



# *Annual Report*

## *2013-14*

KOTHARI WORLD FINANCE LIMITED.

29<sup>TH</sup> ANNUAL GENERAL MEETING

ON FRIDAY, 26<sup>TH</sup> SEPTEMBER 2014

## KOTHARI WORLD FINANCE LIMITED

### ANNUAL REPORT 2013-2014

SR No.	Contents
1.	Board of Directors
2.	Notice of Annual General Meeting
3.	Director's Report
4.	Director's Report on Corporate Governance
5.	Certificate on Corporate Governance
6.	Auditor's Report to the Shareholders
7.	Balance Sheet
8.	Statement of Profit and Loss
9.	Cash Flow Statement
10.	Notes to the Financial Statements

### BOARD OF DIRECTORS

Mrs. Liza Kothari	Managing Director
Mr. Nitesh Kothari	Director
Mr. Manohar Mhatre	Director
Mr. Jeetendra Wala	Director
Mr. Jayesh N Gandhi	Director
Ms Meena Dalvi	Director

### BOARD COMMITTEES

AUDIT COMMITTEE		NOMINATION AND REMUNERATION COMMITTEE	
Mr. Jeetendra Wala	Chairman	Mr. Jeetendra Wala	Chairman
Mr. Jayesh H Gandhi	Member	Mr. Jayesh H Gandhi	Member
Ms Meena Dalvi	Member	Ms Meena Dalvi	Member
Mr. Nitesh Kothari	Member	Mr. Nitesh Kothari	Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Nitesh Kothari	Chairman
Mr. Manohar Mhatre	Member

### REGISTERED OFFICE

#### **KOTHARI WORLD FINANCE LIMITED**

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

## KOTHARI WORLD FINANCE LIMITED

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### **SHARE TRANSFER AGENT**

#### **SHAREX DYNAMIC (INDIA) PRIVATE LIMITED**

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

### **AUDITORS**

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

29<sup>th</sup> Annual General Meeting, on Friday 26<sup>th</sup> September, 2014 at 10.00am at registered office address of the company at **121/C, Mittal Tower, 12<sup>th</sup> Floor, Nariman Point, Mumbai 400021**

### **NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 29<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF KOTHARI WORLD FINANCE LIMITED WILL BE HELD ON FRIDAY, 26<sup>th</sup> SEPTEMBER 2014 AT 121/C, MITTAL TOWER, 12<sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI – 400021 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:**

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as of 31<sup>st</sup> March, 2014 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 who retires by rotation and being eligible offers herself 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 appoint Mr. Jeetendra B Wala (Din 00034986), as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jeetendra B Wala (Din 00034986) Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term up to 30<sup>th</sup> September 2019".
5. To appoint Mr. Jayesh Gandhi (DIN 01497163), as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement Mr. Jayesh Gandhi (DIN 01497163), Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation and to hold office for a term up to 30<sup>th</sup> September 2019".
6. To appoint Ms Meena Dalvi (DIN 05188976), as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

## KOTHARI WORLD FINANCE LIMITED

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“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms Meena Dalvi (DIN 05188976), Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation and to hold office for a term up to 30<sup>th</sup> September 2019”.

7. To consider adoption of newly substituted Articles of Association of the Company containing regulations in line with the Companies Act, 2013, and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (statutory modification (s) or re-enactment thereof, for the time being in force), the new draft Articles as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

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

Sd/-

**MRS. LIZA KOTHARI**

**MANAGING DIRECTOR**

**DATE: 30<sup>th</sup> July 2014**

**PLACE: MUMBAI**

**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. Members/Proxies should bring duly filled attendance slips attached herewith for attending the meeting.
3. 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
4. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out under the notice is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 15<sup>th</sup> SEPTEMBER, 2014 to FRIDAY, 26<sup>th</sup> SEPTEMBER 2014 (both days inclusive).
6. As per RBI notification, with effect from October 1, 2009, 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

## KOTHARI WORLD FINANCE LIMITED

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 Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
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 Clause 35A of the Listing Agreement, 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 and the Explanatory Statement 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 29<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services by Central Depository Services Limited

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on "Shareholders" tab.
- iii. Now, select the "**KOTHARI WORLD FINANCE LIMITED**" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant < **KOTHARI WORLD FINANCE LIMITED** > on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period will commence at 9.00 a.m. on Wednesday, 17<sup>th</sup> September 2014 and will end at 5.00 p.m. on Friday, 19<sup>th</sup> September 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 18<sup>th</sup> AUGUST 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

## KOTHARI WORLD FINANCE LIMITED

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- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
19. The Company has appointed Mrs. Uma Lodha 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 Chairman 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.
20. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on FRIDAY, 26<sup>th</sup> SEPTEMBER 2014 are provided as a part of this Notice.
21. MEMBERS MAY NOTE THAT NO GIFTS/GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following statement sets out all material facts relating to certain Ordinary Business and all the Special Businesses mentioned in the accompanying Notice:

#### **Item Nos. 4 to 6**

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company. The period of office of these Directors was liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Jeetendra B Wala, Mr. Jayesh Gandhi and Ms Meena Dalvi , being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

The Board Governance, Nomination and Compensation Committee and the Board of Directors have recommended appointment of Mr. Jeetendra B Wala, Mr. Jayesh Gandhi and Ms Meena Dalvi as Independent Directors of the Company.

Mr Jeetendra B Wala, Mr. Jayesh Gandhi and Ms Meena Dalvi, non-executive independent directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made there under for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Notice has been received from member(s) signifying their intention to propose appointment of these Directors along with a deposit of Rs.1, 00,000 each.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at Annexure A of this Notice.

Except these Directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at item Nos. 4 to 6.

The Board recommends the resolution in relation to the appointment of these Directors as Independent Directors for the approval by the shareholders of the Company.

#### **Item No. 7**

The references to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013. Considering that substantive sections of the Companies Act which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed there under and adoption of specific sections from Table “F” to Schedule I to the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

## KOTHARI WORLD FINANCE LIMITED

While some of the Articles of the existing Articles of Association of the Company require alteration or deletions, material changes that are proposed in the new draft Articles of Association are given below for ease of reference to shareholders.

Sr. No.	Chapter Reference as per new draft Articles of Association	Article reference as per new draft Articles of Association	Summary of change
1.	Chapter II	Interpretation	Definitions are appropriately modified to align with the provisions of the Companies Act, 2013.
2.	Chapter III	Share Capital	Amendments are proposed to state that the Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association.
3.	Chapter IX	Further issue of capital	Amendments are proposed to include: To include offer of shares under employee stock option plan subject to applicable laws and regulations from time to time and; To enable the Company with a right to issue further shares which shall include a right to the Company to issue any instrument including shares resulting in Depository Receipt.
4.	Chapter XII	Restriction on transfer of shares to more than three persons as joint holders:	Amendments are proposed to state to enable the Company to restrict the transfer of shares to more than three persons as joint holders.
5.	Chapter XIII	General Meetings	Amendments are proposed to align with the provisions of the Companies Act, 2013 regarding length of the Notice calling the general meeting, requirement of to whom the notice for the general meeting needs to be given, material facts to be set out in the explanatory statements, business to be transacted at the general meetings and other general meeting matters.
6.	Chapter XV	Voting rights	To include voting through electronic means
7.	Chapter XVI	Capitalization	To remove redundant provisions and to align new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized.
8.	Chapter XXI	Proceedings of Board of Directors:	Meetings of Board of Directors, quorum for the meeting, notice calling the meeting, etc including the operational parts are amended to align with the provisions of the Companies Act, 2013.
9.	Chapter XXII	Appointment of Key Managerial Personnel:	Amendments are proposed to align new provisions relating to appointment of Key Managerial Personnel (KMP) including Chief Executive Officer, Chief Financial Officer, in addition to manager and company secretary.
10.	Chapter XXIV	Powers of Directors	Specific powers of Directors are amended to include carrying out CSR activities that are specified in Schedule VII of the Companies Act, 2013.
11.	Chapter XXIV	Powers of Directors	New Article is introduced to authorise the issue of securities (including depository receipts).
12.	Chapter XXVII	Indemnity and Insurance to Directors and Officers	Amended to provide for indemnification to Directors and Officers.
13.	Chapter XXIX	Notices and Service of Documents:	Amended to align with the provisions of the Companies Act, 2013
14.	General Powers		The statutory provisions of the Act which permit a company to do some acts "if so authorized by its Articles" or provisions which require a company to do acts in a prescribed manner "unless the Articles otherwise provide" have been specifically included.



## KOTHARI WORLD FINANCE LIMITED

Certain provisions of existing Articles of Association have been simplified by providing reference to relevant Sections to the Companies Act, 2013 and the Rules framed there under, to avoid repetition in its entirety.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No.7 of the Notice.

The Board recommends the Special Resolution set out at item No.7 of the Notice for approval by the members.

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

**DATE: 30<sup>th</sup> July 2014**  
**PLACE: MUMBAI**

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

### ANNEXURE A

Details of Independent Directors as on March 31<sup>st</sup>, 2014 seeking appointment/re-appointment at the Annual General Meeting Scheduled to be held on FRIDAY, 26<sup>th</sup> SEPTEMBER 2014

(Pursuant to Clause 49(IV)(E) and 49(IV)(G)(i) of the Listing Agreement)

<b>Name of the Director</b>	<b>Jeetendra B. Wala</b>	<b>Jayesh N. Gandhi</b>	<b>Meena G. Dalvi</b>
Date of Birth	25.10.1955	14.06.1958	12.08.1984
Date of Appointment	30.01.2012	30.01.2012	30.01.2012
Relationship with Directors	None	None	None
Expertise in specific functional area	Practicing Chartered Accountant, Wide industrial experience, Expertise lies in the areas of corporate advisory, management audit, finance and taxation.	Wide-ranging experience in General Management of Business, Played an instrumental part and possesses deep domain knowledge in fields of Finance & Investments.	Wide-ranging knowledge & experience in the field of Investment and Taxation.
Qualification	Practicing Chartered Accountant	B.Com, DBMS	B.Com
Board Membership of other companies as on March 31, 2014@	<ul style="list-style-type: none"> <li>• SM Energy Teknik And Electronics Limited</li> <li>• Dataworld IT services Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Trio Mercantile and Trading Limited</li> <li>• Shachi Consultants Private Limited</li> </ul>	Nil
Chairman/ Member of the Committee of the Board of Directors as on March 31,2014	4	2	2
Chairman/ Member of the Committee of Director of other companies in which he is a Director as on March 31, 2014(Excluding Kothari World Finance Limited)			
a) Audit Committee	0	0	0
b) Stakeholders Relationship Committee	0	0	0
c) Nomination and Remuneration Committee	0	0	0
Number of shares held in the Company as on March 31, 2014#	0	0	0

## KOTHARI WORLD FINANCE LIMITED

**Note:**

@ This does not include position in foreign companies, position as an advisory board member and position in companies under Section 25 of the Companies Act, 1956 (corresponding to companies under Section 8 of Companies Act 2013) but include private limited companies.

# includes shares held jointly with immediate family members.

§ Committee mentioned above includes membership in Strategy Committee which is a non-mandatory committee.

**DIRECTORS' REPORT**  
**THE MEMBERS OF KOTHARI WORLD FINANCE LIMITED**

Dear Shareholders,

Your Directors have pleasure in presenting their 29<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2014.

Particulars	Year Ended 31-03-2014 Rs. In lakh	Year Ended 31-03-2013 Rs. In lakh
Total Income	174.72	107.22
Gross Operating Profit	128.65	61.35
Depreciation	39.76	15.59
Profit Before Tax	88.89	45.76
Provision for:		
• Current Tax	27.09	15.35
• Deferred Tax (Asset)	12.18	0.04
• Earlier years' tax	0.82	0.58
Profit After Tax	73.16	29.87
Transferred to statutory Reserve	14.63	5.97
Surplus available for appropriations	58.53	23.90
Profit/(Loss) brought forward from Previous year	107.40	83.50
Proposed Dividend	-	-
Tax on Dividend	-	-
Balance carried forward	165.93	107.40

**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 total income of the Company for the year ended 31<sup>st</sup> March, 2014 was Rs. 174.72 Lacs as against Rs.107.22 Lacs reported as on 31<sup>st</sup> March, 2013. The Company has reported profit after tax for the year ended 31<sup>st</sup> March, 2014, to the extent of Rs 73.16 Lacs as against Rs.29.87 Lacs for the previous year ended 31<sup>st</sup> March, 2013.

**FUTURE PROSPECTS**

During the year under review, your company has rented out the entire godowns at Thangadh, near Rajkot on rental basis to Central Warehousing Corporation, a Government of India Organization and has started generating further income from the said godown premises. In the current financial year your company has also started generating income from the Jumbo Godown acquired at Village Kukse, Bhiwandi to the tune of Rs.65.46 Lacs during the current financial year. Your company is further exploring the best opportunity to invest the funds at its disposal into real estate business and to generate income from such investment. During the year under review, your company has generated income from trading in shares and commodities and your directors are therefore optimistic of a fairly good performance in the coming years.

## KOTHARI WORLD FINANCE LIMITED

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### DIRECTORS

In accordance with Section 152 and other applicable provisions of Companies Act, 2013 Mrs. Liza Kothari, retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment. Your Directors recommend her re-appointment. Also as per the provisions of Companies Act, 2013, it is proposed to appoint Mr. Jeetendra B Wala (Din 00034986), Mr. Jayesh Gandhi (DIN 01497163) and Ms Meena Dalvi (DIN 05188976) as Independent Directors of the Company for a consecutive term of five years from this Annual General Meeting.

Brief resumes of Directors, nature of experience and the names of the Companies in which they hold Directorship and the membership/chairmanship of the Board/ Committees, as stipulated under Clause 49 of the listing Agreement with the stock Exchange are provided in the report on Corporate Governance forming part of the Annual Report.

Based on the confirmations received, none of the Directors are disqualified for appointment under Section 274(1)(g) of the Companies Act, 1956 and Section 164(2) of Companies Act, 2013.

### DIRECTORS RESPONSIBILITY STATEMENT

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

- 1) In the preparation of annual accounts, the applicable accounting standards have been followed and proper explanations relating to material departures, if any, have been furnished.
- 2) Accounting policies as listed in **Note 23** to the financial statements have been selected and consistently applied and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the company as on 31<sup>st</sup> March, 2014 and of the Profit or Loss of the Company for the Accounting Year ended on that day.
- 3) Proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of the said act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- 4) The annual accounts have been prepared on a going concern basis.

### PARTICULARS AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

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 as there are no employees who are in receipt of Rs 60, 00,000/- or more per annum if employed throughout the year under review or Rs 5, 00,000/- or more per month if employed for the part of the year under review.

### CORPORATE GOVERNANCE

The Companies Act, 2013 & the listing agreement with the Stock exchanges require compliances with specified Corporate Governance practices. These practices have been fully implemented and a certificate from the Practicing Company Secretary as well as a detailed report on Corporate Governance, approved by the Board of Directors of the Company is set out in the Annual Report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management Discussion and Analysis Report forms an integral part of this report.

### FIXED DEPOSITS

During the year ended 31<sup>st</sup> March, 2014 the Company had not accepted any Fixed Deposits from the Public. The Company does not hold any Fixed Deposits from the public.

### AUDITORS

M/s. Shahade & Associates, Chartered Accountants and Statutory Auditors will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to consider their re-appointment at a remuneration to be decided by the Board of Directors for the financial year ending 31<sup>st</sup> March, 2015

### AUDITORS OBSERVATIONS

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

## KOTHARI WORLD FINANCE LIMITED

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### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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

### **FOREIGN EXCHANGE EARNINGS & EXPENDITURE**

During the year ended 31<sup>st</sup> March, 2014 the Company has not earned any Income in Foreign Exchange.

### **TAX PROVISIONS**

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

### **LISTING**

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

### **DEMATERIALIZATION**

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

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

### **HUMAN RESOURCES**

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

### **INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013.**

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has formed a Committee to look into such cases as and when they arise.

During the period under review, no cases were filed with the Committee.

### **WHISTLE BLOWER POLICY**

As per the provision of Section 177(9) of the Companies Act, 2013 the listed Company shall establish a vigil mechanism for Directors and employees. The vigil mechanism shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. However such mechanism has been disclosed by the Company on its website.

The purpose of the Whistleblower 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.

### **ACKNOWLEDGMENT**

We take this opportunity to express our deep sense of gratitude to 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 (India) Private Limited, Bankers and other Government Agencies for their continued support.

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

Sd/-

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

**DATE: 30<sup>th</sup> July 2014**

**PLACE: MUMBAI**

**KOTHARI WORLD FINANCE LIMITED**

**ANNEXURE TO DIRECTOR'S REPORT**

Information as per Section 217(2A) of the Companies Act, 1956 read with the companies (particulars of employees) Rules, 1975.

**NOT APPLICABLE**

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

Sd/-

**MRS. LIZA KOTHARI  
MANAGING DIRECTOR**

**DATE: 30<sup>th</sup> July 2014  
PLACE: MUMBAI**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The financial year witnessed an average capital market conditions and your company has been able to generate income and move the performance by completing various assignments of different nature. Total income of the Company increased from Rs.107.22 Lacs as against Rs.174.72 Lacs due to renting out the entire godowns at Thangadh on rental basis to Central Warehousing Corporation, a Government of India Organization and has started generating further income from the said godown premises. Further in the current financial year your company has also started generating income from the Jumbo Godown acquired at Village Kukse, Bhiwandi to the tune of Rs.65.46 Lacs in the current financial year. During the year there was good volume in share trading activities and also in the commodity trading, and your company has also generated more income compare to previous year. Profit before tax increased from (Profit) Rs.45.76 Lacs to (Profit) Rs.88.89 Lacs. The company continued to be profitable by registering Profit after Tax of Rs.73.16 Lacs for the financial year 31/03/2014 as against (Profit) of Rs.29.87 Lacs in the year 2013. The company expects current year to be good for investments due to the formation of new government at the centre with majority and is optimistic of further reforms in the capital market and creating good environment for the business, industries to flourish, also the world economy is picking its space and your company hopes the new government will deal effectively with rising inflation, slowing economy growth, depreciation of rupee, lack of structural reforms and other issues to give push for bring the Indian economy on fast track. Your company expects to deal with general adverse capital market conditions by remaining cautious and moving forward strategically.

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

Sd/-

**MRS. LIZA KOTHARI  
MANAGING DIRECTOR**

**DATE: 30<sup>th</sup> July 2014  
PLACE: MUMBAI**

**REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

**PHILOSOPHY ON CODE OF GOVERNANCE**

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

**BOARD OF DIRECTORS**

Board Meetings held during the financial year 2013-2014.

The Board of Directors had met 5 (five) times during the financial year 2013-2014. These meetings were held on 30<sup>th</sup> May 2013, 29<sup>th</sup> July 2013, 30<sup>th</sup> October 2013, 16<sup>th</sup> December 2013 and 31<sup>st</sup> January 2014.

Composition of Board of Directors, attendance at the Board Meetings and the last Annual General Meeting as on 31<sup>st</sup> March, 2013, as applicable, is tabulated hereunder:

Name of the Director	No. of Board Meeting attended	Attendance at previous AGM on 27/09/2013	No. of outside Directorships held in Public Companies (Excluding Kothari World Finance Limited)	No. of membership/ chairmanship in other Board Committees (including Kothari World Finance Limited)		Executive/ Non Executive
				Member	Chairman	
Mrs. Liza Kothari	5	Yes	1	Nil	Nil	Executive
Mr. Nitesh Kothari	4	Yes	1	3	1	Non Executive
Mr. Manohar Mhatre	4	Yes	1	1	0	Non Executive

## KOTHARI WORLD FINANCE LIMITED

Mr. Jeetendra Wala	5	Yes	2	2	2	Non Executive (Independent)
Mr. Jayesh H Gandhi	5	Yes	1	2	Nil	Non Executive (Independent)
Ms Meena Dalvi	5	Yes	0	2	Nil	Non Executive (Independent)

### AUDIT COMMITTEE

The Audit Committee was constituted on 30<sup>th</sup> January 2012. The Audit Committee Comprises of 4 members namely, Mr. Jeetendra Wala, Mr. Jayesh H. Gandhi, Ms. Meena G. Dalvi and Mr. Nitesh Kothari. Mr. Jeetendra Wala has been appointed as Chairman of the Audit Committee.

The Committee met four times during the financial year 2013-2014. These meetings were held on 30<sup>th</sup> May 2013, 29<sup>th</sup> July 2013, 30<sup>th</sup> October 2013 and 31<sup>st</sup> January 2014.

Composition of Audit Committee, attendance at the Committee is tabulated hereunder:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship	No. of Meetings attended up to 31 <sup>st</sup> March, 2014
1.	Mr. Jeetendra Wala	Chairman	Non-Executive (Independent)	4
2.	Mr. Jayesh H Gandhi	Member	Non-Executive (Independent)	4
3.	Ms Meena Dalvi	Member	Non-Executive (Independent)	4
4	Mr. Nitesh Kothari	Member	Non-Executive	3

### NOMINATION AND REMUNERATION COMMITTEE

The Company has a remuneration committee to determine the company's policy on specified remuneration packages for executive directors including pension rights and any compensation payment. However as per provision of Section 178 of the Companies Act, 2013 the nomenclature of the "Remuneration Committee" has been changed as "Nomination and Remuneration Committee".

The Board of Directors in their Board Meeting held on 30<sup>th</sup> July 2014 has change the nomenclature of the "Remuneration Committee. The details of Nomination and Remuneration Committee are as follows:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship
1.	Mr. Jeetendra Wala	Chairman	Non-Executive (Independent)
2.	Mr. Jayesh H Gandhi	Member	Non-Executive (Independent)
3.	Ms Meena Dalvi	Member	Non-Executive (Independent)
4	Mr. Nitesh Kothari	Member	Non-Executive

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

### REMUNERATION OF DIRECTORS FOR THE FINANCIAL YEAR 2013-2014.

Sitting fees is paid to all the Independent Directors for Board Meetings attended by them. The Company has one Executive Director to whom monthly remuneration is being paid as approved by the Members.

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has constituted a "Shareholders/Investors Grievance Committee" of Directors to look into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. As per provision of Section 178 of the Companies Act, 2013 the nomenclature of the "Shareholders/Investors Grievance Committee" has been changed as "Stakeholders Relationship Committee."

The Board of Directors in their Board Meeting held on 30<sup>th</sup> JULY, 2014 has change the composition of the said committee. The details of "Stakeholders Relationship Committee" are as follows:

## KOTHARI WORLD FINANCE LIMITED

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

The Committee meets on every 15<sup>th</sup> day of the month to consider the status of shareholders grievances/complaints, if any, such as transfer of shares, non-receipt of annual report, non-receipt of dividend warrant etc.

All valid requests for share transfer received during 2013-2014 have been acted upon by the Company and no transfer is pending.

### GENERAL BODY MEETINGS:

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

YEAR	VENUE	DATE	TIME
2010-2011	121/C, MITTAL TOWER, 12 <sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI – 400021	30 <sup>th</sup> SEPTEMBER, 2011	11.30 A.M
2011-2012	121/C, MITTAL TOWER, 12 <sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI – 400021	28 <sup>th</sup> SEPTEMBER, 2012	11.30 A.M
2012-2013	121/C, MITTAL TOWER, 12 <sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI – 400021	27 <sup>th</sup> SEPTEMBER, 2013	11.30 A.M

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

Date of Annual General Meeting	No. of Special Resolutions passed	Details of Special Resolutions Passed
30 <sup>TH</sup> SEPTEMBER, 2011	6	<ol style="list-style-type: none"> <li>Authorized Share Capital of the Company increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 Equity shares of Rs. 10/- (Rupees Ten) each to Rs. 25,00,00,000 /- (Rupees Twenty Five Crores only) divided into 2,50,00,000 Equity shares of Rs. 10/- (Rupees Ten) each ranking pari- passu with the existing Equity Shares of the Company.</li> <li>Alteration of Articles of Association consequent to increase in Authorized Share Capital</li> <li>Alteration of Memorandum of Association consequent to increase in Authorized Share Capital</li> <li>To create, offer, issue and allot in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board by way of preferential allotment upto 40,00,000 (Forty Lac) Equity shares at Rs 16.40 each</li> <li>Ratification of the Resolution no. 1 passed at the Extra Ordinary General Meeting held on 24<sup>th</sup> March 2011</li> <li>Ratification of the Resolution no. 2 passed at the Extra Ordinary General Meeting held on 24<sup>th</sup> March 2011</li> </ol>
28 <sup>TH</sup> SEPTEMBER, 2012	1	Mrs. Liza Nitesh Kothari be appointed as a Managing Director of the Company for the period of 3 years (Three years) with effect from 30th January 2012 to 29th January 2015 on the terms and conditions including remuneration and perquisites as per the agreement entered into with Mrs. Liza Kothari.
27 <sup>TH</sup> SEPTEMBER, 2013	NIL	-----

### DISCLOSURES

During the financial year 2013-2014, the Company had no materially significant related party transaction which is considered to have potential conflict with the interest of the Company at large.

### MEANS OF COMMUNICATION

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

**KOTHARI WORLD FINANCE LIMITED**

**Tentative Financial Calendar for Financial Results – 2014 – 2015:**

Particulars	
1 <sup>st</sup> Quarter (June, 2014)	Already published on 30 <sup>th</sup> JULY 2014
2 <sup>nd</sup> Quarter (September, 2014)	Last week of October, 2014
3 <sup>rd</sup> Quarter (December, 2014)	Last week of January, 2015
Audited Financial Results for the year ended 31 <sup>st</sup> March, 2015	Second week of May, 2015

**GENERAL SHAREHOLDER'S INFORMATION**

**Annual General Meeting**

Date and time	26 <sup>th</sup> September 2014 at 10.00 A.M
Venue	121/C, MITTAL TOWER, 12 <sup>TH</sup> FLOOR, NARIMAN POINT, MUMBAI: 400021
Financial Year Ending	31 <sup>st</sup> March, 2014
Date of Book Closure	From Monday, 15 <sup>th</sup> SEPTEMBER, 2014 to FRIDAY, 26 <sup>th</sup> SEPTEMBER 2014 (both days inclusive)
Listing on Stock Exchange and Stock Code	Equity Shares of the Company are listed at Bombay Stock Exchange Limited. <b>(Scrip Code:511138)</b>
Face Value of Equity Shares	10/- each.

**Monthly High/Low price of Equity Shares of the Company during the financial year 2013-2014 on Bombay Stock Exchange Limited**

Month	*Spread	
	H-L	C-O
Apr-13	68.95	57.15
May-13	68.95	57.15
Jun-13	62.75	55.05
Jul-13	60.25	39.5
Aug-13	54.6	42.65
Sep-13	51	42.1
Oct-13	49.5	42.95
Nov-13	65.9	43.65
Dec-13	65.8	49.6
Jan-14	62.25	51.15
Feb-14	57.5	45.3
Mar-14	58	50.5

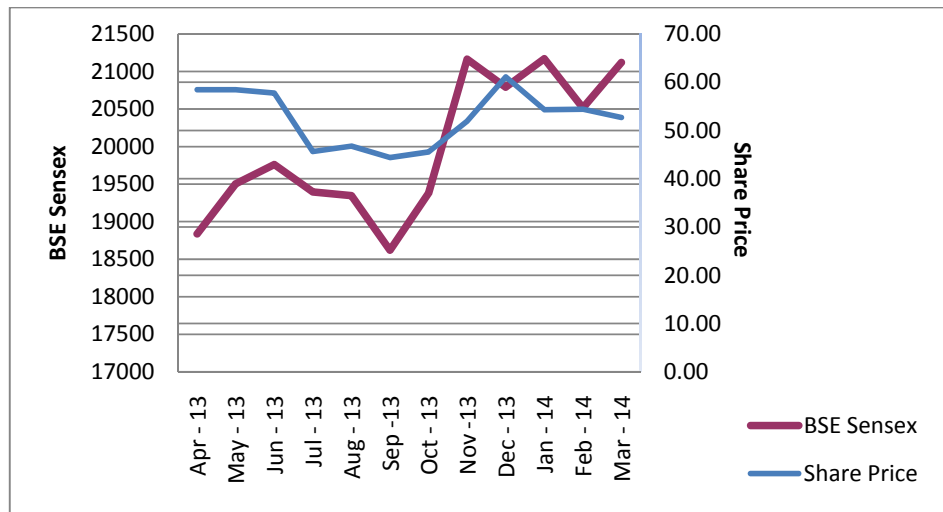
**\*Spread**

**H-L: High-Low**

**C-O: Close-Open**

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





#### REGISTRAR AND TRANSFER AGENT

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

#### SHARE TRANSFER SYSTEM

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

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

#### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2014.

No. of Shares	Shareholders		Shareholding	
	Number	%	Number	%
Up to 100	41	24.70	991	.01
101 to 200	8	4.82	1255	.02
201 to 500	2	1.20	943	.01
501 to 1000	9	5.42	7472	.10
1001 to 5000	20	12.05	61037	.82
5001 to 10000	9	5.42	63827	.86
10001 to 100000	54	32.53	2564014	34.47
100001 TO ABOVE	23	13.86	4737961	63.70
<b>TOTAL</b>	<b>166</b>	<b>100</b>	<b>7437500</b>	<b>100</b>

## KOTHARI WORLD FINANCE LIMITED

### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2014

Sr. No.	Category of Shares	No. of Shares	% of total shares
(A)	<b>Promoter &amp; Promoter Group:</b>		
	(a) Individuals/ Hindu Undivided Family	2121725	28.527
	(b) Bodies Corporate	2675620	35.975
	Sub Total :	<b>4797345</b>	<b>64.502</b>
(B)	<b>Public Shareholding:</b>		
	1. Institutions	0	
	(a) Mutual Funds/UTI	0	
	(b) Financial Institutions/Banks	0	
	(c) Foreign Institutional Investors	0	
	2. Non-Institutions		
	(a) Bodies Corporate	162079	2.179
	(b) Individuals	2473906	33.263
	(c) Non-Resident Indians	170	0.002
	(d) Trust	0	0
	(e) Hindu Undivided Family	0	0
	(f) Clearing Members	4000	0.054
	Sub Total:	<b>2640155</b>	<b>35.498</b>
	<b>GRAND TOTAL</b>	<b>7437500</b>	<b>100.00</b>

**Dematerialization of Shares:** 74,20,950 Equity Shares of Rs10/- each (i.e. 99.77% of the total capital of the Company have been dematerialized as on 31<sup>st</sup> March, 2014.

#### CODE OF CONDUCT

The Company has in place a Code of Conduct applicable to the Board as well as the designated employees. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2014.

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

#### ADDRESS FOR CORRESPONDENCE:

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

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

#### Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting.

Name, Age, Qualification and Address of Director	Experience/Expertise in specific functional area	Directorship held in other companies.
Mrs. Liza N. Kothari (Director due to retire by rotation seeking re-appointment) Age : 36 years Qualification: B COM Address: 111, Dariya Mahal, 19th floor, Nepensea Road, Mumbai 400006	Mrs. Liza N. Kothari is a B.Com graduate from Mumbai University and also a diploma in interior designing. Currently she is handling the Business Administration of the company. She has been involved in the real estate business since the age of 20. She has more than 10 years of experience in managing the operations, design and development, sales, media and marketing functions of the Company. She is the youngest member of the managing committee.	a) Amity Agriculture Private Limited b) Atamdeep Engineers Private Limited c) Goldcoin Engineers Private Limited d) Famous Commercial & Leasing Private Limited e) Steady Mercantile Company Private Limited f) Kaikhusroo Manekji Mehta Stone & Engineering Works Private Limited g) Mithani Agriculture Private Limited h) Mansi Engineers Private Limited i) Vishal Construction Company Private Limited j) Spectrum Capital Private Limited k) VIP Construction Private Limited l) Paras Silk Mills Private Limited m) International Health Care Products Limited

**KOTHARI WORLD FINANCE LIMITED**

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**Declaration by Managing Director**

I, Liza Kothari, Managing Director of Kothari World Finance Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49 (1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2014.

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

Sd/-

**MRS. LIZA KOTHARI  
MANAGING DIRECTOR**

**DATE: 30<sup>th</sup> July 2014**

**PLACE: MUMBAI**

**Managing Director Certification**

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

- 1) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2014 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the Company's Code of Conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the Auditors and the Audit Committee that -
  - a) There has not been any significant change in internal control over financial reporting during the year under reference;
  - b) There has not been any significant changes in accounting policies during the year under requiring disclosure in the notes to the financial statements; and
  - c) There has not been any instances during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Sd/-

**MRS. LIZA KOTHARI  
MANAGING DIRECTOR**

**DATE: 30<sup>th</sup> July 2014**

**PLACE: MUMBAI**

**CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by Kothari World Finance Limited (the Company) for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Uma Lodha & Co.**  
Practicing Company Secretaries

Sd/-

**Uma Lodha**

Proprietor

C.P. No. 2593

Place: Mumbai

Date: 30<sup>th</sup> July 2014

**Independent Auditors' Report To the shareholders of Kothari World Finance Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Kothari World Finance Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Management is responsible for 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 Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, 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.

**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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

## KOTHARI WORLD FINANCE LIMITED

- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note No. 22 to the Financial Statements regarding Non provision of diminution of value of Non-current Investment in quoted Shares as per requirement of Accounting Standard 13. The Management is of the opinion that the diminution is temporary in nature. Our Opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place: Mumbai  
Date: 29<sup>th</sup> May, 2014

### **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Kothari World Finance Limited for the year ended on 31<sup>st</sup> March 2014.)

- 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) As informed to us, the Company has neither granted nor taken loans, secured or unsecured, to / from Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Therefore, requirements of clauses (iii-a) to (iii-g) of paragraph 4 of the order are not applicable.
- 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

KOTHARI WORLD FINANCE LIMITED

- 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 58A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975.
  - 7) The Company does not have an Internal Audit system.
  - 8) As per the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the type of business carried on by the Company.
  - 9) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, employees' state insurance, Provident Fund, Income tax, Sales Tax, Customs duty, and other statutory dues applicable to it.  
(b) According to the information and explanations given to us and as per the records of the Company, no undisputed amounts payable in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax and Excise Duty were outstanding as on 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.  
(c) According to the records of the Company, there are no dues of Sales Tax, Income Tax, Custom tax/ Wealth Tax, excise duty/Cess which have not been deposited on account of any dispute.
  - 10) The Company does not have accumulated losses. The Company has not incurred any cash loss during the financial year covered by our audit or during the immediately preceding financial year.
  - 11) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institution, bank or debenture holders.
  - 12) Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other similar securities.
  - 13) In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to Chit Fund / 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 of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment and vice versa.
  - 18) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
  - 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: 29<sup>th</sup> May, 2014

BALANCE SHEET AS AT 31 <sup>ST</sup> MARCH, 2014				
		NOTE	AS ON	AS ON
		No.	31 <sup>ST</sup> March 2014	31 <sup>ST</sup> March 2013
			Rs.	Rs.
<b>A</b>	<b>EQUITY AND LIABILITIES:-</b>			
	<b>1 Shareholder's Funds</b>			
	a) Share Capital	<b>1</b>	74,375,000	74,375,000
	b) Reserve & Surplus	<b>2</b>	58,350,246	51,033,746
			132,725,246	125,408,746
	<b>2 Current Liabilities</b>			
	a) Liabilities for Expenses	<b>3</b>	2,897,836	2,259,769
	<b>TOTAL</b>		<b>135,623,082</b>	<b>127,668,515</b>
<b>B</b>	<b>ASSETS:-</b>			
	<b>1 Non Current Assets</b>			
	a) Fixed Assets			
	(i) Tangible Assets	<b>4</b>	82,991,542	44,930,382
	(ii) Capital Work in Progress		-	1,003,207
			82,991,542	45,933,589
	b) Non Current Investments	<b>5</b>	6,213,537	6,303,242
	c) Deferred Tax Asset (Net)		1,619,101	401,221
	d) Other Non-current Assets	<b>6</b>	2,504,817	2,459,752
			10,337,455	9,164,215
	<b>2 Current Assets</b>			
	a) Inventories		857,713	1,484,549
	b) Cash & Cash Equivalents	<b>7</b>	37,508,493	68,171,838
	c) Trade Receivables	<b>8</b>	3,072,732	1,814,203
	d) Other Current Assets	<b>9</b>	855,147	1,100,121
			42,294,085	72,570,711
	<b>TOTAL</b>		<b>135,623,082</b>	<b>127,668,515</b>
	<b>Notes on Financial Statements</b>	<b>1 TO 23</b>		
	<b>Significant Accounting Policies</b>	<b>23</b>		

As per our report of even date

**For Shahade & Associates**

Chartered Accountants

(ICAI Firm Regn. No. 109840W)

sd/-

**(Shubhada Shahade)**

**Partner**

M. No. 38342

Place: Mumbai

Date: 29<sup>th</sup> May, 2014

**For and on behalf of the board**

sd/-

**(Liza Kothari)**

**Managing Director**

sd/-

**(Nitesh Kothari)**

**Director**

**KOTHARI WORLD FINANCE LIMITED**

<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014</b>				
	<b>NOTE</b>	<b>2013-14</b>	<b>2012-13</b>	
	<b>No.</b>	<b>Rs.</b>	<b>Rs.</b>	
<b>I</b> Revenue from Operations	<b>10</b>	17,187,560	10,543,000	
<b>II</b> Other Income	<b>11</b>	284,694	179,037	
<b>III</b> <b>Total Revenue (I+II)</b>		17,472,254	10,722,037	
<b>IV</b> <b>Expenses</b>				
a) Purchase of Stock in Trade		-	1,164,635	
b) Change in Valuation of Stock in Trade	<b>12</b>	626,836	-324,300	
c) Employee Benefits Expenses	<b>13</b>	880,615	770,469	
d) Depreciation & Amortization Expenses		3,975,540	1,559,341	
e) Other Expenses	<b>14</b>	3,099,590	2,975,797	
<b>Total Expenses</b>		8,582,581	6,145,942	
<b>V</b> <b>Profit / (Loss) Before Tax</b>		8,889,673	4,576,095	
<b>VI</b> <b>Tax Expenses:</b>				
(a) Current Tax		2,709,000	1,535,000	
(b) Deferred Tax (Asset)		1,217,880	4,200	
(c) Earlier years' tax		82,053	57,950	
		1,573,173	-1,588,750	
<b>VII</b> <b>Profit / (Loss) for the year</b>		7,316,500	2,987,345	
<b>VIII</b> <b>Earnings per share - Basic &amp; Diluted</b>				
(Rupees) (Face Value of Rs.10/- each)		0.98	0.40	
Refer Note No- 15				
<b>Notes on Financial Statements</b>	<b>1 TO 23</b>			
<b>Significant Accounting Policies</b>	<b>23</b>			

As per our report of even date

**For Shahade & Associates**

Chartered Accountants

(ICAI Firm Regn. No. 109840W)

sd/-

**(Shubhada Shahade)**

**Partner**

M. No. 38342

Place: Mumbai

Date: 29<sup>th</sup> May, 2014

**For and on behalf of the board**

sd/-

**(Liza Kothari)**

**Managing Director**

sd/-

**(Nitesh Kothari)**

**Director**



<b>CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup>, 2014</b>			
	(Amount in Rs)		
		<b>Year Ended 31.03.2014</b>	<b>Year Ended 31.03.2013</b>
<b>A. Cash flow from operating activities:</b>			
Profit before Exceptional items		8,889,673	4,576,095
Add: Depreciation	3,975,540		1,559,341
<b>Sub Total</b>		3,975,540	1,559,341
<b>Total</b>		12,865,213	6,135,436
Less: Interest on Income Tax Refund	729		-
Profit on sale of Fixed Assets	189		
Long term capital gain on sale of shares	25,795		
Dividend Received/ Income From Investments	52,850		30,225
<b>Sub Total</b>		79,563	30,225
<b>Operating profit before working capital changes</b>		12,785,650	6,105,211
Increase / (Decrease) in Trade / other payables		638,067	1,277,927
Decrease / ( Increase) in Trade / other receivables		(1,058,620)	(1,875,778)
Decrease / ( Increase) in Inventories		626,836	(324,300)
<b>Cash generated from operations</b>		12,991,933	5,183,060
Direct taxes refund / (paid) (Net)		(2,791,053)	(1,592,950)
<b>Net cash inflow / (outflow) from operating activities</b>		10,200,880	3,590,110
<b>B. Cash flow from investing activities:</b>			
Purchase of fixed assets		(41,036,093)	(28,127,110)
Proceeds from sale of fixed assets		2,789	-
Proceeds from sale of Investment		115,500	
Interest on Income Tax Refund		729	-
Noncurrent investments			-
Dividend received / income from investment		52,850	30,225
<b>Net cash inflow / (outflow) from investing activities</b>		(40,864,225)	(28,096,885)
<b>C. Cash flow from Financing activities:</b>			
Proceeds (Repayment) of unsecured loans from borrowings (Net)		-	-
Equity Shares issued		-	-
Share Premium		-	-
Share money received		-	-
Dividend including dividend distribution tax		-	-
<b>Net cash inflow / (outflow) from financing activities</b>		-	-
<b>Net Increase / (Decrease) in cash and cash equivalents</b>		(30,663,344)	(24,506,775)
<b>Cash and cash equivalents as at opening</b>			
Cash and Bank Balances		68,171,837	92,678,612
<b>Cash and cash equivalents as at closing</b>			
Cash and Bank Balances		37,508,493	68,171,837
		(30,663,344)	(24,506,775)

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

**For and on behalf of the board**

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

sd/-  
**(Nitesh Kothari)**  
**Director**

Place: Mumbai  
Date: 29<sup>th</sup> May, 2014

<b>NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014</b>				
<b>NOTE.1:- SHARE CAPITAL</b>				
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2014</b>		<b>As at 31<sup>st</sup> March, 2013</b>	
	<b>Number of shares</b>	<b>Amt Rs.</b>	<b>Number of shares</b>	<b>Amt Rs.</b>
(a) Authorised				
Equity shares of Rs.10/- each with voting rights	25000000	250,000,000	25000000	250,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of `Rs.10/- each with voting rights	7437500	74,375,000	7437500	74,375,000
<b>Total</b>	<b>7437500</b>	<b>74,375,000</b>	<b>7437500</b>	<b>74,375,000</b>
<b>Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the period.</b>				
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2014</b>		<b>As at 31<sup>st</sup> March, 2013</b>	
	<b>Number of shares</b>	<b>Amt Rs.</b>	<b>Number of shares</b>	<b>Amt Rs.</b>
<b>Equity Shares</b>				
At the beginning of the year	7437500	74,375,000	7437500	74,375,000
Issued during the year				
<b>Total</b>	<b>7437500</b>	<b>74,375,000</b>	<b>7437500</b>	<b>74,375,000</b>
<b>Details of shareholders holding more than 10 % of shares in the Company.</b>				
<b>Name of the Shareholder</b>	<b>As at 31<sup>st</sup> March, 2014</b>		<b>As at 31<sup>st</sup> March, 2013</b>	
	<b>No. of shares</b>	<b>% of Holding</b>	<b>No. of Shares</b>	<b>% of Holding</b>
D DAHYABHAI AND CO PRIVATE LIMITED	960300	12.912	960300	12.912

<b>Note.2:-</b>	<b>AS AT 31.03.2014 Rs.</b>	<b>AS AT 31.03.2013 Rs.</b>
<b>RESERVES &amp; SURPLUS:-</b>		
<b>a) Share Premium Account</b>		
Opening Balance	37,345,000	37,345,000
Add: Premium on shares issued during the year	-	-
	37,345,000	37,345,000
<b>b) Statutory Reserve Account</b>		
Opening Balance	2,848,971	2,251,502
Add: Transfer from Surplus in the Statement of Profit & Loss	1,463,300	597,469
<b>Closing Balance</b>	<b>4,312,271</b>	<b>2,848,971</b>
<b>c) General Reserve</b>		
Opening Balance	100,000	100,000
	<b>100,000</b>	<b>100,000</b>
<b>d) Surplus in the Statement of Profit &amp; Loss</b>		
Opening Balance	10,739,775	8,349,899
Add: Profit / (Loss) for the current year	7,316,500	2,987,345

**KOTHARI WORLD FINANCE LIMITED**

	18,056,275	11,337,244
Less: Transfer to Statutory Reserve	1,463,300	597,469
	16,592,975	10,739,775
<b>TOTAL RESERVES &amp; SURPLUS (a+b+c+d)</b>	<b>58,350,246</b>	<b>51,033,746</b>

**NOTE.3:-**

<b>Current Liabilities</b>		
Liabilities for Expenses	2,897,836	2,259,769
	<b>2,897,836</b>	<b>2,259,769</b>

**KOTHARI WORLD FINANCE LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

**NOTE - 4 :- FIXED ASSETS**

A. Tangible assets	Gross block				Accumulated depreciation and impairment			Net block		
	Balance as at 1 April, 2013	Additions	Disposals	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2014	Balance as at 31 March, 2014	Balance as at 31 March, 2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Plant and Equipment	289,032	-	-	289,032	275,415	1,900	-	277,315	11,717	13,617
(b) Furniture and Fixtures	48,094	-	-	48,094	46,531	216	-	46,747	1,347	1,563
(c) Office equipment	374,500	59,789	25,689	408,600	287,693	17,317	23,089	281,921	126,679	86,807
(d) Godown at Thangadh	9,067,546	1,003,207	-	10,070,753	6,838,782	136,451	-	6,975,233	3,095,520	2,228,764
(e) Godown At Thane	36,853,210	-	-	36,853,210	2,266,317	1,729,344	-	3,995,661	32,857,549	34,586,893
(f) Water Pump	5,300	-	-	5,300	4,874	60	-	4,934	366	426
(g) Factory at Khadoli	6,456,750	977,869	-	7,434,619	64,438	344,252	-	408,690	7,025,929	6,392,312
(h) Land at Khadoli	1,620,000	-	-	1,620,000	-	-	-	-	1,620,000	1,620,000
(i) Property at Village Kukse	-	39,998,435	-	39,998,435	-	1,746,000	-	1,746,000	38,252,435	-
<b>Total</b>	54,714,432	42,039,300	25,689	96,728,043	9,784,050	3,975,540	23,089	13,736,501	82,991,542	44,930,382
<b>Previous year</b>	26,702,277	28,127,110	114,955	54,714,432	8,339,664	1,559,341	114,955	9,784,050	44,930,382	18,362,613

**NOTE.5:-**

**NON CURRENT INVESTMENTS:-**

**(a) QUOTED (At Cost)**

	<b>AS AT 31.03.2014 Rs.</b>	<b>AS AT 31.03.2013 Rs.</b>
56,900 Equity shares of Munoth Hire Purchase Ltd. Of Rs. 10/-each fully paid up (Delisted)	98,437	98,437
38,500 Equity shares of Suchak Trading Ltd. Of Rs. 10/-each fully paid up	-	89,705
(M.V. Rs.Nil, Previous Year Rs. 1,05,875/-) 200000 Equity shares of Tricom India Ltd.	2,700,000	2,700,000
Of Rs. 13.50 each fully paid up (M.V. Rs.2,40,000/-, Not Provided for ,Previous Year Rs.3,00,000/-)	<b>2,798,437</b>	<b>2,888,142</b>

**(b) UNQUOTED (At Cost)**

5000 Equity shares of Kaikhushroo Manekji Mehta Stone & Engg.Works Pvt. Ltd. Of Rs. 10/- each Fully paid up	50,000	50,000
7050 Equity shares of International Health Care Products Ltd.of Rs.100/- each Fully paid up	2,530,100	2,530,100
900 Equity shares of Goldcoin Engineers Pvt.Ltd.of Rs.100/- each fully paid up	90,000	90,000
1950 Equity shares of Amity Agriculture Pvt. Ltd. of Rs.100/- each fully paid up	195,000	195,000

**KOTHARI WORLD FINANCE LIMITED**

600 Equity shares of Steady Mercantile Co. Pvt. Ltd. Of Rs. 100/-each fully paid up	60,000	60,000
1000 Equity shares of Famous Commercial & Leasing Pvt. Ltd. Rs.100/- each fully paid up	100,000	100,000
1700 Equity shares of Mithani Agriculture Pvt.Ltd. of Rs.100/- each fully paid up	170,000	170,000
300 Equity shares of Atamdeep Engineers Pvt. Ltd. Of Rs. 100/- each fully paid up	30,000	30,000
800 Equity shares of Mansi Engineers Pvt. Ltd. Of Rs. 100/- each fully paid up	80,000	80,000
1100 Equity shares of D.Dahyabhai & Co. Pvt. Ltd. Of Rs.100/- each Fully paid up	110,000	110,000
	B)	
	3,415,100	3,415,100
<b>[ A+B ]</b>	<b>6,213,537</b>	<b>6,303,242</b>

<b>NOTE.6:-</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
(a) Security Deposits	1,200,000	1,200,000
(b) Other Deposits	275,485	225,485
(c) Long term Loans	1,029,332	1,034,267
	2,504,817	2,459,752
<b>NOTE.7:-</b>		
<b>CASH &amp; CASH EQUIVALENT</b>		
(a) Cash on hand	279,715	101,237
(b) Balance with banks:		
Bank of India	2,121,123	1,407,713
IDBI Bank Ltd	11,597,888	54,133,001
(c) Deposits with Bank	23,509,767	12,529,887
	37,508,493	68,171,838
<b>NOTE.8:-</b>		
<b>TRADE RECEIVABLES</b>		
Unsecured considered good unless otherwise stated		
(a) Debts outstanding exceeding six months	-	-
(b) Other Debts	3,072,732	1,814,203
	3,072,732	1,814,203
<b>NOTE.9:-</b>		
<b>OTHER CURRENT ASSETS</b>		
(a) Advances	216,516	180,000
(b) Loans and advances to employees	3,000	7,500
(c) Prepaid Expenses	111,873	163,287
(d) Advance Income Tax (Net)	523,758	749,334
	855,147	1,100,121
<b>NOTE.10:-</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Shares	812,236	424,499
Interest Income	2,437,096	4,289,656
License Fees	13,938,228	5,828,845
	17,187,560	10,543,000
<b>NOTE.11:-</b>		
<b>OTHER INCOME</b>		
Interest on I.T.Refund	729	-
Dividend Income	52,850	30,225

**KOTHARI WORLD FINANCE LIMITED**

Profit on Speculative Transactions	205,131	148,812
Profit on sale of Fixed Assets	189	-
Long Term Capital Gain on shares	25,795	-
	284,694	179,037
<b>NOTE.12:-</b>		
<b>CHANGE IN VALUATION OF STOCK IN TRADE</b>		
Value of Opening Stock	1,484,549	1,160,249
Value of Closing Stock	857,713	1,484,549
Increase /(Decrease) of Stock	626,836	(324,300)
<b>NOTE.13:-</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries	880,615	770,469
	880,615	770,469
<b>NOTE.14:-</b>		
<b>OTHER EXPENSES</b>		
Electricity Charges	74,876	98,625
Rent	115,663	110,940
Repairs & Maintenance	32,492	11,030
Printing & Stationery	30,202	27,986
Donation	200,000	775,000
Travelling & Conveyance Expenses	661,722	54,514
Telephone Charges	53,364	45,749
Bank Charges	7,324	50
Director's Remuneration	1,200,000	1,100,000
Listing Fees	25,000	15,000
Filing Fees	2,377	26,385
Legal & Professional Fees	78,915	158,915
Property Taxes	317,456	288,428
Auditor's Remuneration		
Audit Fees	30,000	30,000
Sundry Expenses	75,039	52,924
Consultancy Charges	49,539	54,385
Advertisement	74,085	76,210
Development Charges	-	10,750
Postage & Telegram	3,211	6,011
Interest Paid	825	1,894
Security Charges	67,500	31,001
	3,099,590	2,975,797
<b>NOTE.15:-</b>		
<b>EARNING PER SHARE</b>		
In accordance with the Accounting Standard 20 "Earning per Share" issued by The institute of Chartered Accountants of India, basic earnings per share is computed by dividing net profit after tax for the year by the weighted number of equity shares outstanding for the period. Diluted earnings per share has not been computed.		
	<b>Current Year</b>	<b>Previous Year</b>
Profit (Loss) for the year after adjustment and appropriation	Rs. 73,16,500/-	Rs. 29,87,345/-
Number of Equity Shares	7437500	7437500
Basic Earnings per Share	Rs. 0.98	Rs. 0.40
<b>NOTE.16:-</b>		
<b>SEGMENT REPORTING</b>		
Based on the guiding principle given in the Accounting Standard –17 "Segment Reporting " issued by the institute of Chartered Accountants of India, the company's main activities is investment and finance and hence the said segment wise reporting is not applicable.		

**KOTHARI WORLD FINANCE LIMITED**

**NOTE.17:-**

There are no amount payable to any small scale industrial undertaking.

**NOTE.18:-**

**RELATED PARTY DISCLOSURE**

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

a) Directors: Mr. Nitesh P. Kothari, Mrs. Liza N. Kothari & Mr. Manohar M.Mhatre, Mr. Jitendra B. Wala, Mr. Jayesh kumar Gandhi, Miss Meena G. Dalvi

Directors Remuneration Paid during the year:

Mrs, Liza N. Kothari	Rs. 12,00,000/- (Previous Year.: Rs. 11,00,000/- )
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b) Associated Companies:-

International Health Care Products Limited  
D Dahyabhai & Co Private Limited  
Famous Commercial & Leasing Private Limited  
Steady Mercantile Co Private Limited  
Vishal Construction Co Private Limited  
Paras Silk Mills Private Limited  
Spectrum Capital Private Limited  
Amity Agriculture Private Limited  
Mithani Agriculture Private Limited  
Goldcoin Engineers Private Limited  
Atamdeep Engineers Private Limited  
Mansi Engineers Private Limited  
VIP Construction Private Limited  
Kaikhusroo Manekji Mehta Stone & Engineering Works Pvt Ltd

**NOTE.19:-**

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

**NOTE.20:-**

**Value of Import Calculated on CIF Basis.**

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

**NOTE.21:-**

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

**NOTE.22:-**

The Non-current Investments are shown in the Balance Sheet at cost. In the case of quoted investments, provision for diminution in value of investments is not made, since such diminution is not of permanent nature in the opinion of the Management.

**KOTHARI WORLD FINANCE LIMITED**

<b>NOTE.23:-</b>	
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	
A) BASIS OF PREPARATION:	The financial statements are prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies ( Accounting Standard ) Rules 2006 issued under Subsection 3C of Section 211 of The Companies Act , 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. 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 figures in accordance with the requirements applicable in the current year.
B) USE OF ESTIMATES:	The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balance of assets & liabilities, revenue and expenses and disclosures relating to contingent liabilities. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.
C) FIXED ASSETS:	<p>i) Fixed Assets are stated at cost inclusive of all expenses directly attributable in bringing the Assets to their working condition.</p> <p>ii) Depreciation</p> <p>a) The Company provides depreciation on Written Down Value Method at the rates prescribed under Schedule XIV OF THE Companies Act, 1956.</p> <p>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.</p>
D) STOCK IN TRADE & INVESTMENTS	<p>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 Long Term Investments and are stated at Cost.</p> <p>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.</p> <p>iii) The securities held as stock in trade under the current asset are valued at cost or market value whichever is lower.</p> <p>iv) The investments are shown in the Balance Sheet at cost.</p>
E) STATUTORY RESERVES	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.
F) Leave encashment is not provided in the Books. It is accounted on a cash basis.	

As per our report of even date

**For Shahade & Associates**

Chartered Accountants

(ICAI Firm Regn. No. 109840W)

sd/-

**(Shubhada Shahade)**

**Partner**

M. No. 38342

**For and on behalf of the board**

sd/-

**(Liza Kothari)**

**Managing Director**

sd/-

**(Nitesh Kothari)**

**Director**

Place: Mumbai

Date: 29<sup>th</sup> May, 2014

**KOTHARI WORLD FINANCE LIMITED**  
**Registered Office: C-121, Mittal Tower, Nariman Point, Mumbai – 400021,**  
**Telephone: +91-22-22851620, Fax: +91-22-22871695, Website: [www.kothariworld.com](http://www.kothariworld.com),**  
**Email: [info@kothariworld.com](mailto:info@kothariworld.com), CIN No. L65993MH1985PLC035005**

**ATTENDANCE SLIP**

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

Date & Time: September 26, 2014 at 10.00 A.M

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE**

<b>Name</b>			
<b>Address</b>			
<b>DP Id*</b>		<b>Folio No</b>	
<b>Client Id*</b>		<b>No. Of Shares Held</b>	

\*Applicable for investors holding shares in Electronic form.

I certify that I am the registered shareholders/proxy for the registered shareholder of the Company.

I hereby record my presence at the 29<sup>th</sup> Annual General Meeting of the Company held on 26<sup>th</sup> September 2014 at 10.00 A.M at C-121, Mittal Tower, Nariman Point, Mumbai – 400021.

\*Applicable for shareholders holding shares in electronic form

Signature of Member / Proxy

**Note:**

1. Electronic copy of the Annual Report for 2014 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for 2014 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email id is not registered or have requested for a hard copy.



**KOTHARI WORLD FINANCE LIMITED**

Registered Office: C-121, Mittal Tower, Nariman Point, Mumbai – 400021,  
Telephone: +91-22-22851620, Fax: +91-22-22871695, Website: [www.kothariworld.com](http://www.kothariworld.com),  
Email: [info@kothariworld.com](mailto:info@kothariworld.com), CIN No. L65993MH1985PLC035005

**FORM OF PROXY**

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

Date & Time: September 26<sup>th</sup>, 2014 at 10.00 A.M

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE**

<b>Name</b>			
<b>Address</b>			
<b>DP Id*</b>		<b>Folio No</b>	
<b>Client Id*</b>		<b>No. Of Shares Held</b>	

\*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 29<sup>th</sup> Annual General Meeting of the Company to be held on September 26<sup>th</sup>, 2014 at 10.00 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

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

SR. No.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2014 and reports of the Board of Directors and the Auditors thereon		
2.	Re-appointment of Mrs. Liza Kothari, who retires by rotation		
3.	Re-appointment of Shahade & Associates, Chartered Accountants, as Auditors		
<b>Special Business</b>			
4.	Appointment of Mr. Jeetendra B. Wala as an Independent Director		
5.	Appointment of Mr. Jayesh Gandhi as an Independent Director		
6.	Appointment of Ms. Meena Dalvi as an Independent Director		
7.	Adoption of new draft Article of Association of the Company		

\*\*This is optional. Please put a tick mark (v) 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. \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Affix one  
Rupee  
Revenue  
Stamp

**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.

Book Post

To,

If undelivered please return to:  
**Kothari World Finance Limited**  
C/121, Mittal Tower  
12<sup>th</sup> Floor, Nariman Point.  
Mumbai: 400 021.  
Tel No: +91-22-22851620.