your company has an effective internal control and risk – mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s MEENA SHAH & ASSOCIATES (Firm Reg. No. 129719W) Chartered Accountant. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides bench marking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observation and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the internal Audit function reports to the Chairman of the Audit committee.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Your Company understands and values Corporate Social Responsibility (CSR) initiatives of the Government and has also noted the requirements of CSR activities in terms of Companies Act, 2013. The requirement of mandatory implementation of CSR activity is presently not applicable to your company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:****(A) Conservation of energy:**

Considering the nature of business activities carried out by the Company, your Directors have nothing to report regarding conservation of energy as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

**(B) Technology absorption:**

The management keeps itself abreast of the technological advancements in the industry and has adopted the state of the art transaction, billing and accounting systems and also risk management solutions.

**(C) Foreign exchange earnings and Outgo:**

- a) The foreign exchange earnings - Nil (previous year Nil).
- b) The foreign exchange expenditure – Nil (previous year Nil).

**STATE OF AFFAIRS:**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

**DISCLOSURES UNDER SECTION 134(3) (I) OF THE COMPANIES ACT, 2013:**

There are no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

In accordance with the provision of Section 152(6)(a) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Liza Kothari, Director (DIN: 01273272) of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers, herself for reappointment. Your Board recommends her re-appointment.

**DECLARATION OF INDEPENDENCE:**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued there under as well as Regulation 25 of the Listing Regulations.

**BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Chapter II of LODR (Listing Obligation and Disclosure Requirements) Regulation, 2015 .

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent Directors, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed.

#### DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:

The information required under Section 197 of the Companies Act, 2013 read with Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in "Annexure [C]" to this Report.

#### DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3) (c) of the Companies Act, 2013, Directors of your Company hereby state and confirming that:

- (a) In the preparation of the Annual Accounts for the year ended 31st March 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had 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 of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The Directors had 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;
- (d) The Directors have prepared the Annual Accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### COMMITTEES:

##### (i) Audit Committee:

The Board has constituted a well-qualified Audit Committee with majority of them being Independent Directors including Chairperson. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. Mrs. Atheva Mayekar Director acts as Chairperson to the Audit committee.

Sr. No.	Name of the Director	Designation in the Committee
1.	Mrs. Atheva Mayekar	Chairperson
2.	Mr. Nitesh Kothari	Member
3.	Mr. Vivek Mhatre	Member
4.	Mr. Jayesh Gandhi	Member

##### (ii) Nomination and Remuneration Committee:

The Composition of Nomination and Remuneration Committee comprises the following:

Sr. No.	Name of the Director	Designation in the Committee
1.	Mrs. Atheva Mayekar	Chairperson
2.	Mr. Nitesh Kothari	Member
3.	Mr. Vivek Mhatre	Member
4.	Mr. Jayesh Gandhi	Member

##### (iii) Shareholders Relationship Committee:

The composition of stakeholder's relationship committee comprises of the following:

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

**AUDITORS AND AUDITORS' REPORT:****STATUTORY AUDITORS:**

M/S. JMK & Co. Chartered Accountants Mumbai (Firm Registration No. 120459W), Chartered Accountants, Mumbai, the Statutory Auditors of the Company hold the office up to the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment for the financial year 2017-2018. Your Company has received written consent and a certificate stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued there under.

As required under Regulation 18 read with Part C of Schedule II of the Listing Obligations and Disclosure Requirements Regulations, 2015, the Audit Committee and the Board of Directors recommend the appointment of M/S. JMK & Co. Chartered Accountants Mumbai (Firm Registration No. 120459W), Chartered Accountants, as Auditors of your Company for the financial year 2017- 18 from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 37th AGM of the Company (subject to ratification of their appointment at every AGM). The Auditors' Report for the financial year 2016-17, does not contain any qualification, reservation or adverse remark.

**AUDITORS' REPORT:**

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

**SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/S Uma Lodha & Co., Practising Company Secretary to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as "Annexure - [B]" to this Report. The Secretarial Audit Report contains a qualification, reservation or adverse remark regarding non-compliance of Section 203 of the Companies Act, 2013. The Auditor has mentioned in their report about non-appointment of Company Secretary and non-compliance regarding publication under Regulation 47 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The Company will put all efforts to appoint a Company Secretary at the earliest.

**EXTRACT OF THE ANNUAL RETURN:**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rule, 2014, the Extract of Annual Return (Form No. MGT-9) as on the financial year ended on 31st March, 2017 is enclosed as Annexure – A to the Directors' Report.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEES:**

Your Board of Directors has duly met five (5) times during the financial year under review, i.e. on 18th May 2016, 8th August 2016, 25th October 2016, 16th December 2016 and 10th February 2017 respectively in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The Audit Committee has duly met four (4) times during the financial year under review, i.e. on 18th May 2016, 8th August 2016, 25th October 2016 and 10th February 2017 respectively in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the Listing Obligations and Disclosure Requirements Regulations, 2015, a Vigil Mechanism for Directors and employees to report genuine concerns has been established.

The purpose of the "Whistle blower Policy" is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization. They will be protected against any adverse action and/or discrimination as a result of such a reporting, provided it is justified and made in good faith. The Chairman of the Audit Committee has been designated for the purpose of receiving and recording any complaints under this policy.

The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.kothariworld.com](http://www.kothariworld.com) under investor's relations/policies/Vigil Mechanism.

**RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts, if any, are entered during the year as per Form AOC-2 is enclosed as Annexure-E. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [www.kothariworld.com](http://www.kothariworld.com) under investors relations /policies/Policy on Related Party Transaction.

**CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website [www.kothariworld.com](http://www.kothariworld.com) under investor relations /policies/Code of Conduct for Board of Directors and Senior Management.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

**RISK MANAGEMENT:**

Pursuant to Section 134(3) (n) of the Companies Act, 2013 & Regulation 21 of the Listing Obligations and Disclosure Requirements Regulations, 2015, the Company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

**SAFETY OF WOMEN AT WORK PLACE:**

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace. During the year under review, no complaints were reported to the Board. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [www.kothariworld.com](http://www.kothariworld.com) under investor relations/policies/prevention of Sexual Harassment at workplace.

**PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

**SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS:**

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.



GENERAL DISCLOSURES:

✦ DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

✦ DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1) (d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

✦ DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

✦ DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

ACKNOWLEDGMENT:

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

By Order of the Board  
For KOTHARI WORLD FINANCE LIMITED

Sd/-  
Nitesh Kothari  
Director  
(DIN: 00024195)

Sd/-  
Liza Kothari  
Managing Director  
(DIN: 01273272)

Sd/-  
Varsha Tambe  
Chief Financial Officer

Place: Mumbai  
Date: 18th July, 2017

Annexure [A] to Board's Report  
Extract of Annual Return as on 31st March, 2017  
Form No. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rule, 2014]

## I. REGISTRATION AND OTHER DETAILS:

1. Corporate Identity Number (CIN)	: L65993MH1985PLC035005
2. Registration Date	: 05/01/1985
3. Name of the Company	: Kothari World Finance Limited
4. Category/Sub-Category of the Company	: Company Limited By shares / Indian Non- Government Company
5. Address of the Registered Office and contact details	: 121/C Mittal Tower, 12TH Floor, Nariman Point. Mumbai 400021
6. Whether listed Company (Yes/No)	: YES
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	: Sharex Dynamic (India) Private Limited Address: Unit- 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road. (Andheri East), Mumbai- 400072. Contact: 28515606

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products/services	NIC Code of the product /service	% to the total turnover of the Company
1.	License Fees	67	82.65%
2.	Interest Incomes	67	10.42%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

- ✦ There are no subsidiary Companies of Kothari World Finance Limited
- ✦ Your Company has the following as its Associate Companies at the year end. Statement containing salient features of the financial statement of the following Associate Companies are made in Form AOC-1 as (Part "B": associates) and attached to this report as Annexure – D

Sr. No.	Name of the Company	Joint Ventures / Associate	No. Of Shares held in %
1.	International Health Care Products Limited (CIN: U70200MH1985PLC036438)	Associate	26.11
2.	Atamdeep Engineers Private Limited (CIN: U29259GJ1988PTC011126)	Associate	21.13

Your Company has does not have any Joint Venture Company at the year end.

## IV. SHAREHOLDING PATERNER (Equity Share Capital Breakup as Percentage of Total Equity)

## I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2121725	0	2121725	28.53	2125075	0	2125075	28.57	0.04
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	2663620	0	2663620	35.81	2665420	0	2665420	35.84	0.03
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other..	0	0	0	0					
Sub-Total (A)(1)	4785345	0	4785345	64.34	4790495	0	4790495	64.41	0.07
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other..	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promote (A) = (A)(1)+(A)(2)	4785345	0	4785345	64.341	4790495	0	4790495	64.41	0.07
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Bank/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0

**KOTHARI WORLD FINANCE LIMITED**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
A. Bodies Corp.									
i) Indian	85737	0	85737	1.15	37996	0	37996	0.51	0.64
ii) Overseas	0	0	0	0	0	0	0	0	0
B. Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	65725	11050	76775	1.03	69322	9150	78472	1.05	0.02
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2486243	0	2486243	33.43	2526532	0	2526532	33.97	0.54
c) Others clrmem	3400	0	3400	0.046	4005	0	4005	0.05	0.01
d) NRI	0	0	0	0	0	0	0	0	0
2. Sub-Total (B) (2)	2641105	11050	2652155	35.66	2637855	9150	2647005	35.60	0.06
Total Public Shareholding (B)=(B)(1)+(B)(2)	2641105	11050	2652155	35.66	2637855	9150	2647005	35.60	0.06
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7426450	11050	7437500	100	7428350	9150	7437500	100	0.025

## ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. Of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. Of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Nitesh Prataprai Kothari (HUF)	312500	4.202	0	312500	4.202	0	0
2.	Liza Kothari	623650	8.385	0	623650	8.385	0	0
3.	Nitesh Prataprai Kothari	683575	9.191	0	686925	9.236	0	0.045
4.	Kaumudi Kothari	369500	4.968	0	369500	4.968	0	0
5.	Steady Mercantile Co. Pvt. Ltd.	140000	1.882	0	140000	1.882	0	0
6.	D. Dahyabhai & Co. Pvt. Ltd.	960300	12.912	0	962100	12.936	0	0.024
7.	Mithani Agriculture Pvt. Ltd.	250200	3.364	0	250200	3.364	0	0
8.	Atamdeep Engineers Pvt. Ltd.	18000	0.242	0	18000	0.242	0	0
9.	Paras Silk Mills Pvt. Ltd.	237450	3.193	0	237450	3.193	0	0
10.	VIP Construction Pvt. Ltd.	148070	1.991	0	148070	1.991	0	0
11.	Amity Agriculture Pvt. Ltd.	251600	3.383	0	251600	3.383	0	0
12.	Mansi Engineers Pvt. Ltd.	56250	0.756	0	56250	0.756	0	0
13.	Kaikhusroo Manekji Mehta Stone & Engineering Works Pvt. Ltd.	70500	0.948	0	70500	0.948	0	0
14.	International Health Care Products Limited	281250	3.782	0	281250	3.782	0	0
15.	Spectrum Capital Pvt. Ltd.	250000	3.361	0	250000	3.361	0	0
16.	Nitesh Prataprai Kothari (HUF)	132500	1.782	0	132500	1.782	0	0
	TOTAL	4785345	64.341	0	4790495	64.410	0	0.069

## lii) Change in Promoters' Shareholding (Please specify, if there is no change):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. Of Shares	% of total shares of the company	No. Of Shares	% of total shares of the company
1.	D. Dahyabhai & Co. Pvt. Ltd.	960300	12.912	962100	12.935
2.	Nitesh Prataprai Kothari	683575	9.191	686925	9.236

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. Of Shares	% of total shares of the company	No. Of Shares	% of total shares of the company
1.	Ramesh Ramchandani	1274004	17.13	1280989	17.22
2.	Deepak Sarda	149000	2.00	149000	2.00
3.	Manish Sarda	138000	1.85	138000	1.85
4.	Darshit Nitin Goradia	102617	1.38	102617	1.38
5.	Santosh Sarda	101500	1.36	101500	1.36
6.	Jigar P Shah	75000	1.01	75000	1.01
7.	Nirupama P Shah	75000	1.01	75000	1.01
8.	Rajul S Shah	75000	1.01	75000	1.01
9.	Rajendra D Shah	71150	0.96	71150	0.96
10.	Pavan AnilBhai Gandhi	62872	0.85	62872	0.85

## V) Shareholding of Directors and Key Managerial Personnel: :

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. Of Shares	% of total shares of the company	No. Of Shares	% of total shares of the company
1.	Nitesh Prataprai Kothari	683575	9.19	686925	9.24
2.	Liza Nitesh Kothari	623650	8.39	623650	8.39
3.	Manohar M. Mhatre	40000	0.54	40000	0.54

## V. INDEBTEDNESS: NIL

Indebtedness of the Company including interest outstanding/accrued but not due for payment. There has been no Indebtedness of the Company during the period under review.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

## A. Remuneration to Managing Director, Whole-Time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs)
		Liza Nitesh Kothari (Managing Director)	
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	12,00,000	12,00,000
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	----	---
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	----	----
2.	Stock Option	----	----
3.	Sweat Equity	----	----
4.	Commission	----	----
	- As % of Profit	----	----
	- Others specify	----	----
5.	Others, please specify (Bonus)	----	----
	Ceiling as per the Act	42,00,000	----
	Total	12,00,000	12,00,000

## B. Remuneration of other Directors:

## I. Independent Directors:

Particulars of Remuneration	Name of Directors					Total Amount (Rs)
	Jayesh Gandhi	Meena Dalvi*	Nina Ashar*	Atheva Mayekar**	Vivek Mhatre**	
Fees for attending Board and Committee meetings	2400	2400	2400	-	-	7200
Commission	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total (1)	2400	2400	2400	0	0	7200

\*Ms. Meena Dalvi and Ms. Nina Ashar resigned with effect from 10th February 2017

\*\* Mrs. Atheva Mayekar and Mr. Vivek Mhatre was appointed with effect from 10th February 2017

## II. Other Non-Executive Directors:

Other Non-Executive Directors	(₹ . In lacs)
Fees for attending board committee meetings	---
Commission	---
Others	---
Total (2)	---
Total B = (1+2)	***
Ceiling as per the Act	NA

## C. Remuneration to Key Managerial Personnel other than MD/Manager/ WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CFO (Varsha Tambe)	Company Secretary	CEO	Total
	Gross Salary				
1.	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,81,837	Nil	Nil	2,81,837
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	1,890	Nil	Nil	1,890
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	Nil	Nil	--
	Stock Option	--	Nil	Nil	--
2.	Sweat Equity	--	Nil	Nil	--
3.	Commission	--	Nil	Nil	--
4.	- As % of Profit - Others specify				
5.	Others, please specify (Bonus)	--	Nil	Nil	--
	Total	2,83,727	Nil	Nil	2,83,727

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

By Order of the Board  
For KOTHARI WORLD FINANCE LIMITED

Sd/-  
Nitesh Kothari  
Director  
(DIN: 00024195)

Sd/-  
Liza Kothari  
Managing Director  
(DIN: 01273272)

Place: Mumbai  
Date: 18TH JULY, 2017

## ANNEXURE B

Form MR-3  
SECRETARIAL AUDIT REPORT

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

To  
The Members of  
KOTHARI WORLD FINANCE LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provision and the adherence to good corporate practices by M/s. KOTHARI WORLD FINANCE LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by M/s. KOTHARI WORLD FINANCE LIMITED for the financial year ended 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (regulation) Act, 1956 (SCRA) and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations any Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992(now known as SEBI (prohibition of Insider Trading) Regulation 2015
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999;  
Not applicable to the Company for the year under review
  - e) The Securities and Exchange Board of India (Registrars to issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- VI. There are no laws specifically applicable in relation to the business of the Company except that the Company is a Non-Banking Finance Company registered with Reserve Bank of India.  
Further, the Company is complying with the necessary compliance as prescribed by Reserve Bank of India.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except Listing Obligations and Disclosure Requirements) Regulations, 2015.to the extent as mentioned below:

- ✦ The Company has failed to comply with the necessary provisions of Section 203 of the Companies Act, 2013. The Company has failed to appoint Company Secretary of the Company during the year under review.
- ✦ The Company has failed to comply with the compliances as stated under Regulation 47 (4) of Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding publication of information at sub-regulation (1) in the language of the region, where the registered office of the listed entity is situated. The Company is publishing all the information in English language in Marathi newspaper.

I further report that there were no events/actions in pursuance of:

- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2009 and
- The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998;

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Place: Mumbai  
Date: 18TH JULY, 2017

For Uma Lodha & Company  
Sd/-  
Proprietor  
ACS/FCS No.: 5363  
C.P. No.2593

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE B(I)' and forms an integral part of this report.

ANNEXURE B(I)'

To,  
The Members,  
KOTHARI WORLD FINANCE LIMITED

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai  
Date : 18TH JULY, 2017

For Uma Lodha & Company  
Sd/-  
Proprietor  
C.P. No. 2593

## Annexure [C] to Board's Report

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## Particulars of employees

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Executive Directors	Total Remuneration	Ratio to median remuneration
Liza Kothari	12,00,000	4.6825
Non-executive directors		
Jayesh Gandhi	2400	0.0094
Nina Ashar	2400	0.0094
Meena Dalvi	2400	0.0094

B) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Liza Kothari	Nil
Varsha Tambe	1.37%

C) The percentage increase in the median remuneration of employees in the financial year. 5.35%

d) The number of permanent employees on the rolls of Company: 6

e) Average percentile increased already made in the salaries of employees' other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 4.60% However, during the course of the year, the total increase is approximately 8.23% after accounting for promotions and other event based compensation revisions. Increase in the managerial remuneration for the year was -nil.

f) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

g) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Compliance Officer.

For KOTHARI WORLD FINANCE LIMITED

Sd/-

Nitesh Kothari  
Director  
(DIN: 00024195)

Sd/-

Liza Kothari  
Managing Director  
(DIN: 01273272)

Sd/-

Varsha Tambe  
Chief Financial Officer

Place: Mumbai

Date : 18TH JULY, 2017

ANNEXURE D

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in.): Company does not have any Subsidiary companies.

Sr. No.	NA
Name of the Subsidiary	
The date since when subsidiary was acquired	
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries.	
Share Capital	
Reserves & surplus	
Total assets	
Total Liabilities	
Investments	
Turnover	
Profit before taxation	
Provision for taxation	
Profit after Taxation	
Proposed Dividend	
Extent of Shareholder (in percentage)	

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None

For KOTHARI WORLD FINANCE LIMITED

Sd/-

Nitesh Kothari  
Director  
(DIN: 00024195)

Sd/-

Liza Kothari  
Managing Director  
(DIN: 01273272)

Sd/-

Varsha Tambe  
Chief Financial Officer

Place: Mumbai

Date : 18TH JULY, 2017

## Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates / Joint Venture	International Health Care Products Limited	Atamdeep Engineers Private Limited
1. Latest Audited Balance Sheet Date	31st March 2017	31st March 2017
2. Date on which the Associates or Joint Venture was associated or acquired.	10th May, 2010	27th March, 1999
3. Shares of Associate / Joint Ventures held by the Company on the year end		
No	7050	300
Amount of Investment in Associates / Joint Venture	7,05,000/-	30,000/-
Extent of Holding in %	26.11	21.12
4. Description of how there is significant influence	Common Directors & Shareholding	Common Directors & Shareholding
5. Reason why the associate / Joint venture is not consolidated	NA	NA
6. Networth attributable to Shareholding as per latest audited Balance Sheet	21,05,77,000	2,91,14,000
7. Profit / Loss for the year	4,23,965	(29,159)
i. Considered in Consolidation		
i. Not Considered in Consolidation		

Names of associates or joint ventures which are yet to commence operations: NIL

Names of associates or joint ventures which have been liquidated or sold during the year: NIL

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For KOTHARI WORLD FINANCE LIMITED

Sd/-

Nitesh Kothari  
Director  
(DIN: 00024195)

Sd/-

Liza Kothari  
Managing Director  
(DIN: 01273272)

Sd/-

Varsha Tambe  
Chief Financial Officer

Place: Mumbai

Date : 18TH JULY, 2017

## Annexure [E] to Board's Report

## FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

## 1) Details of contracts or arrangements or transactions not at Arm's length basis:

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements /transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section n 188	

## 2) Details of material contracts or arrangements or transactions at Arm's length basis:

Sr. No.	Particulars	Details
a)	Name (s) of the related party	NIL
b)	Nature of Relation ship	
c)	Nature of contracts /arrangements /transaction	
d)	Duration of the contracts/arrangements / transaction	
e)	Salient terms of the contracts or arrangements or transaction	
f)	Justification for entering into such contracts or arrangements or transactions	
g)	Date of approval by the Board, if any.	
h)	Amount incurred during the year (Rs.In lakhs)	

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

## a. Industry structure and developments:

Given the strain on the economic scenario, your Directors are trying their best to maximize the profits of the Company and the stakeholders as a whole.

## b. Opportunities and Threats:

The slowdown economy could have an impact in the market.

## c. Segment-wise or product-wise performance:

Your Company is into Finance & Investment in Properties, Share Trading & Rental business by giving Properties on License basis. During the year under review, the comparative income from the Finance, Share Trading & License Fee Income from Property activity is as under: -

Sr. No.	Particulars	2016-2017 (Rs.in Lacs)	2015-2016 (Rs.in Lacs)
1.	Finance and Investment	30.54	16.97
2.	License Fee	242.29	248.59
3.	Sale of Shares	16.52	61.70
4.	Other Income	0.42	1.17
5.	Speculation Income	3.80	14.72

## d. Outlook:

During the year under review the company's major income is derived from Rental by letting out the properties on lease/ license basis which properties are based at Thane, Bhiwandi, Silvassa & Thangadh. The company is using its resources & network to let out the entire godown properties available at Thangadh and are optimistic of generating good income during the current financial year. During the year under review the rental income have decreased by 5% due to de-hiring of godowns at Thangadh. The company is also exploration the opportunity of further investment in godown properties in and around the

Mumbai City to make optimum use of fund available with the company.

As far as capital market is concerned it is positive and investment already done by the company in shares has been appreciated. During the year under review, the company has almost stopped its trading activities in future and speculation due to losses in the past couple of year and instead have decided to deal in shares for investment purposes. During the year under review the company has deployed the surplus fund in Bank FDs and Finance Loan and have earned interest income of Rs.30.54 Lakh comparatively to previous year of Rs.16.97 Lakh.

e. Risks and concerns:

The world economy is still in recession and demonetization of Rupee by India has also affected, the slowing of our economy and due this the company expects growth rate of 6% during the current year to the GDP. During the current financial year, the Government of India has been finally able to implement the GST with effect from 1st July, 2017 which was long pending for approval by the various state governments. Due to implementation of GST, it is expected that it shall give big boost to the economy, due to scrapping of all state taxes by implementing single taxation policy and your company is optimistic that it will also boost the requirement of storage godowns and as such shall help your company to generate more income in future. Your company constantly reviews the scenario & evaluates the various option available, to mitigate the concerns & exploit the opportunities by remaining cautious and moving forward strategically.

f. Internal control systems and their adequacy:

Your company has an effective internal control and risk – mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s MEENA SHAH & ASSOCIATES (Firm Reg. No. 129719W) Chartered Accountant. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observation and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the internal Audit function reports to the Chairman of the Audit Committee.

g. Discussion on financial performance with respect to operational performance:

The Financial year witness average market conditions, but your company was able to generate income and move the performance. Further in the current financial year the overall income of the company has decreased from Rs.343.14Lacs to Rs.293.57 Lacs. Profit before tax reported (profit) 234.61 Lacs compared to (Profit) of Rs.182.03Lacs in previous year. The company continued to be profitable by registering Profit after tax of Rs.134.36lacs for the financial year 31/03/2017 as against (Profit) Rs.133.54 lacs for the financial year 31/03/2016. During the financial year the consolidated financial statements of your company, which include the share of profit of the associate companies of Rs.1.04 Lacs has been accounted as per the 'Equity Method' and accordingly, the share of profit of the associate companies has been added in the cost of investment. Therefore, the Net Profit after taxes, minority interest and share of profit of associates is Rs.135.40Lacs.

h. Material developments in Human Resources/Industrial Relations front, including number of people employed:

Your Company considers Human Resource as key drivers to the growth of the Company. The Company has performance based appraisal system.

Date: 18TH JULY, 2017  
Place: Mumbai

For Kothari World Finance Limited  
Sd/-  
Liza Kothari  
Managing Director  
(DIN: 01273272)

## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

## 1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

KOTHARI WORLD FINANCE LIMITED (Kothari) ("The Company") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders and the Charter-Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of Listing Regulation is given below:

## Governance structure:

The Corporate Governance structure at Kothari World Finance Limited is as follows:

## Board of Directors:

The Board is entrusted with an ultimate responsibility of the management, Directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

## Committees of the Board:

The Board has constituted the following Committees viz, Audit Committee, Remuneration and Nomination Committee and the Stakeholders' Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

## 2) THE BOARD OF DIRECTORS:

## Composition and Category of Directors:

The Board is broad-based and consists of eminent individuals from industry, management, technical, financial and marketing background. The Company is managed by the Board of Directors in coordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. The Company has a judicious mix of Executive and Non-Executive Directors. As on March 31st, 2017, the present Board comprises of 6 (Six) members consisting of 1 (one) Executive Director and 5 (Five) Non-Executive Directors out of which 3 (three) are Independent Directors. The details of each member of the Board along with the number of Directorship/Committee Membership are as given below:

Name of the Director	Category
Mrs. Liza Kothari	Managing Director
Mr. Nitesh Kothari	Non-Executive Director
Mr. Manohar Mhatre	Non-Executive Director
Mrs. Atheva Mayekar (w.e.f from 10th February 2017)	Non-Executive and Independent Director
Mr. Jayesh Gandhi	Non-Executive and Independent Director
Mr. Vivek Mhatre (w.e.f from 10th February 2017)	Non-Executive and Independent Director

Mrs. Liza Kothari is the wife of Mr. Nitesh Kothari.

None of the other Directors is related to each other than Mrs. Liza Kothari and Mr. Nitesh Kothari.



**Board Meetings Held During the Year:**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

In the Financial year 2016-17, the Board of Directors duly met five (5) times during the financial year under review, i.e. on 18th May 2016, 8th August 2016, 25th October 2016, 16th December 2016 and 10th February 2017 respectively.

The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulation.

The details of nature of Directorships, number of Directorships, Committee Chairmanships/memberships held by them in other public Companies and Shareholding

Name	Category of Director	No. Of Board Meetings Held	No. Of Board Meetings Attended	Attendance at the AGM held on 30th September 2016	Directorships in other Indian Public Limited@ Companies (excluding Kothari)	No. of Board Committees in which Chairman / Member (excluding Kothari)	
						Chairman	Member
Mrs. Liza Kothari	Managing Director	5	5	Present	Nil	0	0
Mr. Nitesh Kothari	Non-Executive	5	5	Present	1	0	0
Mr. Manohar Mhatre	Non-Executive	5	5	Present	1	0	0
Mr. Jayesh Gandhi	Non-Executive (Independent)	5	5	Absent	1	2	3
Ms. Meena Dalvi*	Non-Executive (Independent)	5	5	Present	Nil	0	0
Ms. Nina Ashar **	Non-Executive (Independent)	5	5	Absent	Nil	0	0
Mr. Vivek Mhatre**	Non-Executive (Independent)	5	1	NA	Nil	0	0
Mrs. Atheva Mayekar**	Non-Executive (Independent)	5	1	NA	NIL	0	0

\* Ms. Nina Ashar and Ms. Meena Dalvi resigned w.e.f 10th February 2017 from the Board as Director of the Company

\*\*Mr. Vivek Mhatre and Mrs. Atheva Mayekar were appointed as Independent Director of the Company w.e.f 10th February 2017

**Notes:**

- Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
- Indian Public Companies include unlisted Public Companies also
- Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders' Relationships Committee in Indian Public Limited companies other than Kothari World Finance Limited. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairperson of more than five such Committees.
- Mrs. Liza Kothari is the wife of Mr. Nitesh Kothari.
- None of the other Directors is related to each other than Mrs. Liza Kothari and Mr. Nitesh Kothari.

**Independent Directors:**

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulation. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulation has been issued and disclosed on website of the Company viz.

www.kothariworld.com under investors/shareholder information/ independent director

**Post Meeting Mechanism:**

The important decisions taken at the Board/Board Committee meetings are communicated to the concerned departments / divisions.

**No. of Shares held by Non-Executive Directors:**

Sr. No.	Name of Director	Category	No. of Shares held
1	Mr. Jayesh Gandhi	Non-Executive (Independent)	NIL
2	Mrs. Atheva Mayekar**	Non-Executive (Independent)	NIL
3	Mr. Vivek Mhatre**	Non-Executive (Independent)	NIL
4	Ms. Meena Dalvi*	Non-Executive (Independent)	NIL
5	Ms. Nina Ashar*	Non-Executive (Independent)	NIL

\* Ms. Nina Ashar and Ms. Meena Dalvi resigned w.e.f 10th February 2017 from the Board as Director of the Company

\*\*Mr. Vivek Mhatre and Mrs. Atheva Mayekar were appointed as Independent Director of the Company w.e.f 10th February 2017

**Familiarization Programme for Directors:**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, Listing Regulation and other various statutes and an affirmation is obtained. The Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization programme for Directors are available on the Company's website at [www.kothariworld.com](http://www.kothariworld.com) under investors/policies/Familiarization Program for Independent Director.

**Governance Codes:****Code of Business Conduct & Ethics:**

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual Compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website – [www.kothariworld.com](http://www.kothariworld.com) under investors/policies/Final-Code of Conduct for Board and Senior Management.

**Conflict of Interests:**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The Members of the Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

**Insider Trading Code:**

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The PIT Regulations has come into effect from May 15, 2015 and replaced the earlier Regulations. The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the PIT Regulations.

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is displayed on the Company's website viz. [www.kothariworld.com](http://www.kothariworld.com) under investors/Code of Conduct/ of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders.

### 3. AUDIT COMMITTEE:

#### Terms of Reference:

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and Cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions and Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulation. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

#### Functions of Audit Committee:

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2017.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. To ensure good Governance, the Company has been rotating Partners of Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

Besides the above, Managing Director, Director, Chief Financial Officer, Business Heads of the Company's Divisions, the representatives of the Statutory Auditors and the Internal Auditors are Permanent invites to the Audit Committee Meetings. The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Financial Results as required by the Regulation 33 of the Listing Regulation. The Company's quarterly Un-audited Standalone Financial Results are made available on the web-site [www.kothariworld.com](http://www.kothariworld.com) under investors/ Quarterly Report/Financial Result and are also sent to the Stock Exchanges where the Company's equity shares are listed for display at their respective websites. The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy and Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof.

#### Internal Controls and Governance Processes:

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with the CFO formulates a detailed plan to the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the meetings of Audit Committee at regular intervals and submit their recommendations to the Audit Committee and provide a road map for the future.

#### Composition:

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role, and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulation. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility, and reporting function. At the Board Meeting held on 10th February 2017 the said committee was reconstituted due to the resignation of Ms. Nina Ashar and Ms. Meena Dalvi. Ms. Nina Ashar and Ms. Meena Dalvi were replaced by Mr. Vivek Mhatre and Mrs. Atheva Mayekar as members of Audit Committee. Mrs. Atheva Mayekar was appointed as the chairperson of the Audit Committee.

#### Information placed before the Board:

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulation to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

**Meetings and Attendance:**

The Audit Committee has duly met four (4) times during the financial year under review, i.e. on 18th May 2016, 8th August 2016, 25th October 2016 and 10th February 2017 respectively. The maximum gap between two meetings was not more than 120 days. The necessary quorum was present for all Meetings. Ms. Meena Dalvi, Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

The Table below provides the Composition and Attendance of the Audit Committee members:

Sr. No.	Name of the Director	Position	Category	No. of Meetings Attended
1	Mrs. Atheva Mayekar	Chairperson (w.e.f. 10th February 2017)	Non-Executive Independent	0
2	Mr. Jayesh Gandhi	Member	Non-Executive Independent	4
3	Mr. Nitesh Kothari	Member	Non-Executive Promoter	4
4	Mr. Vivek Mhatre	Member (w.e.f. 10th February 2017)	Non-Executive Independent	0
5	Ms. Meena Dalvi	Chairperson (Resigned w.e.f. 10th February 2017)	Non-Executive Independent	4
6	Ms. Nina Ashar	Member (Resigned w.e.f. 10th February 2017)	Non-Executive Independent	4

**4. REMUNERATION AND NOMINATION COMMITTEE:****Terms of Reference:**

The Board has framed the Remuneration and Nomination Committee Charter which ensure effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation, which are as follows.

Reviewing the overall compensation policy, service agreements and other employment Conditions of Managing/Whole-time Director(s) and Senior Management (one level Below the Board):

- a) To help in determining the appropriate size, diversity and composition of the Board;
- b) To recommend to the Board appointment/reappointment and removal of Directors;
- c) To frame criteria for determining qualifications, positive attributes and independence of Directors;
- d) To recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- e) To create an evaluation framework for Independent Directors and the Board;
- f) To provide necessary reports to the Managing Director after the evaluation process
- g) Is completed by the Directors;
- h) To assist in developing a succession plan for the Board;
- i) To assist the Board in fulfilling responsibilities entrusted from time-to-time;
- j) Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

**Composition:**

The Composition of Remuneration and Nomination Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation.

At the Board Meeting held on 10th February 2017, the said committee was reconstituted due to the resignation of Ms. Nina Ashar and Ms. Meena Dalvi. Ms. Nina Ashar and Ms. Meena Dalvi were replaced by Mr. Vivek Mhatre and Mrs. Atheva Mayekar as members of Audit Committee. Mrs. Atheva Mayekar was appointed as the chairperson of the Audit Committee.

**Meeting and Attendance:**

The Remuneration and Nomination Committee met twice during the financial year i.e. on 15th December, 2016 and 9th February 2017. The necessary quorum was present for the Meeting.

The Table below provides the Composition and Attendance of Remuneration and Nomination Committee members:

Sr. No.	Name of the Director	Position	Category	No. of Meetings Attended
1	Mrs. Atheva Mayekar	Chairperson (w.e.f. 10th February 2017)	Non-Executive Independent	0
2	Mr. Jayesh Gandhi	Member	Non-Executive Independent	2
3	Mr. Nitesh Kothari	Member	Non-Executive Promoter	2
4	Mr. VivekMhatre	Member (w.e.f. 10th February 2017)	Non-Executive Independent	0
5	Ms. MeenaDalvi	Chairperson (Resigned w.e.f. 10th February 2017)	Non-Executive Independent	2
6	Ms. Nina Ashar	Member (Resigned w.e.f. 10th February 2017)	Non-Executive Independent	2

#### Performance Evaluation Criteria of the Board:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulation, the Board has carried out the annual evaluation of its own performance, its Committees, and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, and governance. The performance evaluation of the Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation.

#### 5. REMUNERATION POLICY:

##### A. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of remuneration and Sitting Fees. Mr. Jayesh Gandhi, Ms. Meena Dalvi and Ms. Nina Ashar was paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid to Non-Executive Directors during the Financial Year 2016-17 was Rs.7200/-. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

##### B. Remuneration to Executive Directors:

The appointment and remuneration of Executive Directors including Managing Director is governed by the recommendation of the Remuneration and Nomination Committee, resolutions passed by the Board of Directors and shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Managing Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. Presently, the Company does not have a stock options scheme for its Directors. The Remuneration and Nomination Policy is displayed on the Company's website viz. [www.kothariworld.com](http://www.kothariworld.com) under investor relation /Policies/Nomination and Remuneration Policy of Kothari World Finance Limited.

Details of the remuneration paid to the Directors of the Company for the financial year ended 31st March, 2017 is as follows: (Amount in Rs.)

Sr. No.	Name of the Director	Salary	Perquisites	Total
1.	Mrs. Liza Kothari	12,00,000/-	Nil	12,00,000/-

Company has not granted any stock options to any of its Directors.

#### Criteria for selection, appointment and remuneration of directors and KMPs

The Nomination and Remuneration (N&R) Committee has adopted policies which, inter alia, deals with the manner of selection, appointment and remuneration of Directors and KMPs

## Criteria of selection of Non-Executive Directors

- A Director shall possess appropriate skills, experience and knowledge in one or more fields of capital market, banking, finance, regulatory, administration, legal, commercial, science and technology or other disciplines related to the company's business.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director are qualified for appointment as Directors pursuant to Companies Act, 2013 and SECC Regulations, 2012:
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - ✦ Qualification, expertise and experience of the Directors in their respective fields;
  - ✦ Personal, Professional or business standing;
  - ✦ Diversity of the Board

## Remuneration policy for Managing Director &amp; Chief Financial Officer

The appointment, reappointment, remuneration payable and variation in terms of appointment are subject to the approval of the Nomination and Remuneration Committee/Board/Shareholders and SEBI pursuant to the provisions of the Companies Act, 2013.

## Senior Management and other employees

Remuneration to Key Managerial Personnel (KMP), Senior Management and all other Officers comprises of Fixed and Variable components. The same are reviewed annually based on the performance appraisal ratings and annual increments on fixed pay and Performance Linked Bonus on variable pay is paid against the individual ratings of all officers.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

This Committee has been constituted for allotment of shares of the Exchange issued / to be issued, from time to time and to look into the redressal of shareholder and investors complaints and is also in line with the prevailing guidelines on corporate governance.

## Terms of Reference:

The Board has clearly defined the terms of reference for this committee, which generally meets once a quarter. The Committee looks into the matters of Shareholders / Investors grievances along with other matters listed below:

- approval of transfer of shares/debentures and issue of duplicate/split/consolidation/sub-division of share/ debenture certificates;
- opening/modification of operation and closing of bank accounts;
- grant of special/general Power of Attorney in favour of employees of the Company from time to time in connection with the conduct of the business of the Company particularly with Government and Quasi Government Institutions;
- to fix record date/book closure of share/debenture transfer book of the Company from time to time;
- to appoint representatives to attend the General Meeting of other companies in which the Company is holding shares;
- to change the signatories for availment of various facility from Banks/Financial Institutions;
- to grant authority to execute and sign foreign exchange contracts and derivative transactions;
- to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Sharex Dynamic (India) Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders' Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

## Composition, Meeting and Attendance:

The Stakeholders Relationship Committee comprises of two Directors Mr. Nitesh Kothari, Non-Executive Director is the Chairman of the Stakeholders Relationship Committee. The other members of the Stakeholders Relationship Committee include Mr. Manohar Mhatre. The table below highlights the composition and attendance of the Members of the Committee. The necessary quorum was present for all Meetings.

Sr. No.	Name of the Director	Position	Category	No. of Meetings Attended
1	Mr. Nitesh Kothari	Chairman	Non-Executive	26
2	Mr. Manohar Mhatre	Member	Non-Executive	26

Name and designation of Compliance officer  
Mr. Manohar Mhatre is the Compliance Officer.

Details of shareholders' complaints received, solved and pending share transfers:

The total number of complaints received and resolved during the year ended March 31, 2017 was nil there were nil complaints outstanding as on March 31, 2017. The number of pending share transfers and pending requests for dematerialization as on March 31, 2017 were nil.

Shareholders'/Investors' complaints and other correspondence are normally attended to within 15 working days except where constrained by disputes or legal impediments.

No investor grievances remained unattended / pending for more than thirty days as on March 31, 2017.

Nature of Complaints	Complaints Received	Complaints Redressed
Non-receipt of Dividend	Nil	Nil
Non-receipt of shares lodged for transfer	Nil	Nil
Non-receipt of Duplicate/Consolidated Share Certificate	Nil	Nil
Non-Receipt of demat/remat request	Nil	Nil
Others	Nil	Nil
Total	Nil	Nil

#### 7. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 29th March, 2017 inter alia, to discuss:

- ✦ Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- ✦ Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- ✦ Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- ✦ All the Independent Directors were present for this Meeting

#### GENERAL BODY MEETINGS

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

Year	Location	Date	Time	No. of Special Resolution Passed
2013-2014	121/c, Mittal Tower, 12th Floor, Nariman Point, Mumbai – 400021	26th September 2014	10.00 A.M.	1
2014-2015	121/c, Mittal Tower, 12th Floor, Nariman Point, Mumbai – 400021	28th September 2015	10.00 A.M.	2
2015-2016	121/c, Mittal Tower, 12th Floor, Nariman Point, Mumbai – 400021	30th September 2016	9.30 A.M.	Nil

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

Date of Annual General Meeting	Number of Special Resolutions passed	Details of Special Resolutions Passed
26th September 2014	1	Adoption of New set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013
28th September 2015	2	<ul style="list-style-type: none"> <li>• Mrs. Liza Nitesh Kothari appointed as a Managing Director of the Company for the period of 3 years (Three years) with effect from 30th January, 2015.</li> <li>• To appoint Ms. Nina Tulsidas Ashar (DIN 01499876), as an Independent Director</li> </ul>
30th September 2016	NIL	-----

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

#### Postal Ballot

During the year, the following resolutions were passed through postal ballot.

- Appointment of Mr. Vivek Mhatre (DIN No. 07678498) as an Independent Director
- Appointment of Mrs. Atheva Mayekar (Din No. 07663999) as an Independent Director
- Appointment of M/S JMK & Co. Chartered Accountants Mumbai (Firm Registration No. 120459W) as Statutory Auditors of the Company to fill casual vacancy caused by the resignation of M/s. SHAHADE & ASSOCIATES, Chartered Accountants, Mumbai (Firm Registration No. 109840W).

Whether any special resolution is proposed to be conducted through postal ballot

No special resolution is proposed to be conducted through postal ballot.

#### RESULT OF POSTAL BALLOT

Item No. 1 (Special Resolution): 1. Appointment of Mr.Vivek Mhatre (DIN No. 07678498) as an Independent Director

Promoter/Public	No of Shares held	No of votes polled			% of votes polled on outstanding shares	No of Votes - in favour-	No of Votes – against	% of Votes in favour on votes polled	% of votes against on votes polled
		E-voting	Postal Ballot	Total Voting					
	1	2			(3)=(2)/(1) *100				(6)=(4)/(2) *100
Promoter and Promoter Group	47,85,845	47,85,845	0	47,85,845	64.33%	47,85,845	0	76.23%	0
Public - Institutional Holders	0	0	0	0	0	0	0	0	0
Public - Others	26,51,655	2,12,100	12,80,450	14,92,550	20.07%	14,92,550	0	23.77%	0
Total	74,37,500	49,97,945	12,80,450	62,78,395	84.41%	62,78,395	0	100%	0

Item No. 2 (Special Resolution): 2. Appointment of Mrs Atheva Mayekar (Din No. 07663999) as an Independent Director

Promoter/Public	No of Shares held	No of votes polled			% of votes polled on outstanding shares	No of Votes - in favour-	No of Votes – against	% of Votes in favour on votes polled	% of votes against on votes polled
		E-voting	Postal Ballot	Total Voting					
	1	2			(3)=(2)/(1) *100				(6)=(4)/(2) *100
Promoter and Promoter Group	47,85,845	47,85,845	0	47,85,845	64.35%	47,85,845	0	75.52%	0
Public - Institutional Holders	0	0	0	0	0	0	0	0	0
Public - Others	26,51,665	2,71,100	12,80,450	15,51,550	20.86%	15,51,550	0	24.48%	0
Total	74,37,500	50,56,945	12,80,450	63,37,395	85.21%	63,37,395	0	100%	0



Item No. 3 (Ordinary Resolution): 3. Appointment of M/S JMK & Co. Chartered Accountants Mumbai (Firm Registration No. 120459W) as Statutory Auditors of the Company to fill casual vacancy caused by the resignation of M/s. SHAHADE & ASSOCIATES, Chartered Accountants, Mumbai (Firm Registration No. 109840W)

Promoter/Public	No of Shares held	No of votes polled			% of votes polled on outstanding shares	No of Votes - in favour-	No of Votes – against	% of Votes in favour on votes polled	% of votes against on votes polled
		E-voting	Postal Ballot	Total Voting					
	1	2			(3)=(2)/(1) *100			(6)=(4)/(2) *100	(7)=(5)/(2) *100
Promoter and Promoter Group	47,85,845	47,85,845	0	47,85,845	64.35%	47,85,845	0	75.51%	0
Public - Institutional Holders	0	0	0	0	0	0	0	0	0
Public - Others	26,51,665	2,71,100	12,80,449	15,51,549	20.86%	15,51,549	0	24.48%	0
Total	74,37,500	50,56,945	12,80,449	63,37,394	85.21%	63,37,394	0	100%	0

Extraordinary General Meeting:

During the year, no extraordinary General Meeting of the members was held.

1. DISCLOSURES:

✦ Disclosures on materially significant Related Party Transactions (RPT) that may have potential conflict with the interests of company at large.

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulation during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under the note 18 of significant accounting policies and notes forming part of the financial statements in accordance with "Accounting Standard 18".

A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of the Listing Regulation, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. [www.kothariworld.com](http://www.kothariworld.com) under investor relations / Policies/ Policy on Related Party

None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with all requirements Specified under Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

✦ Vigil Mechanism / Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. [www.kothariworld.com](http://www.kothariworld.com) under investor relations/ Policies/ Whistle Blower Policy.

✦ Compliance with the conditions of Corporate Governance

The Company has complied with the conditions of corporate governance as stipulated in Listing Agreement as well as s SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## KOTHARI WORLD FINANCE LIMITED

### ✦ Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

### ✦ Risk Management:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

### ✦ Non-mandatory requirements:

Adoption of non-mandatory requirements of Listing Regulation is being reviewed by the Board from time-to time.

### ✦ Policy for determining 'material' subsidiaries

The Company does not have any material subsidiary as defined under Listing Regulation.

### ✦ Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under Listing Regulation.

### ✦ CFO Certification

The Certificate from CFO as required under Part D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 containing declaration as to affirming compliance with the Code of Conduct for the financial year 2016-17 is attached at the end of this report.

## 2. MEANS OF COMMUNICATION:

- (i) The Unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulation.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local language (Marathi) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately. The Company's financial results and official press releases are displayed on the Company's Website - [www.kothariworld.com](http://www.kothariworld.com) under investor's relations/ Quarterly Reports/Financial Result
- (iii) Any presentation made to the institutional investors or / and analysts are also posted on the Company's website. (v) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- (iv) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.
- (v) A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.
- (vi) BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements, amongst others are also filed electronically on the Listing Centre.

## GENERAL SHAREHOLDER'S INFORMATION:

### Annual General Meeting

Date and time	:	Friday, 1st September, 2017 Time: 9.30am
Venue	:	121/C, Mittal Tower, 12th Floor, Nariman Point, Mumbai 400021
Financial Year Ending	:	31st March, 2017
Date of Book Closure	:	Saturday, 26th August, 2017 to Friday, 1st September, 2017 (both days inclusive)
Listing on Stock Exchange and Stock Code	:	Equity Shares of the Company are listed at BSE Limited, (Scrip Code 511138)
Face Value of Equity Shares	:	Rs.10/- each.

**KOTHARI WORLD FINANCE LIMITED**

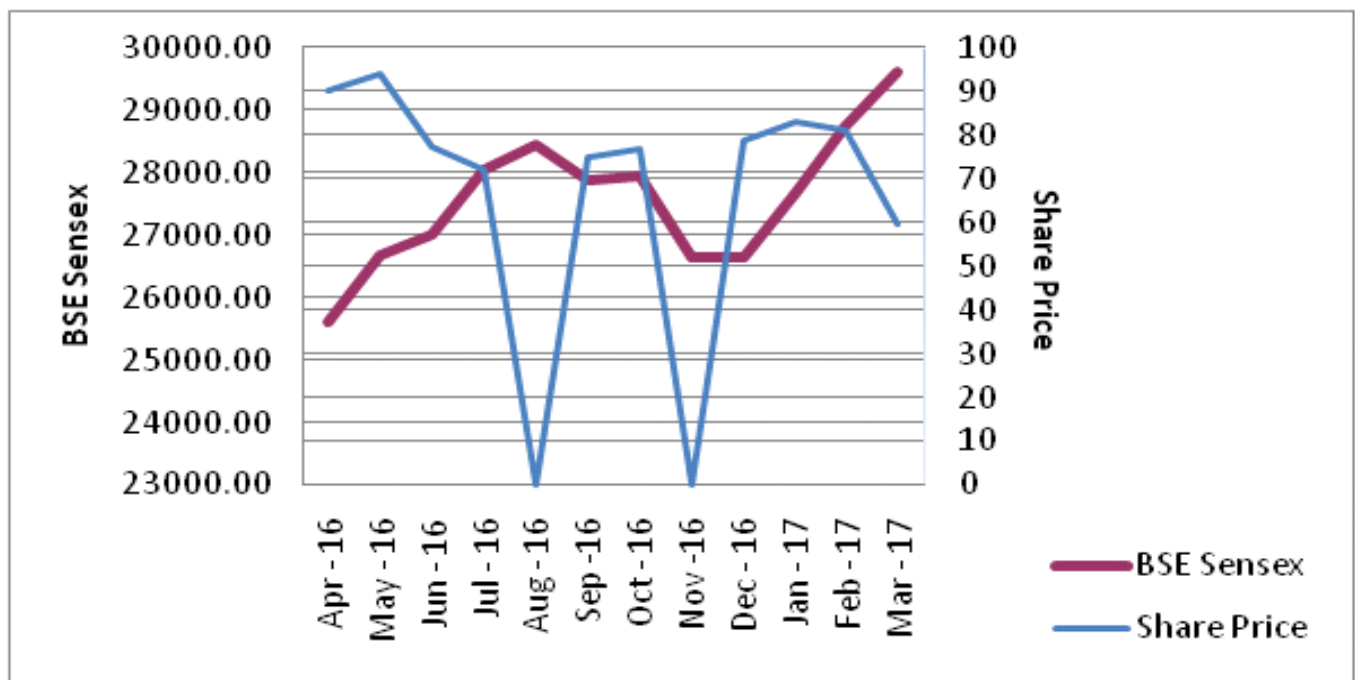
Annual Listing fees for Financial Year 2017-18 has been paid to BSE.

Monthly High/Low price of Equity Shares of the Company during the financial year 2016-2017 on BSE Limited.

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	Month's High Price (Rs.)	Month's Low Price(Rs.)	Month's High Price(Rs.)	Month's Low Price(Rs.)
April, 2016	114	90	NT	NT
May, 2016	100.5	94	NT	NT
June, 2016	92	77	NT	NT
July, 2016	75	72	NT	NT
August, 2016	0	0	NT	NT
September, 2016	85	75	NT	NT
October, 2016	82.5	76.9	NT	NT
November, 2016	0	0	NT	NT
December, 2016	84	78.45	NT	NT
January, 2017	88.2	83	NT	NT
February, 2017	88	81	NT	NT
March, 2017	83.75	59.5	NT	NT

NT: No Trading  
Source: BSE website

Graphical Representation of Performance of Kothari World Finance Ltd. share price in comparison with BSE Sensex: (GRAPH)



## Registrar and Transfer Agent

For any queries relating to the shares of the Company, correspondence may please be addressed to Sharex Dynamic (India) Private Limited at: Unit 1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), and Mumbai 400072.

## Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulation, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

## Distribution of Shareholding:

Distribution of Shareholding as on 31st March, 2017	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	80	54.05	2016	0.03
501 – 1000	8	5.41	6429	0.09
1001 – 2000	1	0.68	1900	0.03
2001 – 3000	4	2.70	11200	0.15
3001 – 4000	5	3.38	18058	0.24
4001 – 5000	2	1.35	10000	0.13
5001 – 10000	7	4.73	48004	0.65
10001 and above	41	27.70	7339893	98.69

## Shareholding Pattern as on 31st March 2017

Sr. No.	Category of Shares	No. of Shares	% of total shares
(A)	Promoter & Promoter Group:		
	(a) Individuals/ Hindu Undivided Family	2125075	28.57
	(b) Bodies Corporate	2665420	35.84
	Sub Total:	4790495	64.41
(B)	Public Shareholding:		
	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	37996	0.51
	(b) Individuals	2605004	35.03
	(c) Non-Resident Indians & Non Resident(non repatriable)	0	0
	(d) Trust(s)	0	0
	(e) Hindu Undivided Family	0	0
	(f) Clearing Members	4005	0.05
	Sub Total:		
	GRAND TOTAL	7437500	100

Dematerialization of Shares: Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 1st January 2002 as per notification issued by the Securities and Exchange Board of India (SEBI). Approximately 99.88% of outstanding share have been dematerialized upto 31st March, 2017.

## Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their impact on equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March, 2017.

## ADDRESS FOR CORRESPONDENCE:

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

E-mail for Investors: companysecretary@kothariworld.com

Shareholders are requested to quote their folio no. / DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its Registrar & Transfer Agent.

As per Regulation 34(3) read with Schedule V of Listing Regulation, the details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholding and the outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
(1)	(2)	(3)	(4)	(5)
nil	nil	nil	nil	nil

**Declaration by Managing Director**

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Kothari World Finance Limited Code of Business Conduct and Ethics for the year ended March 31, 2017.

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR  
KOTHARI WORLD FINANCE LIMITED

Sd/-

LIZA KOTHARI

MANAGING DIRECTOR

(DIN NO. 01273272)

DATE: 18TH JULY, 2017

PLACE: MUMBAI

CFO / Managing Director Certification

We the undersigned in our respective capacities as Chief Financial Officer and Managing Director of Kothari World Finance Limited to the best of our knowledge hereby certify that:

- a) We have reviewed financial statement and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) 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.
- b) 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 violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we 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 have aware and the steps taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that -
  - (i) there has not been any significant changes in internal control over financial reporting during the year under reference;
  - (ii) there has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) 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/-

(Mrs. Liza Kothari)  
Managing Director  
(DIN: 01273272)

Sd/-

(Ms. Varsha Tambe)  
Chief Financial Officer

Place: Mumbai

Date: 18TH JULY, 2017

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 for the year ended March 31, 2017 as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015") as referred in Regulation 15(2) of the listing regulations for the period 1st April, 2016 to 31st March, 2017.

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 statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We 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.

Place: Mumbai  
Date: 18TH JULY, 2017

For Uma Lodha & Co.  
Practicing Company Secretaries  
Sd/-  
Uma Lodha  
Proprietor  
C.P. No. 2593

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INDEPENDENT AUDITORS' REPORT

To  
The Members  
Kothari World Finance Limited

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Kothari World Finance Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,



- 1) of the state of affairs of the Company as at 31st March, 2017,
- 2) Its profit & cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by Central Government of India in terms of sub sec (11) of sec 143 of the Companies Act 2013 of India, we set out in the "Annexure A", statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and 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 it appears from our examination of those books
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the Internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate report in " Annexure B" and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - 1) The Company does not have any pending litigations, which would impact its financial position.
    - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - 3) There were no amounts, which, were required to be transferred, to the Investor Education and Protection Fund by the Company.

For JMK & Co  
Chartered Accountants  
Firm Registration No. 120459W

Sd/-  
Umashankar Kumawat  
Partner  
Membership No: 164026

Date: 26th May, 2017  
Place: Mumbai

## Annexure "A" to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company for the year ended 31st March 2017, we report that:

## 1. In respect of Fixed Assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In accordance with this programme, all the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ Conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are free hold, are held in the name of the company as at the balance sheet date.

## 2. In respect to Inventories:

The Company is non deposit taking Non-Banking Financial Company accordingly, Company's business does not involve inventory. Thus Paragraph 3(ii) of the order is not applicable to the Company.

## 3. In our opinion and accordingly to the information, explanations and Management Explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

## 4. In our opinion and according to the information and explanations and Management Representation given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

## 5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

## 6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

## 7. In respect of Statutory Dues:

- a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable, except mentioned below :
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

## 8. The Company has not taken any Loans or borrowings from financial institutions, banks and govt. or has not issued any debentures, hence reporting under clause 3(viii) of the order is not applicable.

## 9. The company has not raised moneys during the year by way of initial public offer or further public offer including debt instruments and Term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and

hence not commented upon.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. In our opinion and according to the information and explanation given to us, the company had paid/provide managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. Company is required to be registered under section 45 IA of the Reserve Bank of India Act, 1934, Therefore, company has obtained registration on 09th of march, 1998.

For JMK & Co  
Chartered Accountants  
Firm Registration No. 120459W

Sd/-  
Umashankar Kumawat  
Partner  
Membership No: 164026

Date: 26th May, 2017  
Place: Mumbai

Annexure "B" to the Independent Auditor's Report

Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members of Kothari World Finance Limited on the standalone financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kothari World Finance Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JMK & Co  
Chartered Accountants  
Firm Registration No. 120459W

Sd/-  
Umashankar Kumawat  
Partner  
Membership No: 164026

Date: 26th May, 2017  
Place: Mumbai

KOTHARI WORLD FINANCE LIMITED  
Standalone Balance Sheet as at 31st March, 2017

(Amount in Rs.)

	Note No.	As At 31.03.2017	As At 31.03.2016
<b>A</b>			
<b>EQUITY AND LIABILITIES:</b>			
Shareholders' Funds			
(a) Share Capital	2	74,375,000	74,375,000
(b) Reserves and Surplus	3	95,132,126	81,696,331
Non Current Liabilities			
(a) Other Long-Term Liabilities	4	3,638,800	6,392,800
Current Liabilities			
(a) Trade Payables	5		
- Micro, small & medium enterprises		-	-
- Others		280,595	47,096
(b) Other Current Liabilities	6	2,770,748	70,047
(c) Short-Term Provisions	7	19,108	-
<b>Total</b>		<b>176,216,377</b>	<b>162,581,275</b>
<b>B</b>			
<b>ASSETS:</b>			
Non Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		14,421	18,230
(b) Non Current Investment	9	118,665,227	119,485,997
(c) Deferred Tax Assets	10	125,011	3,950,562
(d) Long-term Loans & Advances	11	3,068,512	3,441,265
Current Assets			
(a) Inventory	12	4,255,541	3,506,996
(b) Trade Receivables		-	-
(c) Cash and Bank Balances	13	44,769,423	26,519,251
(d) Short Term Loans and Advances	14	2,580,134	2,237,366
(e) Other Current Assets	15	2,738,108	3,421,608
<b>Total</b>		<b>176,216,377</b>	<b>162,581,275</b>

Summary of Significant Accounting Policies  
Notes to the Financial Statements1  
2-28

As per our attached report of even date

For JMK & Co.  
Chartered Accountants  
Firm Registration No.: 120459W

For and on Behalf of Board of Directors

Sd/-  
Umashankar Kumawat  
Partner  
Membership No : 164026Sd/-  
Liza Kothari  
Managing Director  
DIN No.: 01273272Sd/-  
Nitesh Kothari  
Director  
DIN No.: 00024195Date : 26th May, 2017  
Place : Mumbai

KOTHARI WORLD FINANCE LIMITED  
Statement of Standalone Profit and Loss for year ended 31st March, 2017

(Amount in Rs.)

	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
<b>REVENUE:</b>			
Revenue From Operations	16	29,314,607	34,197,784
Other Income	17	41,959	116,501
<b>Total</b>		<b>29,356,566</b>	<b>34,314,285</b>
<b>EXPENSES :</b>			
Purchase of Stock in Trade		1,491,562	4,771,813
Changes in value of Inventory	18	(748,545)	1,740,469
Employee Benefits Expenses	19	2,689,305	2,570,965
Depreciation & Amortization Expenses	20	(1,973,857)	5,297,280
Other Expenses	21	4,436,513	1,730,617
<b>Total</b>		<b>5,894,978</b>	<b>16,111,145</b>
Profit Before Tax		23,461,588	18,203,140
Tax Expenses			
Current Tax		5,683,000	4,850,000
Deferred Tax		3,825,551	-
Earlier Year's Taxes		517,243	-
<b>Profit for the year</b>		<b>13,435,795</b>	<b>13,353,140</b>
Earnings Per Share (Basic and Diluted)	22	1.81	1.80

Summary of Significant Accounting Policies  
Notes to the Financial Statements

1  
2-28

As per our attached report of even date

For JMK & Co.  
Chartered Accountants  
Firm Registration No.: 120459W

For and on Behalf of Board of Directors

Sd/-  
Umashankar Kumawat  
Partner  
Membership No : 164026

Sd/-  
Liza Kothari  
Managing Director  
DIN No.: 01273272

Sd/-  
Nitesh Kothari  
Director  
DIN No.: 00024195

Date : 26th May, 2017  
Place : Mumbai

KOTHARI WORLD FINANCE LIMITED  
Standalone Cash Flow Statement For The Year Ended March 31, 2017

(Amount in Rs.)

	Year Ended 31-03-17	Year Ended 31-03-16
A.		
Cash flow from operating activities:		
Net Profit before Tax	23,461,588	18,203,140
Adjustments for:		
Depreciation	(1,973,857)	5,297,280
Provision for diminution in value of investment	2,798,437	-
Dividend Received/ Income From Investments	(41,959)	(116,501)
Operating profit before working capital changes	24,244,209	23,383,919
Adjustments for:		
Trade / other payables	199,308	(1,752,175)
Trade / other receivables	713,485	(798,975)
Inventories	(748,545)	1,740,469
Cash generated from operations	24,408,457	22,573,238
Direct taxes refund / (paid) (Net)	(6,200,243)	(4,850,000)
Net cash inflow / (outflow) from operating activities	18,208,214	17,723,238
B.		
Cash flow from investing activities:		
Purchase of fixed assets	-	(328,200)
Non current investments		
Dividend received / income from investment	41,959	116,501
Net cash inflow / (outflow) from investing activities	41,959	(211,699)
C.		
Cash flow from Financing activities:		
Proceeds (Repayment) of unsecured loans from borrowings (Net)	-	-
Equity Shares issued	-	-
Share Premium	-	-
Net cash inflow / (outflow) from financing activities	-	-
D.		
Net Increase / (Decrease) in cash and cash equivalents	18,250,172	17,511,540
E.		
Cash and cash equivalents as at opening		
Cash and Bank Balances	26,519,251	9,007,712
F.		
Cash and cash equivalents as at closing		
Cash and Bank Balances	44,769,423	26,519,252
	18,250,172	17,511,540

As per our attached report of even date

For JMK & Co.  
Chartered Accountants  
Firm Registration No.: 120459W

For and on Behalf of Board of Directors

Sd/-  
Umashankar Kumawat  
Partner  
Membership No : 164026

Sd/-  
Liza Kothari  
Managing Director  
DIN No.: 01273272

Sd/-  
Nitesh Kothari  
Director  
DIN No.: 00024195

Date : 26th May, 2017  
Place : Mumbai



Kothari World Finance Limited

Note 1 : SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information - Kothari World Finance Limited is a Public Company and incorporated under the provisions of the Companies Act, 1956 and registered as a Non-Banking Finance Company (NBFC) as defined under section 45-IA of the Reserve Bank of India Act, 1934. It came into existence on 5th January 1985. The Company is engaged in the business of Lending & Investment Activities.
2. Basis of Preparation - The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects, with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014, (as amended) and the relevant provisions of the Companies Act, 2013.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The company has also re-classified the previous year figure in accordance with the requirements applicable in the current year. The financial statements are prepared on accrual basis under the historical cost convention.

3. Uses of Estimates - The preparation of the financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods. Any revision of accounting estimates is recognized prospectively in the current and future periods.
4. Revenue Recognition -
  - i) Interest income: Interest income is recognized as it accrues on a time proportionate basis taking into account the amount outstanding and the rate applicable except in the case of non performing assets ("NPA") where it is recognized, upon realization.
  - ii) Dividend income: Dividend income is recognised when right to receive payment is established.
  - iii) Lease rental income: Lease rental income is recognised in the statement of profit and loss on a straight line basis over the lease term.
  - iv) Loan processing fee income: Loan processing fee income is accounted for up front upon processing of loan as and when it becomes due.
5. Tangible Fixed Assets - Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. The amount allocated to building construction cost is capitalized and subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.
6. Depreciation - The company has provided for depreciation over the useful life of assets as prescribed under part C of schedule II of the Companies Act, 2013 as per straight line method except some building / godown premises where useful life is considered based on Valuation Report of valuer. Lease hold improvements are amortised over the primary period of the lease on straight line basis.
7. Investment - Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in values is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Investment in property is accounted on cost basis. Accumulated depreciation as per the provisions of Companies ACT, 2013 is deducted from the gross value of investment.

8. Employee Benefits - Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. The company is providing one month salary of leave encashment in the last month of the respective financial year.

9. Leases -

Where the company is Lessee - Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the profit and loss account on a straight-line basis over the lease term.

Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Where the company is Lessor - Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

10. Earning Per Share - Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

11. Taxes on Income -

Current Tax - Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realized in future.

Deferred Tax - The deferred tax charge or credit and the corresponding deferred tax assets or liabilities are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised when there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down and written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

12. Provisions, Contingent Liabilities & Contingent Assets -

a. Provisions - A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

b. Contingent Liabilities - A Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not have any contingent liability currently.

13. 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.

14. Provisions for Non Performing Assets & Doubtful debt - Loans and advances Receivable are identified as bad/doubtful based on there duration of the delinquency. The duration is set at appropriate levels for each product. NPA Provisions are made on management's assessment of degree of impairment and level of provisioning meets the NBFC prudential norms prescribed by the Reserve Bank Of India.

15. Security of Loans Given - Housing Loans / Loans against property are granted are secured by equitable registered mortgage of property and / or undertaking to create a security. Other Secured Loans are secured against hypothecation of respective assets.

For JMK & Co.

Chartered Accountants

Firm Registration No.: 120459W

For and on Behalf of Board of Directors

Sd/-

Umashankar Kumawat

Partner

Membership No : 164026

Sd/-

Liza Kothari

Managing Director

DIN No.: 01273272

Sd/-

Nitesh Kothari

Director

DIN No.: 00024195

Date : 26th May, 2017

Place : Mumbai

KOTHARI WORLD FINANCE LIMITED

Notes forming part of Standalone Financial Statements for the year ended 31st March, 2017

Note 2: Share Capital

Particulars	As on 31.03.2017	As on 31.03.2016
Authorized Capital 2,50,00,000 ( Previous year 2,50,00,000) Equity Shares of Rs. 10/- each	250,000,000	250,000,000
Issued, Subscribed and fully Paid Up 74,37,500( Previous year 74,37,500) Equity Shares of Rs. 10/- each	74,375,000	74,375,000
	74,375,000	74,375,000

A) Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the period.

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Numbers	Amount (in Rs.)	Numbers	Amount (in Rs.)
Equity Shares At the beginning of the year	7,437,500	74,375,000	7,437,500	74,375,000
Issued during the year	-	-	-	-
Total	7,437,500	74,375,000	7,437,500	74,375,000

B) Details of shareholders holding more than 5% of shares in the Company.

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% of Holding	No. of shares	% of Holding
Liza Nitesh Kothari	623,650	8.39%	623,650	8.39%
Nitesh Prataprai Kothari	686,925	9.24%	683,575	9.19%
D Dahyabhai And Co Pvt Ltd	962,100	12.94%	960,300	12.91%
Ramesh U Ramchandani	1,280,989	17.22%	1,273,989	17.13%

C) The company have one class of equity shares having par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, holder of equityshares will be entitled to receive remaining assets of the company. The distribution will be in the proportion to the number of equity shares held by the shareholders.

Note 3: Reserve & Surplus

Particulars	As on 31.03.2017	As on 31.03.2016
a) Share Premium Account		
Opening Balance	37,345,000	37,345,000
Add: Premium on shares issued during the year	-	-
	37,345,000	37,345,000
b) Statutory Reserve Account		
Opening Balance	8,990,002	6,319,374
Add: Transfer from Surplus in the Statement of Profit & Loss	2,687,159	2,670,628
Closing Balance	11,677,161	8,990,002
c) General Reserve		
Opening Balance	100,000	100,000
Add: Transfer from Surplus in the Statement of Profit & Loss	-	-
	100,000	100,000
d) Surplus in the Statement of Profit & Loss		
Opening Balance	35,261,329	24,578,817
Add: Profit / (Loss) for the current year	13,435,795	13,353,140
Less: Transfer to Statutory Reserve	2,687,159	2,670,628.08
	46,009,965	35,261,329
Total Reserve & Surplus (a+b+c+d)	95,132,126	81,696,331

## Note 4: Other Long-Term Liabilities

Particulars	As on 31.03.2017	As on 31.03.2016
Security Deposits	3,638,800	6,392,800
	3,638,800	6,392,800

## Note 5: Trade Payables

Particulars	As on 31.03.2017	As on 31.03.2016
Micro, small & medium enterprises (refer note below)	-	-
Others	280,595	47,096
	280,595	47,096

## Note 5.1

Disclosure of amount payable to vendors as defined under the "Micro, Small & Medium Enterprise Development Act, 2006" is based on the information available with the company regarding the status of registration of such vendors under the said Act. There are no overdue principle amount/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in the payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

## Note 6: Other Current Liabilities

Particulars	As on 31.03.2017	As on 31.03.2016
Security Deposits	2,754,000	70,000
Statutory Dues Payables	16,748	47
	2,770,748	70,047

## Note 7: Short Term Provisions

Particulars	As on 31.03.2017	As on 31.03.2016
Provision for Tax (Net of Advance Tax & TDS)	19,108	-
	19,108	-

KOTHARI WORLD FINANCE LIMITED  
Notes forming part of Standalone Financial Statements for the year ended 31st March, 2017

## Note 8: Fixed Assets (Refer Note: 23)

Tangible assets	Gross Block			Accumulated Depreciation and Amortisation			Net Block		
	Balance as at 1 April, 2016	Additions during the year	Disposals during the year	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciation /Amortisation for the year	Adjustment	Balance as at 31 March, 2017	Balance as at 31 March, 2016
Tangible Assets									
Furniture & Fixtures	48,094	-	-	48,094	46,747	-	-	1,347	1,347
Office Equipments	137,500	-	-	137,500	120,617	3,809	-	13,074	16,883
Total	185,594	-	-	185,594	167,364	3,809	-	14,421	18,230

## Note 9: Non-Current Investment

Particulars	As on 31.03.2017	As on 31.03.2016
Investment in Properties (Refer Note:23)	22,824,112	22,824,112
Free Hold Land	106,928,073	106,928,073
Buildings	(22,535,656)	(24,491,918)
Less: Accumulated Depreciation	9,054,619	9,054,619
Leasehold Land & Building	(1,021,021)	(1,042,426)
Less: Accumulated Depreciation and Amortisation	115,250,127	113,272,460
Investment in Equity Shares		
a) Quoted, fully paidup		
2,00,000 Shares of Tricom India Ltd.	2,700,000	2,700,000
	2,700,000	2,700,000
b) Unquoted, fully paidup		
5000 Equity shares of Kaikhushroo Manekji Mehta Stone & Engg. Works Pvt. Ltd. of Rs.10/- each	50,000	50,000
420 Equity shares of Goldcoin Engineers Pvt.Ltd. of Rs.100/-	90,000	90,000
630 Equity shares of Amity Agriculture Pvt. Ltd. of Rs.100/-	195,000	195,000
120 Equity shares of Steady Mercantile Co. Pvt. Ltd. of Rs. 100/-each	60,000	60,000
200 Equity shares of Famous Commercial & Leasing Pvt. Ltd. of Rs.100/- each	100,000	100,000
340 Equity shares of Mithani Agriculture Pvt.Ltd. of Rs.100/- each	170,000	170,000
400 Equity shares of Mansi Engineers Pvt. Ltd. of Rs. 100/- each	80,000	80,000
1100 Equity shares of D.Dahyabhai & Co. Pvt. Ltd. of Rs.100/- each	110,000	110,000
56,900 Equity shares of Munoth Hire Purchase Ltd. of Rs. 10/-each	98,437	98,437
	953,437	953,437
Associate Companies		
Unquoted, fully paid up		
7050 Equity shares of International Health Care Products Ltd.of Rs.100/- each	2,530,100	2,530,100
300 Equity shares of Atamdeep Engineers Pvt. Ltd. of Rs. 100/- each	30,000	30,000
	2,560,100	2,560,100
Total Investment	121,463,664	119,485,997
Less: Provision for Diminution in Investment (Refer Note:24)	2,798,437	-
Net Investment	118,665,227	119,485,997

## Note 10: Deferred Tax Assets

Particulars	As on 31.03.2017	As on 31.03.2016
Related to Fixed Assets	125,011	3,950,562
	125,011	3,950,562

## Note 11: Long-Term Loans &amp; Advances

Particulars	As on 31.03.2017	As on 31.03.2016
Secured, Considered Good Loans	1,538,027	1,675,972
Unsecured, Considered Good Advance Tax & TDS (Net of Provision for Tax) Security Deposits	- 1,530,485	234,808 1,530,485
	3,068,512	3,441,265

## Note 12: Inventory

Particulars	As on 31.03.2017	As on 31.03.2016
Shares (Held for Trade)	4,255,541	3,506,996
	4,255,541	3,506,996

## Note 13: Cash &amp; Bank Balances

Particulars	As on 31.03.2017	As on 31.03.2016
(a) Balance with Banks		
- in Current Accounts	7,451,225	303,598
- Deposit with Banks (less than 3 months)		
(b) Cash on hand	60,308	57,116
(c) Other bank balances		
- Deposit with Banks (greater than 3 months)	37,257,890	26,158,537
	44,769,423	26,519,251

## Note 14: Short-Term Loans &amp; Advances

Particulars	As on 31.03.2017	As on 31.03.2016
Secured, Considered Good- Loans	2,537,942	2,141,186
Unsecured, Considered Good- Loan to Staff	33,000	84,000
Prepaid Expenses	9,192	12,180
	2,580,134	2,237,366

## Note 15: Other Current Assets

Particulars	As on 31.03.2017	As on 31.03.2016
Lease Rent Receivable	2,233,739	1,295,302
Amount Receivable in Cash or Kind	504,369	2,126,306
	2,738,108	3,421,608

## Note 16: Revenue from Operations

Particulars	As on 31.03.2017	As on 31.03.2016
Sale of Shares	1,651,714	6,169,943
Interest Income on Loans	464,734	354,443
Fixed Deposits	2,589,692	1,342,352
License Fees	27,842,441	28,295,911
Less: Service Tax	(3,613,821)	(3,436,972)
Speculation Profit on Shares & Commodities	379,847	1,472,107
	29,314,607	34,197,784



## KOTHARI WORLD FINANCE LIMITED

Notes forming part of Standalone Financial Statements for the year ended 31st March, 2017

## Note 17: Other Income

Particulars	As on 31.03.2017	As on 31.03.2016
Dividend Income	41,959	116,501
	41,959	116,501

## Note 18: Changes in Stock in Trade

Particulars	As on 31.03.2017	As on 31.03.2016
Opening Stock as on 1st April, 2016	3,506,996	5,247,465
Closing Stock as on 31st March, 2017	4,255,541	3,506,996
Changes in Inventory	(748,545)	1,740,469

## Note 19: Employee Benefits Expenses

Particulars	As on 31.03.2017	As on 31.03.2016
Salaries and Wages	1,300,105	1,191,765
Bonus	189,200	179,200
Directors Remuneration	1,200,000	1,200,000
	2,689,305	2,570,965

## Note 20: Depreciation &amp; Amortisation Expenses

Particulars	As on 31.03.2017	As on 31.03.2016
Office Equipments	3,809	45,604
Investment in Building (Godowns)	2,636,351	4,934,808
Leasehold Land & Building	194,529	316,868
Less: Reversal of depreciation (Refer Note : 23)	(4,808,546)	
	(1,973,857)	5,297,280

## Note 21: Other Expenses

Particulars	As on 31.03.2017	As on 31.03.2016
Advertisement Charges	61,904	75,076
Annual Custody Fee	65,000	45,000
Annual Maintenance Charges	11,940	23,240
Electricity Charges	91,510	95,780
Listing Fee	200,000	200,000
Telephone Expenses	33,860	52,825
Office Rent	110,940	110,940
Printing & Stationery	27,696	33,720
Property Tax & Maintenance Charges	642,440	572,077
Legal & Professional Fees	302,080	266,743
ROC Filing Fees & Other Charges	11,063	34,233
Misc Expenses	24,643	165,983
Provision for diminution in value of Investment ( refer no. 24)	2,798,437	-
Auditors Remuneration		
Statutory Audit Fees	40,000	40,000
Income Tax Audit Fees	15,000	15,000
	4,436,513	1,730,617

## Note 22: Earning Per Share

Particulars	As on 31.03.2017	As on 31.03.2016
Net Profit After Tax available for Equity Shareholders	13,435,795	13,353,140
Weighted average number of Ordinary Shares for Basic EPS	7,437,500	7,437,500
Weighted average number of Ordinary Shares for Diluted EPS	7,437,500	7,437,500
Nominal Value of Ordinary Shares	10	10
Basic & Diluted Earnings per Ordinary Share	1.81	1.80

## Note 23 :

During the year under audit, Management has recalculated the depreciation on Godowns(Buildings) considering the life of assets as per the valuation reports. The recalculation of depreciation is resulting in reversal of earlier year's of depreciation of Rs. 48.09 Lakhs. Current years depreciation is Rs. 28.35 lakhs and due to reversal of earlier years depreciation its showing a negative figure of Rs. 19.74 lakhs in the Statement of Profit & Loss."

During the year company has reclassified Land and Building from Fixed Assets to Investment in Property which are grouped under Non-Current Investment.

## Note 24 :

Long term investments are held as strategic investments and have been valued at cost but there is permanent diminution in value of shares of Munoth Hire Purchase Ltd. and Tricome India Ltd., Accordingly, necessary provision has been provided on account of fall in the value of investment.

## Note 25 : Segment Reporting

The Company's main activity is investment and finance and hence the said segment wise reporting is not applicable.

## Note 26 : Related Party Disclosure

Disclosure as required by the Accounting Standard 18 " Related Party Disclosure" are as follows

List of Related Parties and their relationship:

Associates:

Atamdeep Engineers Private limited  
International Health Care Products limited

Directors:

Mrs. Liza Kothari  
Mr. Nitesh Kothari  
Mr. Manohar Mhatre  
Mr. Jayesh N Gandhi  
Ms. Meena Dalvi  
Ms. Nina Ashar  
Mrs. Atheva Mayekar  
Mr. Vivek Mhatre

Directors Remuneration paid during the year

Mrs. Liza Kothari Rs. 1200000/- (Previous year.: 1200000/-)

## Note 27 : Leases

The company has given assets on Operating lease. Disclosure as per Accounting Standard (AS 19), on "leases" notified by the companies ( Accounting Standards ) Rules, 2006:

Particulars	2016-17	2015-16
Within 1 year of the balance sheet date	19,635,589.25	24,228,620.00
Due in a period between 1 year and 5 year	12,490,874.90	32,126,464.15
Due after 5 years	-	-

Note 28 :

Figures of previous year have been regrouped, rearranged, reclassified where ever necessary to make them comparable with that of current year.

As per our attached report of even date.

For JMK & Co.  
Chartered Accountants  
Firm Registration No.: 120459W

For and on Behalf of Board of Directors

Sd/-  
Umashankar Kumawat  
Partner  
Membership No : 164026

Sd/-  
Liza Kothari  
Managing Director  
DIN No.: 01273272

Sd/-  
Nitesh Kothari  
Director  
DIN No.: 00024195

Date : 26th May, 2017  
Place : Mumbai

## INDEPENDENT AUDITORS' REPORT

To  
The Members  
Kothari World Finance Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Kothari World Finance Limited (hereinafter referred to as "the Holding Company") and its associate companies (the Holding Company and its associates together referred to as "the Group") comprising of the consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and order under section 143(11) of the Act.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Group has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the a fore said consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- 1) of the state of affairs of the Group as at 31st March, 2017,
- 2) its profit & cash flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit and consideration of report of the other auditors on separate financial statements of associates as furnished by the management, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law related to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other independent auditors;
  - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors of the holding company and the reports of the associates companies incorporated in India, made available to us by the management, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the Internal financial controls over financial reporting of the Holding Company and its associate companies incorporated in India, and the operative effectiveness of such controls, refer to our separate report in " Annexure A" and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the report of the other auditors on financial statements of associates as furnished by the management:
    - 1) The Company does not have any pending litigations which would impact its financial position.
    - 2) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - 3) There were no amounts which, were required to be transferred, to the Investor Education and Protection Fund by the Company.

For JMK & Co  
Chartered Accountants  
Firm Registration No. 120459W

Sd/-  
Umashankar Kumawat  
Partner  
Membership No: 164026

Date: 26th May, 2017  
Place: Mumbai

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Annexure "A" to the Independent Auditor's Report

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Referred to in paragraph 1(f) of the Independent Auditors' Report of even date to the members of Kothari World Finance Limited on the consolidated financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kothari World Finance Limited (hereinafter referred to as "the Holding Company") and its associates companies (the Holding Company and its associates together referred to as "the Group") as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Holding Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JMK & Co  
Chartered Accountants  
Firm Registration No. 120459W

Sd/-  
Umashankar Kumawat  
Partner  
Membership No: 164026

Date: 26th May, 2017  
Place: Mumbai

KOTHARI WORLD FINANCE LIMITED  
Consolidated Balance Sheet as at 31st March, 2017

(Amount in Rs.)

	Note No.	As At 31.03.2017	As At 31.03.2016
<b>EQUITY AND LIABILITIES:</b>			
Shareholders' Funds			
(a) Share Capital	2	74,375,000	74,375,000
(b) Reserves and Surplus	3	103,587,160	90,046,829
Non Current Liabilities			
(a) Other Long-Term Liabilities	4	3,638,800	6,392,800
Current Liabilities			
(a) Trade Payables	5		
- Micro, small & medium enterprises		-	-
- Others		280,595	47,096
(b) Other Current Liabilities	6	2,770,748	70,047
(c) Short-Term Provisions	7	19,108	
Total		184,671,411	170,931,772
<b>ASSETS:</b>			
Non Current Assets			
(a) Fixed Assets	8	14,421	18,230
(i) Tangible Assets			
(b) Non Current Investment	9	127,120,260	127,836,494
(c) Deferred Tax Assets	10	125,011	3,950,562
(d) Long-term Loans & Advances	11	3,068,512	3,441,265
Current Assets			
(a) Inventory	12	4,255,541	3,506,996
(b) Trade Receivables		-	-
(c) Cash and Bank Balances	13	44,769,423	26,519,251
(d) Short Term Loans and Advances	14	2,580,134	2,237,366
(e) Other Current Assets	15	2,738,108	3,421,608
Total		184,671,411	170,931,772

Summary of Significant Accounting Policies  
Notes to the Financial Statements1  
2-30

As per our attached report of even date

For JMK & Co.  
Chartered Accountants  
Firm Registration No.: 120459W

For and on Behalf of Board of Directors

Sd/-  
Umashankar Kumawat  
Partner  
Membership No : 164026Sd/-  
Liza Kothari  
Managing Director  
DIN No.: 01273272Sd/-  
Nitesh Kothari  
Director  
DIN No.: 00024195Date : 26th May, 2017  
Place : Mumbai



KOTHARI WORLD FINANCE LIMITED  
Statement of Consolidated Profit and Loss for year ended 31st March, 2017

(Amount in Rs.)

	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
<b>REVENUE:</b>			
Revenue From Operations	16	29,314,607	34,197,784
Other Income	17	41,959	116,501
<b>Total</b>		<b>29,356,566</b>	<b>34,314,285</b>
<b>EXPENSES :</b>			
Purchase of Stock in Trade		1,491,562	4,771,813
Changes in value of Inventory	18	(748,545)	1,740,469
Employee Benefits Expenses	19	2,689,305	2,570,965
Depreciation & Amortization Expenses	20	(1,973,857)	5,297,280
Other Expenses	21	4,436,513	1,730,617
<b>Total</b>		<b>5,894,978</b>	<b>16,111,144</b>
Profit Before Tax		23,461,588	18,203,141
Tax Expenses			
Current Tax		5,683,000	4,850,000
Deferred Tax		3,825,551	-
Earlier Year's Taxes		517,243	-
Profit for the year		13,435,794	13,353,141
Earnings Per Share (Basic and Diluted)	22	1.81	1.80

Summary of Significant Accounting Policies  
Notes to the Financial Statements

1  
2-30

As per our attached report of even date

For JMK & Co.  
Chartered Accountants  
Firm Registration No.: 120459W

For and on Behalf of Board of Directors

Sd/-  
Umashankar Kumawat  
Partner  
Membership No : 164026

Sd/-  
Liza Kothari  
Managing Director  
DIN No.: 01273272

Sd/-  
Nitesh Kothari  
Director  
DIN No.: 00024195

Date : 26th May, 2017  
Place : Mumbai

KOTHARI WORLD FINANCE LIMITED  
Consolidated Cash Flow Statement For The Year Ended March 31, 2017

(Amount in Rs.)

	Year Ended 31-03-17	Year Ended 31-03-16
A. Cash flow from operating activities:	23,461,588	18,203,141
Net Profit before Tax		
Adjustments for:		
Depreciation	(1,973,857)	5,297,280
Provision for diminution in value of investment	2,798,437	
Dividend Received/ Income From Investments	(41,959)	(116,501)
Operating profit before working capital changes	24,244,209	23,383,920
Adjustments for:		
Trade / other payables	199,308	(1,752,175)
Trade / other receivables	713,485	(798,975)
Inventories	(748,545)	1,740,469
Cash generated from operations	24,408,457	22,573,239
Direct taxes refund / (paid) (Net)	(6,200,243)	(4,850,000)
Net cash inflow / (outflow) from operating activities	18,208,214	17,723,239
B. Cash flow from investing activities:		
Purchase of fixed assets	-	(328,200)
Non current investments	-	-
Dividend received / income from investment	41,959	116,501
Net cash inflow / (outflow) from investing activities	41,959	(211,699)
C. Cash flow from Financing activities:		
Proceeds (Repayment) of unsecured loans from borrowings (Net)		-
Equity Shares issued	-	-
Share Premium	-	-
Net cash inflow / (outflow) from financing activities		-
D. Net Increase / (Decrease) in cash and cash equivalents	18,250,172	17,511,541
E. Cash and cash equivalents as at opening		
Cash and Bank Balances	26,519,251	9,007,712
F. Cash and cash equivalents as at closing		
Cash and Bank Balances	44,769,423	26,519,252
	18,250,172	17,511,540

As per our attached report of even date

For JMK &amp; Co.

Chartered Accountants

Firm Registration No.: 120459W

Sd/-

Umashankar Kumawat

Partner

Membership No : 164026

For and on Behalf of Board of Directors

Sd/-

Liza Kothari

Managing Director

DIN No.: 01273272

Sd/-

Nitesh Kothari

Director

DIN No.: 00024195

Date : 26th May, 2017

Place : Mumbai

Kothari World Finance Limited

Note 1 : SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information - Kothari World Finance Limited is a Public Company and incorporated under the provisions of the Companies Act, 1956 and registered as a Non-Banking Finance Company (NBFC) as defined under section 45-IA of the Reserve Bank of India Act, 1934. It came into existence on 5th January 1985. The Company is engaged in the business of Lending & Investment Activities.
2. Basis of Preparation - The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material respects, with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014, (as amended) and the relevant provisions of the Companies Act, 2013.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The company has also re-classified the previous year figure in accordance with the requirements applicable in the current year. The financial statements are prepared on accrual basis under the historical cost convention.

3. Uses of Estimates - The preparation of the financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods. Any revision of accounting estimates is recognized prospectively in the current and future periods.
4. Revenue Recognition -
  - i) Interest income: Interest income is recognized as it accrues on a time proportionate basis taking into account the amount outstanding and the rate applicable except in the case of non performing assets ("NPA") where it is recognized, upon realization.
  - ii) Dividend income: Dividend income is recognised when right to receive payment is established.
  - iii) Lease rental income: Lease rental income is recognised in the statement of profit and loss on a straight line basis over the lease term.
  - iv) Loan processing fee income: Loan processing fee income is accounted for up front upon processing of loan as and when it becomes due.
5. Tangible Fixed Assets - Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. The amount allocated to building construction cost is capitalized and subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.
6. Depreciation - The company has provided for depreciation over the useful life of assets as prescribed under part C of schedule II of the Companies Act, 2013 as per straight line method except some building / godown premises where useful life is considered based on Valuation Report of valuer. Lease hold improvements are amortised over the primary period of the lease on straight line basis.
7. Investment - Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in values is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Investment in property is accounted on cost basis. Accumulated depreciation as per the provisions of Companies ACT, 2013 is deducted from the gross value of investment.

8. Employee Benefits - Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. The company is providing one month salary of leave encashment in the last month of the respective financial year.

9. Leases -

Where the company is Lessee - Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the profit and loss account on a straight-line basis over the lease term.

Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Where the company is Lessor - Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

10. Earning Per Share - Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

11. Taxes on Income -

Current Tax - Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit entitlement is recognised where there is convincing evidence that the same can be realized in future.

Deferred Tax - The deferred tax charge or credit and the corresponding deferred tax assets or liabilities are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised when there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down and written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

12. Provisions, Contingent Liabilities & Contingent Assets -

a. Provisions - A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

b. Contingent Liabilities - A Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not have any contingent liability currently.

13. 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.

14. Provisions for Non Performing Assets & Doubtful debt - Loans and advances Receivable are identified as bad/doubtful based on there duration of the delinquency. The duration is set at appropriate levels for each product. NPA Provisions are made on management's assessment of degree of impairment and level of provisioning meets the NBFC prudential norms prescribed by the Reserve Bank Of India.

15. Security of Loans Given - Housing Loans / Loans against property are granted are secured by equitable registered mortgage of property and / or undertaking to create a security. Other Secured Loans are secured against hypothecation of respective assets.

For JMK & Co.  
Chartered Accountants  
Firm Registration No.: 120459W

Sd/-  
Umashankar Kumawat  
Partner  
Membership No : 164026

Date : 26th May, 2017  
Place : Mumbai

## KOTHARI WORLD FINANCE LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

## Note 2: Share Capital

(Amount in Rs.)

Particulars	As on 31.03.2017	As on 31.03.2016
Authorized Capital 2,50,00,000 ( Previous year 2,50,00,000) Equity Shares of Rs. 10/- each	250,000,000	250,000,000
Issued, Subscribed and fully Paid Up 74,37,500( Previous year 74,37,500) Equity Shares of Rs. 10/- each	74,375,000	74,375,000
	74,375,000	74,375,000

## A) Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the period.

Particulars	As at 31 March 2017		As at 31 March 2016	
	Numbers	Amount (in Rs.)	Numbers	Amount (in Rs.)
Equity Shares At the beginning of the year	7,437,500	74,375,000	7,437,500	74,375,000
Issued during the year	-	-	-	-
Total	7,437,500	74,375,000	7,437,500	74,375,000

## B) Details of Share Holders holding more than 5% of shares in the company.

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. Of Shares	% of Holding	No. Of Shares	% of Holding
Liza Nitesh Kothari	623,650	8.39%	623,650	8.39%
Nitesh Prataprai Kothari	686,925	9.24%	683,575	9.19%
D Dahyabhai And Co Pvt Ltd	962,100	12.94%	960,300	12.91%
Ramesh U Ramchandani	1,280,989	17.22%	1,273,989	17.13%

C) The company have one class of equity shares having par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, holder of equity shares will be entitled to receive remaining assets of the company. The distribution will be in the proportion to the number of equity shares held by the shareholders.

## Note 3: Reserve &amp; Surplus

Particulars	As on 31.03.2017	As on 31.03.2016
a) Share Premium Account		
Opening Balance	37,345,000	37,345,000
Add: Premium on shares issued during the year	-	-
	37,345,000	37,345,000
b) Statutory Reserve Account		
Opening Balance	8,990,002	6,319,374
Add: Transfer from Surplus in the Statement of Profit & Loss	2,687,159	2,670,628
Closing Balance	11,677,161	8,990,002
c) General Reserve		
Opening Balance	100,000	100,000
	100,000	100,000
d) Capital Reserve		
Opening Balance	11,185,021	11,185,021
	11,185,021	11,185,021
e) Surplus in the Statement of Profit & Loss		
Opening Balance	32,426,806	24,578,817
Add: Profit / (Loss) for the current year	13,435,794	13,353,141
Add: Share in Profit of Associates Companies	104,537	(2,834,524)
Less: Transfer to Statutory Reserve	2,687,159	2,670,628.28
	43,279,978	32,426,806
Total Reserve & Surplus (a+b+c+d)	103,587,160	90,046,829

## Note 4: Other Long-Term Liabilities

Particulars	As on 31.03.2017	As on 31.03.2016
Security Deposits	3,638,800	6,392,800
	3,638,800	6,392,800

## Note 5: Trade Payables

Particulars	As on 31.03.2017	As on 31.03.2016
Micro, small & medium enterprises (refer note below)	-	-
Others	280,595	47,096
	280,595	47,096

## Note 5.1

Disclosure of amount payable to vendors as defined under the "Micro, Small & Medium Enterprise Development Act, 2006" is based on the information available with the company regarding the status of registration of such vendors under the said Act. There are no overdue principle amount/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in the payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

## Note 6: Other Current Liabilities

Particulars	As on 31.03.2017	As on 31.03.2016
Security Deposits	2,754,000	70,000
Statutory Dues Payables	16,748	47
	2,770,748	70,047

## Note 7: Short Term Provisions

Particulars	As on 31.03.2017	As on 31.03.2016
Provision for Tax (Net of Advance Tax & TDS)	19,108	-
	19,108	-

KOTHARI WORLD FINANCE LIMITED  
Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

Note 8: Fixed Assets (Refer Note: 23)

Tangible assets	Gross Block			Accumulated Depreciation and Amortisation				Net Block	
	Balance as at 1 April, 2016	Additions during the year	Disposals during the year	Balance as at 31 March, 2017	Balance as at 1 April, 2016	Depreciation /Amortisation for the year	Adjustment	Balance as at 31 March, 2017	Balance as at 31 March, 2016
Tangible Assets									
Furniture & Fixtures	48,094	-	-	48,094	46,747	-	-	46,747	1,347
Office Equipments	137,500	-	-	137,500	120,617	3,809	-	124,426	16,883
Total	185,594	-	-	185,594	167,364	3,809	-	171,173	18,230



## Note 9: Non-Current Investment

Particulars	As on 31.03.2017	As on 31.03.2016
Investment in Properties (Refer Note:23)		
Free Hold Land	22,824,112	2,824,112
Buildings	106,928,073	106,928,073
Less: Accumulated Depreciation	(22,535,656)	(24,491,918)
Leasehold Land & Building	9,054,619	9,054,619
Less: Accumulated Depreciation and Amortisation	(1,021,021)	(1,042,426)
	115,250,127	113,272,460
Investment in Equity Shares		
a) Quoted, fully paidup		
2,00,000 Shares of Tricom India Ltd.	2,700,000	2,700,000
	2,700,000	2,700,000
b) Unquoted, fully paidup		
5000 Equity shares of Kaikhushroo Manekji Mehta Stone & Engg. Works Pvt. Ltd. of Rs.10/- each	50,000	50,000
420 Equity shares of Goldcoin Engineers Pvt.Ltd. of Rs.100/-	90,000	90,000
630 Equity shares of Amity Agriculture Pvt. Ltd. of Rs.100/-	195,000	195,000
120 Equity shares of Steady Mercantile Co. Pvt. Ltd. of Rs. 100/-each	60,000	60,000
200 Equity shares of Famous Commercial & Leasing Pvt. Ltd. of Rs.100/- each	100,000	100,000
340 Equity shares of Mithani Agriculture Pvt.Ltd. of Rs.100/- each	170,000	170,000
400 Equity shares of Mansi Engineers Pvt. Ltd. of Rs. 100/- each	80,000	80,000
1100 Equity shares of D.Dahyabhai & Co. Pvt. Ltd. of Rs.100/- each	110,000	110,000
56,900 Equity shares of Munoth Hire Purchase Ltd. of Rs. 10/-each	98,437	98,437
	953,437	953,437
Associate Companies		
Unquoted, fully paid up		
7050 Equity shares of International Health Care Products Ltd.of Rs.100/- each	10,919,756	10,809,059
300 Equity shares of Atamdeep Engineers Pvt. Ltd. of Rs. 100/- each	95,377	101,539
	11,015,133	10,910,597
Total Investment	129,918,697	127,836,494
Less: Provision for Diminution in Investment (Refer Note:24)	2,798,437	-
	127,120,260	127,836,494

## Note 10: Deferred Tax Assets

Particulars	As on 31.03.2017	As on 31.03.2016
Related to Fixed Assets	125,011	3,950,562
	125,011	3,950,562

## Note 11: Long-Term Loans &amp; Advances

Particulars	As on 31.03.2017	As on 31.03.2016
Secured, Considered Good Loans	1,538,027	1,675,972
Unsecured, Considered Good Advance Tax & TDS (Net of Provision for Tax) Security Deposits	- 1,530,485	234,808 1,530,485
	3,068,512	3,441,265

## Note 12: Inventory

Particulars	As on 31.03.2017	As on 31.03.2016
Shares (Held for Trade)	4,255,541	3,506,996
	4,255,541	3,506,996

## Note 13: Cash &amp; Bank Balances

Particulars	As on 31.03.2017	As on 31.03.2016
(a) Balance with Banks		
- in Current Accounts	7,451,225	303,598
- Deposit with Banks (less than 3 months)		
(b) Cash on hand	60,308	57,116
(c) Other bank balances		
- Deposit with Banks (greater than 3 months)	37,257,890	26,158,537
	44,769,423	26,519,251

## Note 14: Short-Term Loans &amp; Advances

Particulars	As on 31.03.2017	As on 31.03.2016
Secured, Considered Good- Loans (Secured, Considered Good)	2,537,942	2,141,186
Unsecured, Considered Good- Loan to Staff	33,000	84,000
Prepaid Expenses	9,192	12,180
	2,580,134	2,237,366

## Note 15: Other Current Assets

Particulars	As on 31.03.2017	As on 31.03.2016
Lease Rent Receivable	2,233,739	1,295,302
Amount Receivable in Cash or Kind	504,369	2,126,306
	2,738,108	3,421,608

## Note 16: Revenue from Operations

Particulars	As on 31.03.2017	As on 31.03.2016
Sale of Shares	1,651,714	6,169,943
Interest Income on Loans	464,734	354,443
Fixed Deposits	2,589,692	1,342,352
License Fees	27,842,441	28,295,911
Less: Service Tax	(3,613,821)	(3,436,972)
Speculation Profit on Shares & Commodities	379,847	1,472,107
	29,314,607	34,197,784

## KOTHARI WORLD FINANCE LIMITED

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

## Note 17: Other Income

Particulars	As on 31.03.2017	As on 31.03.2016
Dividend Income	41,959	116,501
	41,959	116,501

## Note 18: Changes in Stock in Trade

Particulars	As on 31.03.2017	As on 31.03.2016
Opening Stock as on 1st April, 2016	3,506,996	5,247,465
Closing Stock as on 31st March, 2017	4,255,541	3,506,996
Changes in Inventory	(748,545)	1,740,469

## Note 19: Employee Benefits Expenses

Particulars	As on 31.03.2017	As on 31.03.2016
Salaries and Wages	1,300,105	1,191,765
Bonus	189,200	179,200
Directors Remuneration	1,200,000	1,200,000
	2,689,305	2,570,965

## Note 20: Depreciation &amp; Amortisation Expenses

Particulars	As on 31.03.2017	As on 31.03.2016
Furniture & Fixtures	-	-
Office Equipments	3,809	45,604
Investment in Building (Godowns)	2,636,351	4,934,808
Leasehold Land & Building	194,529	316,868
Less: Reversal of depreciation (Refer Note : 23)	(4,808,546)	
	(1,973,857)	5,297,280

## Note 21: Other Expenses

Particulars	As on 31.03.2017	As on 31.03.2016
Advertisement Charges	61,904	75,076
Annual Custody Fee	65,000	45,000
Annual Maintenance Charges	11,940	23,240
Electricity Charges	91,510	95,780
Listing Fee	200,000	200,000
Telephone Expenses	33,860	52,825
Office Rent	110,940	110,940
Printing & Stationery	27,696	33,720
Property Tax & Maintenance Charges	642,440	572,077
Legal & Professional Fees	302,080	266,743
ROC Filing Fees & Other Charges	11,063	34,233
Misc Expenses	24,643	165,983
Provision for diminution in value of Investment ( refer no. 24)	2,798,437	-
Auditors Remuneration		
Statutory Audit Fees	40,000	40,000
Income Tax Audit Fees	15,000	15,000
	4,436,513	1,730,617

## Note 22: Earning Per Share

Particulars	As on 31.03.2017	As on 31.03.2016
Net Profit After Tax available for Equity Shareholders	13,435,794	13,353,141
Weighted average number of Ordinary Shares for Basic EPS	7,437,500	7,437,500
Weighted average number of Ordinary Shares for Diluted EPS	7,437,500	7,437,500
Nominal Value of Ordinary Shares	10	10
Basic & Diluted Earnings per Ordinary Share	1.81	1.80

## Note 23 :

During the year under audit, Management has recalculated the depreciation on Godowns (Buildings) considering the life of assets as per the valuation reports. The recalculation of depreciation is resulting in reversal of earlier year's of depreciation of Rs. 48.09 Lakhs. Current years depreciation is Rs. 28.35 lakhs and due to reversal of earlier years depreciation its showing a negative figure of Rs. 19.74 lakhs in the Statement of Profit & Loss."

During the year company has reclassified Land and Building from Fixed Assets to Investment in Property which are grouped under Non-Current Investment.

## Note 24 :

Long term investments are held as strategic investments and have been valued at cost but there is permanent diminution in value of shares of Munoth Hire Purchase Ltd. and Tricome India Ltd., Accordingly, necessary provision has been provided on account of fall in the value of investment.

## Note 25 : Segment Reporting

The Company's main activity is investment and finance and hence the said segment wise reporting is not applicable.

## Note 26 : Related Party Disclosure

Disclosure as required by the Accounting Standard 18 " Related Party Disclosure" are as follows

Directors:

Mrs. Liza Kothari  
 Mr. Nitesh Kothari  
 Mr. Manohar Mhatre  
 Mr. Jayesh N Gandhi  
 Ms. Meena Dalvi  
 Ms. Nina Ashar  
 Mrs. Atheva Mayekar  
 Mr. Vivek Mhatre

Directors Remuneration paid during the year

Mrs. Liza Kothari      Rs. 1200000/- (Previous year.: 1200000/-)

## Note 27 : Leases

The company has given assets on Operating lease. Disclosure as per Accounting Standard (AS 19), on "leases" notified by the companies ( Accounting Standards ) Rules, 2006:

Particulars	2016-17	2015-16
Within 1 year of the balance sheet date	19,635,589.25	24,228,620
Due in a period between 1 year and 5 year	12,490,874.90	32,126,464
Due after 5 years	-	-

Note 28 :

Associates considered in the consolidated financial statements with their proportion of ownership are as under

Sr. No.	Name of Entity	Proportion of Ownership
1	Atamdeep Engineers Private limited	26.11%
2	International Health Care Products limited	21.13%

Note 29:

Additional Information, as required under Schedule III of Companies Act, 2013 of enterprises consolidated as Subsidiary/Associates

Sr. No.	Name of Entity	As % of Consolidated Net Assets	Net Asset Amount	As % of Consolidated Profit or Loss	Profit / (loss) after Taxation
1	Atamdeep Engineers Private limited	-	8,389,656	-	(6,160)
2	International Health Care Products limited	-	65,377	-	110,697

Note 30 :

Figures of previous year have been regrouped, rearranged, reclassified where ever necessary to make them comparable with that of current year.

As per our attached report of even date

For JMK & Co.  
Chartered Accountants  
Firm Registration No.: 120459W

For and on Behalf of Board of Directors

Sd/-  
Umashankar Kumawat  
Partner  
Membership No : 164026Sd/-  
Liza Kothari  
Managing Director  
DIN No.: 01273272Sd/-  
Nitesh Kothari  
Director  
DIN No.: 00024195Date : 26th May, 2017  
Place : Mumbai

KOTHARI WORLD FINANCE LIMITED

Registered Office: C-121, Mittal Tower, 12th Floor, Nariman Point, Mumbai – 400021. Telephone: +91-22-22851620, Fax: +91-22-22871695, Website: www.kothariworld.com, Email : info@kothariworld.com, CIN No. L65993MH1985PLC035005

FORM MGT- 11  
(FORM OF PROXY)

Venue of the meeting: C-121, Mittal Tower, 12th Floor, Nariman Point, Mumbai – 400021

Date & Time: Friday, 1st September, 2017 at 9.30 A.M

PLEASE FILL PROXY FORM AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

\*Applicable for investors holding shares in Electronic form.

I/We \_\_\_\_\_ of \_\_\_\_\_ being member/members of Kothari World Finance Limited hereby appoint the following as my/our Proxy to attend vote (for me/our behalf at the 32nd Annual General Meeting of the Company to be held on Friday, 1st September, 2017 at 9.30 a.m and at any adjournment thereof).

1. Mr. / Mrs. \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her
2. Mr. / Mrs. \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her
3. Mr. / Mrs. \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her

\*\*I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Sl. No.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2017 and reports of the Board of Directors and the Auditors thereon		
2.	Re-appointment of Mrs. Liza Kothari, who retires by rotation and being eligible offers herself for reappointment		
3.	Re-appointment of M/S JMK & Co. Chartered Accountants Mumbai (Firm Registration No. 120459W), as statutory Auditors of the Company		

\*\*This is optional. Please put a tick mark (  ) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he /she should write "Abstain" across the boxes against the Resolution.

Signature(s) of the Member(s)

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Affix one  
Rupees  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Notes:

1. The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY-EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING OF THE COMPANY

