

KOTHARI WORLD FINANCE LIMITED

ANNUAL REPORT 2010-2011

Annual General Meeting

on Friday, 30th September 2011

COMPANY INFORMATION

BOARD OF DIRECTORS

Shri. Nitesh Kothari
Director

Shri. Manohar Mhatre
Director

Smt. Liza Kothari
Director

REGISTERED OFFICE

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

SHARE TRANSFER AGENT

Sharex Dynamic (India) Private Limited
17/B, Dena Bank Building,
Horniman Circle, Fort,
Mumbai 400001

AUDITORS

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF KOTHARI WORLD FINANCE LIMITED WILL BE HELD ON FRIDAY , 30th SEPTEMBER 2011 AT 121/C, MITTAL TOWER, 12TH FLOOR, NARIMAN POINT, MUMBAI – 400021 AT 11.30 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as of 31st March, 2011 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 Smt Liza Kothari who retires by rotation and being eligible offers himself for reappointment.
3. To appoint an Auditor to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. **TO CONSIDER AND, IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of section 94 and all other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 Equity shares of Rs. 10/- (Rupees Ten) each to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 Equity shares of Rs. 10/- (Rupees Ten) each ranking pari-passu with the existing Equity Shares of the Company.

5. **TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of section 16 & other applicable provisions if any, of the Companies Act, 1956 the Memorandum of Association of the company be and is hereby altered by deleting the existing clause V and substituting the following new clause in place and stead thereof: -

"The Authorized Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 Equity shares of Rs. 10/- (Rupees Ten) each."

The Company has power from time to time, to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively, such preferential, deferred, qualified or other special rights privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

6. **TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION**

“RESOLVED THAT pursuant to the provisions of section 31 & other applicable provision of the Companies Act, 1956 the Articles of Association of the company be and is hereby altered by deleting the existing Article 3 and substituting the following new Article in place and stead thereof:

"The Authorized Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 Equity shares of Rs. 10/- (Rupees Ten) each with power to increase, reduce, modify and cancel the same and to divide the original, increased, reduced or modified capital into two classes namely preference and Equity (ordinary) and to attach thereto respectively the preferential rights, privileges, advantages or conditions.

7. **TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:**

“Resolved that in accordance with the provisions of 81(1A) and other applicable provisions, if any, of the Companies Act 1956 (the Act) (including any amendments or re-enactments thereof) and in accordance with the relevant provisions of Memorandum and Articles of Association of the company, the listing agreements entered into with the Stock Exchanges where the company's shares are listed, the guidelines and clarifications issued by the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and any other statutory/regulatory authorities and subject to all such approvals, permissions, consents and sanctions of any authorities as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the company (herein referred to as the 'Board' which term shall include committee thereof) the consent of the company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board by way of preferential allotment upto 40,00,000 (Forty Lac) Equity shares at Rs 16/- (Sixteen)) each for cash determined as per SEBI (ICDR) Regulations 2009 on preferential issue, ranking pari-passu in all respects, including as to dividend, with the existing Equity shares of the Company (the "Shares"), to either or all of the following persons (As per list Annexure A), whether or not they are members of the Company, upto the numbers as mentioned against their respective names, and on such other terms and conditions, as the Board may deem appropriate in absolute discretion:

ANNEXURE A

SR.NO.	INVESTOR/ENTITY	NO. OF EQUITY SHARES	%ON EQUITY SHARE CAPITAL
1	Nitesh P Kothari	6,25,000	8.40
2	Liza N Kothari	5,00,000	6.72
3	Kaumudi P Kothari	3,00,000	4.03
4	Prataprai N Kothari (HUF)	81,250	1.092
5	Nitesh P Kothari (HUF)	3,12,500	4.20
6	D Dahyabhai & Co Private Limited	8,12,500	10.92
7	Amity Agriculture Private Limited	2,50,000	3.36
8	Mithani Agriculture Private Limited	2,50,000	3.36
9	Mansi Engineers Private Limited	56,250	0.756
10	Kaikhusroo Manekji Mehta Stone & Engineering Works Private Limited	62,500	0.84
11	Paras Silk Mills Private Limited	2,18,750	2.94
12	International Health Care Products Limited	2,81,250	3.78
13	Spectrum Capital Private Limited	2,50,000	3.36

(PERCENTAGE IS CALCULATED ON THE TOTAL PAID UP CAPITAL AFTER CONSIDERING 20,000 FORFEITED EQUITY SHARES WHICH ARE PROPOSED TO BE RE-ISSUED AND 19,37,500 EQUITY SHARES PROPOSED TO BE ISSUED ON PREFERENTIAL BASIS AT THE EGM HELD ON 24TH MARCH 2011)

RESOLVED FURTHER THAT:

- The Relevant Date for the purpose of pricing of issue of the Shares in accordance with the Securities and Exchange Board of India (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2009 be fixed at Rs 16/- is 31st AUGUST 2011 being the 30th day prior to 30th September 2011 (i.e., the 30th day prior to the date on which the meeting of the General body of shareholders is held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue.
- The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the Shares and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price and the size of the issue, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting.
- The offer, issue and allotment of the aforesaid Shares shall be made at such time or times as the Board may in its absolute discretion decide.
- The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution.

“Resolved further that for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and resolve any doubts, queries or questions that may arise in regard to offer, issue and allotment of Equity Shares and to effect any modification to the foregoing (including any modification of terms of the said issue) and to execute all such writings, documents and instruments as the Board may at its absolute discretion deem fit, necessary, expedient or desirable.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any amendments, modifications, variations and alterations as the GOI/RBI/SEBI or any other regulatory authority may stipulate in that behalf.”

- TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:**

“Resolved that in super session of the Resolution no. 1 passed at the Extra Ordinary General Meeting held on 24th March 2011, the said Resolution be amended and ratified to the extent and be read as :

“Resolved that in accordance with the provisions of 81(1A) and other applicable provisions, if any, of the Companies Act 1956 (the Act) (including any amendments or re-enactments thereof) and in accordance with the relevant provisions of Memorandum and Articles of Association of the company, the listing agreements entered into with the Stock Exchanges where the company's shares are listed, the guidelines and clarifications issued by the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and any other statutory/regulatory authorities and subject to all such approvals, permissions, consents and sanctions of any authorities as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the company (herein referred to as the 'Board' which term shall include committee thereof) the consent of the company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board by way of preferential allotment upto 19,37,500 (Nineteen Lacs Thirty Seven Thousand Five Hundred) Equity shares at Rs.16/- per Equity Shares determined as per SEBI (ICDR) Regulations 2009 on preferential issue, ranking pari-passu in all respects, including as to dividend, with the existing Equity shares of the Company (the "Shares"), to either or all of the following persons (As per list Annexure A), whether or not they are members of the Company, upto the numbers as mentioned against their respective names, and on such other terms and conditions, as the Board may deem appropriate in absolute discretion:

ANNEXURE A

	NAME OF SHAREHOLDER	PROPOSED ALLOTMENT	% ON TOTAL EQUITY SHARE CAPITAL
1	Ramesh U. Ramchandhani	2,18,750	6.36
2	Alpa J. Kakkad	15,625	0.45
3	Jignesh P. Kakkad	15,625	0.45
4	Ritesh P. Kakaad	15,625	0.45
5	Hitesh P. Kakkad	15,625	0.45
6	Jasumati P. Kakkad	15,625	0.45
7	Prabhudas T. Kakkad	15,625	0.45
8	Murphy John Kunnathu	15,625	0.45
9	Ruby M. Kunnathu	15,625	0.45
10	Dhiraj S. Jain	15,625	0.45
11	Abha Dhiraj Jain	15,625	0.45
12	Vimal N Sedani	78,125	2.27
13	Rekha V. Sedani	78,125	2.27
14	Naresh Dalpat Sedani	78,125	2.27
15	Rajesh R Agrawal	1,25,000	3.63
16	Laxmi Rajesh Agrawal	1,25,000	3.63
17	Mehul Rajesh Agrawal	62,500	1.81
18	Simpal Rakesh Ranka	62,500	1.81
19	Bhagwatilal Gokhru (HUF)	65,625	1.90
20	Satish P Ajmera (HUF)	62,500	1.81
21	Gopal singh Rajpurohit	1,06,250	3.09
22	Sureshchandra Badola & Sons (HUF)	62,500	1.81
23	Sudha Ashish Gokhru	62,500	1.81
24	Yashpal Pichholiya (HUF)	62,500	1.81
25	Parasmal G Kachhara (HUF)	62,500	1.81
26	Kaku Bhagwanji Minat	78,125	2.27
27	Shantilal Bhagwanji Minat	78,125	2.27
28	Ramji Dharamshi Minat	78,125	2.27
29	Haresh Dharamshi Minat	78,125	2.27
30	Dhani Ramji Minat	78,125	2.27
31	Deena Haresh Minat	78,125	2.27
	TOTAL	19,37,500	

RESOLVED FURTHER THAT:

1. The Relevant Date for the purpose of pricing of issue of the Shares in accordance with the Securities and Exchange Board of India (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2009 be fixed at Rs 16/- is 22nd February 2011 being the 30th day prior to 24th March 2011 (i.e., the 30th day prior to the date on which the meeting of the General body of shareholders is held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue.
2. The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the Shares and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price and the size of the issue, as it may deem expedient, without being to seek any further consent or approval of the Company in a General Meeting.
3. The offer, issue and allotment of the aforesaid Shares shall be made at such time or times as the Board may in its absolute discretion decide.
4. The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution.

“**Resolved further that** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and resolve any doubts, difficulties or questions that may arise in regard to offer, issue and allotment of Equity Shares and to effect any modification to the foregoing (including any modification of terms of the said issue) and to execute all such writings, documents and instruments as the Board may at its absolute discretion deem fit, necessary, expedient or desirable.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any amendments, modifications, variations and alterations as the GOI/RBI/SEBI or any other regulatory authority may stipulate in that behalf.”

9. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:

“Resolved that in super session of the Resolution no. 2 passed at the Extra Ordinary General Meeting held on 24th March 2011, the said Resolution be ratified to the extent and be read as :

“Resolved that in accordance with the provisions of 81(1A) and other applicable provisions, if any, of the Companies Act 1956 (the Act) (including any amendments or re-enactments thereof) and in accordance with the relevant provisions of Memorandum and Articles of Association of the company, the listing agreements entered into with the Stock Exchanges where the company's shares are listed, the guidelines and clarifications issued by the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and any other statutory/regulatory authorities and subject to all such approvals, permissions, consents and sanctions of any authorities as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the company (herein referred to as the 'Board' which term shall include committee thereof) the consent of the company be and is hereby accorded to the Board to reissue 20,000 Equity Shares at Rs. 16/- each forfeited by the Company or any part thereof, to Mr. Manohar M. Mhatre at Rs 16/- per Share.

RESOLVED FURTHER THAT:

1. The relevant date for the purpose of pricing of issue of the Shares in accordance with the Securities and Exchange Board of India (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2009 be fixed as Rs 16/- is 22nd February 2011 being the 30th day prior to 24th March 2011 (i.e., the 30th day prior to the date on which the meeting of the general body of shareholders is held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue.
2. The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the Shares and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price and the size of the issue, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting.
3. The allotment of the aforesaid Shares shall be made at such time or times as the Board may in its absolute discretion decide.
4. The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution.

“Resolved further that for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and resolve any doubts, difficulties or questions that may arise in regard to offer, issue and allotment of Equity Shares and to effect any modification to the foregoing (including any modification of terms of the said issue) and to execute all such writings, documents and instruments as the Board may at its absolute discretion deem fit, necessary, expedient or desirable.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any amendments, modifications, variations and alterations as the GOI/RBI/SEBI or any other regulatory authority may stipulate in that behalf.”

**By Order of the Board
KOTHAI WORLD FINANCE LIMITED**

**Sd/-
DIRECTOR**

DATE: 26th AUGUST 2011

NOTES:

- A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- b) The Register of Members and share transfer books of the Company will remain closed from Wednesday 21st September, 2011 to Friday 30th September, 2011 (both days inclusive).
 - c) The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy.
 - d) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the Meeting is annexed hereto.
 - e) All documents referred in the accompanying Notice including the new set of Articles of Association are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
 - f) Members are requested to:
 - i. Intimate changes, if any, in their registered address at the earliest.
 - ii. Furnish PAN with Income Tax Ward/Range/District to the Company.

FOR: AND ON BEHALF OF THE BOARD OF DIRECTOR

DATE : 26th AUGUST 2011
PLACE: MUMBAI

Sd/-
SHRI. NITESH KOTHARI
(DIRECTOR)

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

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

ITEM NO.4

The Authorized Share Capital of the Company at present stands at Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 Equity shares of Rs. 10/- (Rupees Ten) each ranking pari-passu with the existing Equity Shares of the Company.

As the Company proposes to go for expansion and to meet any future requirements and also with a view to increase the Paid-up Share Capital whenever required, it is necessary that the Authorized Share Capital of the Company be increased suitably to accommodate the increase proposed in the Capital.

It is therefore proposed to increase the Authorised Share Capital of the company from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 Equity shares of Rs. 10/- (Rupees Ten) each to Rs. 25,00,00,000/- (Rupees Twenty Crores only) divided into 2,50,00,000 Equity shares of Rs. 10 (Rupees Ten) each ranking pari-passu with the existing Equity Shares of the Company.

Your Directors recommend this resolution for your approval. None of the Directors is concerned or interested in the passing of this resolution.

ITEM NO 5 & 6:

The Special Resolution set out at item No. 5 of the Notice seeks to amend Clause V of the Company's Memorandum of Association to reflect the consequential changes in the Authorized Share Capital pursuant to the Resolution at item no.5 of the Notice.

The Special Resolution set out at item No.6 seeks to amend Article 3 of the Articles of Association of the Company, to make the necessary corresponding change with the increase of the existing Authorized Share Capital pursuant to the Resolution at item No.4 of the Notice.

A printed copy of the Memorandum of Association and Articles of Association of the Company showing the proposed alterations will be open for inspection by the Members at the Registered Office of the Company between 11:00 A.M. to 12:30 P.M. on any working day of the Company.

None of the Directors is interested or concerned in this resolution.

ITEM 7

Presently the Company has various growth opportunities available. To fund these growth opportunities, the Company wishes to supplement its external and internal resources by exploring ways and means of raising long term finance in terms of Equity. In this regard, it is proposed to issue Equity Shares on a preferential allotment basis to the Prospective Allottees (As per Annexure A) in accordance with the applicable SEBI regulations.

Investors (As per Annexure A) are interested in subscribing up to 40,00,000 Equity shares. at Rs.16/- each of the company as a primary investment on preferential allotment basis subject to the receipt of requisite corporate and regulatory approvals, due diligence and execution of appropriate documentation by the parties and fulfillment of conditions precedent mentioned therein.

The present resolution is proposed to be passed in order to enable the Board of Directors of the company to make the above-mentioned preferential issue of shares. The aforesaid issue and allotment of equity shares will be governed by the provision of Securities and Exchange Board of India (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2009.

As per SEBI's Guidelines for Preferential Issues, an issue of shares on a preferential basis can be made only at a price which is not less than the higher of the following:

- (i) The average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during the six months preceding the "relevant date"; or
- (ii) The average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the "relevant date".

The "relevant date" for the above purpose of pricing of the Equity Shares shall be 31st AUGUST 2011 the date which is 30 days prior to the date Annual General Meeting to be held on 30th SEPTEMBER 2011

As the shares are in frequently traded, the pricing as been determined in terms of Explanation (1) to Regulation 20(5) of SEBI (SAST) Regulations, 1997. The shares to be allotted shall be subject to the terms as set out in Memorandum and Articles of Association of the Company and the terms of issue as decided by the Board. The Equity Shares shall rank pari-passu in all respects and carry the same rights including dividend as, the existing equity shares.

All Investors (As per Annexure A) shall be entitled to various rights as may be agreed between the Company and investors including the right to appoint its nominee on the Board of the Company and other minority protection rights in relation to certain matters of a significant nature.

The Board believes that the proposed offer will be in the best interest of the Company and its members.

INFORMATION AS REQUIRED UNDER CLAUSE 73 (1) OF CHAPTER VII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2009 FOR PREFERENTIAL ISSUES:

- Object of the Issue:
The funds are required for various growth plans and projects.
- Intention of Promoters/Directors/Key Management Persons to Subscribe to the Offer: The promoters along with person acting in concert, has indicated their intentions to subscribe to the offer.
- Shareholding Pattern before and after the Proposed Issue after the preferential Issue will be

SHAREHOLDING PATTERN BEFORE AND AFTER THE PROPOSED PREFERENTIAL ISSUE

Category	Before the proposed offer		After the proposed offer	
	No of Shares	% of shareholding	No%of shares	% of shareholding
Promoters holding				
Indian Promoters	423050	28.58	2241800	30.14
Persons acting in concert	604800	40.86	2786050	37.46
Sub-total	1027850	69.45	5027850	67.60
Non promoters Holding				
Existing Foreign Institutional Investors	-	-	-	-
Mutual Funds and UTI	-	-	-	-
Banks/Financial Institutions/Insurance				
Companies/Central State Government				
Institutions/Non Govt Institutions				
Sub Total	-	-	-	-
Others	-	-	-	-
Private Corporate Bodies	-	-	-	-
Indian public	452150	30.55	2409650	32.4
NRI/ OCBs				
Others/ Clearing				
Members				
Sub total	52150	30.55	2409650	32.4
Grand Total	1480000		7437500	100

(INCLUDES 20,000 FORFEITED EQUITY SHARES WHICH ARE PROPOSED TO BE RE-ISSUED AND 19,37,500 EQUITY SHARES PROPOSED TO BE ISSUED ON PREFERENTIAL BASIS AT THE EGM HELD ON 24TH MARCH 2011)

- Proposed time within which allotment will be completed:**
The allotment is proposed to be made within 15 days of the date of passing this resolution, provided that when the allotment on preferential basis is pending on account of pendency of any approval for such allotment by a regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of receipt of such approval. However, if so required the period of allotment may be extended subject to requisite approval / applicable provisions.
- List of the Proposed Allottees and the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue: :**

SR.	INVESTOR/ENTITY	CATEGORY	AFTER THE PROPOSED OFFER	
		CATEGORIES	NO. OF EQUITY SHARES	%OF EQUITY SHARE CAPITAL AFTER PREFERENTIAL ISSUE
1	Nitesh P Kothari	Promoter	803650	10.81
2	Liza N Kothari	Promoter	623650	8.38
3	Kaumudi P Kothari	Promoter	369500	4.96
4	Prataprai N Kothari (HUF)	Promoter	132500	1.78
5	Nitesh P Kothari (HUF)	Promoter	312500	4.20
6	D Dahyabhai & Co Private Limited	Promoter	960300	12.91
7	Amity Agriculture Private Limited	Promoter	251600	3.38
8	Mithani Agriculture Private Limited	Promoter	250200	3.36

9	Mansi Engineers Private Limited	Promoter	86250	1.16
10	Kaikhusroo Manekji Mehta Stone & Engineering Works Pvt. Limited	Promoter	70500	0.95
11	Paras Silk Mills Private Limited	Promoter	237450	3.19
12	International Health Care Products Limited	Promoter	281250	3.78
13	Spectrum Capital Private Limited	Promoter	250000	3.36

The proposed preferential allotment of 40,00,000 Equity Shares will not result in any change in control of the Company.

The Equity Shares proposed to be issued on preferential basis shall be subject to lock in period as per SEBI (ICDR) Regulations, 2009 as applicable at the time of allotment.

The Equity Shares arising out of the issue of Securities pursuant to the Resolution shall rank Pari-Passu in all respect with the existing Equity Shares of the Company.

The Company undertakes that, if required, the price shall be recomputed in terms of these Regulations.

The Company further undertakes that if the Amount payable on account of recomputation of price is not paid within the time stipulated in the Securities and Exchange Board of India (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2009, the Equity Shares shall continue to be locked in till the time such amount is paid by the allottees.

A copy of the certificate from the Statutory Auditors, certifying that the issue of shares is being made in accordance with the requirements of SEBI's Guidelines for Preferential Issues as contained in the Securities and Exchange Board of India (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS 2009 shall be placed before the shareholders at the Extra Ordinary General Meeting.

The Board recommends passing the related resolution under Item No.7 of the accompanying notice of the Annual General Meeting to be held on 30th SEPTEMBER 2011.

Mr Nitesh Kothari and Mrs Liza Kothari are concerned or interested in the Resolution to the extent to which they are subscribing for the preferential Allotment and recommend the Resolution for your approval.

ITEM8

At the Extra Ordinary General Meeting held on 24th March 2011, a Special Resolution was passed approving the issue of Equity Shares on Preferential Basis.

Due to Change in price at which the Shares will be issued and certain observations by the statutory authorities the Resolution needs to be ratified with certain amendments relating to issue price, number of Shares, Name of Allottees and their Percentage.

None of the Directors are concerned or interested in the Resolution.

ITEM9

At the Extra Ordinary General Meeting held on 24th March 2011, a Special Resolution was passed approving the re issue of forfeited Equity Shares on Preferential Basis.

Due to Change in price at which the Shares will be issued and certain observations by the statutory authorities the Resolution needs to be ratified with certain amendments

None of the Directors except Mr Manohar Mhatre is concerned or interested in the Resolution

FOR: AND ON BEHALF OF THE BOARD OF DIRECTOR

DATE : 26TH AUGUST 2011
PLACE: MUMBAI

Sd/-
SHRI. NITESH KOTHARI
(DIRECTOR)

DIRECTORS' REPORT

THE MEMBERS OF KOTHARI WORLD FINANCE LIMITED

Dear Shareholders,

Your Directors have pleasure in presenting their Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2011.

Details	(Rs. in lacs)	
	Year Ended 31-03-2011	Year Ended 31-03-2010
Total Income	50.64	50.82
Gross Operating Profit	0.22	13.59
Depreciation	2.10	1.50
Profit Before Tax	-1.88	12.09
Provision for :		
Current Tax	-3.20	2.40
+Deferred Tax Liability	0.57	0.39
Fringe Benefit Tax		-
Profit After Tax	-4.51	10.08
Add/Less : Excess Provision/Short Provision		-

Profit/(Loss) brought forward from Previous year	61.67	53.60
Surplus available for appropriations		-
Proposed Dividend		-
Tax on Dividend		-
Balance carried forward	57.16	61.67

DIVIDEND

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

REVIEW OF OPERATIONS

The financial year 2010-11 was challenging for the corporate India particularly the finance sector with the global meltdown and a slowdown in Indian economy. As we pen this report, the scenario has improved and we believe that the economy is once again gearing up for 7-8% growth in GDP having achieved strong political stability.

The total income of the Company for the year ended 31st March, 2011 was Rs.50,63,931/- as against Rs.50,81,545/- reported as on 31st March, 2010. The Company has reported loss after tax to the extent of Rs.4,50,704 /- as against profit Rs.10,08,348/- for the previous year ended 31st March, 2010. The loss incurred during the year pertains to major expense reported for Rs.6,30,000/- on account of increase in company's Authorized capital.

SHARE CAPITAL

During the year under review, the Authorized share capital of the Company has been increased to Rs.15,00,00,000/- divided into 1,50,00,000 Equity Shares of Rs 10/- each.

ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS:

The Company has made application for "In-principle" approval prior to issue and allotment for 19,37,500 Equity Shares on preferential basis under Clause 24(a) of the Listing Agreement.

In principle approval for issue of Equity Shares on Preferential Basis is awaited from Bombay Stock Exchange.

CHANGE OF NAME OF THE COMPANY

During the year under review, the name of the Company has been changed from **GRENADA INVESTMENT AND TRADING CO. LIMITED** to **M/S KOTHARI WORLD FINANCE LIMITED**.

FUTURE PROSPECTS:

Your company at present has started directly negotiating with Government Organization namely the Food Corporation of India, for taking over of our vacant Godowns on Warehousing Basis as they are in need of Godown Space in the vicinity of Rajkot. If the deal is materialized it will bring good returns to your company. Your Directors are, therefore optimistic of a fairly good performance, in future.

TAX PROVISIONS

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

LISTING

The Equity Shares of the Company continue to be listed and trading in the shares have commenced with effect from Thursday June 17th, 2010 on the BSE vide notice no. 20100611-13 The scrip code number of the Equity shares of the Company on BSE is 511138. The trading in the Securities of the Company has been resumed in "T" group. The Company has paid up-to-date listing fees to both the exchanges.

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 has made an application for admitting the Shares in CDSL and existing Registrar & Transfer Agent for dematerialization of existing holding of the shareholders.

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- In the preparation of annual accounts, the applicable accounting standards have been followed and proper explanations relating to material departures, if any, have been furnished.
- Accounting policies as listed in Schedule "L" to the financial statements have been selected and consistently applied and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the company as on 31st March, 2011 and of the Profit or Loss of the Company for the Accounting Year ended on that day.
- Proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of the said act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

HUMAN RESOURCES

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

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

AUDITORS OBSERVATIONS

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS & EXPENDITURE

During the year ended 31st March, 2011 the Company has not earned any Income in Foreign Exchange.

FIXED DEPOSITS

During the year ended 31st March, 2011 the Company had not accepted any Fixed Deposits from the Public under Section 58-A of the Companies Act, 1956. The Company does not hold any Fixed Deposits from the public.

DIRECTORS

Smt Liza Kothari Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Your Directors recommend her re-appointment.

AUDITORS

M/s. Shahade & Associates, Chartered Accountants and Statutory Auditors will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to consider their re-appointment at a remuneration to be decided by the Board of Directors for the financial year ending 31st March, 2012.

ACKNOWLEDGMENT

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

FOR: AND ON BEHALF OF THE BOARD OF DIRECTOR

Sd/-

**SHRI. NITESH KOTHARI
(DIRECTOR)**

Sd/-

**SHRI MANOHAR MHATRE
(DIRECTOR)**

DATE: 26TH AUGUST 2011

PLACE: MUMBAI

**Auditors' Report to the Members of
Kothari World Finance Limited
(Formerly known as Grenada Investment & Trading Company Ltd.)**

1. We have audited the attached Balance Sheet of Kothari World Finance Limited (Formerly known as Grenada Investment & Trading Company Ltd.) as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d. In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011
 - ii. In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
 - iii. In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For Shahade & Associates
Chartered Accountants
(ICAI Firm Regn. No. 109840W)**

Sd/
(Shubhada Shahade)
Partner

Place: Mumbai
Date : 26th August, 2011

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 2 of the Auditors' Report of even date on the accounts of Kothari World Finance Limited (Formerly known as Grenada Investment & Trading Company Ltd.) for the year ended on 31st March, 2011.

- 1 (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.
- (b) As explained to us, the physical verification of a major portion of Fixed Assets was conducted by the management during the year and no material discrepancies were noticed on such verification as compared with the book records.
- (c) Based on the scrutiny of records of the Company and the information and explanations received by us, the Company has not disposed off any major part of the Fixed Assets, so as to affect its going concern.
- 2 (a) The Securities held as stock in trade have been physically verified by the Management during the year. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock in trade followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stock and book records, which were not material, have been properly dealt with in the books of account.
- 3 In respect of the unsecured loans granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company has given interest free loan to its Associate Company. Balance outstanding at the year end is Rs. NIL (maximum amount outstanding during the year Rs. 199 lacs)
 - b) In our opinion and based on explanations received from the management, the terms and conditions of the aforesaid loan are not prima facie prejudicial to the interest of the Company.
 - c) The Company has taken interest free loan from one shareholder/director. Balance outstanding at the year end is Rs. 174 lacs (maximum amount outstanding during the year Rs. 353 lacs)
 - b) In our opinion and based on explanations received from the management, the terms and conditions of the aforesaid loan are not prima facie prejudicial to the interest of the Company.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in these internal controls.
- 5 (a) Based on the audit procedures applied by us and according to the information & explanation provided by the Management, we are of the opinion that the transactions that need to be entered in to the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 and exceeding the value of five lacs rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public in terms of the provisions of sections 58 A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975.
- 7 The Company does not have an Internal Audit system.
- 8 As per the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the type of business carried on by the Company.
- 9 (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, employees' state insurance, Fund, Income tax, Sales Tax, Customs duty, and other statutory dues applicable to it.
- (b) According to the information and explanations given to us and as per the records of the Company, no undisputed amounts payable in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax and Excise Duty were outstanding as on 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues of Sales Tax, Income Tax, Custom tax/ Wealth Tax, excise duty/ Cess which have not been deposited on account of dispute.
- 10 The Company has incurred Cash Loss during the year ended on 31st March, 2011. The Company has not incurred cash Loss for the preceding year and there is no accumulated loss as on 31st March, 2011.
- 11 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institution, bank or debenture holders.
- 12 Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other similar securities.
- 13 In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to Chit Fund / Nidhi / Mutual benefit fund / Society are not applicable to the Company.
- 14 The company has maintained proper records for dealing and trading in shares, securities,

debentures and timely entries have been made therein. The shares, securities and debentures have been held by the company in its own name except to the extent of exemption granted under section 49 of the Act.

- 15 As per the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 According to the records of the Company, no term loans have been raised during the year by the Company.
- 17 According to the information and explanations given to us and on an overall examination the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment and vice versa.
- 18 According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. The Company has received share application money in terms of the proposed preferential allotment. However, preferential allotment has not been made during the year due to non receipt of the necessary approval for the same.
- 19 According to the records of the Company, the Company has not issued debentures during the year under audit.
- 20 The company has not raised any money by public issue during the period covered by our audit report.
- 21 According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

**For Shahade & Associates
Chartered Accountants
(ICAI Firm Regn. No. 109840W)**

**Sd/
(Shubhada Shahade)
Partner
M. No. 38342**

**Place: Mumbai
Date : 26th August, 2011**

KOTHARI WORLD FINANCE LIMITED
(Formerly Known as GRENADA INVESTMENT & TRADING CO. LTD.)

BALANCE SHEET AS AT MARCH 31, 2011

SCHEDULE AS ON

<u>SOURCES OF FUNDS :-</u>		<u>31.03.2011</u>	<u>31.03.2010</u>
		Rs.	Rs.
<u>Shareholder's Funds</u>			
Share Capital	A	14800000	14900000
Reserve & Surplus	B	7409014	7759718
Share Application Money		56000000	-
<u>Unsecured Loans</u>			
From Shareholder / Director		<u>17400000</u>	
	Total	<u>95609014</u>	<u>22659718</u>
<u>APPLICATION OF FUNDS :-</u>			
<u>FIXED ASSETS</u>			
Gross Block	C	26648377	9832527
Less : Depreciation		<u>7362222</u>	<u>7151938</u>
Net Block		19286155	2680589
Capital Work in Progress		1003207	1003207
<u>INVESTMENTS</u>			
Deferred Tax Assets		96022	38753
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories	E	2049524	1813370
Sundry Debtors	F	651304	512832
Cash & Bank Balances	G	57987565	2060391
Loans & Advances	H	12619328	11721251
		<u>73307721</u>	<u>16107844</u>
Lesss :-			
<u>CURRENT LIABILITIES & PROVISIONS :-</u>			
Liabilities	I	983294	389878
Provisions		<u>704039</u>	<u>384039</u>
		<u>1687333</u>	<u>773917</u>
Net Current Assets		<u>71620388</u>	<u>15333927</u>
	Total	<u>95609014</u>	<u>22659718</u>
Notes forming part of the Accounts			
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AS PER OUR REPORT OF EVEN DATE

FOR SHAHADA AND ASSOCIATES

FOR AND ON BEHALF OF THE BOARD

**CHARTERED ACCOUNTANTS
(ICAI FIRM REG.NO.109840W)**

Sd/-
(SHUBHADA ATUL SHAHADE)
PARTNER

Sd/-
(NITESH P.KOTHARI)
DIRECTOR

Sd/-
(MANOHAR .M.MHATRE)
DIRECTOR

Membership No. 38342
PLACE : MUMBAI
DATE : 26-08-2011

KOTHARI WORLD FINANCE LIMITED
(Formerly Known as GRENADA INVESTMENT & TRADING CO. LTD.)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	<u>SCHEDULE</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
		Rs.	Rs.
<u>INCOME :-</u>			
Sale of Shares		2130649	2332538
Dividend Income		9430	78229
Interest Income (Tds Rs.89,380/- P.Y. Rs. 56,732/-)		746586	942374
Rent (Tds Rs.2,40,153/- P.Y. Rs. 3,58,493/-)		2177266	1513940
Profit on Sale of Shares		-	214464
		5063931	5081545
 <u>EXPENDITURE :-</u>			
Cost of Shares Sold	J	2156228	2273873
Administrative Expenses	K	2885392	1447923
Depreciation	C	210284	150154
		5251904	3871950
 Profit/(Loss) Before Taxation		 (187973)	 1209595
Less :- Provision for Taxation		320000	240000
Add:- Deferrred Tax		57269	38753
Profit/(Loss) After Taxation		(450704)	1008348
Add : Balance Brought Forward		6166693	5360015
Less :- Transfer to Statutory Reserve		-	201670
Balance Carried to Balance Sheet		5715989	6166693

Notes forming part of the Accounts

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AS PER OUR REPORT OF EVEN DATE

FOR SHAHADE AND ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI FIRM REG.NO.109840W)

FOR AND ON BEHALF OF THE BOARD

(SHUBHADA ATUL SHAHADE)
PARTNER

(NITESH P.KOTHARI)
DIRECTOR

(MANOHAR .M.MHATRE)
DIRECTOR

Membership No. 38342
PLACE : MUMBAI
DATE : 26-08-2011

KOTHARI WORLD FINANCE LIMITED
(Formerly Known as GRENADA INVESTMENT & TRADING CO. LTD.)

SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE - A :-		
SHARE CAPITAL AUTHORISED		
1,50,00,000 Equity Shares of Rs. 10/- each (Previous Year : 15,00,000 Equity Shares)	150000000	150000000
ISSUED, SUBSCRIBED AND PAID UP :-		
15,00,000 Equity Shares of Rs. 10/- each Fully Paid	15000000	15000000
Less : Allotment Money in Arrears	-	100000
Forfeiture of Shares	200000	-
	14800000	14900000
SCHEDULE - B :-		
RESERVE & SURPLUS :-		
Statutory Reserve Account	1593025	1593025
Forfeiture of Shares	100000	-
Profit & Loss Account	5715989	6368363
Less: Tr.To Statutory Reserve	-	201670
	7409014	7759718

KOTHARI WORLD FINANCE LIMITED
(Formerly Known as GRENADA INVESTMENT & TRADING CO. LTD.)

SCHEDULE -C

FIXED ASSETS

SR. NO.	NAME OF THE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.2010	Addition During the Year	Deduction During the Year	As At 31.03.2011	Up To 01.04.2010	ADD/DED.	For the Year	Up To 31.03.2011	As At 31.03.2011	As At 31.03.2010
1	Godowns	9067546	16755850	-	25823396	6468426	-	198816	6667242	19156154	2599120
2	Electrical Installation	114955	-	-	114955	114955	-	-	114955	-	-
3	Plant & Machinery	72246	-	-	72246	70692	-	216	70908	1338	1554
4	Furniture & Fixture	48094	-	-	48094	45342	-	520	45862	2232	2752
5	Looms	216786	-	-	216786	197047	-	2744	199791	16995	19739
6	Water Pump	5300	-	-	5300	4634	-	92	4726	574	666
7	Office Equipment	307600	60000	-	367600	250842	-	7896	258738	108862	56758
	Total	9832527	16815850	0	26648377	7151938	0	210284	7362222	19286155	2680589

KOTHARI WORLD FINANCE LIMITED
(Formerly Known as GRENADA INVESTMENT & TRADING CO. LTD.)

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - D :-	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
INVESTMENTS :-		
SHARES		
a) QUOTED (Delisted) (At Cost)		
56,900 Equity shares of Munoth Hire Purchase Ltd. Of Rs. 10/-each fully paid up	98437	98437
38,500 Equity shares of Suchak Trading Ltd. Of Rs. 10/-each fully paid up	89705	89705
A)	188142	188142
b) UNQUOTED (At Cost)		
500 Equity shares of Kaikhushroo Manekji Mehta Stone & Engg. Works Pvt. Ltd. Of Rs. 100/- each Fully paid up	50000	50000
7050 Equity shares of International Health Care Products Ltd. of Rs.100/- each Fully paid up	2530100	2530100
900 Equity shares of Goldcoin Engineers Pvt.Ltd.of Rs.100/- each fully paid up	90000	90000
1950 Equity shares of Amity Agriculture Pvt. Ltd. of Rs.100/- each fully paid up	195000	195000
600 Equity shares of Steady Mercantile Co. Pvt. Ltd. Of Rs. 100/-each fully paid up	60000	60000
1000 Equity shares of Famous Commercial & Leasing Pvt. Ltd. Rs.100/- each fully paid up	100000	100000
1700 Equity shares of Mithani Agriculture Pvt.Ltd. of Rs.100/- each fully paid up	170000	170000
300 Equity shares of Atamdeep Engineers Pvt. Ltd. Of Rs. 100/- each fully paid up	30000	30000
800 Equity shares of Mansi Engineers Pvt. Ltd. Of Rs. 100/- each fully paid up	80000	80000
1100 Equity shares of D.Dahyabhai & Co. Pvt. Ltd. Of Rs.100/- each Fully paid up	110000	110000
B)	3415100	3415100
[A+B]	3603242	3603242

KOTHARI WORLD FINANCE LIMITED
(Formerly Known as GRENADA INVESTMENT & TRADING CO. LTD.)

SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE - E :-		
<u>INVENTORIES</u>		
Shares	1658137	1421983
Machinery	391387	391387
	2049524	1813370
SCHEDULE - F :-		
<u>SUNDRY DEBTORS</u>		
(Unsecured Considered Good)		
Exceeding Six Months	447832	502832
Others	203472	10000
	651304	512832
SCHEDULE - G :-		
<u>CASH AND BANK BALANCES</u>		
Cash on Hand	375033	290724
Union Bank Of Rajkot	0	1385
Bank Balances with The Samastanagar Co-op Bank	0	5215
Bank of India	680255	1761870
Indian Bank Fort	0	1197
IDBI Bank Ltd	56932277	0
	57987565	2060391
SCHEDULE - H :-		
<u>LOANS & ADVANCES</u>		
(Unsecured Considered Good)		
Deposits	10664590	9046782
Advance Tax & T.D.S.	1656361	884476
Advances	298377	1789993
	12619328	11721251
SCHEDULE - I :-		
<u>CURRENT LIABILITIES & PROVISION</u>		
Sundry Creditors	983294	389878
Provision for Taxation	704039	384039
	1687333	773917

KOTHARI WORLD FINANCE LIMITED
(Formerly Known as GRENADA INVESTMENT & TRADING CO. LTD.)

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE - J :-	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
Cost of Shares sold :		
Opening Stock of Shares	1421983	92210
Add: Purchases	2392382	3603646
	<u>3814365</u>	<u>3695856</u>
Less: Closing Stock of Shares	1658137	1421983
Cost of Shares sold	<u>2156228</u>	<u>2273873</u>
 SCHEDULE - K :-		
<u>MANUFACTURING & ADMINISTRATIVE EXPENSES</u>		
Salaries	589804	524719
Electricity Charges	70338	77478
Printing & Stationery	32367	8731
Donation	-	100000
Office Rent	110940	110940
Travelling & Conveyance Expenses	4320	4638
Postage & Stamp	3660	6906
Telephone Charges	38773	47335
Bank Charges	9810	2550
Listing Fees	495000	-
Filing Fees	681894	11720
Legal & Professional Fees	128415	30176
Property & N.A. Tax	243435	425978
Other Expenses	15879	7200
Auditor's Remuneration		
-Audit Fees	20000	22060
-Other Services	10000	-
Repairs and Maintenance	15496	12590
Sundry Expenses	16682	18562
Consultancy Charges	83102	-
Advertisement	40090	24318
STT/ Service Tax /Demat Charges	579	9081
Interest	-	2941
Stamp Duty	274808	-
	<u>2885392</u>	<u>1447923</u>

KOTHARI WORLD FINANCE LIMITED
(Formerly Known as GRENADA INVESTMENT & TRADING CO. LTD.)

SCHEDULE - L

SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Accounting

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

B) Fixed Assets

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

C) Stock in trade and investments

- i) The securities acquired with the intention of short term holding and trading position are considered as stock in trade and shown as Current Assets. Other securities acquired with the intention of long-term holding are considered as Investments being of long term nature are stated at Cost.
- ii) In respect of investment, brokerage and stamp duty payable are considered to arrive at the cost. However in respect of the securities held in stock in trade, brokerage and stamp duty are written off as revenue expenditure.
- iii) The securities held as stock in trade under the current asset are valued at cost or market value whichever is lower.
- iv) The investments are shown in Balance Sheet at cost, In case of quoted investments, provisions for diminution in value of investments is made, if such diminution is of permanent nature in the opinion of management.

D) Statutory Reserve

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

KOTHARI WORLD FINANCE LIMITED
(Formerly Known as GRENADA INVESTMENT & TRADING CO. LTD.)

E) Earning per share : -

In accordance with the Accounting Standard 20 "Earning per Share" issued by The Institute of Chartered Accountants of India, basic earning per share is computed by dividing net profit after tax for the year by the weighted number of equity shares outstanding for the period. Diluted earning per share has not been computed, as the company has not issued any dilutive potential equity shares

Profit (Loss) for the year after adjustment and appropriation	(4,50,704)
Number of Equity Shares	14,80,000
Basic Earning per Share	(0.30)

F) Segment Reporting : -

Based on the guiding principle given in the Accounting Standard –17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the company's main activities are investment and finance and hence the said segment wise reporting is not applicable.

G) There are no amounts payable to any small scale industrial undertaking.

H) Related Party Disclosure

Disclosures as required by the Accounting Standard 18 "Related Party Disclosure" are The Company has identified following related parties.

a) Associated Companies: - International Health Care Products Limited

b) Directors: Mr. Nitesh P. Kothari, Mrs. Liza N. Kothari & Mr. Manohar M. Mhatre.

In the opinion of the Board the Current Assets, if realised in the ordinary course of business will be at least of the value stated in the Balance Sheet. Provisions for all known liabilities are made in the account and are not in excess of amount considered necessary.

Value of Import Calculated on CIF Basis.

Raw Materials	NIL
Capital Goods	NIL
Expenditure in Foreign Currencies	NIL
Earning in Foreign Currencies	NIL

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

AS PER OUR REPORT OF EVEN DATE

**FOR SHAHADE AND ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI FIRM REG.NO.109840W)**

FOR AND ON BEHALF OF THE BOARD

Sd/-
(SHUBHADA ATUL SHAHADE)
PARTNER

Sd/-
(NITESH P.KOTHARI)
DIRECTOR

Sd/-
(MANOHAR M. MHATRE)
DIRECTOR

Membership No. 38342
PLACE : MUMBAI
DATE : 26-08-2011

KOTHARI WORLD FINANCE LIMITED
(Formerly Known as GRENADA INVESTMENT & TRADING CO. LTD.)

ADDITIONAL INFORMATION AS REQUIRED UNDER PARA IV OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE

(Rs. In Thousands)

i) Registration Detail		
a) CIN No.	L65993MH1985PLC035005	
b) State Code	11	
c) Balance Sheet Date	31.03.2011	
ii) Capital raised during the period (Amount in Rs.Thousands)		
a) Public Issue		NIL
b) Right Issue		NIL
c) Bonus Issue		NIL
d) Private Placement		NIL
iii) Position of mobilisation and Deployment of Funds(Amount in Rs. Thousands)		
a) Total Liabilities		95609
b) Total Assets		95609
<u>SOURCES OF FUNDS</u> :-		
Paid up Capital		14800
Reserve & Surplus		7409
Secured Loan		NIL
Unsecured Loan		17400
Share Application Money		56000
<u>APPLICATION OF FUNDS</u> :-		
Net Fixed Assets		20289
Investments		3603
Net Current Assets		71717
Miscellaneous Expenditure		NIL
Accumulated Loss		NIL
iv) Performance of the Company (Amount in Thousands)		
Turnover		5064
Total Expenditure		5252
Profit/(Loss) before Tax		(188)
Profit/(Loss) after Tax		(451)
Earning Per Share in Rs.		(0.30)
Dividend Rate % (Annualised)		NIL
v) Generic Names of Three Principal Products/Service of the Company (As per monetary terms)		
Item Code No.		NIL
(ITC Code)		
Production		NIL
Description		NIL

**AS PER OUR REPORT OF EVEN DATE
FOR SHAHADE AND ASSOCIATES**

FOR AND ON BEHALF OF THE BOARD

**CHARTERED ACCOUNTANTS
(ICAI FIRM REG.NO.109840W)**

Sd/-
(SHUBHADA ATUL SHAHADE)
PARTNER

Sd/-
(NITESH P.KOTHARI)
DIRECTOR

Sd/-
(MANOHAR M.MHATRE)
DIRECTOR

**Membership No. 38342
PLACE : MUMBAI
DATE : 26-08-2011**

KOTHARI WORLD FINANCE LIMITED
(Formerly known as GRENADA INVESTMENT & TRADING CO.LTD)

CASH FLOW STATEMENT

<u>For the year ended March,31</u>	2010-2011	2009-2010
<u>Particulars</u>	Rs.	Rs.
A. Cash Flow from Operating Activities		
Net Profit before Tax	-187973	1209595
Adjustments for:		
Depreciation	210284	150154
Dividend	-9430	-78229
Interest Earned	-746586	-942374
Operating profit before working capital changes	-733705	339146
Adjusted for:-		
(Increase)/Decrease in Inventories	-236154	-1329773
(Increase)/Decrease in Debtors & Other Receivables	-1036549	403146
Increase/(Decrease) in Payables & Other Liabilities	593416	260012
	<u>-1412992</u>	<u>-327469</u>
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	-16815850	-
Sale of Assets	-	-
Investment in Subsidiary Company	-	-
Dividend Received	9430	78229
Purchase of Investment	-	-
Sale of Investment	-	500000
Interest	746586	942374
Net Cash from/(used in) Investing Activities	<u>-16059834</u>	<u>1520603</u>
C. Cash Flow From Financing Activities		
Proceeds from Borrowing	17400000	-
Interest Paid	-	-
Dividend and Dividend Tax Paid	-	-
Share warrants converted	-	-
Equity Shares issued	-	-
Redemption of preference shares	-	-
Share Premium	-	-
Share Money Received	56000000	-
Net Cash From/used) in Financing Activities	<u>73400000</u>	<u>-</u>
Net Increase/(Decrease) in cash equivalents		
Cash & Cash Equivalents		
At the Beginning of the Year	2060391	867257
At the end of the Year	57987565	2060391

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

Notes: a) All figures in brackets are outflow.

b) Previous year's figures are regrouped / recasted wherever necessary.

AS PER OUR REPORT OF EVEN DATE

FOR SHAHADE AND ASSOCIATES
ACCOUNTANTS
(ICAI Firm Regn.No.109840W)

FOR AND ON BEHALF OF THE BOARD CHARTERED

Sd/-
(SHUBHADA ATUL SHAHADE)
PARTNER

Sd/-
(NITESH P.KOTHARI)
DIRECTOR

Sd/-
(MANOHAR M. MHATRE)
DIRECTOR

Membership No.38342
PLACE : MUMBAI
DATE : 26-08-2011

KOTHARI WORLD FINANCE LIMITED

Registered Office: 121/C, Mittal Tower, 12th Floor, Nariman Point, Mumbai- 400021.

Please fill the Attendance Slip and hand it over at the entrance of the meeting hall
Name and Address of the Shareholder/Proxy : _____

Folio No. : _____

DPID & Client ID : _____

No. of Shares held : _____

I/We hereby record my/our presence at the Annual General Meeting of the Company to be held on Friday, the September 30, 2011 at 11.30 A.M. at 121/C, Mittal Tower, 12th Floor. Nariman Point, Mumbai - 400 021.

Signature of Shareholder or Proxy* : _____

*Strike out which are not applicable

KOTHARI WORLD FINANCE LIMITED

Registered Office: 121/C, Mittal Tower, 12th Floor, Nariman Point, Mumbai- 400021.

Proxy Form

Folio No. : _____

DPID & Client ID : _____

I/We _____ of _____

being member/ members OF KOTHARI WORLD FINANCE LIMITED hereby appoints _____ of _____

_____ or failing him/her _____ of _____ as my / our

proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company held on Friday, the September 30, 2011 at 11.30 A.M. at 121/C, Mittal Tower, 12th Floor. Nariman Point, Mumbai - 400 021.

Signed this day of 2011.

Note : The Proxies should be deposited at the Registered Office of the Company not later than 4 hours before the commencement of the meeting. The Proxy need not be the member of the Company.