



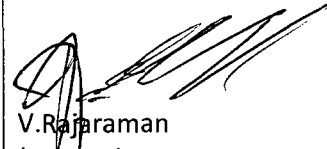

FORM A

**Format of covering letter of the annual audit report to be filed with the Stock Exchange
(Pursuant to clause 31(a) of Listing Agreement)**

| Sr. No. | Particulars | Details |
|---------|---|---|
| 1. | Name of the Company | KAMA Holdings Limited |
| 2. | Standalone annual financial statements for the year ended | March 31, 2013 |
| 3. | Type of Audit Observation | No Qualification or matter of emphasis has been included in the Audit Report. |
| 4. | Frequency of Observation | Not applicable in view of comments in (3) above. |
| 5. | <p>To be signed by:</p> <ul style="list-style-type: none"> • Whole Time Director & Company Secretary • Audit Committee Chairman • Auditor of the Company | <div style="text-align: center;">  (Rajat Lakhanpal) </div> <hr/> <div style="text-align: center;">  (Amitav Virmani) </div> <p>Refer our Audit Report dated May 30, 2013 on the consolidation financial statements of the Company for the year ended March 31, 2013.</p> <p>For THAKUR, VAIDYANATH AIYAR & CO. Chartered Accountants (Firm Registration No. 000038N)</p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  V. Rajaraman (Partner) (Membership No. 2705) </div> <div style="text-align: center;">  </div> </div> <p>New Delhi, May 30, 2013</p> |

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KAMA Holdings Limited

**Annual Report
2012-13**

BOARD OF DIRECTORS

Mr. Kartikeya Bharat Ram, Chairman
Mr. Ashish Bharat Ram
Mr. Rajat Lakhanpal, Whole-time Director & Company Secretary
Mr. Mukul Khandelwal
Mr. Amitav Virmani
Mr. Dharendra Datta

Auditors

Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi

Bankers

HDFC Bank Ltd.

Registered Office

C-8, Commercial Complex, Safdarjung Development Area, New Delhi – 110 016

Corporate Office

Block C, Sector – 45, Gurgaon 122 003 (Haryana)

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NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of KAMA Holdings Limited will be held on Friday, the 23rd August, 2013 at 11.00 A.M at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 to transact the following businesses:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To declare dividend on 8% Non-Cumulative Redeemable Preference Shares.
3. To appoint a Director in place of Mr. Ashish Bharat Ram, who retires by rotation, and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Amitav Virmani, who retires by rotation, and being eligible, offers himself for re-election.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that M/s. Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi (Registration No.000038N) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual general meeting at a remuneration to be fixed by the Board of Directors/Audit Committee and service tax thereon and re-imburement of travelling and other incidental expenses, if any, incurred in connection with the audit.”

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED that subject to such consents and permissions, if any, as may be necessary, approval be and is hereby accorded in terms of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and the Schedule(s) thereto, including any statutory amendment or re-enactment thereof, to the re-appointment of Mr. Rajat Lakhanpal as Whole-time Director & Company Secretary with authority to the Board to revise his designation at its discretion and other terms and conditions of the appointment including as to remuneration as are set out hereunder :-

Tenure

1st April, 2013 to 31st March, 2018

Functions

To look after the day to day business and affairs of the Company subject to the direction, control and superintendence of the Board of Directors.

Remuneration

Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr. Rajat Lakhanpal shall comprise salary, perquisites and commission, as may be decided by the Board/Remuneration Committee within an overall ceiling of 5% of the net profits of the Company, computed in the manner laid down in Section 349 of the Companies Act, 1956.

Remuneration for a part of the Year

Remuneration for a part of the year shall be computed on pro-rata basis.

Minimum Remuneration

In the event of absence or inadequacy of profits in any financial year during his tenure, Mr. Rajat Lakhanpal will be entitled to remuneration

by way of salary, perquisites and commission not exceeding the ceiling limit as specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 as and by way of minimum remuneration.

Termination

The appointment of Mr. Rajat Lakhanpal as Whole-time Director may be terminated by either party giving to the other one calendar months' notice in writing.

In the event of termination of this appointment of Mr. Rajat Lakhanpal by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 1956 or any statutory amendment or re-enactment thereof.

RESOLVED FURTHER that in the event of any further authorization/ revision in the levels of permissible managerial remuneration, the Board of Directors/ Remuneration Committee be and is hereby authorized to alter, vary and increase the remuneration of Mr. Rajat Lakhanpal, notwithstanding the overall remuneration set out above, as may then be prescribed/ permissible without requiring any further resolution or consent of or reference to the general meeting.”

By Order of the Board
for **KAMA HOLDINGS LIMITED**

Rajat Lakhanpal
Whole-time Director &
Company Secretary

Place: New Delhi
Date: May 30, 2013

NOTES:

1. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ATTACHED HEREWITH.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16th August, 2013 to Friday, 23rd August, 2013 (both days inclusive). The dividend, when declared will be payable to the preference shareholders whose name stand on the Register of Preference Shareholders as on Friday, 16th August, 2013.
4. Shareholders seeking any information regarding accounts to be given at the meeting should write to the Company at its Corporate Office at Block C, Sector – 45, Gurgaon 122 003 (Haryana) at least seven days before the meeting so as to enable the management to keep the information ready.
5. Shareholders are advised that those who have not encashed their dividend warrant(s) so far for the financial years ended 31st March 2006 and thereafter may send their outdated dividend warrants to M/s Karvy Computershare Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad- 500 081 for issue of 'payable at par' cheques/ demand drafts in lieu thereof.
6. Shareholders holding shares in physical form are advised to provide their bank account details viz. bank account number, name of bank and address, MICR and IFSC Code (alongwith a copy of the cancelled cheque of that bank account) to M/s Karvy Computershare Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad- 500 081 to enable timely payment of dividend, when declared, to the shareholders.

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

Item Nos. 3 & 4

Mr. Ashish Bharat Ram and Mr. Amitav Virmani shall retire by rotation and being eligible, offer themselves for re-appointment.

Brief resume of the Directors being re-appointed are as under:

Mr. Ashish Bharat Ram

Mr. Ashish Bharat Ram (44) holds a Masters' degree in Business Administration on Corporate Strategy from Cornell University, USA and has 18 years working experience in senior positions including in the Company's international subsidiaries. He is the Managing Director of SRF Ltd. which is engaged in the business of manufacture of tyre cord fabric, refrigerant gases and packaging films.

Mr. Ashish Bharat Ram is Chairman of Shareholders /Investors Grievance Committee, Member of Committee of Directors-Financial Resources and Remuneration Committee of KAMA Holdings Ltd.

He holds 12,09,860 fully paid up equity shares of Rs.10 each (18.75% of the total paid up equity share capital) jointly with Mr. Kartikeya Bharat Ram and 95,82,975 fully paid up 8% Non-Cumulative Redeemable Preference Shares of Rs. 10 each (74.18% of the total paid up preference share capital) jointly with Mr. Kartikeya Bharat Ram who is his relative.

| Directorships in other public limited companies | Committee Chairmanship/ Membership* |
|---|--|
| SRF Ltd. | Shareholders'/Investors' Grievance Committee- Member |
| Shri Educare Ltd. | Audit Committee - Member |
| SRF Fluorochemicals Ltd. | - |
| SRF Holiday Home Limited | - |
| Transport Corporation of India Limited | - |
| KHL Investments Limited | - |

*Only Shareholders' Investors' Grievance Committee and Audit Committee considered.

Mr. Ashish Bharat Ram is interested in the resolution. Mr. Kartikeya Bharat Ram who is a relative of Mr. Ashish Bharat Ram, may be deemed to be interested in the Resolution.

No other Director of the Company is concerned or interested in the resolution.

Mr. Amitav Virmani

Mr. Amitav Virmani (40) holds a Master's degree in Business Administration in Marketing & General Management from University of North Carolina at Chapel Hill, NC and has 19 years of work experience.

Mr. Amitav Virmani is Chairman of the Audit Committee and Member of Shareholders'/ Investors' Grievance Committee and Remuneration Committee of the Board.

Mr. Virmani has no shareholding in the company.

Directorship in other Public Companies:

Okara Flour & General Mills Ltd.

None of the Directors of the Company other than Mr. Amitav Virmani is concerned or interested in the resolution.

Item No.6

Mr. Rajat Lakhanpal (40) is a qualified Company Secretary and law graduate and has an experience of around 15 years.

By a resolution dated 29.08.2008, the shareholders had appointed Mr. Rajat Lakhanpal as Whole-time Director & Company Secretary of the Company for a period of five years with effect from 01.04.2008 to 31.3.2013.

The existing tenure of Mr. Rajat Lakhanpal continued upto 31.03.2013. His re-appointment effective from 01.04.2013 requires approval of the members.

It is proposed to re-appoint him for a further period of 5 years with effect from 01.04.2013 and members' approval is sought to the re-appointment.

The terms of his re-appointment and remuneration including minimum remuneration are set out in the resolution and are essentially the same as at present.

As per the requirements of section 302 of the Companies Act, 1956, the abstract of the terms & conditions of re-appointment of Mr. Rajat Lakhanpal as Whole- time Director & Company Secretary has been circulated to the members separately.

Mr. Rajat Lakhanpal has no shareholding in the company

Mr. Rajat Lakhanpal is also a Director in KAMA Realty (Delhi) Ltd.

None of the Directors of the Company other than Mr. Rajat Lakhanpal is interested in the Resolution.

Important communication to Members

The Ministry of Corporate Affairs has taken a 'green initiative in the corporate governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the Company/R&T agent for receiving the aforesaid documents by e-mail. You may also log on to the Company's website www.kamaholdings.com to register your consent.

DIRECTORS REPORT

To the Members,

The Directors are pleased to present their thirteenth Annual Report on the business and operations of the Company and the statement of accounts for the year ended March 31, 2013.

FINANCIAL RESULTS

| | (Rs. Crores) | |
|---|---------------|---------------|
| | 2012-13 | 2011-12 |
| Dividend and Other Income | 33.39 | 40.28 |
| Profit Before Interest, Depreciation & Tax (PBIDT) | 32.98 | 39.82 |
| Less: Interest & Finance Charges | - | 1.49 |
| Profit before Depreciation and Tax (PBDT) | 32.98 | 38.33 |
| Less: Depreciation | - | - |
| Profit before Tax (PBT) | 32.98 | 38.33 |
| Less: Provision For Taxes (including provision for deferred tax) | 1.03 | (0.12) |
| Net Profit after Tax (PAT) | 31.95 | 38.45 |
| Add: Profit brought forward from previous years | 128.16 | 90.91 |
| Profit available for appropriation | 160.11 | 129.36 |
| Appropriations | | |
| Dividend on Preference Shares | 1.03 | 1.03 |
| Interim Dividend on Equity shares | 0.65 | - |
| Corporate tax on dividend | - | 0.17 |
| Amount transferred to General Reserve | - | - |
| Profit carried to Balance Sheet | 158.43 | 128.16 |
| Total Appropriation | 160.11 | 129.36 |

DIVIDEND

During the year, your Company has paid an interim dividend of Rs. 1 per share amounting to Rs. 0.65 crores. No final dividend is recommended on Equity Shares.

Your Directors recommend payment of dividend on 8% Non-cumulative Redeemable Preference Shares.

No amount has been proposed to be transferred to General Reserve.

OPERATIONS REVIEW

Profit before Interest, Depreciation & Tax (PBIDT) decreased by 13.96% to Rs 32.98 crores from Rs 38.33 crores mainly due to decrease in dividend income. Profit after Tax (PAT) decreased by 16.90% to Rs 31.95 crores from Rs 38.45 crores.

SUBSIDIARY COMPANIES

KAMA Realty (Delhi) Limited

KAMA Realty (Delhi) Limited made a net profit of Rs. 2.92 Crores mainly due to rental and interest income.

Shri Educare Limited

During the year your Company has invested a sum of Rs. 1.75 crores in the equity capital of Shri Educare Ltd. This company is engaged in the field of education including management consultancy to other educational institutions. It had incurred a loss of Rs. 1.14 crores mainly on account of personnel and administrative expenses.

KHL Investments Limited

KHL Investments Limited was incorporated during the year to undertake the business of a non-banking financial company. It has not started any operations.

Shri Educare Maldives Private Limited

Shri Educare Maldives Private Limited incurred a loss of MRF 3.09 lacs (Rs. 10.84 lacs appx.) mainly on account of personnel and administrative expenses.

SRF Limited

During 2012-13, SRF Limited has become a subsidiary of your Company. Consequently its subsidiaries had also become the subsidiaries of your Company. Their operational performance is given in note no. 15 of the notes forming part of the consolidated financial statements for the financial year ended 31st March, 2013.

Annual accounts of the subsidiary companies and the related information can be obtained on request by the shareholders of the Company and of the subsidiary companies. These are also available for inspection at the corporate office/registered office of the Company and at the respective corporate offices/ registered offices of the subsidiaries between 11 A.M. to 1 P.M. on all working days.

DIRECTORS

Mr. Ashish Bharat Ram and Mr. Amitav Virmani, Directors retire by rotation and being eligible, offer themselves for re-appointment. Mr Rajat Lakhanpal, Whole Time Director & Company Secretary is proposed to be reappointed in the same capacity for a further period of five years from 1st April, 2013 to 31st March, 2018.

Directors' Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year ended 31.03.13 on a 'going concern' basis.

The Company is controlled by Arun Bharat Ram Group ("Promoter Group") being a group as defined under the Monopolies and Restrictive Trade Practices Act, 1969. The Promoter Group consists of various individuals and corporate bodies who are in a position to and who jointly exercise control over the Company.

a) Mr. Arun Bharat Ram; b) Mr. Ashish Bharat Ram; c) Mr. Kartikeya Bharat Ram; d) Mrs. Shiela Bharat Ram; e) Mrs. Vasvi Bharat Ram; f) Mrs. Radhika Bharat Ram; g) SRF Ltd; h) SRF Transnational Holdings Ltd; i) Skylark Investments & Trading Pvt. Ltd.; j) Karm Farms Pvt. Ltd.; k) Srishti Westend Greens Farms Pvt. Ltd.; and l) Karmav Holdings Private Limited.

LISTING OF SHARES

Your Company's equity shares are listed at the Bombay Stock Exchange Ltd.

CORPORATE GOVERNANCE

Certificate of the auditors of your Company regarding compliance with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the stock exchange is attached to the report as annexure 1.

In compliance with the requirements of Clause 49(V), a certificate

from Whole-time Director & Company Secretary was placed before the Board.

All Board members had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Whole-time Director & Company Secretary is enclosed as a part of the Corporate Governance Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements, your Directors have pleasure in attaching the Consolidated Financial Statements, which form part of the Annual Report and Accounts.

ACCOUNTS AND AUDIT

The Auditors, M/s Thakur, Vaidyanath, Aiyar & Company, retire at the conclusion of the 13th Annual General Meeting and being eligible, offer themselves for re-appointment. The observations of the Auditors are explained wherever necessary in appropriate notes to the Accounts.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis on matters relating to the business performance, as stipulated in clause 49 of the listing agreement with the stock exchange, is given as a separate statement

ANNEXURE-1 TO DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Kama Holdings Limited

We have examined the compliance of conditions of Corporate Governance by Kama Holdings Limited, for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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 the 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:

in the Annual report.

FIXED DEPOSITS

Your company had discontinued to accept/renew fixed deposits w.e.f. 1st April, 2009. As on March 31, 2013 all fixed deposits had matured and are being repaid as and when claimed by the depositors. As on 31st March, 2013, deposits (including interest) amounting to Rs. 7.35 lacs remained unclaimed by depositors.

PARTICULARS OF EMPLOYEES

No employee was drawing remuneration equal to or exceeding the limits under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees), Rules, 1975.

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the co-operation and assistance received from various agencies of the Central Government and the Lenders. Your Directors thank the shareholders for their support.

For and on behalf of the Board of Directors

Place: New Delhi
Date: May 30, 2013

**Kartikeya Bharat Ram
Chairman**

We certify that the company has complied with the mandatory conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that there are no investor grievance(s) pending for a period exceeding one month against the company as per the records maintained by the Shareholders/ Investors Grievance Committee.

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 THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Reg No. 000038N**

Place: New Delhi
Date: May 30, 2013

**V. Rajaraman
Partner
M.No.2705**

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year the Company had earned income by way of dividend, interest and other income amounting to Rs. 33.39 crores. After payment of interest on loans and other expenses net profit for the year amounted to Rs. 31.95 crores as compared to Rs. 38.45 crores in the previous year. The share capital of the company as on March 31, 2013 stood at Rs. 19.37 crores and Reserves and Surplus at Rs. 410.74 crores (including capital reserve of Rs. 203.45 crores).

OUTLOOK

Major Activities

The Company is a Core Investment Company (CIC) within the meaning of Core Investment Companies (Reserve Bank) Directions, 2011 and does not require registration with Reserve Bank of India under the said Directions.

During the year, the Company had consolidated its investment in the equity shares of SRF Ltd. and it had become a subsidiary of the Company. SRF and its subsidiaries has businesses ranging from technical textiles, refrigerant gases and packaging films and has presence in Thailand, South Africa and Dubai in these businesses.

The Company has two other subsidiaries viz. KAMA Realty (Delhi) Ltd. which is a company engaged in the business of acquisition and renting of properties and Shri Educare Ltd. which is engaged in the field of education. Shri Educare Ltd. has a wholly-owned subsidiary viz. Shri Educare Maldives Pvt. Ltd. having a public private partnership with Government of Maldives for management of a Government School.

The Company would continue to consolidate its stake in SRF Ltd. and the aforesaid subsidiaries.

Future Prospects

SRF Ltd. and its subsidiaries

The business prospects of SRF Ltd. and its subsidiaries has been discussed in the Management Discussion and Analysis forming part of the Directors' Report of that company in the Annual Report for 2012-13 which is available on its website www.srf.com.

Shri Educare Ltd. (SEL)

The School Consultancy Business

In the year 2012-13, SEL added one more school - Confluence World School to the portfolio of schools being managed by SEL.

Going forward, SEL plans to continue to expand in the school consultancy business. While Right to Education has impacted the viability of schools being set up in India, there continues to be a demand for quality schools in India. Besides, the NRI community is also looking at setting up quality schools in places outside India where there is a significant NRI population. SEL plans to leverage this demand and would be starting a school in 2013-14, besides looking at signing up a couple of school contracts in 2015-16 / 2016-17.

Own Schools

The Shriram Early Years (TSEY)

The year 2012-13 saw TSEY moving into its own building and this helped in attracting more number of students.

Since starting a play school in India is quite easy, there are new players entering the play school vertical. At the same time, in order to compete one needs to offer quality services (curriculum, infrastructure and transport) to kids and their parents, and not everyone has the ability to do so. Hence, some of the older players in the play school vertical are realizing that it is difficult to sustain profitability in the case of play schools.

TSEY, has been focusing on providing quality services to kids and parents right from the time it was set up; this in turn would enable the

school to reach to full capacity (in terms of number of students) in this academic session, enabling it to be run profitably.

Ghiyasuddin International School, Maldives (GIS)

The Ghiyasuddin International School (GIS) was taken over by Shri Educare Maldives Private Limited (a wholly owned subsidiary of the Company) under the Public Private Partnership (PPP) agreement with the Government of Maldives. 2012-13 was the first year when GIS achieved EBIDT positive. This was possible because Government students in class 7 who were paying a fixed fee of \$100 (vs private fee paying students who pay \$ 170) moved out and GIS was able to replace those students in lower grades with private fee paying students.

This trend is expected to continue in 2013-14, as GIS has been able to establish a name for itself amongst the people of Maldives and this in turn would help GIS to achieve a higher EBIDT in the coming year.

School ERP Business

The year 2012-13 was not a good year for the ERP business and no external contract with any school was signed. This was because of the fact that competitors are offering this product at almost 1/5th of our cost and the market is not willing to pay a premium for the product offerings we have.

As a result SEL has also scaled its school ERP business sales plan and in 2012-13 will focus primarily on schools where SEL is providing school consultancy.

Coaching Classes

The year 2012-13 was the first year for Coaching Classes in Delhi. Results were lower than expectations primarily because of the fact that we were focusing equally on both CBSE and competitive examinations. While SEL got a good response from students interested in doing CBSE coaching, the response was not very good from students wanting to go for competitive coaching, since the preference was for well established brands that are there in the competitive examinations coaching business.

As a result, in 2013-14, there would be a shift in priorities and the focus would be more on CBSE coaching. While CBSE exams would be a focus area now, the plan is to bring a gradual focus to competitive exams rather than focusing equally on both the businesses. The Coaching business is expected to be at a negative EBIDT of Rs. 15 lacs (approx.) in the current year.

OPPORTUNITIES AND THREATS

The Company holds significant investment in shares of SRF Ltd. The value of these investments is dependent on the performance of the investee company.

RISKS AND CONCERNS

The Company is mainly exposed to the risk of reduction in value of investments in shares of SRF Ltd. due to fall in the share price and Investee Company's performance.

ADEQUACY OF INTERNAL CONTROL SYSTEMS

Your Company's internal control systems and procedures are commensurate with the size of operations and adequate enough to meet the objectives of efficient use and safeguarding of assets, compliance with statutes, policies and procedures and proper recording of transactions.

CAUTIONARY STATEMENT

The Statement in this Management Discussion and Analysis Report describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

REPORT ON CORPORATE GOVERNANCE-2013

Philosophy of the Company on Corporate Governance

For KAMA Holdings Limited (KAMA), good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but is also guided by broader business ethics. The adoption of such corporate practices — based on transparency and proper disclosures — ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

Board of Directors

Composition of the Board

As on 31 March 2013, KAMAs' Board consisted of six Directors. One Director is executive of the Company, three are independent and two are non-executive promoters. Table 1 gives the details of the Board during the year 2012-13

Table 1: Composition of the Board of Directors of KAMA Holdings Ltd.

| Sl. No. | Name of Director | Category of Director | No. of other Director-ships# | No. of Board-level Committees where chairperson or member | |
|---------|--|-------------------------|------------------------------|---|--------|
| | | | | Chair-person | Member |
| 1 | Mr Ashish Bharat Ram | Non-Executive, promoter | 6 | 1 | 2 |
| 2 | Mr Kartikeya Bharat Ram | Non-Executive, promoter | 4 | 1 | 1 |
| 3 | Mr Rajat Lakhanpal | Independent | 1 | - | - |
| 4 | Mr Mukul Khandelwal | Executive | - | - | 1 |
| 5 | Mr Amitav Virmani | Independent | 1 | 1 | 1 |
| 6 | Mr Dharendra Datta | Independent | 1 | - | 1 |
| 7 | Mr S. P. Agarwala (Deceased on 29.11.2012) | Independent | 1 | 1 | 2 |

Directorship in Foreign Companies and the Indian Private Ltd. companies is not included.

Independent Directors on the Board of KAMA are non-executive directors who:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect the independence of the Director
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board
- Have not been an executive of the company in the immediately preceding three financial years
- Are not partner or executive or were not partner or an executive during the preceding three years of any of the following:-
- Statutory audit firm or the internal audit firm that is associated with the company;
- Legal firm(s) and consulting firm(s) that have a material association with the company;
- Are not material supplier, service provider or customer or lessor

or lessee of the company, which may affect independence of the Director; and

- Are not a substantial shareholder of the company i.e. do not own two per cent or more of the block of voting shares.
- Are not less than 21 years of age

As mandated by Clause 49 of the Listing Agreement, none of the Directors is a member of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Number of Board Meetings

During 2012-13, the Board of Directors met 5 times — on 30th May, 2012, 31st July, 2012, 13th August, 2012, 9th November, 2012 and 28th January, 2013. The gap between any two Board meetings did not exceed four months. Table 2 gives the details.

Table 2: Board Meeting Attendance Record of the Directors in 2012-13

| Name of the Director | Number of meetings attended | Attended last AGM? |
|---|-----------------------------|--------------------|
| Mr Ashish Bharat Ram | 5 | Yes |
| Mr Kartikeya Bharat Ram | 5 | Yes |
| Mr Rajat Lakhanpal | 5 | Yes |
| Mr Mukul Khandelwal | 3 | No |
| Mr Amitav Virmani* | 4 | Yes |
| Mr Dharendra Datta | 5 | Yes |
| Mr S.P. Agarwala (Deceased on 29.11.2012) | 3 | No |

*Mr Amitav Virmani is the Chairman of Company's Audit Committee

Remuneration of Directors

Table 3 gives the remuneration paid or payable to the Directors.

Table 3: Remuneration Paid or Payable to Directors during 2012-13 (Rs./lacs)

| Name of Director | Salary & Perquisites # | Sitting fees for Board and Committee meetings* | Terminal Benefits | Total |
|---|------------------------|--|-------------------|------------------|
| Mr Ashish Bharat Ram | - | 20,000 | - | 20,000 |
| Mr Kartikeya Bharat Ram | - | 15,000 | - | 15,000 |
| Mr Rajat Lakhanpal | 21,82,634 | - | - | 21,82,634 |
| Mr Mukul Khandelwal | - | 17,500 | - | 17,500 |
| Mr Amitav Virmani | - | 20,000 | - | 20,000 |
| Mr Dharendra Datta | - | 22,500 | - | 22,500 |
| Mr S.P. Agarwala (Deceased on 29.11.2012) | - | 17,500 | - | 17,500 |
| Total | 21,82,634 | 1,12,500 | - | 22,95,134 |

Remuneration includes Salary, House Rent Allowance, Bonus, Leave Travel Allowance, Medical Reimbursement and Company's contribution to Provident Fund and Superannuation Fund but does not include provision for Gratuity and Leave Encashment.

* Includes sitting fee for attending the meetings of the Board of Director and Committee Meetings including non-statutory Committees of Directors

Shareholding of non-executive Directors

As on 31st March 2013, Mr Ashish Bharat Ram holds 12,09,860 fully paid up equity shares of Rs. 10 each and 95,82,975, 8% Non-cumulative Preference Shares of Rs. 10 each fully paid up and Mr Kartikeya Bharat Ram holds 12,09,860 fully paid up equity shares of Rs. 10 each and 31,94,325, 8% Non-cumulative Preference Shares of Rs. 10 each fully paid up. The Company has not issued any convertible securities to any director.

Information Supplied to the Board

The Board has complete access to all information with the Company. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and operating divisions and business segments.
- Minutes of the meetings of the audit committee and other committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board periodically reviews compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

As per Clause 49, the minutes of the Board meetings of a company's unlisted subsidiary companies and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are required to be placed before the Board.

During 2012-13, SRF Ltd. which is a company listed on Bombay Stock Exchange and National Stock Exchange has become a subsidiary of the Company. Consequently, the subsidiaries of SRF Ltd. all of whom are unlisted had also become subsidiaries of the Company. As per Explanation 3 to Clause 49(III) of the Listing Agreement where a listed holding company has a listed subsidiary which is itself a holding company, the above provisions shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

As such the information relating to the unlisted subsidiaries of SRF Ltd. were placed before the Board of that company.

Code of Conduct

The Company's Board has laid down a code of conduct for all Board members and senior management of the company. All Board members have affirmed compliance with the code of conduct. A declaration signed by the Whole-time Director & Company Secretary to this effect is given at the end of this report.

Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that management controls risk through means of a properly defined framework.

Committees of the Board

Audit Committee

As on 31st March 2013, the Audit Committee of KAMA comprises of three Directors all of whom are independent. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956, as well as Clause 49 of the Listing Agreement.

During 2012-13, the Audit Committee of KAMA met on four occasions — namely, on 30th May, 2012, 13th August, 2012, 9th November, 2012 and 28th January, 2013. Table 4 gives the attendance record of Directors who are members of the Audit Committee.

Table 4: Attendance Record of Audit Committee Meetings during 2012-13

| Name of Director | Category | Number of meetings held during his tenure | Number of meetings attended |
|---|-------------|---|-----------------------------|
| Mr S.P. Agarwala (deceased on 29.11.2012) | Independent | 3 | 2 |
| Mr Mukul Khandelwal | Independent | 4 | 3 |
| Mr Amitav Virmani (Chairman) | Independent | 4 | 3 |
| Mr Dharendra Datta | Independent | 4 | 4 |

All the members of the Audit Committee are financially literate while Mr Amitav Virmani, Chairman of the Audit committee is a holder of Master's degree in Business Administration from University of North Carolina and has experience in the area of marketing and general management. Mr Rajat Lakhnupal, Whole time Director & Company Secretary, is the Secretary to the Committee.

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. These broadly include approval of annual internal audit plan, review of financial reporting systems, ensuring compliance with regulatory guidelines, discussions on quarterly, half yearly and annual financial results, interaction with statutory and internal auditors, recommendation for appointment of statutory auditors and their remuneration.

In addition, the Committee also reviews:

- a. Management's Discussion and Analysis of Company's operations,
- b. Periodical internal audit reports
- c. Letters of statutory auditors to management on internal control weakness, if any,
- d. Statement of significant related party transactions,
- e. Financial statements, in particular, investments made by the subsidiary companies,
- f. Risk framework.

Remuneration Committee

As on 31st March 2013, Remuneration Committee comprised of three members' two of whom were independent and one is non-executive promoter Director.

During 2012-13, the Remuneration Committee met on 30th May, 2012. Table 5 gives the attendance record of Directors who are members of the Remuneration Committee.

Table 5: Attendance Record of Remuneration Committee Meetings during 2012-13

| Name of Director | Category | Number of meetings held | Number of meetings attended |
|--|-------------------------|-------------------------|-----------------------------|
| Mr S.P. Agarwala (deceased on 29.11.2012) | Independent | 1 | 1 |
| Mr Ashish Bharat Ram | Non-executive, promoter | 1 | 1 |
| Mr Mukul Khandelwal- (Chairman) | Independent | 1 | 1 |
| Mr Amitav Virmani | Independent | 1 | - |

The terms of reference of Remuneration Committee is to recommend to the Board the amount of salary, perquisites and commission to be paid to the Directors (within the overall ceiling fixed by the shareholders).

Shareholders'/Investors' Grievance Committee

As on 31st March 2013, KAMA's Shareholders'/Investors' Grievance Committee comprised of two members. Mr Ashish Bharat Ram, Chairman of the Committee is a non-executive promoter Director and Mr Amitav Virmani, member of the Committee is non-executive and independent Director.

The terms of reference of the Committee are:

- To deal with and decide all matters relating to the registration of transfer and transmission of shares and debentures, issue of duplicate share certificates or allotment letters and certificates for debentures in lieu of those lost/misplaced.
- To redress shareholder and investors complaints, relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.
- To monitor the compliance of Code of Conduct for Prevention of Insider Trading framed by the Company.

Mr Rajat Laxhanpal, Whole-time Director & Company Secretary, is the Compliance Officer. To expedite the process of transfer, Mr Rajat Laxhanpal, Whole-time Director & Company Secretary was authorised by the Board on 31st January, 2005 to consider and approve the registration of transfer and transmission of shares upto a limit of 500 shares in any one case.

As on 31st March 2013, no investor complaint was pending with the Registrar and Share Transfer Agent. Table 6 gives data on the shareholder/investor complaints received, and redressed, during the year 2012-13.

Table 6: Shareholder and Investor Complaints Received and Redressed during 2012-13

| Pending Complaints as on 01.04.2012 | Total Complaints received | Total complaints redressed | Pending as on 31.03.2013 |
|-------------------------------------|---------------------------|----------------------------|--------------------------|
| Nil | 7 | 7 | Nil |

Management

Management Discussion and Analysis

This is given as a separate chapter in this Annual Report.

Disclosure Requirements

- Disclosures on materially significant related party transactions are given in point no. 8 in the Notes to Accounts.
- The Company has followed the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- The Company has complied with the regulations issued by SEBI and terms and conditions of Listing Agreement with the Stock Exchanges.
- In compliance with the SEBI regulations on prevention of insider trading, the Company has laid down a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations.

Shareholders

Reappointment/Appointment of Directors

Mr Ashish Bharat Ram and Mr Amitav Virmani, Directors are retiring by rotation and being eligible, offer themselves for re-appointment. Mr Rajat Laxhanpal, Whole Time Director & Company Secretary is proposed to be reappointed in the same capacity for a further period of five years from 1.4.2013 upto 31.3.2018.

Means of Communication with Shareholders

Quarterly and annual results of KAMA are published in two national dailies, generally The Pioneer (in English) and Veer Arjun (in Hindi). In addition, these results are posted on the website of the Company, www.kamaholdings.com.

During 2012-13, KAMA has not made any formal presentations to institutional investors or analysts. As and when it does, the presentations will also be posted on the Company's website.

Last three Annual General Body Meetings

The details of the last three AGMs are given in Table 7.

Table 7 : Last three AGMs of the Company

| Year | Location | Date | Time | No. of Special Resolutions passed |
|------|--|------------|----------|-----------------------------------|
| 2010 | Modi Hall, PHD House 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110 016 | 10.09.2010 | 10.00 AM | None |
| 2011 | Laxmipat Singhania Auditorium, PHD House 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110 016 | 12.08.2011 | 3.30 PM | None |
| 2012 | Modi Hall, PHD House 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110 016 | 22.08.2012 | 3.00 PM | None |

Postal Ballot

During the year, no resolution was passed through Postal Ballot.

Compliance

Mandatory Requirements

The company is fully compliant with the applicable mandatory requirements of the Clause 49.

Adoption of Non-Mandatory Requirements

A Remuneration Committee has been constituted in accordance with the requirements of the Listing Agreement. The Committee decides the amount of salary, perquisites and commission to be paid to the Directors (within the overall ceiling fixed by the shareholders).

Additional Shareholder Information 13th Annual General Meeting

| | |
|-------|--|
| Date | 23 rd August, 2013 |
| Time | 11.00 A.M. |
| Venue | Modi Hall, PHD House 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110 016 |

Tentative Financial Calendar for Results, 2013-14

| | |
|---------------------------|-----------------------------|
| First Quarter | First week of August 2013 |
| Second Quarter | First week of November 2013 |
| Third Quarter | First week of February 2013 |
| Fourth Quarter and Annual | Fourth week of May 2013 |

Book Closure Date

The Share Transfer Register of KAMA Holdings Ltd. will remain closed from Friday, 16th August, 2013 to Friday, 23rd August, 2013 (both days inclusive). The dividend, when declared will be payable to the preference shareholders whose name stand on the Register of Preference Shareholders as on Friday, 16th August, 2013.

Dividend Payment Date

Interim dividend of Rs. 1 per share (10 per cent) on the paid up capital of the Company absorbing Rs. 64.53 lacs (approx.) was paid on 22nd February, 2013.

Listing on Stock Exchange in India

The shares of KAMA Holdings Ltd are listed on Bombay Stock Exchange Ltd. (Stock Code: 532468). The Company has paid the listing fees to Bombay Stock Exchange for the year 2013-14.

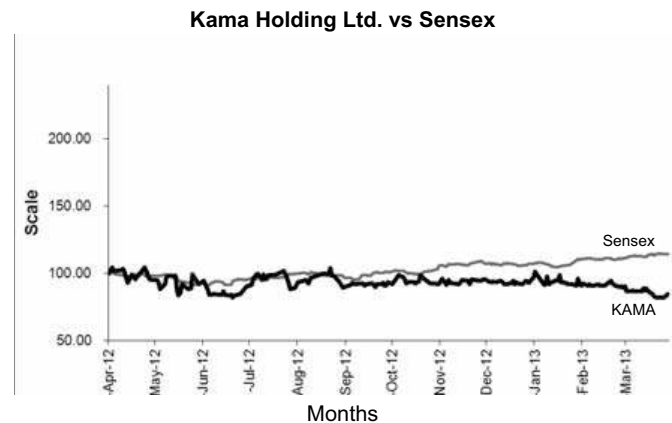
Stock Market Data

Table 8 gives the monthly high and low quotations as well as the volume of shares traded at BSE during 2012-13.

Table 8: Monthly Highs and Lows and Volumes Traded at the BSE, 2012-13

| Month | BSE | | |
|-----------|------------|-----------|---------------|
| | High (Rs.) | Low (Rs.) | Volume (Nos.) |
| April | 400.00 | 351.00 | 1,829 |
| May | 378.00 | 317.00 | 1,991 |
| June | 367.00 | 311.05 | 8,097 |
| July | 400.00 | 319.50 | 2,314 |
| August | 394.95 | 333.00 | 1,773 |
| September | 368.95 | 340.00 | 4,839 |
| October | 377.90 | 345.00 | 4,489 |
| November | 379.00 | 346.80 | 5,038 |
| December | 376.95 | 345.30 | 9,564 |
| January | 389.75 | 340.00 | 9,086 |
| February | 373.50 | 326.30 | 9,209 |
| March | 344.90 | 311.25 | 5,700 |

Chart 1: Share prices of KAMA Holdings Ltd. versus BSE Sensex for the year ended 31st March 2013



Note: Both Sensex and KAMA Holdings Ltd share prices are indexed to 100 as on 1st April 2012

Registrar and Share Transfer Agents

M/s Karvy Computershare Private Ltd., Hyderabad are the Registrar and Share Transfer Agent of Company for handling both electronic and physical shares.

Share Transfer System in Physical Mode

Share certificates sent for transfer are received at the Registered Office/Corporate Office of the Company or the office of Karvy Computershare Pvt. Ltd. All valid transfer requests are processed. To expedite the process of share transfer, Mr. Rajat Lakhnpal, Whole-time Director & Company Secretary has been authorised to consider and approve the registration of transfer and transmission of shares/debentures upto a limit of 500 shares/debentures in any one case. For the shares above 500 cases, the Shareholders'/ Investors' Grievances Committee meets to approve valid transfer requests. After transfer, the physical shares are sent to the shareholders.

The total number of shares transferred in physical form during the period from 1st April 2012 to 31st March 2013 was 193.

Depository System

Shareholders can trade in the Company's shares only in electronic form. The process for getting the shares dematerialised is as follows:

- Shareholder submits the shares certificate along with Dematerialisation Request Form (DRF) to Depository Participant (DP).
- DP processes the DRF and generates a unique Dematerialisation Request No.
- DP forwards the DRF and share certificates to the Registrar and Share Transfer Agent (RTA).
- RTA after processing the DRF confirms or rejects the request to Depositories
- If confirmed by the RTA, depositories give the credit to shareholder in his account maintained with DP.

This process takes approximately 10-15 days from the date of receipt of DRF.

As the trading in the shares of the Company can be done only in the electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialised.

Dematerialisation of shares as on 31st March 2013

There were 3,972 shareholders holding 62,92,293 shares in electronic form. This constitutes 97.52% of the total paid-up share capital of the Company.

Distribution of shareholding as on 31st March 2013*

Table 9 gives the distribution of shares according to shareholding class, while Table 10 gives the distribution of shareholding by ownership.

Table 9: Pattern of shareholding by share class as on 31st March, 2013

| No. of equity shares held | No. of share-holders | % of share-holders | No. of shares | % of share-holding |
|---------------------------|----------------------|--------------------|---------------|--------------------|
| Upto 500 | 6257 | 97.84 | 342518 | 5.31 |
| 501 – 1000 | 58 | 0.90 | 43329 | 0.67 |
| 1001-2000 | 30 | 0.47 | 43768 | 0.68 |
| 2001-3000 | 8 | 0.13 | 19877 | 0.31 |
| 3001-4000 | 8 | 0.13 | 28392 | 0.44 |
| 4001-5000 | 9 | 0.14 | 42635 | 0.66 |
| 5001-10000 | 12 | 0.19 | 77086 | 1.19 |
| 10000 and above | 13 | 0.20 | 5855010 | 90.74 |
| Total | 6395 | 100.00 | 6452615 | 100.00 |

*including holdings by NSDL and CDSL

Table 10: Pattern of shareholding by ownership as on 31 March, 2013

| Category | Shareholding | |
|--|-----------------------|----------------|
| | Number of shares held | Shareholding % |
| Promoters | 4839447 | 75.00 |
| Mutual Funds & UTI | - | - |
| Banks, Financial Institutions, Insurance Companies | 1039 | 0.02 |
| Central Government/ State Government(s) | - | - |
| Foreign Institutional Investors | - | - |
| Private Corporate Bodies | 258551 | 4.01 |
| Indian Public | 688570 | 10.67 |
| NRIs / OCBs | 651078 | 10.09 |
| Other (including shares in transit) | 13930 | 0.21 |
| Total | 6452615 | 100 |

Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, their conversion dates and likely impact on equity

The Company has not issued any GDRs/ ADRs/ Warrants or other instruments, which are pending for conversion.

Address for Correspondence
Registered Office

C-8, Commercial Complex
Safdarjung Development Area,
New Delhi – 110 016
Tel : (+91-11) 26857141
Fax : (+91-11) 2651 0428

Corporate Office

Block C, Sector 45, Gurgaon
Haryana – 122 003
Tel No. (+91 -124) 4354400
Fax No : (+91-124) 4354500
e-mail: rlakhanpal@kamaholdings.com

Registrar & Share Transfer Agent

Karvy Computershare Pvt. Ltd.
Plot No. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad -500 081
Tele No.: (+91-40) 4465 5000
Fax : (+91-40) 2342 0814
Email- einward.ris@karvy.com

Declaration regarding Code of Conduct

I, Rajat Lakhanpal, Whole Time Director & Company Secretary of KAMA Holdings Limited declare that all Board members have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended 31st March, 2013.

Date: May 30, 2013
Place: New Delhi

For and on behalf of the Board of Directors
Rajat Lakhanpal
Whole Time Director & Company Secretary



Financials

INDEPENDENT AUDITOR'S REPORT

To the Members of KAMA HOLDINGS LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of KAMA Holdings Ltd. which comprise the Balance Sheet as at 31st March 2013 and also the Statement of Profit and Loss and 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

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 fair presentation of the financial statements that 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 and 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 unqualified audit opinion.

As required by the Companies (Auditor's Report) order 2003, issued by the Central Government of India in term of Sub-Section (4A) of Section 227 of the Companies Act, 1956 we annex here to a statement on the matters specified in paragraph 4 and 5 of the said order.

Opinion

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

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 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;
- 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;
- 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;
- 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 act;
- On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Company's Act, 1956;
- Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Reg. No. 000038N
V Rajaraman
Partner
M. No.: 2705

Place: New Delhi
Date: May 30, 2013

The Annexure referred to in the main Auditors' Report of even date:

The company is not carrying on the business of chit fund, nidhi, or mutual fund, or dealing or trading in shares / securities, hence the clauses applicable to these businesses have not been considered below.

Fixed Assets

- The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - The company has a regular program of verifying all the assets over a period of three years which in our opinion is reasonable having regard to the size of the company and the nature of the assets.

Transactions with parties u/s 301 of the Companies Act, 1956

- The company has granted an interest free unsecured loans of Rs. 2,615.61 lakhs(Net) (3,831.50 lakhs granted during the year of which Rs. 1,215.89 lakhs has been refunded) to Kama Realty (Delhi) Ltd. and Shri Educare Ltd., it's wholly owned subsidiaries, covered in the register maintained under section 301 of the Act.
- The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.

Loans, Advances and Guarantees

4. The company has not taken loans from banks and others.
5. The company has not issued any debenture.
6. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
7. The company has stood guarantee for loans taken by its wholly owned subsidiaries, KAMA Realty (Delhi) Ltd. and Shri Educare Ltd.* during the year, from banks or financial institution. The terms & conditions of which are not prejudicial to the interest of the company.

*Shri Educare Ltd. has duly refunded its loan to bank during the year itself.

Internal Control

8. a. According to Internal Audit Report and the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business.
- b. There are no continuing failures to correct matters in respect of lack of adequacy of internal controls brought to notice.
9. The company has an adequate internal audit system commensurate with its size and nature of its business.

Fixed Deposit

10. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58 AA or any other relevant provisions of the Companies Act 1956 The Companies (Acceptance of Deposits) Rules, 1975 and directives issued by Reserve Bank of India with regard to the deposits accepted from the public.

Statutory Dues

11. a. According to the records of the company, undisputed dues including provident fund, Investors Education and Protection fund, employees' state insurance, income tax,

sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues have generally been regularly deposited with the concerned authorities

- b. Details of dues of disputed income tax after adjusting refunds due is given below:

| Name of Statute | Forum where case is pending | Nature of dues | Period of dispute | Amount (in Rs. Lacs) |
|----------------------|-----------------------------|----------------|-------------------|----------------------|
| Income Tax Act, 1961 | ITAT | Income Tax | A.Y. 2003-04 | 10.40 |
| Income Tax Act, 1961 | HC | Income Tax | A.Y. 2003-04 | 5.57 |
| Income Tax Act, 1961 | ITAT | Income Tax | A.Y. 2005-06 | 68.83 |
| Income Tax Act, 1961 | SC | Income Tax | A.Y. 2007-08 | 37.43 |
| Income Tax Act, 1961 | CIT(A) | Income Tax | A.Y. 2009-10 | 186.64 |
| | | | TOTAL | 308.87 |

OTHERS

12. The company has no accumulated losses at the end of the financial year. The company has neither incurred cash losses in the current financial year nor in the immediately preceding financial year.
13. The company has not issued any fresh share capital and hence the question of neither the preferential allotment nor the end use thereof arises.
14. No fraud on or by the company has been noticed or reported during the year.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Reg. No. 000038N
(V. RAJARAMAN)
Partner
M. No.: 2705

Place: New Delhi
Date: May 30, 2013

KAMA HOLDINGS LIMITED

BALANCE SHEET

AS AT MARCH 31, 2013

| Particulars | Note No. | As at March 31, 2013 (Rs in Lacs) | As at March 31, 2012 (Rs in Lacs) |
|-------------------------------------|----------|---|---|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share capital | 1 | 1,937.20 | 1,937.20 |
| Reserves and surplus | 2 | <u>41,073.72</u> | <u>38,046.42</u> |
| | | 43,010.92 | 39,983.62 |
| Non-current liabilities | | | |
| Long-term provisions | 3 (a) | <u>6.49</u> | <u>411.38</u> |
| | | 6.49 | 411.38 |
| Current liabilities | | | |
| Other current liabilities | 4 | 115.72 | 135.08 |
| Short-term provisions | 3 (b) | <u>0.18</u> | <u>-</u> |
| | | 115.90 | 135.08 |
| TOTAL EQUITY AND LIABILITIES | | <u>43,133.31</u> | <u>40,530.08</u> |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 5 | 0.08 | 0.23 |
| Non-current investments | 6(a) | 39,882.93 | 38,769.52 |
| Long term loans and advances | 8(a) | <u>-</u> | <u>60.00</u> |
| | | 39,883.01 | 38,829.75 |
| Current assets | | | |
| Current investments | 6(b) | 398.62 | 1,396.84 |
| Cash and bank balances | 7 | 3.48 | 47.64 |
| Short-term loans and advances | 8(b) | 2,615.61 | - |
| Other current assets | 9 | <u>232.59</u> | <u>255.85</u> |
| | | 3,250.30 | 1,700.33 |
| TOTAL ASSETS | | <u>43,133.31</u> | <u>40,530.08</u> |

Accounting Policies & General Notes given in Annexure & Note 1 to 9 form part of financial statements

As per our report of even date

For **THAKUR, VAIDYANATH AIYAR & CO.**

Chartered Accountants

Regn. No. 000038N

V Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
Whole Time Director
& Company Secretary

Kartikeya Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 30, 2013

KAMA HOLDINGS LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2013

| Particulars | Note No. | Year Ended March 31, 2013 Rs./Lakhs | Year Ended March 31, 2012 Rs./Lakhs. |
|--|----------|---|--|
| Revenue from Operations | | | |
| Dividend from subsidiary | | 2,904.31 | 3,988.87 |
| Dividend from others | | 23.18 | 16.73 |
| Interest on Loans & Deposits | | 7.26 | 6.35 |
| Other Income | | | |
| Gain/(loss) on sale of Investments | | 0.87 | (0.21) |
| Interest on Income tax refund | | - | 8.06 |
| Long term provision written back | | 403.70 | - |
| Miscellaneous income | | - | 7.63 |
| TOTAL REVENUE | | 3,339.32 | 4,027.43 |
| EXPENSES | | | |
| Employee benefits | 10 | 28.50 | 16.83 |
| Finance costs | 11 | - | 148.95 |
| Depreciation and amortisation | 12 | - | 0.05 |
| Other expenses | 13 | 12.85 | 28.47 |
| TOTAL EXPENSES | | 41.35 | 194.30 |
| Profit before tax | | 3,297.97 | 3,833.13 |
| Tax expense | | | |
| Current tax | | - | 6.79 |
| Current tax (MAT) | | 82.40 | - |
| Relating to earlier years | | 20.39 | (18.95) |
| | | 102.79 | (12.16) |
| Profit after tax | | 3,195.18 | 3,845.29 |
| Proposed dividend on preference shares | | 103.35 | 103.35 |
| Interim Dividend on equity shares | | 64.53 | - |
| Dividend distribution tax | | - | 16.77 |
| Balance Profit | | 3,027.30 | 3,725.17 |
| Earnings per share | | | |
| Basic (Rs.) | 14 | 47.92 | 57.73 |
| Diluted (Rs.) | | 47.92 | 57.73 |

Accounting Policies & General Notes given in Annexure & Note 10 to 14 form part of financial statements

As per our report of even date
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Regn. No. 000038N

V Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
Whole Time Director
& Company Secretary

Kartikeya Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 30, 2013

KAMA HOLDINGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2013

| | Amount (Rs./lakhs) | |
|---|------------------------------|------------------------------|
| | Year Ended March 31, 2013 | Year Ended March 31, 2012 |
| A CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before tax | 3,297.97 | 3,833.13 |
| Adjustments for | | |
| Interest & Finance Charges | - | 148.95 |
| Depreciation | - | 0.05 |
| Income from Dividend on Shares | (2,927.49) | (4,005.60) |
| Interest Income | (7.26) | (14.41) |
| Asset written off | 0.15 | - |
| (Profit)/Loss on sale of Investments | (0.87) | 0.21 |
| Operating Profit before working capital changes | 362.50 | (37.67) |
| Adjustments for | | |
| Trade and Other Receivables | (2,532.35) | 362.38 |
| Trade Payables and Provisions | (527.42) | (186.39) |
| Cash Generated from operations before tax | (2,697.27) | 138.32 |
| Taxation | (102.79) | 12.16 |
| Net Cash from operating activities (A) | (2,800.06) | 150.48 |
| B CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Investments | (3,650.59) | (3,342.99) |
| Sale of Investments | 3,536.27 | 1,459.11 |
| Interest Income | 7.26 | 14.41 |
| Income from Dividend on Shares | 2,927.49 | 4,005.60 |
| Net Cash from Investment Activities (B) | 2,820.43 | 2,136.13 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds/(Repayment) of Short term borrowings | - | (2,270.99) |
| Interim dividend on equity shares paid | (64.53) | - |
| Interest Paid | - | (148.95) |
| Net cash used in/ from financing activities (C) | (64.53) | (2,419.94) |
| Net increase in Cash and Cash Equivalents D=(A+B+C) | (44.16) | (133.33) |
| Cash & Cash equivalents at the beginning of the year (E) | 47.64 | 180.97 |
| Cash & Cash equivalents at the close of the year F =(D+E) | 3.48 | 47.64 |

Rajat Laxhanpal
Whole Time Director & Company Secretary

Kartikeya Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

We have certified the above cash flow statement of KAMA Holdings Limited derived from the audited financial statements for the year ended March 31, 2013 and other records and found the same to be drawn in accordance there with and also with the requirements of clause 32 of the listing agreements with the Stock Exchanges.

For THAKUR, VAIDYANATH AIYAR & CO
Chartered Accountants
Regn. No. 000038N

V Rajaraman
Partner
M. No. 2705

Place: New Delhi
Date: May 30, 2013

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|---|--------------------------------------|--------------------------------------|
| 1. Share Capital | | |
| a) Details of share capital | | |
| AUTHORISED | | |
| 10,000,000 (Previous Year - 10,000,000) Equity shares of Rs. 10 each | 1,000.00 | 1,000.00 |
| 13,000,000 (Previous Year - 13,000,000) Preference Shares of Rs. 10 each | 1,300.00 | 1,300.00 |
| | <u>2,300.00</u> | <u>2,300.00</u> |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 6,452,615 (Previous Year - 6,452,615) Equity Shares of Rs. 10 each fully paid up | 645.26 | 645.26 |
| 12,919,412* (Previous Year - 12,919,412) Preference Shares of Rs. 10 each fully paid up | 1,291.94 | 1,291.94 |
| | <u>1,937.20</u> | <u>1,937.20</u> |

*Represents 8% Non-cumulative Redeemable Preference Shares redeemable on or before 31-Mar-2031 at the discretion of the Board of Directors of the Company in accordance with Memorandum & Articles of Association.

There is no change in the share capital as compared to previous year.

b) Shareholders holding more than 5% shares in the Company

| Name of the shareholder | As at March 31, 2013 | | As at March 31, 2012 | |
|-----------------------------|----------------------|-----------------|----------------------|-----------------|
| | % age | (No. of shares) | % age | (No. of shares) |
| Equity | | | | |
| Arun Bharat Ram | 37.50% | 2,419,727 | - | - |
| Manju Bharat Ram (Deceased) | - | - | 37.50% | 2,419,720 |
| Ashish Bharat Ram | 18.75% | 1,209,860 | 18.75% | 1,209,860 |
| Kartikeya Bharat Ram | 18.75% | 1,209,860 | 18.75% | 1,209,860 |
| Preference | | | | |
| Manju Bharat Ram (Deceased) | - | - | 49.45% | 6,388,650 |
| Ashish Bharat Ram | 74.18% | 9,582,975 | 24.73% | 3,194,325 |
| Kartikeya Bharat Ram | 24.73% | 3,194,325 | 24.73% | 3,194,325 |

In the period immediately preceding five years:

- i) 1,209,563 equity shares of Rs 10 each fully paid up were allotted without payment being received in cash pursuant to Scheme of Arrangement approved by Hon'ble Delhi High Court vide order dated 24.02.2011 to the promoters by simultaneous cancellation of equivalent number of shares and also allotted 12,919,412 - 8% Non-cumulative Redeemable Preference Shares of Rs 10 each fully paid up without payment being received in cash pursuant to said Scheme of Arrangement ; and
- ii) The company has not allotted any bonus shares.

2. Reserves and Surplus

Reserves

| | | |
|-----------------------------------|-------------------------|-------------------------|
| Capital reserve | 20,345.06 | 20,345.06 |
| General reserve | 4,884.97 | 4,884.97 |
| | Total | |
| | <u>25,230.03</u> | <u>25,230.03</u> |
| Surplus | 15,843.69 | 12,816.39 |
| Total Reserves and Surplus | <u>41,073.72</u> | <u>38,046.42</u> |

There is no change in the balances of Reserves as compared to Previous year.

Movement in Surplus

| | | |
|--|-------------------------|-------------------------|
| As at the beginning of the year | 12,816.39 | 9,091.22 |
| Profit after tax transferred from statement of Profit and Loss annexed | 3,027.30 | 3,725.17 |
| As at the end of the year | <u>15,843.69</u> | <u>12,816.39</u> |

3. Provisions

(a) Long-term provisions

| | | |
|---|--------------------|----------------------|
| Provision for contingencies | - | 411.38 |
| Provision for Gratuity (non-funded) | 3.01 | - |
| Provision for leave encashment (non-funded) | 3.48 | - |
| Total Long-term provisions | <u>6.49</u> | <u>411.38</u> |

(b) Short-term provisions

| | | |
|---|--------------------|-----------------|
| Provision for Gratuity (non-funded) | 0.08 | - |
| Provision for leave encashment (non-funded) | 0.10 | - |
| Total Long-term provisions | <u>0.18</u> | <u>-</u> |

| | | |
|-------------------------|--------------------|----------------------|
| Total provisions | <u>6.67</u> | <u>411.38</u> |
|-------------------------|--------------------|----------------------|

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|--|--------------------------------------|--------------------------------------|
| 4. Other current liabilities | | |
| Expenses payable | 2.45 | 2.45 |
| Unclaimed fixed deposits* | 7.35 | 10.84 |
| Unclaimed dividends* | 1.37 | 0.86 |
| Proposed dividend on preference shares | 103.35 | 103.35 |
| Dividend distribution tax | - | 16.77 |
| Statutory dues | 1.20 | 0.81 |
| Total | 115.72 | 135.08 |

*Will be credited to Investor Education and Protection Fund if not claimed within seven years from the date of issue of dividend/interest warrant and the date of maturity of fixed deposits.

5. FIXED ASSETS

| Description | Gross Block | | | | Depreciation | | | | Net Block | |
|-------------------------|---------------------------|-----------|--------------------------|----------------------------|---------------------------|-----------------|--------------------------|---------------------------|----------------------------|----------------------------|
| | As at April 1, 2012 | Additions | Deductions/ Write Off | As at March 31, 2013 | Upto March 31, 2012 | For the year | additions/ (deletion) | Upto March 31, 2013 | As at March 31, 2013 | As at March 31, 2012 |
| | Rs./lakhs | | | | | | | | | |
| Tangible assets | | | | | | | | | | |
| Office equipments, etc. | 1.67 | - | - | 1.67 | 1.59 | - | - | 1.59 | 0.08 | 0.08 |
| Vehicles | 2.93 | - | 2.93 | - | 2.78 | - | (2.78) | - | - | 0.15 |
| Total | 4.60 | - | 2.93 | 1.67 | 4.37 | - | (2.78) | 1.59 | 0.08 | 0.23 |
| Previous year | 4.60 | - | - | 4.60 | 4.32 | 0.05 | - | 4.37 | 0.23 | 0.28 |

6. Investments

Long term investments are valued at cost unless there is a decline in value, other than temporary. Current investments are valued at lower of cost or fair value.

| Scrip | Par Value Rs. | As at March 31, 2013 | | As at March 31, 2012 | |
|-------|---------------------|-------------------------|---------------------|-------------------------|---------------------|
| | | Qty. (Nos.) | Amount Rs./lakhs | Qty. (Nos.) | Amount Rs./lakhs |

(a) NON-CURRENT INVESTMENTS- Others

Investments in Equity Instruments

Quoted in subsidiary*

| | | | | | |
|-------------|----|------------|-----------|------------|-----------|
| SRF Limited | 10 | 29,043,134 | 38,859.43 | 28,606,962 | 37,933.51 |
| Total (A) | | | 38,859.43 | | 37,933.51 |

*SRF Limited became subsidiary of the company during the year.

Aggregate value of quoted investments 38,859.43 37,933.51

[Market value of Quoted Equity Investments Rs 49,170.03 lakhs (previous year Rs 70,859.44 lakhs).]

Unquoted in wholly owned subsidiaries

| | | | | | |
|-----------------------------|----|-----------|--------|-----------|--------|
| KAMA Realty (Delhi) Limited | 10 | 60,020 | 5.00 | 60,020 | 5.00 |
| KHL Investments Limited | 10 | 50,000 | 5.00 | - | - |
| Shri Educare Limited** | 10 | 9,510,000 | 951.00 | 7,760,000 | 776.00 |
| Total (B) | | | 961.00 | | 781.00 |

Unquoted in others

| | | | | | |
|---|----|---|---|--------|------|
| Children First Mental Health Institute Private Limited** | 10 | - | - | 50,100 | 5.01 |
| Total (C) | | | - | | 5.01 |

**The diminution in value of investments, if any, is not considered as permanent.

Investments in Other Instruments

Unquoted-Private Equity Fund

| | | | | | |
|--|-----|---------|------------------|---------|------------------|
| Asian Healthcare Fund | 100 | 250,000 | 62.50 | 250,000 | 50.00 |
| (Partly paid-up to the extent of Rs 25 each (pr. yr. Rs. 20) (Total Commitment Rs. 25,000,000 (pr. Yr. Rs. 25,000,000)) | | | | | |
| Total (D) | | | 62.50 | | 50.00 |
| Total (A)+(B)+(C)+(D) | | | 39,882.93 | | 38,769.52 |

| Scrip | Par Value Rs. | As at March 31, 2013 | | As at March 31, 2012 | |
|------------------------------------|------------------|-------------------------|---------------------|-------------------------|---------------------|
| | | Qty. (Nos.) | Amount Rs./lakhs | Qty. (Nos.) | Amount Rs./lakhs |
| (b) CURRENT INVESTMENTS | | | | | |
| Investments in Mutual Funds | | | | | |
| <i>Quoted</i> | | | | | |
| Templeton India Mutual Fund | 10 | - | - | 13,819,107 | 1,396.84 |
| ICICI Prudential Money Market Fund | 100 | 398,172 | 398.62 | - | - |
| | | Total | 398.62 | | 1,396.84 |

[Market value of Quoted Current Investments Rs 399.02 lakhs (previous year Rs 1,665.63 lakhs).]

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|---|--------------------------------------|--------------------------------------|
| 7. Cash and bank balances | | |
| Cash and cash equivalents | | |
| Cash in hand | 0.13 | 0.13 |
| Balance with banks on | | |
| Current accounts | 1.98 | 39.03 |
| Unclaimed dividends | 1.37 | 0.86 |
| Balance with banks in term deposits of more than three months | - | 7.62 |
| Total cash and bank balances | 3.48 | 47.64 |

8. Loans and advances

(Unsecured considered good, unless otherwise stated)

| | | |
|---|----------|-------|
| (a) Long-term loans and advances | | |
| To related party - considered good | - | 60.00 |
| Total Long-term loans and advances | - | 60.00 |
| (b) Short-term loans and advances (interest free) | | |
| To related party - considered good | 2,615.61 | - |
| Total Short-term loans and advances | 2,615.61 | - |
| Details of Related Parties | | |

| Name of the Party | Nature of borrowing | Relationship | Amount | |
|--|---------------------|--------------|-----------------------------|-----------------------------|
| | | | March 31, 2013 Rs./lakhs | March 31, 2012 Rs./lakhs |
| KAMA Realty (Delhi) Limited | Unsecured | Subsidiary | 1,729.61 | - |
| Shri Educare Limited | Unsecured | Subsidiary | 886.00 | - |
| Children First Mental Health Institute Private Limited | Secured | Associate | - | 60.00 |
| | | Total | 2,615.61 | 60.00 |

9. Other current assets

| | | |
|--|---------------|---------------|
| Interest accrued but not due on loans and deposits | - | 5.59 |
| MAT credit available | 37.27 | 39.84 |
| Advance Tax (net of provisions) | 195.32 | 210.42 |
| Total other current assets | 232.59 | 255.85 |

10. Employee benefits expenses

| | | |
|---|--------------|--------------|
| Salaries, wages, leave encashment and gratuity | 27.53 | 15.45 |
| Contribution to provident and superannuation fund | 0.97 | 1.38 |
| | 28.50 | 16.83 |

11. Finance Costs

| | | |
|-----------------------|---|---------------|
| Interest expenses | | |
| • On short term loans | - | 147.59 |
| • On deposits | - | 1.36 |
| | - | 148.95 |

12. Depreciation and amortisation

| | | |
|--------------|---|-------------|
| Depreciation | - | 0.05 |
| | - | 0.05 |

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|---|--------------------------------------|--------------------------------------|
| 13. Other expenses | | |
| Payment to Auditors: | | |
| for Audit fee | 1.00 | 1.00 |
| for Interim audit fee | 1.50 | 1.50 |
| for other services | 0.31 | 0.29 |
| Rates & Taxes | 0.15 | 0.23 |
| Miscellaneous expenses | 9.89 | 25.45 |
| | 12.85 | 28.47 |
| 14. Earnings Per Share | | |
| Profit after tax after reckoning of dividend to preference shareholders and tax thereon | 3,091.83 | 3,725.17 |
| Weighted average number of equity shares outstanding | 6,452,615 | 6,452,615 |
| Earnings per share in rupees (face value- Rs. 10 per share)* | 47.92 | 57.73 |

*No Instrument has been issued which is likely to dilute the earnings per share.

ANNEXURE –ACCOUNTING POLICIES AND GENERAL NOTES TO THE ACCOUNTS

A) ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the historical cost convention basis. The generally accepted accounting principles and the Accounting Standards referred under section 211(3C) of the Companies Act, 1956 have been adopted by the Company and disclosures made in accordance with the requirements of Schedule VI to the Companies Act, 1956 and the Indian Accounting Standards.

2. FIXED ASSETS

Gross block of fixed assets have been stated at their original cost. Cost includes interest on borrowings upto the date of putting the assets to use.

3. DEPRECIATION

- 3.1 Depreciation is provided on Fixed assets with reference to their historical cost.
- 3.2 Depreciation is provided on Straight-line method at rates based upon life determined by the management which are lower than the life determined based on the rates specified in Schedule XIV to the Companies Act, 1956. The depreciation rates based on useful life as estimated by the management are 19% for Vehicles, 19% for Mobiles (office equipment) and 31.33% for Computers (office equipment).
- 3.3 Depreciation is calculated on a pro rata basis except that, assets costing upto Rs. 5,000 each are fully depreciated in the year of purchase.

4. INVESTMENTS

- 4.1 Long term quoted investments are valued at cost unless there is a permanent fall in their value as at the date of Balance Sheet.
- 4.2 Unquoted investment in subsidiaries being of long term nature are valued at cost and no loss is recognized in the fall in their net worth, if any, unless there is permanent fall in their value.

5. CONTINGENT LIABILITY

Liabilities, though contingent, are provided for if there are reasonable prospects of such liabilities maturing. Other contingent liabilities, barring frivolous claims not acknowledged as debt, are disclosed by way of note.

6. REVENUE RECOGNITION

- 6.1 Revenue from operations and other income are recognized in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment or realization of income such as interest from customers (including the financial condition of the person from whom the same is to be realized), the same is not accounted for.
- 6.2 Interim dividend income from investments is recognized in the Profit and Loss Account on receipt basis.

7. TAXATION

- 7.1 Tax provision is made, in accordance with the Income Tax Act, 1961 including the provisions regarding Minimum Alternate Tax and the contentions of the Company and also the fact that certain expenditure becoming allowable on payment being made before filing of the return of income.
- 7.2 Deferred tax assets and liabilities are accounted for on the basis of Accounting Standard AS-22. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

8. BORROWING COST

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as a part of the cost of those assets. Other borrowing costs are recognized as an expense in the period to which they relate.

9. EARNING PER SHARE

The earnings considered in ascertaining the Company's Earnings Per Share ('EPS') comprise the net profit after tax after reckoning of dividend to equity and preference shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

B) GENERAL NOTES

1. Contingent Liabilities

1.1 Claims against the Company not acknowledged as debts on account of:

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|--|-----------------------------------|-----------------------------------|
| Income Tax | 308.87 | 540.33 |
| Under Business Transfer Agreement with SRF Limited for Excise Duty/Sales Tax | 2,102.30 | 1,831.81 |

1.2 Guarantees provided on behalf of wholly-owned subsidiary for repayment of loans and interest thereon amount to Rs 2,382.34 lakhs (Previous Year Rs 2,617.28 lakhs) which is a related party.

- The Company had entered into Non-Compete Agreements whereby the Company had inter-alia agreed not to engage, directly or indirectly, in the manufacturing and selling thereof as would compete with SRF Ltd in respect of Engineering Plastics and Industrial Yarn, in any country of the world for a period of 5 years from the date of the Business Transfer Agreement, i.e., 1st January 2009.
- SRF Limited has become subsidiary of the company during the year w.e.f. 03rd August 2012.
- The company has incorporated a subsidiary namely KHL Investments Limited on 06th August 2012. KHL Investments Limited intends to apply for registration as Non-Banking Finance Company as per regulations/guidelines notified from Reserve Bank of India.

5. Capital Commitment

The company has got capital commitment to pay a sum of Rs.187.50 lakhs (Previous Year Rs.200.00 lakhs) on the units held by it in Asian Healthcare Fund Investment Trust on the basis of as and when further calls are made. Presently units of Rs.100 each are paid up to the extent of Rs.25 each (Previous Year Rs.20 each).

6. Remuneration for key Management Personnel

| Whole Time Director | Year ended March 31, 2013 Rs./lakhs | Year ended March 31, 2012 Rs./lakhs |
|--|---|---|
| Salary including allowances | 27.53 | 15.45 |
| Contribution to provident and superannuation funds | 0.97 | 1.38 |
| Total | 28.50 | 16.83 |

The contribution to provident and superannuation funds is made to M/s SRF Limited which maintains separate funds administered by trusts.

The director is entitled to a minimum remuneration irrespective of the profits or losses in accordance with Part II Section II of Schedule XIII to the Companies Act, 1956.

7. Disclosure as per AS-29 referred to in Note 3 titled "Provisions":

| | Year ended March 31, 2013 Rs./lakhs | Year ended March 31, 2012 Rs./lakhs |
|--|---|---|
| Amount at the beginning of the year | 411.38 | 457.88 |
| Add: additional provision made during the year | 6.67 | - |
| Less: amounts used during the year | 7.68 | 46.50 |
| Less: unused amounts reversed during the year | 403.70 | - |
| Amount at the end of the year | 6.67 | 411.38 |

8. Related Party Transactions

(i) List of related parties and relationships:

| | | |
|-----|--|--|
| (a) | Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise | <ul style="list-style-type: none"> • KAMA Realty (Delhi) Limited • Shri Educare Limited • SRF Limited • KHL Investments Limited |
| (b) | Associates | <ul style="list-style-type: none"> • Children First Mental Health Institute Pvt. Ltd. |
| (c) | Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual | <ul style="list-style-type: none"> • Arun Bharat Ram • Ashish Bharat Ram • Kartikeya Bharat Ram |
| (d) | Key Management Personnel | <ul style="list-style-type: none"> • Rajat Lakhanpal, Whole Time Director |
| (e) | Enterprises over which any person described in (c) or (d) is able to exercise significant influence | <ul style="list-style-type: none"> • Karm Farms Private Limited • Srishti Westend Greens Farms Private Limited • Bharat Ram Associates Private Limited • Karmav Holdings Private Limited |

(ii) Transactions during the year with related parties:

| Nature of transaction | Amount in Rs/lakhs with related parties referred to above | | | | | |
|--------------------------------------|---|--------------|-------------|-----|--------|-----------------|
| | (a) | (b) | (c) | (d) | (e) | Total |
| Loan/ICD received: | | | | | | |
| Current year | - | - | - | - | - | - |
| Previous year | - | - | - | - | 115.00 | 115.00 |
| Loan/ICD refunded: | | | | | | |
| Current year | - | - | - | - | - | - |
| Previous year | 1,574.63 | - | - | - | 779.43 | 2,354.06 |
| Interest paid on ICD/Loan: | | | | | | |
| Current year | - | - | - | - | - | - |
| Previous year | 105.53 | - | - | - | 19.65 | 125.18 |
| Loan/ICD given: | | | | | | |
| Current year | 3831.50 | - | - | - | - | 3831.50 |
| Previous year | - | 60.00 | - | - | - | 60.00 |
| Loan/ICD refund received: | | | | | | |
| Current year | 1215.89 | 60.00 | - | - | - | 1275.89 |
| Previous year | 383.00 | - | - | - | - | 383.00 |
| Interest received on ICD/Loan: | | | | | | |
| Current year | - | 6.60 | - | - | - | 6.60 |
| Previous year | - | 5.61 | - | - | - | 5.61 |
| Investment during year: | | | | | | |
| Current year | 1105.92* | - | - | - | - | 1105.92 |
| Previous year | 617.25** | 5.01 | - | - | - | 622.26 |
| Sale of Investments of: | | | | | | |
| Current year | - | 5.01 | - | - | - | 5.01 |
| Previous year | - | - | - | - | - | - |
| Purchase of investments from: | | | | | | |
| Current year | - | - | - | - | - | - |
| Previous year | - | - | - | - | 195.16 | 195.16 |
| Sale of investments to: | | | | | | |
| Current year | - | - | 0.01 | - | - | 0.01 |
| Previous year | - | - | - | - | - | - |
| Reimbursement (payment) of expenses: | | | | | | |
| Current year | 13.93 | - | - | - | - | 13.93 |
| Previous year | 53.42 | - | - | - | - | 53.42 |
| Dividend received: | | | | | | |
| Current year | 2904.31 | - | - | - | - | 2904.31 |
| Previous year | 3988.87 | - | - | - | - | 3988.87 |
| Reimbursement (receipt) of expenses: | | | | | | |
| Current year | 4.40 | - | - | - | - | 4.40 |
| Previous year | 41.11 | - | - | - | - | 41.11 |

| Nature of transaction | Amount in Rs/lakhs with related parties referred to above | | | | | |
|--------------------------|---|-------|------|-------|-----|---------|
| | (a) | (b) | (c) | (d) | (e) | Total |
| Remuneration: | | | | | | |
| Current year | - | - | - | 28.50 | - | 28.50 |
| Previous year | - | - | - | 16.83 | - | 16.83 |
| Directors Sitting Fee: | | | | | | |
| Current year | - | - | 0.35 | - | - | 0.35 |
| Previous year | - | - | 0.12 | - | - | 0.12 |
| Expenses paid on behalf: | | | | | | |
| Current year | 4.40 | - | - | - | - | 4.40 |
| Previous year | - | - | - | - | - | - |
| Year end receivables: | | | | | | |
| Current year | 2615.61 | - | - | - | - | 2615.61 |
| Previous year | - | 65.05 | - | - | - | 65.05 |

*Includes investment of Rs.925.92 lakhs in equity shares of SRF Limited acquired from open market.

**Includes investment of Rs.195.16 lakhs in equity shares of SRF Limited acquired from related parties.

9. Tax on distributed profits

The interim dividend to equity shareholders (Rs.64.53 lakhs) as well as proposed dividend to preference shareholders (Rs.103.35 lakhs) is paid out of dividend received from the subsidiary (Rs.2,904.31 lakhs), no tax is payable under section 115-O of the Income Tax Act, 1961 and hence no provision has been made for dividend distribution tax.

10. Earning Per Equity Share

Annualized earnings per equity share has been calculated based on the net profit after taxation of Rs 3,007.29 lakhs (previous year Rs 3,845.29 lakhs) less dividend to preference shareholders Rs.103.35 lakhs (previous year Rs.103.35 lakhs) and dividend tax thereon Rs.Nil (previous year Rs. 16.77 lakhs) and the average number of equity shares of 6,452,615 (previous year 6,452,615).

Basic earnings per share for the year is Rs. 45.00 (Previous Year Rs. 57.73).

The Company has not issued any financial instruments which have an effect of diluting the earning of equity. Hence diluted earning does not arise.

11. The company is a Core Investment Company (CIC) within the meaning of Core Investment Companies (Reserve Bank) Directions, 2011 and does not require registration with Reserve Bank of India under said directions.
12. The company does not have any other segment.
13. Previous year figures have been regrouped/ rearranged to accord with current year classification

As per our report of even date

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Regn. No. 000038N

V Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
Whole Time Director
& Company Secretary

Kartikeya Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 30, 2013

INDEPENDENT AUDITOR'S REPORT

**To the Members of KAMA HOLDINGS LTD.
Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of KAMA Holdings Ltd. ("The Company") and its subsidiaries (except those mentioned below) as at 31st March 2013 and also the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Subsidiaries of which we are not the auditor are here by listed along with their respective auditors.

| Subsidiaries' Name | Name of the auditor |
|-----------------------------------|---------------------------------------|
| SRF Ltd. | Delloitte Haskins & Sells |
| KAMA Reality (Delhi) Ltd. | Vatss & Associates |
| KHL Investments Ltd. | Vatss & Associates |
| SRF Holiday Homes Ltd. | J.P Tulsian & CO. |
| SRF Energy Ltd. | J.P Tulsian & CO. |
| SRF Fluorochemicals Ltd. | J.P Tulsian & CO. |
| SRF Fluor Private Ltd.(Mauritius) | Lancasters. |
| SRF Overseas Ltd. (U.A.E) | BDO Chartered Accountants & Advisors, |
| SRF Industries (Thailand) Ltd. | Earnest & Young. |
| SRF Indutex Belting (Pty) Ltd. | PricewaterhouseCoopers, South Africa |
| SRF Flexipack (South Africa) Ltd. | Delloitte Haskins & Sells |

We have placed reliance on the accounts audited by the above mentioned Independent Auditors of the concerned subsidiaries.

Management's Responsibility for the Financial Statements

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 Group 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 fair presentation of the financial statements that 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 and 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 unqualified audit opinion.

Opinion

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

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31,2013.
- (b) In the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 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 Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the act;

**For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Reg. No. 000038N
V. Rajaraman**

Place: New Delhi
Date: May 30, 2013

**Partner
M. No.: 2705**

KAMA HOLDINGS LIMITED (CONSOLIDATED)

BALANCE SHEET

AS AT MARCH 31, 2013

| Particulars | Note No. | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|-------------------------------------|----------|--------------------------------------|--------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share capital | 1 | 1,937.20 | 1,937.20 |
| Reserves and surplus | 2 | <u>104,402.02</u> | <u>83,016.88</u> |
| | | 106,339.22 | 84,954.08 |
| Minority interest | | 94,459.95 | - |
| Non-current liabilities | | | |
| Long-term borrowings | 3 | 111,685.00 | 2,291.38 |
| Long-term liabilities | 4 | 13.57 | 4.06 |
| Deferred tax liabilities (net) | 5 | 25,028.81 | - |
| Long-term provisions | 6 | <u>1,718.94</u> | <u>416.83</u> |
| | | 138,446.32 | 2,712.27 |
| Current liabilities | | | |
| Short-term borrowings | 3 | 24,254.85 | - |
| Trade payables | 7 | 51,817.97 | - |
| Other current liabilities | 8 | 47,657.49 | 871.76 |
| Short-term provisions | 9 | <u>775.21</u> | <u>(211.82)</u> |
| | | 124,505.52 | 659.94 |
| TOTAL EQUITY AND LIABILITIES | | <u>463,751.01</u> | <u>88,326.29</u> |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | 10 | | |
| Tangible assets | | 234,659.78 | 2,753.29 |
| Intangible assets | | 2,452.64 | 40.88 |
| Capital work-in-progress | | 57,073.31 | 243.71 |
| Non-current investments | 11 | 3,286.84 | 83,073.81 |
| Long-term loans and advances | 12 | 14,681.39 | 74.11 |
| Other non-current assets | 13 | <u>832.94</u> | <u>-</u> |
| | | 312,986.90 | 86,185.80 |
| Current assets | | | |
| Current investments | 11 | 14,565.52 | 1,663.28 |
| Inventories | 14 | 56,322.55 | - |
| Trade receivables | 15 | 50,907.26 | 7.49 |
| Cash and cash equivalents | 16 | 19,176.19 | 337.80 |
| Short-term loans and advances | 17 | 9,466.40 | 22.86 |
| Other current assets | 18 | <u>326.19</u> | <u>109.06</u> |
| | | 150,764.11 | 2,140.49 |
| TOTAL ASSETS | | <u>463,751.01</u> | <u>88,326.29</u> |

Accounting Policies & General Notes given in Annexure &
Note 1 to 18 form part of financial statements

As per our report of even date

For **THAKUR, VAIDYANATH AIYAR & CO.**

Chartered Accountants

Regn. No. 000038N

V Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
Whole Time Director & Company Secretary

Kartikeya Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi

Date: May 30, 2013

KAMA HOLDINGS LIMITED (CONSOLIDATED)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2013

| Particulars | Note No. | Year Ended March 31, 2013 Rs./lakhs | Year Ended March 31, 2012 Rs./lakhs |
|--|----------|---|---|
| REVENUE FROM OPERATIONS | | | |
| Sale of products (gross) | | 270,033.35 | - |
| Less: Excise Duty | | 18,990.61 | - |
| Sale of products (net) | | <u>251,042.74</u> | - |
| Other operating revenues | 19 | 2,727.70 | 1,313.58 |
| Other Income | 20 | <u>3,421.71</u> | 42.16 |
| TOTAL REVENUE | | <u>257,192.15</u> | <u>1,355.74</u> |
| EXPENSES | | | |
| Cost of materials consumed | 21 | 140,474.05 | - |
| Purchase of traded goods | 22 | 647.53 | - |
| (Increase)/Decrease in inventories of finished goods, stock-in-process and traded goods | 23 | (1,980.69) | - |
| Employee benefits | 24 | 18,893.07 | 692.37 |
| Finance costs | 25 | 6,625.29 | 395.05 |
| Depreciation and amortisation | 26 | 14,321.45 | 65.19 |
| Other expenses | 27 | 45,977.05 | 411.07 |
| TOTAL EXPENSES | | <u>224,957.75</u> | <u>1,563.68</u> |
| Profit before tax | | <u>32,234.40</u> | <u>(207.94)</u> |
| Tax expense | | | |
| Current tax | | 6,608.23 | 98.45 |
| Current tax (MAT) | | 82.40 | - |
| MAT credit reversal | | 5.18 | 1.53 |
| Current tax relating to prior years | | (1,459.58) | (18.88) |
| Deferred tax charge | | <u>3,501.52</u> | - |
| | | <u>8,737.75</u> | 81.10 |
| Profit after tax | | <u>23,496.65</u> | <u>(289.04)</u> |
| Add: Profit on sale of Associate | | 0.05 | - |
| Add: Share of profit on Associate | | - | 18,693.71 |
| Less: Interim dividend on equity shares | | 64.53 | - |
| Less: Proposed dividend on preference shares | | 103.35 | 103.35 |
| Less: Dividend distribution tax | | <u>931.50</u> | 16.77 |
| Balance Profit | | <u>22,397.32</u> | <u>18,284.55</u> |
| Earnings per share | 28 | | |
| Basic (Rs.) | | 362.54 | 283.37 |
| Diluted (Rs.) | | 362.54 | 283.37 |

Accounting Policies & General Notes given in Annexure & Note 19 to 28 form part of financial statements

As per our report of even date

For **THAKUR, VAIDYANATH AIYAR & CO.**

Chartered Accountants

Regn. No. 000038N

V Rajaraman
Partner
M.No. 2705

Rajat Lakhnopal
Whole Time Director & Company Secretary

Kartikeya Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi

Date: May 30, 2013

KAMA HOLDINGS LIMITED (CONSOLIDATED)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2013

| | Amount (Rs./lakhs) | |
|---|------------------------------|------------------------------|
| | Year Ended March 31, 2013 | Year Ended March 31, 2012 |
| A CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before tax | 32,234.40 | (207.94) |
| Adjustments for | | |
| Interest & Finance Charges | 6,625.29 | 395.05 |
| Depreciation and amortisation | 17,847.29 | 65.11 |
| Adjustment in revaluation reserve by SRF | (3,526.00) | |
| Incorporation expenses | (4.61) | |
| Exchange currency fluctuation (net) | 184.16 | 2.22 |
| Provision for doubtful debts | 42.01 | |
| Donation (Fixed assets-not realisable) | - | 1.35 |
| Income from dividend | (414.58) | (18.09) |
| Interest Income | (245.50) | (16.53) |
| Asset written off | 168.03 | - |
| (Profit)/Loss on sale of fixed assets | (2,208.91) | - |
| (Profit)/Loss on sale of investments | (215.44) | 0.13 |
| Operating Profit before working capital changes | 50,486.14 | 221.30 |
| Adjustments for | | |
| Trade and other receivables, inventories and other assets | (1,715.73) | (32.70) |
| Trade payables and provisions and other current liabilities | (5,167.25) | (192.35) |
| Deferred revenue expenditure | 0.16 | 0.07 |
| Cash Generated from operations before tax | 43,603.32 | (3.68) |
| Exchange currency fluctuation | (0.46) | (2.22) |
| Taxation | (5,236.24) | (81.10) |
| Net Cash from operating activities (A) | 38,366.62 | (87.00) |
| B CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Investments | (86,807.53) | (3,399.35) |
| Sale of Investments | 79,784.07 | 1,569.11 |
| Capital expenditure on fixed assets including capital advances | (53,347.95) | (300.63) |
| Proceeds from sale of fixed assets | 2,833.24 | - |
| Interest Income | 245.50 | 16.53 |
| Translation reserve | - | 13.50 |
| Income from dividend on shares of associate company | - | 3,988.87 |
| Income from dividend on shares | 414.58 | 18.09 |
| Net Cash from Investment Activities (B) | (56,878.09) | 1,906.12 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds/(Repayment) of long term borrowings (net) | 49,549.48 | (295.69) |
| Proceeds/(Repayment) of short term borrowings (net) | (9,769.78) | (1,240.02) |
| Dividend paid on equity shares | (2,801.25) | |
| Corporate dividend tax paid | (931.50) | |
| Finance cost | (6,454.97) | (395.05) |
| Net cash used in/ from financing activities (C) | 29,591.98 | (1,930.76) |
| Net increase in Cash and Cash Equivalents D=(A+B+C) | 11,080.51 | (111.64) |
| Cash & Cash equivalents of SRF at the beginning (E) | 7,757.88 | - |
| Cash & Cash equivalents at the beginning of the year (F) | 337.80 | 449.44 |
| Cash & Cash equivalents at the close of the year (D+E+F) | 19,176.19 | 337.80 |

Dhirendra Datta
Director

Amitav Virmani
Director

Rajat Lakhanpal
Whole Time Director & Company Secretary

Kartikeya Bharat Ram
Chairman

We have certified the above cash flow statement of KAMA Holdings Limited derived from the audited financial statements for the year ended March 31, 2013 and other records and found the same to be drawn in accordance there with and also with the requirements of clause 32 of the listing agreements with the Stock Exchanges.

For THAKUR VAIDYANATH AIYAR & CO
Chartered Accountants
Regn. No. 000038N

V Rajaraman
Partner
M. No. 2705

Place: New Delhi
Date: May 30, 2013

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|---|--------------------------------------|--------------------------------------|
| 1. SHARE CAPITAL | | |
| a) Details of share capital | | |
| AUTHORISED | | |
| 10,000,000 (Previous Year - 10,000,000) Equity shares of Rs. 10 each | 1,000.00 | 1,000.00 |
| 13,000,000 (Previous Year - 13,000,000) Preference Shares of Rs. 10 each | 1,300.00 | 1,300.00 |
| | <u>2,300.00</u> | <u>2,300.00</u> |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 6,452,615 (Previous Year - 6,452,615) Equity Shares of Rs. 10 each fully paid up | 645.26 | 645.26 |
| 12,919,412* (Previous Year - 12,919,412) Preference Shares of Rs. 10 each fully paid up | 1,291.94 | 1,291.94 |
| | <u>1,937.20</u> | <u>1,937.20</u> |

*Represents 8% Non-cumulative Redeemable Preference Shares redeemable on or before 31-Mar-2031 at the discretion of the Board of Directors of the Company in accordance with Memorandum & Articles of Association.

There is no change in the share capital as compared to previous year.

b) Shareholders holding more than 5% shares in the Company

| Name of the shareholder | As at March 31, 2013 | | As at March 31, 2012 | |
|-----------------------------|----------------------|-----------------|----------------------|-----------------|
| | % age | (No. of shares) | % age | (No. of shares) |
| Equity | | | | |
| Arun Bharat Ram | 37.50% | 2,419,727 | - | - |
| Manju Bharat Ram (Deceased) | - | - | 37.50% | 2,419,720 |
| Ashish Bharat Ram | 18.75% | 1,209,860 | 18.75% | 1,209,860 |
| Kartikeya Bharat Ram | 18.75% | 1,209,860 | 18.75% | 1,209,860 |
| Preference | | | | |
| Manju Bharat Ram (Deceased) | - | - | 49.45% | 6,388,650 |
| Ashish Bharat Ram | 74.18% | 9,582,975 | 24.73% | 3,194,325 |
| Kartikeya Bharat Ram | 24.73% | 3,194,325 | 24.73% | 3,194,325 |

In the period immediately preceding five years:

- i) 1,209,563 equity shares of Rs 10 each fully paid up were allotted without payment being received in cash pursuant to Scheme of Arrangement approved by Hon'ble Delhi High Court vide order dated 24.02.2011 to the promoters by simultaneous cancellation of equivalent number of shares and also allotted 12,919,412 - 8% Non-cumulative Redeemable Preference Shares of Rs 10 each fully paid up without payment being received in cash pursuant to said Scheme of Arrangement ; and
- ii) The company has not allotted any bonus shares.

2. Reserves and Surplus

Reserves

| | | |
|----------------------------|-----------------------------------|------------------|
| Capital reserve | 73,967.29 | 1.00 |
| Capital redemption reserve | 0.02 | 0.02 |
| General reserve | 4,884.97 | 4,884.97 |
| Translation reserve | 13.48 | 13.95 |
| | Total | |
| | <u>78,865.76</u> | <u>4,899.94</u> |
| Surplus | <u>25,536.26</u> | <u>78,116.94</u> |
| | Total Reserves and Surplus | |
| | <u>104,402.02</u> | <u>83,016.88</u> |

There is no change in the balances of Reserves as compared to Previous year.

Movement in Surplus

| | | |
|--|------------------|------------------|
| As at the beginning of the year | 78,116.94 | 59,832.39 |
| Less: Adjustment of profit on Associate becoming subsidiary at the time of consolidation | 64,181.70 | - |
| Less: Adjustments made by SRF in its reserves during the period | 5,354.66 | - |
| Add: Profit after tax transferred from statement of Profit and Loss annexed | 22,397.32 | 18,284.55 |
| Less: Transfer to Minority Interest | 5,441.64 | - |
| As at the end of the year | <u>25,536.26</u> | <u>78,116.94</u> |

Movement in Capital Reserve

| | | |
|--|------------------|-------------|
| As at the beginning of the year | 1.00 | 1.00 |
| Add: Adjustment due to conversion of associate into subsidiary | 19,096.39 | - |
| Addition on consolidation (net)* | 54,869.90 | - |
| As at the end of the year | <u>73,967.29</u> | <u>1.00</u> |

Movement in Translation Reserve

| | | |
|-------------------------------------|--------------|--------------|
| As at the beginning of the year | 13.95 | 0.45 |
| Addition/(deletion) during the year | (0.47) | 13.50 |
| As at the end of the year | <u>13.48</u> | <u>13.95</u> |

*Net of balances of Capital Reserve (Rs.55,166.30 lakhs) and Goodwill (Rs.296.40 lakhs) arising out of consolidation of the direct subsidiaries of KAMA Holdings Limited and direct subsidiaries of SRF Limited with SRF Limited respectively.

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|--|--------------------------------------|--------------------------------------|
| 3. BORROWINGS | | |
| LONG TERM BORROWINGS | | |
| Secured | | |
| Term loans | | |
| from banks | 69,268.33 | 2,598.41 |
| from others | 30,239.89 | - |
| | <u>99,508.22</u> | <u>2,598.41</u> |
| Less: Current maturities of long term borrowings | | |
| Term loans from banks | 21,819.87 | 307.03 |
| Net secured long term borrowings (a) | <u>77,688.35</u> | <u>2,291.38</u> |
| Unsecured | | |
| 1500, 10.6% Listed, unsecured, redeemable non-convertible debentures of Rs.10 lakhs each | 15,000.00 | - |
| Term loans from banks | 33,996.65 | - |
| | <u>48,996.65</u> | - |
| Less: Current maturities of long term borrowings | 15,000.00 | - |
| Net unsecured long term borrowings (a) | <u>33,996.65</u> | - |
| Net long term borrowings (c = a+b) | <u>111,685.00</u> | <u>2,291.38</u> |
| SHORT TERM BORROWINGS | | |
| Secured | | |
| Term loans | | |
| from banks | - | - |
| from others | 6,249.76 | - |
| Cash credit from banks | 91.74 | - |
| | <u>6,341.50</u> | - |
| Unsecured | | |
| Term loans | | |
| from banks | 17,913.35 | - |
| from others | - | - |
| | <u>17,913.35</u> | - |
| Total short term borrowings (d) | <u>24,254.85</u> | - |
| Total borrowings (e = c+d) | <u>135,939.85</u> | <u>2,291.38</u> |
| 4. LONG TERM LIABILITIES | | |
| For purchase of capital assets | 13.57 | 4.06 |
| Total long term liabilities | <u>13.57</u> | <u>4.06</u> |
| 5. DEFERRED TAX LIABILITIES (NET) | | |
| Difference between book and tax depreciation | 24,970.99 | - |
| Research and development expenditure and others | 1,509.18 | - |
| | <u>26,480.17</u> | - |
| Less: Deferred Tax Assets | | |
| Provision for bad and doubtful debts | 98.29 | - |
| Accrued expenses deductible on payment | 1,221.94 | - |
| Brought forward business losses | 131.13 | - |
| | <u>1,451.36</u> | - |
| Total deferred tax liabilities | <u>25,028.81</u> | - |
| 6. LONG TERM PROVISIONS | | |
| Provision for contingencies | - | 411.38 |
| Employee benefits | 1,718.94 | 5.45 |
| Total long term provisions | <u>1,718.94</u> | <u>416.83</u> |
| 7. TRADE PAYABLES | | |
| Acceptances | 27,264.04 | - |
| Trade payables | | |
| Outstanding dues to Micro and Small enterprises | 42.98 | - |
| Outstanding dues to parties other than Micro and Small enterprises | 24,510.95 | - |
| Total trade payables | <u>51,817.97</u> | - |
| 8. OTHER CURRENT LIABILITIES | | |
| Current maturities of long term borrowings | 36,819.87 | 307.03 |
| Interest accrued but not due on borrowings | 616.14 | 18.86 |
| Unclaimed dividend* | 556.26 | 0.86 |
| Unclaimed fixed deposits (including interest)* | 9.10 | 10.84 |
| Proposed dividend on preference shares | 103.35 | 103.35 |
| Book overdraft | 66.59 | - |

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|--|--------------------------------------|--------------------------------------|
| Security deposits from: | | |
| Students | 16.30 | - |
| Others | 458.37 | 355.84 |
| Income received in advance from: | | |
| Fee from students | 22.13 | 14.40 |
| Others | 5.36 | 3.20 |
| Advances received from customers | 659.75 | - |
| Acceptances for fixed assets | 395.17 | - |
| Payables for fixed assets | | |
| Outstanding dues to Micro and Small enterprises | 16.56 | - |
| Outstanding dues to parties other than Micro and Small enterprises | 1,850.01 | - |
| Gratuity | 222.56 | - |
| Statutory remittances | 2,640.81 | - |
| Dividend distribution tax | - | 16.77 |
| Other taxes payable | 1,947.09 | 6.79 |
| Other payables | 1,252.07 | 33.82 |
| | 47,657.49 | 871.76 |

*Will be credited to Investor Education and Protection Fund if not claimed within seven years from the date of issue of dividend/interest warrant and the date of maturity of fixed deposits.

9. SHORT TERM PROVISIONS

| | | |
|-------------------------------------|---------------|-----------------|
| Employee benefits | 715.64 | 0.13 |
| Provision for tax (net of payments) | 59.57 | (211.95) |
| | 775.21 | (211.82) |

10. FIXED ASSETS

| Particulars | Gross Block | | | | Depreciation/ amortization | | | | | | Net Block | |
|--------------------------|---------------------|-------------------|--|-----------------|----------------------------|---------------------|-------------------|-------------------------|-----------------|---------------------|----------------------|----------------------|
| | As at April 1, 2012 | Additions | Translation/ adjustment/ net revaluation | Deductions | As at March 31, 2013 | Upto March 31, 2012 | For the year | Translation/ adjustment | On disposal | Upto March 31, 2013 | As at March 31, 2013 | As at March 31, 2012 |
| Tangible assets | | | | | | | | | | | | |
| Land | | | | | | | | | | | | |
| Freehold | - | 15,005.18 | (128.67) | 2,720.70 | 12,155.81 | - | - | - | - | - | 12,155.81 | - |
| Leasehold | 163.84 | 9,187.72 | - | - | 9,351.56 | - | 1.76 | - | - | 1.76 | 9,349.80 | 163.84 |
| Roads | - | 2,257.19 | 35.02 | 4.68 | 2,287.53 | - | 883.98 | 28.11 | 0.86 | 911.23 | 1,376.30 | - |
| Buildings | 2,755.63 | 60,059.86 | 452.68 | 71.33 | 63,196.84 | 260.76 | 18,055.77 | 247.37 | 26.00 | 18,537.90 | 44,658.94 | 2,494.87 |
| Books | 1.04 | - | - | - | 1.04 | 1.04 | - | - | - | 1.04 | - | - |
| Plant and machinery | - | 376,239.50 | 3,817.52 | 1,220.20 | 378,836.82 | - | 212,861.70 | 3,289.98 | 779.10 | 215,372.58 | 163,464.24 | - |
| Furniture and fixtures | 41.98 | 2,636.95 | 11.54 | 7.93 | 2,682.54 | 4.34 | 1,495.34 | 10.88 | 2.25 | 1,508.31 | 1,174.23 | 37.64 |
| Office equipments | 30.07 | 3,941.40 | 23.67 | 217.68 | 3,777.46 | 4.29 | 2,862.07 | 23.90 | 205.46 | 2,684.80 | 1,092.66 | 25.78 |
| Data processing | 32.07 | 5.05 | - | 0.49 | 36.63 | 12.13 | 10.67 | - | 0.06 | 22.74 | 13.89 | 19.94 |
| Vehicles | 15.25 | 2,866.83 | 6.05 | 339.41 | 2,548.72 | 4.03 | 1,392.62 | 6.64 | 228.48 | 1,174.81 | 1,373.91 | 11.22 |
| Sub-total | 3,039.88 | 472,199.68 | 4,217.81 | 4,582.42 | 474,874.95 | 286.59 | 237,563.91 | 3,606.88 | 1,242.21 | 240,215.17 | 234,659.78 | 2,753.29 |
| Previous year | 2,966.13 | 75.16 | - | 1.41 | 3,039.88 | 227.37 | 59.27 | - | 0.05 | 286.59 | 2,753.29 | 2,738.76 |
| Intangible assets | | | | | | | | | | | | |
| Goodwill | - | 1,004.04 | - | - | 1,004.04 | - | 147.59 | - | - | 147.59 | 856.45 | - |
| Trade marks & copyrights | 50.14 | 1,170.24 | - | - | 1,220.38 | 10.53 | 489.43 | - | - | 499.96 | 720.42 | 39.61 |
| Technical knowhow | - | 879.75 | - | - | 879.75 | - | 397.15 | - | - | 397.15 | 482.60 | - |
| Software | 2.92 | 1,481.48 | - | - | 1,484.40 | 1.65 | 1,089.58 | - | - | 1,091.23 | 393.17 | 1.27 |
| Sub-total | 53.06 | 4,535.51 | - | - | 4,588.57 | 12.18 | 2,123.75 | - | - | 2,135.93 | 2,452.64 | 40.88 |
| Previous year | 52.42 | 0.64 | - | - | 53.06 | 6.34 | 5.84 | - | - | 12.18 | 40.88 | 46.08 |
| Grand total | 3,092.94 | 476,735.19 | 4,217.81 | 4,582.42 | 479,463.52 | 298.77 | 239,687.66 | 3,606.88 | 1,242.21 | 242,351.10 | 237,112.42 | 2,794.17 |
| Previous year | 3,018.55 | 75.80 | - | 1.41 | 3,092.94 | 233.71 | 65.11 | - | 0.05 | 298.77 | 2,794.17 | 2,784.84 |

| Scrip | Par Value (Rs.) | As at March 31, 2013 | | As at March 31, 2012 | |
|--|-----------------|----------------------|--------------------|----------------------|--------------------|
| | | Qty. (Nos.) | Amount (Rs./lakhs) | Qty. (Nos.) | Amount (Rs./lakhs) |
| 11. INVESTMENTS | | | | | |
| NON-CURRENT INVESTMENTS-LONG TERM | | | | | |
| Trade investments | | | | | |
| Investments in equity instruments | | | | | |
| Unquoted | | | | | |
| Malanpur Captive Power Ltd | 10 | 4,221,535 | 422.15 | - | - |
| Children First Mental Health Institute Private Ltd | 10 | - | - | 50,100 | 5.01 |
| Less: share of loss | | | | | 0.05 |
| | | | | | 4.96 |
| Other investments | | | | | |
| Investments in equity instruments | | | | | |
| Quoted | | | | | |
| Mawana Sugars Ltd | 10 | 2,901 | 0.48 | - | - |
| SRF Ltd | 10 | - | - | 28,606,962 | 83,018.85 |
| Adani Ports and Special Economic Zone Ltd | 2 | 2,000 | 2.70 | - | - |
| Apollo Hospitals Enterprise Ltd | 5 | 250 | 2.01 | - | - |
| Bharat Heavy Electricals Ltd | 2 | 1,150 | 3.03 | - | - |
| Cairn India Ltd | 10 | 1,500 | 4.92 | - | - |
| Cholamandalam Investment and Finance Company Ltd | 10 | 70,000 | 199.81 | - | - |
| Dish TV India Ltd | 1 | 10,000 | 6.53 | - | - |
| Gail (India) Ltd | 10 | 1,500 | 5.80 | - | - |
| Hindustan Unilever Ltd | 1 | 1,000 | 5.32 | - | - |
| ICICI Bank Ltd | 10 | 550 | 4.82 | - | - |
| Indian Bank | 10 | 2,500 | 4.88 | - | - |
| Indoco Remedies Ltd | 2 | 2,800 | 2.00 | - | - |
| IDFC Ltd | 10 | 2,000 | 3.04 | - | - |
| ITC Ltd | 1 | 3,000 | 7.31 | - | - |
| Jaiprakash Associates Ltd | 2 | 5,000 | 4.70 | - | - |
| Jindal Steel & Power Ltd | 1 | 500 | 2.05 | - | - |
| Kalpataru Power Transmission Ltd | 2 | 2,400 | 2.02 | - | - |
| LIC Housing Finance Ltd | 2 | 2,000 | 4.94 | - | - |
| Lupin Ltd | 2 | 400 | 2.35 | - | - |
| Goldman Sachs Nifty ETF | 10 | 2,000 | 11.81 | - | - |
| NMDC Ltd | 1 | 3,500 | 5.61 | - | - |
| Sterlite Industries (India) Ltd | 1 | 1,900 | 2.00 | - | - |
| Uflex Ltd | 10 | 114,000 | 99.72 | - | - |
| Unquoted | | | | | |
| Sanghi Spinners Ltd | 10 | 670,000 | 11.69 | - | - |
| Less: provision for diminution in value | | | 11.69 | | - |
| | | | - | | - |
| SB Packaging Ltd | 10 | 119,000 | 49.98 | - | - |
| Less: provision for diminution in value | | | 49.98 | | - |
| Investments in debt instruments | | | | | |
| Quoted | | | | | |
| 8.20% 2027 tax free bonds of HUDCO | 1,000 | 42,500 | 446.87 | - | - |
| 8.12% 2027 tax free bonds of REC | 1,000 | 25,000 | 249.97 | - | - |
| Bonds of VGN Developers Pvt Ltd | 10,000,000 | 10 | 1,000.00 | - | - |
| Investments in mutual funds | | | | | |
| Quoted | | | | | |
| DWS Gilt Fund-Growth | 10 | 390,665 | 50.00 | - | - |
| HDFC Income Fund-Growth | 10 | 187,571 | 50.00 | - | - |
| IDFC Dynamic Bond Fund-Growth | 10 | 362,500 | 50.00 | - | - |
| Kotak Bond Scheme Plan A-Growth | 10 | 148,993 | 50.00 | - | - |
| Birla Sunlife Frontline Equity Fund- Growth | 10 | 25,596 | 25.00 | - | - |
| ICICI Prudential Discovery Fund- Growth | 10 | 45,389 | 25.00 | - | - |
| IDFC Sterling Equity Fund- Growth | 10 | 122,556 | 25.00 | - | - |
| Reliance Equity Opportunity Fund- Growth | 10 | 58,987 | 25.00 | - | - |
| Birla Sunlife Dynamic Bond Fund-Retail-Qtly Dividend | 10 | 434,480 | 50.00 | - | - |
| Birla Sunlife Dynamic Bond Fund-Retail-Growth | 10 | 548,944 | 100.00 | - | - |
| Templeton India Short Term Income Retail Plan-Qtly dividend1,000 | | 4,307 | 50.00 | - | - |

| Scrip | Par Value (Rs.) | As at March 31, 2013 | | As at March 31, 2012 | |
|--|-----------------|----------------------|------------------|----------------------|------------------|
| | | Qty. (Nos.) | Amount (Rs.) | Qty. (Nos.) | Amount (Rs.) |
| Investment in Private equity funds | | | | | |
| Fully paid investments | | | | | |
| Unquoted | | | | | |
| TVS Shriram Growth Fund Scheme 1B | 1,000 | 12,500 | 125.00 | - | - |
| Partly paid investments | | | | | |
| Unquoted | | | | | |
| Asian Healthcare Fund [Rs.25 paid-up (previous year Rs.20 paid-up)] | 100 | 500,000 | 125.00 | 250,000 | 50.00 |
| ICICI Prudential Venture Capital Fund (Rs.3 paid-up) | 10 | 1,000,100 | 30.00 | - | - |
| Total non-current investments | | | 3,286.84 | | 83,073.81 |
| Aggregate value of long term quoted investments | | | 2,584.69 | | 83,018.85 |
| Aggregate amount of long term unquoted investments (net of provisions and share of loss) | | | 702.15 | | 54.96 |
| Aggregate provision for diminution in value of long term investments | | | 61.67 | | - |
| Market value of long term quoted investments | | | 2,593.08 | | 70,859.44 |
| Current investments | | | | | |
| Investments in mutual funds | | | | | |
| Quoted | | | | | |
| Kotak FMP-Series 84 Growth | 10 | 5,000,000 | 500.00 | - | - |
| ICICI Prudential Money Market Fund | 100 | 398,172 | 398.62 | - | - |
| Canara Robeco Liquid Fund - Growth | 1,000 | 140,702 | 2,004.37 | - | - |
| Templeton India Ultra Short Bond Fund Super Institutional Plan - Growth | 10 | 19,638,906 | 3,000.00 | 16,427,571 | 1,663.28 |
| ICICI Prudential Flexible Income Fund - Growth | 100 | 1,370,254 | 3,000.00 | - | - |
| Kotak Floater Long Term - Growth | 10 | 16,071,916 | 3,000.00 | - | - |
| HDFC Floating Rate Fund - Growth | 10 | 10,041,577 | 2,008.69 | - | - |
| Kotak Gilt Investment | 10 | 1,322,929 | 536.05 | - | - |
| Kotak Floater Long Term-Dividend option | 10 | 204,123 | 20.57 | - | - |
| Unquoted | | | | | |
| Birla Sun Life Saving fund retail - Daily dividend reinvestment | 100 | 37,170 | 37.21 | - | - |
| SBI ultra short term fund - Retail plan - Daily dividend | 1,000 | 5,993 | 60.01 | - | - |
| Total current investments | | | 14,565.52 | | 1,663.28 |
| Aggregate amount of current quoted investments | | | 14,468.30 | | 1,663.28 |
| Aggregate amount of current unquoted investments | | | 97.22 | | - |
| Market value of current quoted investments | | | 14,523.16 | | 1,665.64 |

| | As at March 31, 2013 | As at March 31, 2012 |
|--|----------------------|----------------------|
| | Rs./lakhs | Rs./lakhs |

12. LONG TERM LOANS AND ADVANCES

(Unsecured considered goods, unless otherwise stated)

| | | |
|--|------------------|--------------|
| Capital advances* | 7,948.74 | 10.00 |
| Security deposits # | 2,379.75 | - |
| Loans to related party | - | 60.00 |
| Loans to employees (also refer to note no. 17) | 469.39 | 4.11 |
| Prepaid expenses (also refer to note no. 17) | 87.20 | - |
| Cenvat/Service tax/VAT recoverable | 3,660.43 | - |
| Other loans and advances (unsecured): | | |
| considered good | 135.88 | - |
| considered doubtful | 9.95 | - |
| Less : Provision for doubtful advances | (9.95) | - |
| Total long term loans and advances | 14,681.39 | 74.11 |

* Includes Rs. 1962.16 lakhs paid to a party towards construction of a jointly owned asset.

#Security deposits to related party includes:

| | | |
|--|---------------|----------|
| Arun Bharat Ram | 12.00 | - |
| Ashish Bharat Ram | 0.60 | - |
| Kartikeya Bharat Ram | 0.60 | - |
| Karm Farms Private Limited | 310.00 | - |
| Srishti Westend Greens Farms Private Limited | 310.00 | - |
| | 633.20 | - |

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|---|--------------------------------------|--------------------------------------|
| 13. OTHER NON-CURRENT ASSETS | | |
| Unamortised upfront fees on loans | 832.94 | - |
| Total other non-current assets | <u>832.94</u> | <u>-</u> |
| 14. INVENTORIES | | |
| Raw materials | 18,421.72 | - |
| Raw materials in transit | 9,506.52 | - |
| Stock-in-process | 9,926.89 | - |
| Stock-in-process in transit | 87.98 | - |
| Finished goods | 10,371.35 | - |
| Finished goods in transit | 714.76 | - |
| Stock of traded goods | 19.58 | - |
| Stores and spares | 7,260.46 | - |
| Stock of Certified Emission Reductions | 13.29 | - |
| Total inventories | <u>56,322.55</u> | <u>-</u> |
| 15. TRADE RECEIVABLES | | |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| Unsecured – considered good | 42.66 | 4.36 |
| Unsecured – considered doubtful | 281.50 | - |
| | <u>324.16</u> | <u>4.36</u> |
| Less : Provision for doubtful debts | 281.50 | - |
| | 42.66 | 4.36 |
| Other trade receivables | | |
| Unsecured – considered good | 50,864.60 | 3.13 |
| Total trade receivables | <u>50,907.26</u> | <u>7.49</u> |
| 16. CASH AND CASH EQUIVALENTS | | |
| Cash in hand | 47.47 | 2.14 |
| Balance with banks on | | |
| Current accounts | 17,322.33 | 327.18 |
| Balances with bank in deposits maturing within three months | 706.44 | - |
| Other bank balances: | | |
| Balances with bank in deposits maturing after more than three months but within twelve months | 38.06 | 7.62 |
| In earmarked accounts | | |
| Margin money | 505.63 | - |
| Unclaimed dividend accounts | 556.26 | 0.86 |
| Total cash and bank equivalents | <u>19,176.19</u> | <u>337.80</u> |
| 17. SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured considered goods, unless otherwise stated) | | |
| Loans to employees | 427.81 | 1.15 |
| Prepaid expenses | 3.81 | - |
| Advances | 0.51 | 2.64 |
| Deposits with customs and excise authorities | 150.84 | - |
| Security deposits | 132.27 | 19.07 |
| Claims recoverable | 2,343.75 | - |
| CENVAT/Service tax/VAT recoverable | 4,763.21 | - |
| | <u>7,822.20</u> | <u>22.86</u> |
| Other loans and advances | | |
| Unsecured - considered good | 1,644.20 | - |
| - considered doubtful | 286.01 | - |
| | <u>1,930.21</u> | <u>-</u> |
| Less : Provision for doubtful advances | 286.01 | - |
| | 1,644.20 | - |
| Total short-term loans and advances | <u>9,466.40</u> | <u>22.86</u> |
| 18. OTHER CURRENT ASSETS | | |
| Unamortised upfront fees on loans | 217.52 | - |
| Unamortised expenditure | 4.61 | 0.16 |
| Interest accrued but not due on loans and deposits | - | 5.59 |
| Interest accrued on bonds | 17.81 | - |
| MAT credit available | 81.18 | 88.92 |
| Cenvat/service tax/VAT recoverable | - | 6.36 |

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|---|--------------------------------------|--------------------------------------|
| Others | 5.07 | 8.03 |
| Total other current assets | 326.19 | 109.06 |
| 19. OTHER OPERATIVE REVENUE | | |
| Claims | 40.77 | - |
| Rent received | 213.90 | 641.70 |
| Dividend on long term investments | 6.87 | - |
| Dividend on current investments | 407.71 | 18.09 |
| Interest on loans and deposits | 32.36 | 8.47 |
| Interest on tax free bonds | 42.59 | - |
| License fee | 15.13 | 6.45 |
| Project management fee | 147.85 | 0.21 |
| Annual maintenance fee | 10.24 | - |
| Student fee from: | | |
| Government | 292.71 | 360.79 |
| Student | 575.19 | 277.87 |
| Export incentives | 16.25 | - |
| Scrap sales | 822.06 | - |
| Other operating income | 104.07 | - |
| Total other operating revenue | 2,727.70 | 1,313.58 |
| 20. OTHER INCOME | | |
| Provision/Liabilities no longer required written back | 578.16 | - |
| Profit on sale of current investments | 215.44 | - |
| Profit on sale of fixed assets | 2,208.91 | - |
| Interest income | | |
| from customers | 18.39 | - |
| on loans to employees | 0.53 | - |
| on others | 151.59 | 8.06 |
| Other non-operating income | 248.86 | 34.10 |
| Total other operating income | 3,421.71 | 42.16 |
| 21. COST OF RAW MATERIAL CONSUMED | | |
| Opening stock of Raw Materials | 29,610.69 | - |
| Add : Purchase of Raw Materials | 138,791.60 | - |
| | 168,402.29 | - |
| Less : Closing Stock of Raw Materials | 27,928.24 | - |
| Cost of materials consumed | 140,474.05 | - |

| | Quantity (MT) | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|-------------------------------------|------------------|--------------------------------------|--------------------------------------|
| 22. PURCHASE OF TRADED GOODS | | | |
| Yarn | 151.42 | 408.62 | - |
| Refrigerant gases | 71.53 | 221.08 | - |
| Others | | 17.83 | - |
| Total | | 647.53 | - |

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|--|--------------------------------------|--------------------------------------|
| 23. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND TRADED GOODS | | |
| Opening Stock | | |
| Stock-in-Process | 9,617.73 | - |
| Finished goods | 9,156.20 | - |
| Traded goods | 25.39 | - |
| Certified Emission Reductions Stock | 76.54 | - |
| | 18,875.86 | - |
| Stock produced during trial run | | |
| Finished goods | 277.30 | - |
| | 277.30 | - |

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|---|--------------------------------------|--------------------------------------|
| Closing Stock | | |
| Stock-in-Process | 10,014.87 | - |
| Finished goods | 11,086.11 | - |
| Traded goods | 19.58 | - |
| Certified Emission Reductions Stock | 13.29 | - |
| | <u>21,133.85</u> | <u>-</u> |
| (Increase) \ Decrease in inventories of finished goods, stock-in-process and traded goods | | |
| Stock-in-Process | (397.14) | - |
| Finished goods | (1,652.61) | - |
| Traded goods | 5.81 | - |
| Certified Emission Reductions Stock | 63.25 | - |
| | <u>(1,980.69)</u> | <u>-</u> |
| 24. EMPLOYEE BENEFITS | | |
| Salaries, wages, bonus, etc | 15,553.52 | 659.67 |
| Contribution to provident and other funds | 1,267.69 | 28.17 |
| Workmen and staff welfare expenses | 2,071.86 | 4.53 |
| Total employee benefits | <u>18,893.07</u> | <u>692.37</u> |
| 25. FINANCE COSTS | | |
| Interest expenses | | |
| On loans for fixed period to related party | 0.38 | - |
| On debentures and loans for fixed period to others | 3,087.77 | 393.69 |
| Cash Credit and others | 1,360.44 | 1.36 |
| Other borrowing costs | 1,225.18 | - |
| Net (gain)/loss on foreign currency transactions and translation (considered as finance cost) | 951.52 | - |
| Total finance costs | <u>6,625.29</u> | <u>395.05</u> |
| 26. DEPRECIATION AND AMORTISATION | | |
| Depreciation on tangible assets | 17,536.74 | 59.28 |
| Amortization on intangible assets | 310.55 | 5.84 |
| Less : Transfer from revaluation reserve | 3,526.00 | - |
| Preliminary/Pre-operative expenses written off | 0.16 | 0.07 |
| Net Depreciation and amortisation | <u>14,321.45</u> | <u>65.19</u> |
| 27. OTHER EXPENSES | | |
| Stores and Spares consumed | 3,486.63 | - |
| Power and Fuel | 25,883.97 | - |
| Rent | 996.86 | 90.57 |
| Repairs and Maintenance | | |
| - Buildings | 221.10 | 27.52 |
| - Plant and machinery | 3,983.41 | 9.03 |
| - Other Maintenance | 1,368.43 | - |
| Promotional expenses | 33.90 | 58.25 |
| Office expenses | 25.91 | 20.87 |
| Security expenses | 13.03 | 10.08 |
| Recruitment expenses | 5.89 | - |
| Water and electricity | 46.57 | 37.81 |
| Insurance | 721.58 | 1.08 |
| Rates and taxes | 388.46 | 1.88 |
| Freight | 5,437.56 | - |
| Professional and legal charges | 1,812.44 | 19.82 |
| Contract conversion charges | 263.99 | - |
| Education aids | 20.97 | 13.80 |
| Festival and celebrations | 12.82 | 14.13 |
| Travel and conveyance | 815.31 | 39.95 |
| Directors' sitting fees | 12.99 | 0.53 |
| Selling commission | 501.17 | - |
| Loss on sale of investments | - | 0.13 |
| Increase / (decrease) in excise duty on closing stock | 191.04 | - |
| Provision for doubtful debts / advances | 22.81 | - |
| Bad debts / advances written off | 19.20 | - |
| Fixed assets discarded/written off | 168.03 | - |
| Auditors' Remuneration (net of service tax input credit) | | |
| Audit Fees | 62.11 | 3.13 |
| For limited review of unaudited financial results | 21.50 | 1.50 |

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|---|---|--------------------------------------|
| For corporate governance, consolidated financial statements and other certificates | 6.45 | - |
| For tax audit | 8.50 | - |
| For other services | 0.33 | 0.29 |
| For reimbursement of expenses | - | 0.03 |
| Exchange currency fluctuation | (3,914.12) | 2.21 |
| Miscellaneous expenses | 3,338.21 | 58.46 |
| Total other expenses | 45,977.05 | 411.07 |
| 28. EARNINGS PER SHARE | | |
| Profit after tax after reckoning of dividend to preference shareholders and tax thereon | 23,393.35 | 18,284.55 |
| Weighted average number of equity shares outstanding | 6,452,615 | 6,452,615 |
| Earnings per share in rupees (face value- Rs. 10 per share)* | 362.54 | 283.37 |

*No Instrument has been issued which is likely to dilute the earnings per share.

ANNEXURE – SIGNIFICANT ACCOUNTING POLICIES AND GENERAL NOTES TO THE ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) “Consolidated Financial Statements” notified under Rule 3 of the Companies (Accounting Standards) Rules, 2006.

1.1 Principles of consolidation:

The consolidated financial statements relate to KAMA Holdings Limited (“the Company”) and its subsidiary companies mentioned below. The consolidated financial statements have been prepared on the following basis:

- 1.1.1 The financial statements of the company and its subsidiary companies have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra group transactions, resulting in unrealised profit or losses.
- 1.1.2 The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.
- 1.1.3 The excess of Company’s portion of the equity of the subsidiary over the cost to the company of its investment in the subsidiary company at the date on which investment in subsidiary is made is recognized in the financial statements as capital reserve. Similarly the excess of cost to the company of its investment in a subsidiary company over the Company’s portion of the equity of the subsidiary at the date on which investment in subsidiary is made is recognized in the financial statements as goodwill.
- 1.1.4 Minority interest’s share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the Company’s shareholders.
- 1.1.5 Minority interest’s share of net profit of consolidated subsidiaries for the year or a part of the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

1.2 The subsidiaries considered in the preparation of these consolidated financial statements are:

| Indian subsidiaries | Country of Incorporations | Proportion of ownership as on 31 st March 2013 | Proportion of ownership as on 31 st March 2012 |
|-------------------------------------|---------------------------|---|---|
| SRF Limited* | India | 50.58% | * |
| Shri Educare Limited** | India | 100.00% | 100.00% |
| KAMA Realty (Delhi) Limited | India | 100.00% | 100.00% |
| KHL Investments Limited*** | India | 100.00% | *** |
| SRF Transnational Holdings Limited@ | India | 50.58% | @ |
| SRF Properties Limited@ | India | 50.58% | @ |
| SRF Holiday Home Limited@ | India | 50.58% | @ |
| SRF Energy Limited@ | India | 50.58% | @ |
| SRF Fluorochemicals Limited@ | India | 50.58% | @ |

*The company SRF Limited became subsidiary with effect from 3rd August 2012. However for the purpose of consolidation the nearest date of 31st July 2012 has been adopted.

**Became subsidiary on 29th September 2009.

***Incorporated on 6th August 2012.

@These are wholly owned subsidiaries of SRF Limited and became subsidiary of the company consequent to SRF Limited becoming subsidiary of the company with effect from 3rd August, 2012.

| Foreign subsidiaries | Country of Incorporations | Proportion of ownership as on 31 st March 2013 | Proportion of ownership as on 31 st March 2012 |
|---|---------------------------|---|---|
| Shri Educare Maldives Pvt. Ltd.**** | Maldives | 100.00% | 100.00% |
| SRF Fluor Private Limited@ | Mauritius | 50.58% | @ |
| SRF Global BV @ | Netherlands | 50.58% | @ |
| SRF Overseas Limited (‘SRFO’) (100% subsidiary of SRF Global BV)@ | British Virgin Islands | 50.58% | @ |
| SRF Industries (Thailand) Limited (100% subsidiary of SRF Global BV)@ | Thailand | 50.58% | @ |
| SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)@ | Republic of South Africa | 50.58% | @ |
| SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)@ | Republic of South Africa | 50.58% | @ |

| Name of the associate | Country of Incorporations | Proportion of ownership as on 31 st March 2013 | Proportion of ownership as on 31 st March 2012 |
|--|---------------------------|---|---|
| SRF Limited# | India | # | 49.82% |
| Children First Mental Health Institute Private Limited## | India | Nil | 33.40% |

****Through Shri Educare Limited as it became its wholly owned subsidiary on 16th December 2009 which is also its date of incorporation.
 @These are wholly owned subsidiaries of SRF Limited and became subsidiary of the company consequent to SRF Limited becoming subsidiary of the company with effect from 3rd August 2012.

Became an associate on 16th September 2004 and ceased to be an associate with effect from 3rd August 2012.

Became an associate on 31st March 2012. The company sold its entire stake in the company during the year.

2. 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 and liabilities, revenues and expenses and disclosures relating to contingent liabilities. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

3. FIXED ASSETS

Gross block of fixed assets have been stated at their original cost. Cost includes interest on borrowings and other incidental expenses up to the date of putting the assets to use.

The basis for revaluation of some fixed assets in one of the subsidiary is current cost of depreciated assets at the time of revaluation. If the revaluation shows an increase in the value of a category of assets, the same is added to the historical value net of any decline in value of any asset of that category; any such decrease is expensed. The decline in value of any individual asset in a category is charged to revenue over the remaining useful life of that asset and corresponding adjustment made on the amount withdrawn from the revaluation reserve.

Consideration is given at each balance sheet date of the holding and subsidiary to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

4. DEPRECIATION

4.1 Depreciation is provided on Fixed assets with reference to their historical cost.

4.2 Depreciation is provided on Straight-line method at rates based upon life determined by the management which are lower than the life determined based on the rates specified in Schedule XIV to the Companies Act, 1956 or at rates arrived at on the basis of the balance useful lives of the assets based on technical evaluation / revaluation of the related assets, whichever is higher except the following:

4.2.1 The depreciation rates based on useful life as estimated by the management varies between 1.63% to 31.67%.

4.2.2 The depreciation rate for Vehicles is 19% to 21%.

4.2.3 The depreciation rate for Mobile phones is 95%.

4.2.4 The depreciation rate for Data processing equipment is 31.67%.

4.3 Depreciation is calculated on a pro rata basis except that, assets costing upto Rs 5,000 each are fully depreciated in the year of purchase except mobile phones being depreciated at 100% in the year of purchase.

4.4 On assets sold, discarded, etc. during the year, depreciation is provided upto the date of sale / discard.

4.5 In respect of revalued assets, a transfer is made from the revaluation reserve to the statement of profit and loss for the sum of the differences as below: -

4.5.1 the difference between the amounts of depreciation on revalued value at rates based on useful life prescribed by valuers and on the historical cost at rates prescribed in Schedule XIV, if the former is higher.

4.5.2 where assets are discarded / disposed off, the difference between the write down value as per the revalued value and historical cost.

4.6 Intangible assets are being amortized over their useful life:

4.6.1 Software over a period of 3 years.

4.6.2 Trademark, copyrights and technical knowhow over a period of 10 years.

4.6.3 Goodwill (other than goodwill on consolidation) over a period of 10 years.

5. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

All monetary items are re-stated at the exchange rate prevailing as at the date of the balance sheet and the loss or gain is taken to the statement of profit and loss as exchange fluctuation.

The loss or gain on account of exchange difference arising out of translation of integral foreign operations is also accounted for in the profit and loss account, under the head exchange difference.

The Company uses foreign exchange forward and option contracts to hedge its exposure to movements in foreign exchange rates relating to certain firm commitments and highly probable forecast transactions. Effective April 1, 2007, the Company designates such contracts in a cash flow hedge relationship by applying the principles set out in Accounting Standard (AS) – 30 - "Financial Instruments: Recognition and Measurement".

Forward and option contracts are fair valued at each reporting date. The resultant gain or loss from these contracts that are designated and effective as hedges of future cash flows are recognised directly in Cash Flow Hedge Reserve under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in statement of profit and loss.

Amount accumulated in Cash Flow Hedge Reserve are reclassified to statement of profit and loss in the same periods during which the forecasted transaction affects the profit and loss.

Hedge Accounting is discontinued when the hedging instrument expires, or is sold or terminated or exercised or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in Cash Flow Hedge Reserve is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss is immediately transferred from the Cash Flow Hedge Reserve to the statement of profit and loss.

Contracts that are not designated as hedges of future cash flows are fair valued at each reporting date and the resultant gain or loss is recognised in the statement of profit and loss.

6. RESEARCH AND DEVELOPMENT

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes. Such costs are capitalized if they can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use or sell the asset.

Capital expenditure on research and development includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use and is treated in the same manner as expenditure on other fixed assets and depreciated as per Company policy.

7. INVENTORIES

Stores and spares are valued as under. Stock in trade is valued at cost or net realizable value, whichever is lower. The basis of determining the cost for various categories of inventory are as follows:

| Stores, spares and raw materials | Weighted average rate |
|---|--|
| Stock in trade, process stocks and finished goods | Direct cost plus appropriate share of overheads and excise duty, wherever applicable |
| By products | At estimated realizable value |

8. EMPLOYEE BENEFITS

Contributions paid / payable during the year to provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are recognized in the statement of profit and loss.

Provision for gratuity, compensated absences, provident fund for certain category of employees administered through a recognized provident fund trust and long term retention pay are determined on an actuarial basis at the end of the year and charged to revenue each year.

The employee benefits of employees of the subsidiary companies incorporated outside India are accounted for as per the requirements of their local laws.

9. INVESTMENTS

Long term quoted investments are valued at cost unless there is a permanent fall in their value as at the date of Balance Sheet.

Current investments are stated at lower of cost or fair value.

10. CONTINGENT LIABILITY

Liabilities, though contingent, are provided for if there are reasonable prospects of such liabilities maturing. Other contingent liabilities, barring frivolous claims not acknowledged as debt, are disclosed by way of note.

A provision is recognized when there is a present obligation as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

11. REVENUE RECOGNITION

11.1 Sale of goods is recognized at the point of dispatch of goods to customers. Gross sales are inclusive of excise duty and net of value added tax / sales tax.

11.2 Sale of Certified Emission Reductions (CER's) is recognized as income on the delivery of the CER's to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

11.3 Other items of revenue are recognized in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment-realisation of income such as interest from customers (including the financial condition of the person from whom the same is to be realized), the same is not accounted for.

11.4 Dividend including interim dividend income from investments is recognized in the Profit and Loss Account on cash basis.

12. TAXATION

12.1 Current taxes are determined based on the respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

- 12.2 For Indian entities, tax provision is made, in accordance with the Income Tax Act, 1961 including the provisions regarding Minimum Alternate Tax and the contentions of the Company and also the fact that certain expenditure becoming allowable on payment being made before filing of the return of income.
- 12.3 Deferred tax assets and liabilities are accounted for on the basis of Accounting Standard AS-22. Deferred tax liabilities and assets are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

13. BORROWING COST

Borrowing cost (including difference in exchange rate on the principal to the extent it represents interest cost) attributable to the acquisition or construction of qualifying assets is capitalized as a part of the cost of those assets. Other borrowing costs are recognized as an expense in the period to which they relate.

14. EARNING PER SHARE

The earnings considered in ascertaining the Company's Earnings Per Share ('EPS') comprise the net profit after tax after reckoning of dividend to preference shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is not calculated since the company has not issued any financial instrument which have an effect of diluting the earning of equity.

B) NOTES

1. BORROWINGS

Long term borrowings-Term loans from Banks

| Borrower | Amount as at March 31, 2013 | Amount as at March 31, 2012 |
|-----------------------------|--------------------------------|--------------------------------|
| SRF Limited | 66,909.03 | - |
| KAMA Realty (Delhi) Limited | 2,359.30 | 2,598.41 |
| Total | 69,268.33 | 2,598.41 |

1.1 Details of long term borrowing of SRF Limited- Rs.66,909.03 lakhs

Out of this, Rs.55,027.77 lakhs secured by:

- 1.1.1 Hypothecation of SRF Limited's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh and Kashipur in the State of Uttarakhand:
- 1.1.1.1 Out of above, term loans aggregating to Rs. 44,152.77 lakhs are additionally secured by hypothecation of SRF Limited's moveable properties both present and future, situated at Pantnagar in the State of Uttarakhand.
- 1.1.1.2 Out of above, term loans aggregating to Rs. 10,000.00 lakhs are to be further secured by hypothecation of SRF Limited's moveable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand.
- 1.1.1.3 Out of above, term loans aggregating to Rs. 10,000.00 lakhs are to be further secured by hypothecation of Company's moveable properties, both present and future, situated at Dahej in the State of Gujarat.
- 1.1.2 Equitable Mortgage of SRF Limited's immovable properties, both present and future, situated at Viralimalai, Gummidipoondi (freehold land) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan and Kashipur in the State of Uttarakhand:
- 1.1.2.1 Term Loans aggregating to Rs.1,688.26 lakhs are additionally secured by equitable mortgage of SRF Limited's immovable properties, both present and future, situated at Indore in the State of Madhya Pradesh.
- 1.1.2.2 Term Loans aggregating to Rs.813.26 lakhs is additionally secured by equitable mortgage of SRF Limited's immovable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu.
- 1.1.2.3 Term Loan of Rs.41,627.77 lakhs is additionally secured by equitable mortgage of SRF Limited's immovable properties, both present and future, situated at Malanpur (save and except superstructure) in the State of Madhya Pradesh.
- 1.1.2.4 Term Loans of Rs.40,814.51 lakhs are additionally secured by equitable mortgage of SRF Limited's immovable properties, both present and future, situated at Manali in the State of Tamil Nadu.
- 1.1.2.5 Out of above, the term loans aggregating to Rs.32,443.17 lakhs are to be further secured by equitable mortgage of SRF Limited's immovable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu.
- 1.1.2.6 Out of above, the term loans aggregating to Rs.31,568.17 lakhs are to be further secured by equitable mortgage of SRF Limited's immovable properties, both present and future, situated at Indore in the State of Madhya Pradesh.
- 1.1.2.7 Out of above, the term loans aggregating to Rs.3,400.00 lakhs are to be further secured by equitable mortgage of SRF Limited's immovable properties, both present and future, situated at Malanpur in the State of Madhya Pradesh (save and except superstructures).
- 1.1.2.8 Out of above, the term loans aggregating to Rs.4,213.26 lakhs are to be further secured by equitable mortgage of SRF Limited's immovable properties, both present and future, situated at Manali in the State of Tamil Nadu.
- 1.1.2.9 Out of above, the term loans aggregating to Rs.33,256.43 lakhs are to be further secured by equitable mortgage of SRF Limited's immovable properties, both present and future, situated at Pantnagar in the State of Uttarakhand.
- 1.1.3 Out of the loans above, term loans of Rs.10,000 lakhs are to be further secured by equitable mortgage of SRF Limited's immovable properties, both present and future, situated at Manali, Viralimalai and Gummidipoondi (freehold) in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur in the State of Madhya Pradesh and Kashipur in the State of

Uttarakhand; and

- 1.2 **Rs.10,856.00 lakhs** secured by hypothecation of SRF Limited's moveable properties, both present and future, situated at Dahej in the State of Gujarat; and
- 1.3 **Rs.1,025.26 lakhs** represents bank loan in SRF Industries (Thailand) Limited of THB 55.30 million from Bank of Ayudhya, Thailand and secured by mortgage on the land, building and machineries and pledge of SRF Industries (Thailand) Limited's leasehold right.
- 1.4 **Details of long term borrowing of KAMA Realty (Delhi) Limited- Rs.2,359.30 lakhs (previous year Rs.2,598.42 lakhs)** represents term loan secured by first charge by way of an equitable mortgage by deposit of title deeds of the immovable property of the company situated at Gurgaon, Haryana and Corporate Guarantee executed by KAMA Holdings Limited.

Term loans from others

| Borrower | Amount as at March 31, 2013 | Amount as at March 31, 2012 |
|---|-----------------------------|-----------------------------|
| SRF Industries (Thailand) Limited | 19,654.50 | - |
| SRF Flexipak (South Africa) (Pty) Limited | 10,585.39 | - |
| Total | 30,239.89 | - |

- 1.5 **Rs.19,654.50 lakhs** represents term loan in SRF Industries (Thailand) Limited of USD 36 million from International Finance Corporation, Washington is secured by mortgage on the land, building and machineries and pledge of SRF Industries (Thailand) Limited's leasehold right; and
- 1.6 **Rs.10,585.39 lakhs** represents term loan in SRF Flexipak (South Africa) (Pty) Ltd. of USD 19.50 million from International Financial Corporation, Washington is secured by continuing covering mortgage bond over the land and general notarial bond over the moveables of SRF Flexipak (South Africa) (Pty) Ltd.

Short term borrowings

- 1.7 **Term loans from banks** – Rs.6,249.76 lakhs secured by hypothecation of SRF Limited's stocks, stores and book debts (current assets), both present and future at Manali, Viralimalai and Gummidipoondi in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur and Indore in the State of Madhya Pradesh, Kashipur and Pantnagar in the State of Uttarakhand.

Cash credit from banks

| Borrower | Amount as at March 31, 2013 | Amount as at March 31, 2012 |
|-----------------------------------|-----------------------------|-----------------------------|
| SRF Overseas Limited | 60.17 | - |
| SRF Industries (Thailand) Limited | 31.57 | - |
| Total | 91.74 | - |

- 1.8 **Rs.60.17 lakhs** represents bank loans and overdrafts in SRF Overseas Limited and secured by the assignment of insurance policies on inventories on pari-passu basis and trade receivables subject to a floating charge for working capital facilities granted to SRF Overseas Limited on pari-passu basis; and
- 1.9 **Rs.31.57 lakhs** represents bank overdraft and trust receipt payable in SRF Industries (Thailand) Limited are secured by the mortgage of buildings and machineries and the pledge of the SRF Industries (Thailand) Limited's leasehold rights.
- 1.10 In respect of SRF Limited, the hypothecation and equitable mortgage rank pari-passu between term loans from banks / others (save and except hypothecation of moveable assets at Dahej in the State of Gujarat in favour of a bank for term loan of Rs.10,856 lakhs at 1.2 above.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR

- 2.1 Claims against the company not acknowledged as debts:

| | As at March 31, 2013 | Amount as at March 31, 2012 |
|--|----------------------|-----------------------------|
| Excise duty, customs duty and service tax* | 6,290.11 | - |
| Sales tax** # | 8,412.70 | - |
| Income tax**** | 1,087.66 | 540.33 |
| Stamp duty***** | 2,881.55 | - |
| Others*** # | 1,766.32 | - |

*Amount deposited Rs.448.69 lakhs. **Amount deposited Rs.9.75 lakhs. ***Amount deposited Rs.8.00 lakhs. ****Amount deposited Rs.501.65 lakhs.

*****In the matter of acquisition of the Tyrecord Division at Malanpur by SRF Limited from Ceat Limited the Collector of Stamps, Bhind (Madhya Pradesh) has by his order dated 07.11.2001 assessed the value of the subject matter of the Deed of Conveyance dated 13.06.1996 at Rs. 30300 lakhs and levied a stamp duty of Rs. 2372.50 lakhs and imposed a penalty of Rs. 509.05 lakhs. The said demand was challenged before the High Court of Madhya Pradesh Bench at Gwalior. The High Court accepted the case of the Company that the subject matter of the Deed of Conveyance dated 13.06.1996 is only the superstructures valued at Rs. 2776.18 lakhs and not the entire undertaking valued at Rs. 30300 lakhs as claimed by the State. Consequently, the High Court of Madhya

Pradesh quashed the order and demands issued by the Collector of Stamps, Bhand (Madhya Pradesh) and allowed the writ petition by an order dated 29th November 2004. Against the said order, the State of Madhya Pradesh preferred a Special Leave Petition before the Hon'ble Supreme Court which the State of Madhya Pradesh has withdrawn to enable it to approach the Hon'ble High Court of Madhya Pradesh at Gwalior in view of the change in law in the State of Madhya Pradesh relating to Letters Patent Appeal.

Includes demand on account of central sales tax, VAT and entry tax aggregating to Rs. 6034.68 lakhs received by the Company subsequent to the year end. The Company is in the process of filing writ petition with the Hon'ble High Court relating to the above demand.

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the Company.

2.2 Liability on account of Bank Guarantees Rs.1,142.36 lakhs.

2.3 Guarantees given to banks for repayment of financial facilities availed by others Rs.2,632.34.00 lakhs (Previous Year Rs.2,617.28 lakhs). Outstanding amount as at the year-end is Rs.2,449.03 lakhs.

2.4 SRF Limited has been served with show cause notices regarding certain transactions as to why additional customs / excise duty amounting to Rs. 266.79 lakhs should not be levied. SRF Limited has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustainable.

3. Shri Educare Limited has made an agreement with the Government of Maldives to run a school jointly in Maldives. For this, Shri Educare Limited has incorporated a wholly owned subsidiary in Maldives namely Shri Educare Maldives Private Limited.

4. Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to Rs.23,529.88 lakhs.

Further, the Company has entered into following contribution agreements:

4.1 5,00,000 units (previous year – 2,50,000 units) of Rs. 100 each out of which further investment of Rs. 75 (previous year - Rs. 80) per unit aggregating to Rs. 375.00 Lakhs (previous year - Rs. 200 Lakhs) in Asian Healthcare Fund Investment Trust.

4.2 10,00,100 units (previous year – Nil) of Rs. 10 each out of which further investment of Rs. 7 (previous year - Nil) per unit aggregating to Rs. 70 Lakhs (previous year - Nil) in ICICI Prudential Venture Capital Fund.

5. MANAGERIAL REMUNERATION

5.1 Chairman/Managing Director/Deputy Managing Director/Whole Time Directors

| | Year ended March 31, 2013 Rs./lakhs | Year ended March 31, 2012 Rs./lakhs |
|--|---|---|
| Salary and allowances | 249.68 | 15.45 |
| Contribution to provident and superannuation funds | 58.42 | 1.38 |
| Value of perquisites | 113.81 | - |
| Commission (provided) | 316.67 | - |
| Sub-total | 738.58 | 16.83 |

5.2 Non-executive Directors

| | Year ended March 31, 2013 Rs./lakhs | Year ended March 31, 2012 Rs./lakhs |
|--------------------------|---|---|
| Commission (provided) | 18.30 | - |
| Professional consultancy | 6.71 | - |
| Directors' sitting fees | 12.99 | 0.53 |
| Sub-total | 38.00 | 0.53 |
| Total | 776.58 | 17.36 |

As there is a global contribution to gratuity fund, the amount applicable to an individual employee is not ascertainable and accordingly, contribution to gratuity fund in respect of directors has not been considered in the above computation. Further, the liability on account of compensated absences in respect of directors has not been considered above, since the provision is based on an actuarial basis for the Company as a whole.

6. OPERATING LEASES

Operating lease agreements for various premises taken for accommodation of Company's officers/ directors and various offices of the Companies. These arrangements are both cancellable and non-cancellable in nature and range between two to ten years. As at March 31, 2013, the future minimum lease payments under non-cancellable operating leases as set out below:

| | Year ended March 31, 2013 Rs./lakhs | Year ended March 31, 2012 Rs./lakhs |
|--|---|---|
| Total of future minimum lease payments under non-cancellable operating leases for each of the following periods: | | |
| -Not later than one year | 891.30 | - |
| -Later than one year and not later than five years | 3,622.86 | - |
| -Later than five years | 1,315.29 | - |
| Lease rent recognized in the statement of profit and loss | 980.02 | - |

7. Services provided by Shri Educare Limited also includes auxiliary educational services provided to educational institutions which is exempt from service tax vide notification no. 25/2012-ST dated 20th June 2012.

8. RELATED PARTY DISCLOSURES

8.1 List of related parties and relationships:

| | | |
|-----|--|---|
| (a) | Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise | <ul style="list-style-type: none"> • KAMA Realty (Delhi) Limited • Shri Educare Limited • SRF Limited • SRF Transnational Holdings Limited • KHL Investments Limited |
| (b) | Associates | <ul style="list-style-type: none"> • Children First Mental Health Institute Private Limited |
| (c) | Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual | <ul style="list-style-type: none"> • Arun Bharat Ram • Manju Bharat Ram (Deceased) • Ashish Bharat Ram • Kartikeya Bharat Ram |
| (d) | Key Management Personnel | <ul style="list-style-type: none"> • Rajat Lakhanpal, Whole Time Director - KAMA Holdings Limited • Arun Bharat Ram, Chairman - SRF Limited • Ashish Bharat Ram, Managing Director – SRF Limited • Kartikeya Bharat Ram, Deputy Managing Director – SRF Limited • K. Ravichandra, Whole Time Director – SRF Limited • T.L. Raman, Whole Time Director – SRF Transnational Holdings Limited • Ekta Maheshwari, Whole Time Director – Shri Educare Limited |
| (e) | Enterprises over which any person described in (c) or (d) is able to exercise significant influence | <ul style="list-style-type: none"> • Karm Farms Private Limited • Srishti Westend Greens Farms Private Limited • Bharat Ram Associates Private Limited • Karmav Holdings Private Limited |

8.2 Transactions during the year with related parties:

| Nature of transaction | Amount in Rs/lakhs with related parties referred to above | | | | | Total |
|----------------------------|---|-------|-----|-----|--------|---------------|
| | (a) | (b) | (c) | (d) | (e) | |
| Loan/ICD received: | | | | | | |
| Current year | - | - | - | - | 60.00 | 60.00 |
| Previous year | - | - | - | - | 115.00 | 115.00 |
| Loan/ICD refunded: | | | | | | |
| Current year | - | - | - | - | 60.00 | 60.00 |
| Previous year | - | - | - | - | 779.43 | 779.43 |
| Interest paid on ICD/Loan: | | | | | | |
| Current year | - | - | - | - | 1.31 | 1.31 |
| Previous year | - | - | - | - | 19.65 | 19.65 |
| Loan/ICD given: | | | | | | |
| Current year | - | - | - | - | - | - |
| Previous year | - | 60.00 | - | - | - | 60.00 |
| Loan/ICD refund received: | | | | | | |
| Current year | - | 60.00 | - | - | - | 60.00 |
| Previous year | - | - | - | - | - | - |

| | | | | | | |
|--------------------------------|---|-------|-------|--------|--------|---------------|
| Interest received on ICD/Loan: | | | | | | |
| Current year | - | 6.60 | - | - | - | 6.60 |
| Previous year | - | 5.61 | - | - | - | 5.61 |
| Investment during year in: | | | | | | |
| Current year | - | - | - | - | - | - |
| Previous year | - | 5.01 | - | - | - | 5.01 |
| Sale of Investments of: | | | | | | |
| Current year | - | 5.01 | - | - | - | 5.01 |
| Previous year | - | - | - | - | - | - |
| Purchase of investments from: | | | | | | |
| Current year | - | - | - | - | - | - |
| Previous year | - | - | - | - | 195.16 | 195.16 |
| Sale of investments to: | | | | | | |
| Current year | - | - | 0.01 | - | - | 0.01 |
| Previous year | - | - | - | - | - | - |
| Remuneration: | | | | | | |
| Current year | - | - | - | 738.58 | - | 738.58 |
| Previous year | - | - | - | 16.83 | - | 16.83 |
| Directors Sitting Fee: | | | | | | |
| Current year | - | - | 0.35 | - | - | 0.35 |
| Previous year | - | - | 0.12 | - | - | 0.12 |
| Rent paid: | | | | | | |
| Current year | - | - | 19.20 | - | 40.00 | 59.20 |
| Previous year | - | - | - | - | - | - |
| Year end receivables: | | | | | | |
| Current year | - | - | - | - | - | - |
| Previous year | - | 65.05 | - | - | - | 65.05 |
| Year end balances: | | | | | | |
| Commission payable | | | | | | |
| Current year | - | - | - | 475.00 | - | 475.00 |
| Previous year | - | - | - | - | - | - |
| Security deposits paid | | | | | | |
| Current year | - | - | 13.20 | - | 620.00 | 633.20 |
| Previous year | - | - | - | - | - | - |
| Balance receivables: | | | | | | |
| Current year | - | - | - | - | - | - |
| Previous year | - | 65.05 | - | - | - | 65.05 |

9. PROVISION FOR TAXATION

Provision for taxation is made in accordance with the Income Tax Act, 1961, including the provisions regarding Minimum Alternate Tax and the contentions of the Company.

10. EARNINGS PER SHARE

Annualised earnings per equity share have been calculated based on the net profit after taxation of Rs.23,308.76 lakhs (Previous Year loss of Rs.209.04 lakhs) and share of profit of associate Rs.0.05 lakhs (previous year Rs.18,693.71 lakhs) less dividend to preference shareholders Rs.103.35 lakhs (Previous Year Rs.103.35 lakhs) and dividend tax thereon Rs Nil (Previous Year Rs.16.77 lakhs) and the average number of equity shares of 6,452,615 (Previous Year 6,452,615).

Basic earnings per share for the year is Rs 359.63 (Previous Year Rs 283.37).

The Company has not issued any financial instruments which have an effect of diluting the earning of equity. Hence diluted earning does not arise.

11. The Company is a Core Investment Company (CIC) within the meaning of Core Investment Companies (Reserve Bank) Directions, 2011 and does not require registration with Reserve Bank of India under said directions.
12. The consolidated financial results for the year ended March 31, 2013 are not comparable with those of previous year due to the reason that upon acquisition of further shares, SRF Limited became a subsidiary of the company from 03rd August 2012 and hence SRF Limited has been consolidated as a subsidiary from that date. Prior to that date, SRF Limited was consolidated as an associate.

13. SEGMENT REPORTING

KAMA Holdings Limited does not have its own segment. Segment information in respect of subsidiary SRF Limited is given below.

Business segments

13.1 Based on the guiding principles laid down in Accounting Standard (AS) - 17 "Segment Reporting", the Company's business segments include:

- 13.1.1 Technical textiles business: includes nylon tyre cord fabric, belting fabric, coated fabric, laminated fabric, polyester tyre cord fabric and industrial yarns and its research and development
- 13.1.2 Chemicals and Polymers business: includes refrigerant gases, chloromethanes, pharmaceuticals, certified emissions reductions & allied products, engineering plastics business and its research and development.

- 13.1.3 Packaging film business includes polyester films.
- 13.2 Segment revenue, Results and Capital Employed include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments, which are not directly identifiable.
- 13.3 In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:
- 13.3.1 **Segment revenue and expenses** - Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.
- 13.3.2 **Segment assets and liabilities** - Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities and do not include deferred income taxes. While most of the assets / liabilities can be directly attributed to individual segments, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.
- 13.4 Information about Business Segments

Segment Revenue, Results, Assets, Liabilities and Capital Employed

| | Year ended March 31, 2013 Rs./lakhs | Year ended March 31, 2012 Rs./lakhs |
|--|---|---|
| Segment revenue | | |
| a) Technical Textiles Business (TTB) | | |
| • External sales | 138,389.56 | - |
| • Inter-segment sales | 251.23 | - |
| • Total | 138,640.79 | - |
| b) Chemicals and Polymers Business (CPB) | | |
| • External sales | 74,264.91 | - |
| • Inter-segment sales | 19.67 | - |
| • Total | 74,644.58 | - |
| c) Packaging Films Business (PFB) | | |
| • External sales | 39,011.42 | - |
| • Inter-segment sales | 85.51 | - |
| • Total | 39,096.93 | - |
| Total segment revenue | 252,382.30 | - |
| Less: Inter-segment revenue | 356.41 | - |
| Net sales/income from operations | 252,025.89 | - |
| Add: Un-allocable income | 3,395.59 | - |
| Total revenue | 255,421.48 | - |

| | | |
|--|------------|---|
| Segment results | | |
| Profit/(loss) before finance costs and tax from each segment | | |
| a) Technical Textiles Business (TTB) | 8,287.91 | - |
| b) Chemicals and Polymers Business (CPB) | 27,121.95 | - |
| c) Packaging Films Business (PFB) | 140.41 | - |
| Total segment results | 35,550.27 | - |
| Less: i) Finance Costs | 6,297.18 | - |
| Less: ii) Other Un-allocable expenses net of income | (2,355.28) | - |
| Total Profit before tax | 31,608.37 | - |
| Less: Provision for taxation | 8,569.25 | - |
| Profit after tax | 23,039.12 | - |
| Capital expenditure (other than capital advances) | | |
| a) Technical Textiles Business (TTB) | 3,036.27 | - |
| b) Chemicals and Polymers Business (CPB) | 14,810.76 | - |
| c) Packaging Films Business (PFB) | 34,465.52 | - |
| d) Un-allocated | 1,498.78 | - |
| Total | 53,811.33 | - |
| Depreciation | | |
| a) Technical Textiles Business (TTB) | 7,685.48 | - |
| b) Chemicals and Polymers Business (CPB) | 4,324.10 | - |
| c) Packaging Films Business (PFB) | 1,901.54 | - |
| d) Un-allocated | 326.19 | - |
| Total | 14,237.31 | - |

Other information

| | As at March 31, 2013 Rs./lakhs | As at March 31, 2012 Rs./lakhs |
|--|--------------------------------------|--------------------------------------|
| Segment assets | | |
| a) Technical Textiles Business (TTB) | 172,110.30 | - |
| b) Chemicals and Polymers Business (CPB) | 143,007.60 | - |
| c) Packaging Films Business (PFB) | 104,533.61 | - |
| Total | 419,651.51 | - |
| Add: Un-allocable Assets | 34,840.56 | - |
| Total assets | 454,492.07 | - |
| Segment liabilities | | |
| a) Technical Textiles Business (TTB) | 39,134.66 | - |
| b) Chemicals and Polymers Business (CPB) | 7,707.40 | - |
| c) Packaging Films Business (PFB) | 15,170.61 | - |
| Total | 62,012.67 | - |
| Add: Un-allocable liabilities | 3,118.81 | - |
| Total liabilities | 65,131.48 | - |
| Segment capital employed (Segment assets less segment liabilities) | | |
| a) Technical Textiles Business (TTB) | 132,975.64 | - |
| b) Chemicals and Polymers Business (CPB) | 135,300.20 | - |
| c) Packaging Films Business (PFB) | 89,363.00 | - |
| Total | 357,638.84 | - |
| Add : Un-allocable assets less liabilities | 31,721.75 | - |
| Total capital employed | 389,360.59 | - |

Geographical segments

| | Year ended March 31, 2013 Rs./lakhs | Year ended March 31, 2012 Rs./lakhs |
|---|---|---|
| Revenue | | |
| • India | 161,237.15 | - |
| • Outside India | 94,184.33 | - |
| Total | 255,421.48 | - |
| Carrying amount of segment assets revenue | | |
| • India | 370,129.77 | - |
| • Outside India | 84,362.30 | - |
| Total | 454,492.07 | - |
| Addition to fixed assets and intangible assets | | |
| • India | 19,270.84 | - |
| • Outside India | 34,540.49 | - |
| Total | 53,811.33 | - |

14. FOREIGN CURRENCY EXPOSURE

SRF Limited has three diverse businesses with transactions both in the nature of imports and exports. This provides a natural hedge against the exchange rate fluctuations. As per the board mandated policy, hedging is done on basis of net exposure. Further, with respect to volatility in interest rates, certain hedging transactions are entered into by the company. Various kind of instruments are used for hedging which are mandated as per regulatory requirements and board guidelines.

The details of category-wise quantitative data about derivative instruments as at March 31, 2013 are as under:

| Nature of derivative | No. of deals | Purpose | Foreign currency (in millions) | Amount Rs./ lakhs |
|-------------------------|--------------|--|-----------------------------------|----------------------|
| Interest Rate Swap | 3 | Conversion of Floating LIBOR to Fixed Rate | - | 24,426.00 |
| EUR/USD | 4 | Sales | 0.09 | 64.02 |
| USD/ZAR Range forward | 2 | Hedging exposure for borrowing in Foreign currency | 6.00 | 3,256.80 |
| USD/ZAR Vanilla forward | 1 | Hedging exposure for borrowing in Foreign currency | 2.00 | 1,085.60 |
| USD/EUR Vanilla forward | 2 | Hedge against Euro denominated capital equipment purchases | 11.83 | 6,423.18 |

Foreign Currency Exposures that are not hedged by derivative instruments or otherwise as on March 31, 2013 are as follows:

| Particulars | As at March 31, 2013 | |
|-----------------------|-----------------------------------|---------------------|
| | Foreign Currency (in millions) | Amount Rs./lakhs |
| Term Loans – USD | 139.63 | 75,791.31 |
| PCFC - USD | 26.50 | 14,384.20 |
| Buyer's Credits - USD | 18.02 | 9,778.91 |

15. The details of subsidiary companies considered in the preparation of Consolidated Financial Statements are as under:

Indian subsidiaries

| S. No. | Particulars | SRF Limited | SRF Transnational Holdings Limited | SRF Properties Limited |
|--------|--|----------------|------------------------------------|------------------------|
| | | Rs./lakhs | Rs./lakhs | Rs./lakhs |
| (a) | Financial year of the subsidiary | March 31, 2013 | March 31, 2013 | March 31, 2013 |
| (b) | Extent of holding | 50.58% | 50.58% | 50.58% |
| (c) | Capital | 5,843.56 | 3,254.18 | 8.00 |
| (d) | Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable) | 195,407.68 | (2,134.96) | 119.47 |
| (e) | Total Assets (Fixed Assets + Current Assets) | 385,933.59 | 64.04 | 30.64 |
| (f) | Total Liabilities (Debts + Current Liabilities) | 184,682.35 | 35.25 | 0.38 |
| (g) | Details of Investment (except in case of investment in subsidiaries) | 13,935.21 | 1,090.43 | 97.21 |
| (h) | Turnover (Including Other Income) | 336,629.77 | 56.15 | 16.93 |
| (i) | Profit Before Taxation | 35,259.27 | 54.84 | 16.21 |
| (j) | Less: Provision for Taxation | 9,408.57 | 6.67 | 2.86 |
| (k) | Profit After Taxation | 25,850.70 | 48.17 | 13.35 |
| (l) | Proposed Dividend | -* | - | - |

*Interim dividend of Rs.5,742.05 lakhs is paid during the year.

| S. No. | Particulars | SRF Energy Limited | SRF Fluorochemicals Limited | SRF Holiday Home Limited |
|--------|--|--------------------|-----------------------------|--------------------------|
| | | Rs./lakhs | Rs./lakhs | Rs./lakhs |
| (a) | Financial year of the subsidiary | March 31, 2013 | March 31, 2013 | March 31, 2013 |
| (b) | Extent of holding | 50.58% | 50.58% | 50.58% |
| (c) | Capital | 5.00 | 5.00 | 280.00 |
| (d) | Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable) | (0.69) | (0.68) | (5.10) |
| (e) | Total Assets (Fixed Assets + Current Assets) | 4.37 | 4.38 | 274.96 |
| (f) | Total Liabilities (Debts + Current Liabilities) | 0.06 | 0.06 | 0.06 |
| (g) | Details of Investment (except in case of investment in subsidiaries) | - | - | - |
| (h) | Turnover (Including Other Income) | - | - | - |
| (i) | Profit Before Taxation | (0.10) | (0.10) | (0.14) |

| S. No. | Particulars | KAMA Realty (Delhi) Limited | Shri Educare Limited | KHL Investments Limited |
|--------|--|-----------------------------|----------------------|-------------------------|
| | | Rs./lakhs | Rs./lakhs | Rs./lakhs |
| (a) | Financial year of the subsidiary | March 31, 2013 | March 31, 2013 | March 31, 2013 |
| (b) | Extent of holding | 100.00% | 100.00% | 100.00% |
| (c) | Capital | 6.00 | 951.00 | 5.00 |
| (d) | Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable) | 1,291.18 | (797.27) | - |
| (e) | Total Assets (Fixed Assets + Current Assets) | 5,969.85 | 1,148.82 | 5.10 |
| (f) | Total Liabilities (Debts + Current Liabilities) | 4,672.67 | 995.09 | 0.10 |
| (g) | Details of Investment (except in case of investment in subsidiaries) | 2,268.38 | - | - |
| (h) | Turnover (Including Other Income) | 708.88 | 390.08 | - |
| (i) | Profit Before Taxation | 357.37 | (114.17) | - |
| (j) | Less: Provision for Taxation | 65.71 | - | - |
| (k) | Profit After Taxation | 291.66 | (114.17) | - |
| (l) | Proposed Dividend | - | - | - |

Foreign subsidiaries

| S. No. | Particulars | SRF Global BV# | | SRF Flexipak (South Africa)(Pty) Limited# (subsidiary of SRF Global BV) | |
|--------|--|----------------|-----------|--|------------|
| | | USD/lakhs | Rs./lakhs | Rand/lakhs | Rs./ lakhs |
| (a) | Financial year of the subsidiary | March 31, 2013 | | March 31, 2013 | |
| (b) | Extent of holding | | 50.58% | | 50.58% |
| (c) | Capital | 183.16 | 9,941.74 | 0.001 | 0.01 |
| (d) | Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable) | 0.67 | 36.45 | (121.78) | (716.92) |
| (e) | Total Assets (Fixed Assets + Current Assets) | 532.92 | 28,927.11 | 3,075.69 | 18,106.58 |
| (f) | Total Liabilities (Debts + Current Liabilities) | 650.01 | 35,282.75 | 3,197.47 | 18,823.49 |
| (g) | Details of Investment (except in case of investment in subsidiaries) | * | * | - | - |
| (h) | Turnover (Including Other Income) | 6.38 | 346.34 | - | - |
| (i) | Profit Before Taxation | (5.40) | (293.22) | (89.70) | (528.05) |
| (j) | Less: Provision for Taxation | - | - | - | - |
| (k) | Profit After Taxation | (5.40) | (293.22) | (89.70) | (528.05) |
| (l) | Proposed Dividend | - | - | - | - |

*Investment in subsidiary USD 300.92 lakhs (Equivalent to Rs. 16,333.83 lakhs)

| S. No. | Particulars | SRF Overseas Limited# (subsidiary of SRF Global BV) | | SRF Industries (Thailand) Limited# (subsidiary of SRF Global BV) | |
|--------|--|--|------------|---|-----------|
| | | AED/lakhs | Rs./lakhs | Baht/lakhs | Rs./lakhs |
| (a) | Financial year of the subsidiary | March 31, 2013 | | March 31, 2013 | |
| (b) | Extent of holding | | 50.58% | | 50.58% |
| (c) | Capital | 840.50 | 12,421.74 | 1,000.00 | 1,854.01 |
| (d) | Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable) | (505.83) | (7,475.59) | 6,303.01 | 11,685.79 |
| (e) | Total Assets (Fixed Assets + Current Assets) | 469.85 | 6,943.91 | 31,488.85 | 58,380.33 |
| (f) | Total Liabilities (Debts + Current Liabilities) | 135.18 | 1,997.76 | 24,185.83 | 44,840.53 |
| (g) | Details of Investment (except in case of investment in subsidiaries) | - | - | - | - |
| (h) | Turnover (Including Other Income) | 495.65 | 7,325.18 | 13,649.41 | 25,306.01 |
| (i) | Profit Before Taxation | (116.55) | (1,722.56) | 1,019.28 | 1,889.74 |
| (j) | Less: Provision for Taxation | - | - | - | - |
| (k) | Profit After Taxation | (116.55) | (1,722.56) | 1,019.28 | 1,889.74 |
| (l) | Proposed Dividend | - | - | - | - |

| S. No. | Particulars | Shri Educare Maldives Private Limited# (subsidiary of Shri Educare Limited) | |
|--------|--|--|-----------|
| | | MVR/lakhs | Rs./lakhs |
| (a) | Financial year of the subsidiary | March 31, 2013 | |
| (b) | Extent of holding | | 100.00% |
| (c) | Capital | 137.95 | 478.88 |
| (d) | Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable) | (128.09) | (451.92) |
| (e) | Total Assets (Fixed Assets + Current Assets) | 23.78 | 82.72 |
| (f) | Total Liabilities (Debts + Current Liabilities) | 13.93 | 47.39 |
| (g) | Details of Investment (except in case of investment in subsidiaries) | - | - |
| (h) | Turnover (Including Other Income) | 198.45 | 675.82 |
| (i) | Profit Before Taxation | (3.09) | (10.84) |
| (j) | Less: Provision for Taxation | - | - |
| (k) | Profit After Taxation | (3.09) | (10.84) |
| (l) | Proposed Dividend | - | - |

| S. No. | Particulars | SRF Industex Belting (Pty) Limited# (subsidiary of SRF Global BV) | | SRF Fluor Private Limited# | |
|--------|--|--|-----------|----------------------------|-----------|
| | | Rand/lakhs | Rs./lakhs | USD/lakhs | Rs./lakhs |
| (a) | Financial year of the subsidiary | March 31, 2013 | | March 31, 2013 | |
| (b) | Extent of holding | | 50.58% | | 50.58% |
| (c) | Capital | 133.20 | 784.16 | 0.20 | 10.86 |
| (d) | Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable) | 21.78 | 128.23 | (0.53) | (28.72) |
| (e) | Total Assets (Fixed Assets + Current Assets) | 882.69 | 5,196.41 | - | - |
| (f) | Total Liabilities (Debts + Current Liabilities) | 727.71 | 4,284.02 | 0.33 | 17.86 |
| (g) | Details of Investment (except in case of investment in subsidiaries) | - | - | - | - |
| (h) | Turnover (Including Other Income) | 1,055.28 | 6,212.44 | - | - |
| (i) | Profit Before Taxation | 41.22 | 242.64 | (0.09) | (5.05) |
| (j) | Less: Provision for Taxation | 19.35 | 113.94 | - | - |
| (k) | Profit After Taxation | 21.86 | 128.70 | (0.09) | (5.05) |
| (l) | Proposed Dividend | - | - | - | - |

The financial statements of these foreign subsidiaries have been converted into Indian Rupees on the basis of following exchange rates:

- (i) 1 AED = Rs. 14.78
- (ii) 1 USD = Rs. 54.28
- (iii) 1 Baht = Rs. 1.85
- (iv) 1 Rand = Rs. 5.89
- (v) 1 MVR = Rs. 3.41

16. Previous year figures have been regrouped/ rearranged to accord with current year classification. Figures pertaining to subsidiaries have been reclassified wherever considered necessary to bring them in line with the Company's financial statements.

As per our report of even date

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants
Regn. No. 000038N

V Rajaraman
Partner
M.No. 2705

Rajat Laxhanpal
Whole Time Director
& Company Secretary

Kartikeya Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 30, 2013

KAMA HOLDINGS LIMITED

Regd. Office : C-8, Commercial Complex, Safdarjung Development Area, New Delhi - 110 016
Corporate Office: Block C, Sector - 45, Gurgaon, 122 003 (Haryana)

ADMISSION SLIP

| | |
|-----------|--|
| DP Id | |
| Client Id | |

Registered Folio No.

No. of Shares held

PARTICULARS TO BE COMPLETED BY MEMBER/ PROXY

Name

Address.....

I/We hereby record my/our presence at the 13th Annual General Meeting of the Company held at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 on Friday, the 23rd August, 2013 at 11.00 A.M.

Signature of Member/Proxy

- NOTES:
1. Please produce this slip duly completed at the entrance.
 2. The attendance counter will open at 10.30 A.M.
 3. Tea, Coffee and cold drink will be served at the meeting.
 4. Change in address should be intimated promptly under signature of the member, quoting folio number.
 5. Please bring your copy of annual report to the meeting.

KAMA HOLDINGS LIMITED

Regd. Office : C-8, Commercial Complex, Safdarjung Development Area, New Delhi - 110 016
Corporate Office: Block C, Sector - 45, Gurgaon, 122 003 (Haryana)

PROXY FORM

| | |
|-----------|--|
| DP Id | |
| Client Id | |

Registered Folio No.

No. of Shares held

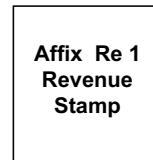
I/We.....of

.....being member(s) of KAMA HOLDINGS LIMITED, hereby appointof

..... or failing him/her of as my/our proxy to attend and vote for me/us on

 my/ our behalf at the 13th Annual General Meeting of KAMA HOLDINGS LIMITED to be held at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 on Friday, the 23rd August, 2013 at 11.00 A.M. and at any adjournment thereof.

Signed this day of, 2013 Signature.....



- NOTES:
1. A proxy in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the scheduled time of the meeting.
 2. The member itself or his constituted attorney may sign the proxy.
 3. Where a proxy is appointed, the member should handover the attached admission slip to the proxy.
 4. The Company reserves the right to ask for identification of the proxy.
 5. A proxy cannot speak at the meeting or vote on a show of hands.

BOOK POST



KAMA Holdings Ltd.

Registered Office

C-8, Commercial Complex,
Safdarjung Development Area,
New Delhi 110 016

If undelivered, please return to:-

Corporate Office

Block C, Sector – 45,
Gurgaon 122 003 (Haryana)
Tel: +91-124-4354 400
Fax: +91-124-4354 500