
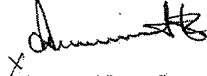



FORM A
Format of covering letter of the annual audit report to be filed with the Stock Exchange
(Pursuant to clause 31(a) of Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	KAMA Holdings Limited
2.	Standalone annual financial statements for the year ended	March 31, 2014
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.	To be signed by:	
	Whole Time Director & Company Secretary	 (Rajat Lakhanpal)
	Audit Committee Chairman	 (Amitav Virmani)
	Auditor of the Company	Refer our Audit Report dated May 27, 2014 on the consolidated financial statements of the Company for the year ended March 31 st , 2014. For THAKUR, VAIDYANATH AIYAR & CO. Chartered Accountants (Firm Registration No. 000038N)  Rajaraman (Partner) (Membership No. 2705) New Delhi, May 27, 2014

o/c

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.	Consolidated annual financial statements for the year ended	March 31, 2014
3.	Type of Audit Observation	<p><u>Emphasis of matter paragraph</u></p> <p>a) SRF Limited (subsidiary of Kama Holdings Ltd.) had received demand notices from the Commercial Tax Department, Government of Madhya Pradesh ("State Government") for payment of Central Sales Tax (CST), Value Added Tax (VAT) and Entry Tax aggregating to Rs. 9491 lakhs (including interest and penalty) for the period from 2007 to 2013 in respect of sales from its manufacturing facility in Special Economic Zone (SEZ) in Madhya Pradesh to the Domestic Tariff Area (DTA). The matter is sub-judice and is pending before the Hon'ble High Court of Madhya Pradesh. Basis legal opinion obtained by the Company, the Management of the Company is confident of getting relief in this matter and, accordingly, has not made any provision for the said disputed demands.</p> <p><u>Our Opinion is not qualified in respect of above matters.</u></p> <p><u>Note No. 2.1</u></p> <p>SRF Limited had received demand notices from the Commercial Tax Department, Government of Madhya Pradesh ("State Government") for payment of Central Sales Tax (CST), Value Added Tax (VAT) and Entry Tax aggregating to Rs. 9491 lakhs (including interest and penalty) for the period from 2007 to 2013 in respect of sales from its manufacturing facility in Special Economic Zone (SEZ) in Madhya Pradesh to the Domestic Tariff Area (DTA).</p> <p>In terms of the Policy of the Government of Madhya Pradesh and Madhya Pradesh SEZ Act, 2003, the Unit was exempt from local state taxes and levies. SRF Limited has paid Additional Countervailing Duty</p>




12

		<p>(ACVD), to counter balance CST / Sales Tax, aggregating to Rs. 4831 lakhs for the period from 2007 to 2013 on sales from the SEZ to the DTA under the Customs laws pursuant to the Special Economic Zone Act 2005, MP SEZ Act, 2003 and the Policy of Centre and Madhya Pradesh State. SRF Limited had filed a writ petition before the Indore Bench of the Hon'ble High Court of Madhya Pradesh ("Court") against the said demands.</p> <p>SRF Limited contended that while State is demanding local taxes, the Centre in its reply has stated that ACVD is payable and therefore this amounts to double taxation.</p> <p>The Court has directed the State Government not to take any coercive steps for recovery of demand.</p> <p>The matter is sub judice. The Management of SRF Limited, based on the facts of the case and opinion received by it from legal experts, is confident of getting a relief in the matter from the Court and, accordingly, has not made any provision for the said disputed demands.</p>
		<p>b) SRF Limited had opted to apply the provisions under paragraph 46A of Accounting Standard - 11 "The Effects of changes in Foreign Exchange Rates" with effect from April 1, 2013. Accordingly, exchange difference of Rs. 9,777.25 lakhs arising on all long term monetary items relating to acquisition of depreciable assets are added to the cost of Fixed Assets / Capital work-in-progress and will be depreciated over the useful life of the assets. The unamortized portion carried forward as at March 31, 2014 is Rs. 9,223.63 lakhs. As a result of such change, the net profit after tax for the year is higher by Rs. 5,851.70 lakhs.</p> <p><u>Our Opinion is not qualified in respect of above matters.</u></p>

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		<p>SIGNIFICANT ACCOUNTING POLICIES</p> <p>No. 5 : FOREIGN CURRENCY TRANSACTIONS</p> <p>As regards the holding company, i.e, KAMA Holdings Limited as well as the subsidiaries other than SRF Limited is concerned, there are no transactions in foreign currency. However the subsidiary SRF Limited follows the following policy:</p> <p>Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.</p> <p>Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.</p> <p>The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve".</p> <p>The exchange difference arising on settlement/restatement of long-term foreign currency monetary items relating to the period prior to 01.04.2013 were reflected in the statement of profit and loss. However as from 01.04.2013, in respect of such loans outstanding as on 31.03.2013 and fresh borrowings, these items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.</p>
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4.	Frequency of Observation	First time
5. To be signed by:		
	Whole Time Director & Company Secretary	 (Rajat Lakhanpal)
	Audit Committee Chairman	 X (Amitav Virmani)
	Auditor of the Company	<p>Refer our Audit Report dated May 27, 2014 on the consolidated financial statements of the Company for the year ended March 31st, 2014.</p> <p>For THAKUR, VAIDYANATH AIYAR & CO. Chartered Accountants (Firm Registration No. 000038N)</p>  V. Rajaraman (Partner) (Membership No. 2705) <p>New Delhi, May 27, 2014</p>



KAMA Holdings Limited

**Annual Report
2013-14**

BOARD OF DIRECTORS

Mr. Kartik 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

CIN :L92199DL2000PLC104779
C-8, Commercial Complex, Safdarjung Development Area, New Delhi - 110 016, India
Email : info@kamaholdings.com, Website: www.kamaholdings.com

Corporate Office

Block C, Sector 45, Gurgaon – 122003 (Haryana), India

CONTENTS

Notice.....	1
Directors' Report.....	5
Management Discussion & Analysis.....	7
Report on Corporate Governance.....	8
Standalone Financial Statements.....	14
Consolidated Financial Statements	26

KAMA Holdings Limited

(CIN : L92199DL2000PLC104779)

Regd. Office : C-8, Commercial Complex, Safdarjung Development Area, New Delhi-110016

Email : info@kamaholdings.com, Website : www.kamaholdings.com

Tel. No : (+91-11) 26857141 Fax : (+91-11) 26510428

NOTICE

Notice is hereby given that the 14th Annual General Meeting of KAMA Holdings Limited will be held on Tuesday, the September 2, 2014 at 11.30 a.m. at the Modi Hall, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 to transact the following businesses: -

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2014 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. Kartik Bharat Ram** (DIN 00008557), who retires by rotation and being eligible, offers himself for re-election.
4. 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 Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the 17th annual general meeting (subject to ratification of their appointment by the members at every annual general meeting held after this annual general meeting) at a remuneration to be fixed by the Audit Committee/ Board of Directors and service tax thereon and re-imbursement of travelling and other incidental expenses, if any, incurred in connection with the audit."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr. Mukul Khandelwal** (DIN 00662822), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st March, 2019."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr. Amitav Virmani** (DIN 02169955), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st March, 2019."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr. Dharendra Datta** (DIN 02376649), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st March, 2019."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED that in supersession of the ordinary resolution passed under the provisions of Section 293(1)(d) of the Companies Act, 1956 at the Extra Ordinary General Meeting held on February 26, 2002 and pursuant to the provisions of Sections 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall include any committee thereof) to borrow monies notwithstanding that the aggregate borrowings (apart from temporary loans from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid-up share capital and free reserves, i.e., reserves not set apart for any specific purpose, provided, however, that the aggregate amount of monies which may be borrowed shall not exceed Rs. 250 Crores.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED that in supersession of the ordinary resolution passed under the provisions of Section 293(1)(a) of the Companies Act, 1956 at the Extra Ordinary General Meeting of the Company held on February 26, 2002 and pursuant to the provisions of Sections 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall include any committee thereof) for creation of mortgages, charge and hypothecation or creation of security, in such form and manner and on such terms and at such time(s) as the Board may deem fit, over the assets of the Company, the whole or substantially the whole of the undertaking of the Company wherever situate, present and future, whether presently belonging to the Company or not, with a right to take over the management of the business and undertaking of the Company in certain events, in favour of any lender including financial/investment institution(s), bank(s), insurance company(ies) or others including Trustees for the holders of debentures issued/to be issued and/or assigned in favour of, or the obligations in respect of which may be assumed by the Company, as may be required and approved by the lead institution, if any, and the respective Trustees in order to secure:

- A. the redemption of debentures issued/ to be issued by the Company and/or any other debentures assigned in favour of the Company or the redemption of which may be undertaken by the



- Company and/or the repayment of any loan(s) or credit facilities granted and/or to be granted from time to time to the Company by any one or more of the aforesaid institutions/ persons; and
- B. the payment of interest at the respective agreed rates, compound/additional interest, liquidated damages, premium on redemption, if any, costs, charges, expenses and all other money(s) in terms of the respective letters of Sanction/ Offer, Prospectus or any other offer document, Loan Agreements, Trustees Agreements, Debenture Trust Deeds, Agreements/ Deeds of Hypothecation, etc., executed/to be executed by the Company or in pursuance of an order of a court in respect of the said loans/credit facilities/debentures including debentures assigned or in respect of which the obligation for payment of interest may vest with the Company.
- "RESOLVED FURTHER that the Board be and is hereby authorised to finalise the form, extent and manner of and the documents and deeds, where applicable, for creating the appropriate mortgages and/or charges on such of the immoveable and/or moveable properties of the Company on such terms and conditions as may be decided by the Board in consultation with the Lenders and/or the Trustees and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution."

By Order of the Board
for **KAMA Holdings Limited**
Sd/-
Rajat Lakhnpal
Whole Time Director &
Company Secretary

Place: New Delhi
Date: May 27, 2014

NOTES:

1. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 (the Act), relating to the Special Business to be transacted at the Meeting is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED, DULY COMPLETED, TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 22nd August, 2014, to Tuesday, 2nd September, 2014 (both days inclusive) for the purposes of holding the Annual General Meeting.
The dividend, when declared will be payable to the preference shareholders whose name stand on the Register of Preference Shareholders as on Friday, 22nd August, 2014.
4. Members holding shares in physical form are requested to notify change in address and bank mandate, bank particulars, if any, under their signatures to Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, the Registrar & Share Transfer Agent (RTA), quoting folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participants.

- In terms of SEBI Circular dated 20th May, 2009 and 7th January, 2010 in regard to requests pertaining to (i) transfer of physical shares (ii) deletion of name of the deceased shareholder(s) where the shares are held in the name of two or more shareholders (iii) transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares; and (iv) transposition of shares- when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders. The requestees are requested to furnish copy of their Permanent Account Number (PAN) Card along with the other documents to the RTA for the above mentioned purpose, irrespective of the value of the transaction.
5. Members seeking any information regarding accounts to be given at the meeting are requested to write to the Company at its Corporate Office at Block C, Sector - 45, Gurgaon- 122 003 (Haryana) at least seven days before the date of the meeting so as to enable the management to keep the information ready.
 6. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 all amounts of unclaimed dividend declared up to 31st March, 2007 have been transferred to Investor Education and Protection Fund (IEPF) established by the Central Government as required by the Companies Act, 1956. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 23.08.2013 (date of last Annual General Meeting) on the website of the Company (www.kamaholdings.com), as also on the website of the Ministry of Corporate Affairs.
 7. Shareholders are advised that those who have not encashed their dividend warrant(s) so far for the financial years ended 31st March 2007 and thereafter may send their outdated dividend warrants to the Company at its Corporate Office or to the Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited for issue of demand drafts in lieu thereof.
 8. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide facility to the members to exercise their right to vote by electronic means. The Company has fixed Friday, July 25, 2014, as a cut-off date to record the entitlement of the shareholders to cast their vote electronically at the 14th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules thereunder. Consequently the same cut-off date i.e. July 25, 2014 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the AGM on September 2, 2014. A member who has cast his vote by way of e-voting may attend the AGM but shall be not allowed to vote again at the AGM and the earlier vote cast through e-voting shall be treated as final.
The e-voting period will commence at 10.00 a.m. on Wednesday, August 27, 2014 and will end at 6:00 p.m on Friday, August 29, 2014. The Company has appointed Mr. D.P. Gupta, Company Secretary in Practice to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given as Annexure to the notice.
The Company has engaged the services of Karvy Computershare Private Limited ("KCPL" or "Karvy") as the Authorised Agency to provide e-voting facilities.
 9. Members are requested
 - i) to bring copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - ii) to quote their folio/identification Nos. in all correspondence.
 - iii) to note that no gifts will be distributed at the meeting.
 - iv) in case of Joint holders attending the meeting, only such Joint holder who is higher in the order of names will be entitled to vote.

10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 3

Mr. Kartik Bharat Ram shall retire by rotation and being eligible, offer himself for re-appointment.

The information required by the Listing Agreement with the Stock Exchanges is given below:

Mr. Kartik Bharat Ram

Mr. Kartik Bharat Ram (43) holds a Masters' degree in Business Administration in Corporate Strategy from Cornell University, USA and has about 20 years working experience in senior positions. He is the Deputy Managing Director of SRF Ltd. which is engaged in the business of manufacture of nylon tyre record, refrigerant gases, speciality chemicals and packaging films.

Mr. Kartik Bharat Ram is a member of Committee of Directors-Financial Resources of the Board. He holds 12,09,860 fully paid up equity shares of Rs.10 each (18.75% of the paid up equity share capital) and 31,94,325 fully paid up 8% Non-Cumulative Redeemable Preference Shares of Rs. 10 each (24.73% of the paid up preference share capital), jointly with Mr. Ashish Bharat Ram who is his relative and a Director in the Company.

Directorships in other public limited companies	Committee Chairmanship/ Membership*
SRF Ltd.	Stakeholders' Relationship Committee- Member
Shri Educare Ltd.	Audit Committee- Chairman
SRF Energy Ltd.	-

*Only Stakeholders' Relationship Committee and Audit Committee considered.

Except Mr. Kartik Bharat Ram and Mr. Ashish Bharat Ram, his relative, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommend the resolution for approval of the members.

Item No. 5 to 7

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Mukul Khandelwal, Mr. Amitav Virmani and Mr. Dharendra Datta as Independent Directors.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board has recommended the appointment of these directors as Independent Directors for a term up to March 31, 2019.

The Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member proposing their candidature for the office of Director.

Aforesaid non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director. Copies of the draft letters for appointment of Independent Directors would be available for inspection without any fee by the

members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

A brief profile of the Independent Directors to be appointed is given below:

Mr. Amitav Virmani (41) holds a Master's degree in Business Administration in Marketing & General Management from University of North Carolina at Chapel Hill, NC and has 20 years of work experience.

Mr. Amitav Virmani is Chairman of the Audit Committee and member of Stakeholders' Relationship Committee and Nomination and Remuneration Committee of the Board and has no shareholding in the Company.

He is a Director of Okara Flour & General Mills Ltd.

Except Mr. Amitav Virmani, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommend the resolution for approval of the members.

Mr. Mukul Khandelwal (43) has done B.A.(Hons) in Economics from Shriram College of Commerce. He has been associated with garments business since 1993. He is currently running a buying agency dealing in garments and representing stores in Malaysia, Canada, Brazil, Austria, Switzerland and Australia.

Mr. Mukul Khandelwal is a member of the Audit Committee and Nomination & Remuneration Committee of the Board and has no shareholding in the Company.

He is not a Director in any other public limited company.

Except Mr. Mukul Khandelwal, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommends the resolution for approval of the members.

Mr. Dharendra Datta (67) is a qualified chartered accountant having an experience of 38 years.

Mr. Dharendra Datta is a member of the Audit Committee of the Company and has no shareholding in the Company.

He is a Director of KAMA Realty (Delhi) Limited

Except Mr. Dharendra Datta, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution. The Board of Directors recommends the resolution for approval of the members.

Item No. 8

At the Extra Ordinary General Meeting of the Company held on February 22, 2002, the Members had, by way of an ordinary resolution and in pursuance of the provisions of Section 293(1)(d), of the Companies Act, 1956, approved borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 250 Crore at any point of time.

As per Section 180(1)(c) of the Companies Act, 2013, the aforesaid approval shall be taken by way of a special resolution. However, the corresponding resolution under Companies Act, 1956 viz. Section 293(1)(d) required such approval to be by way of ordinary resolution.

MCA vide its circular dated 25th March, 2014, had clarified that the existing resolutions under Section 293(1)(d) passed before 12th September, 2013 shall be valid for a period of 1 year from the



effective date of Section 180 under the Companies Act, 2013 i.e. upto 11th September, 2014.

The approval of the Members authorizing the Board for the borrowings, as set out at Item No. 8 of this Notice is therefore being sought, by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financial or otherwise, in passing of the Resolution.

Item No. 9

At the Extra Ordinary General Meeting of the Company held on February 22, 2002, the Members had, by way of an ordinary resolution and in pursuance of the provisions of Section 293(1) (a) of the Companies Act, 1956, approved creation of a mortgage or charge by way of mortgage / hypothecation on the Company's assets in favour of lending agencies and trustees for the amounts borrowed, including interest, charges, etc. payable thereon.

As per Section 180(1)(a) of the Companies Act, 2013, the aforesaid

approval is required to be taken by way of a special resolution. However, the corresponding resolution under Companies Act, 1956 viz. Section 293(1)(a) required such approval to be by way of ordinary resolution.

Ministry of Corporate Affairs has vide its circular dated 25th March, 2014, clarified that the existing resolutions under Section 293(1)(a) passed before 12th September, 2013 shall be valid for a period of 1 year from the effective date of Section 180 under the Companies Act, 2013 i.e., upto 11th September, 2014.

Hence the approval of the Members authorizing the Board for creation of charge, in the manner set out at Item No.9 of this Notice, is therefore being sought, by way of a special resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financial or otherwise, in passing of 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 register the same with the Company's Registrar & Transfer agent M/s. Karvy Computershare Pvt. Ltd.

DIRECTORS' REPORT

To the Members,

The Directors are pleased to present their fourteenth Annual Report on the business and operations of the Company and the statement of accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

	(Rs. Crores)	
	2013-14	2012-13
Dividend and Other Income	30.21	33.39
Profit Before Interest, Depreciation & Tax (PBITD)	29.75	32.98
Less: Interest & Finance Charges	-	-
Profit before Depreciation and Tax (PBDT)	29.75	32.98
Less: Depreciation	-	-
Profit before Tax (PBT)	29.75	32.98
Less: Provision For Taxes (including provision for deferred tax)	0.27	1.03
Net Profit after Tax (PAT)	29.48	31.95
Add: Profit brought forward from previous year	158.43	128.16
Profit available for appropriation	187.91	160.11
Appropriations		
Dividend on Preference Shares	1.03	1.03
Interim Dividend on Equity shares	4.19	0.65
Corporate tax on dividend	-	-
Amount transferred to General Reserve	3.00	-
Profit carried to Balance Sheet	179.69	158.43
Total Appropriation	187.91	160.11

DIVIDEND

During the year, your Company has paid two interim dividends of Rs. 1.50 per share and Rs. 5 per share amounting to Rs. 4.19 Crores. No final dividend is recommended on Equity Shares.

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

An amount of Rs. 3 Crores has been transferred to General Reserves at the time of declaration of interim dividends.

OPERATIONS REVIEW

Profit before Interest, Depreciation & Tax (PBITD) decreased by 9.79% to Rs 29.75 crores from Rs 32.98 crores mainly due to decrease in dividend income. Profit after Tax decreased by 7.73% to Rs. 29.48 crores from Rs 31.95 crores.

SUBSIDIARY COMPANIES

KAMA Realty (Delhi) Limited

KAMA Realty (Delhi) Limited made a net profit of Rs. 4.35 crores mainly due to rental and interest income.

Shri Educare Limited

This company is engaged in the field of education including providing management consultancy to other educational institutions. It had made a profit after tax of Rs. 0.60 crores.

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. An application has been made with Registrar of Companies for getting the name of this company struck off from the Register of Companies.

Shri Educare Maldives Private Limited

Shri Educare Maldives Private Limited made a loss of MVR 1.83 lacs (Rs. 6.28 lacs) mainly on account of personnel and administrative expenses.

SRF Limited

Operational performance of SRF Limited and its subsidiaries is given in note no. 14 of the notes forming part of the consolidated financial statements for the financial year ended 31st March, 2014.

SRF Transnational Holdings Limited

During 2014-15, SRF Transnational Holdings Limited has become a wholly owned subsidiary of your Company. SRF Transnational Holdings Ltd. is a registered NBFC engaged in the business of investment company.

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 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

Your Directors are seeking appointment of Mr. Amitav Virmani, Mr. Mukul Khandelwal and Mr. Dharendra Datta as independent Directors under Companies Act, 2013 for a term upto 31 March, 2019.

Mr. Kartik Bharat Ram is retiring at the forthcoming annual general meeting and being eligible offers himself for re-election.

Brief resume of the Directors who are proposed to be appointed/re-appointed is furnished in the explanatory statement to the notice of the ensuing Annual General Meeting.

Directors' Responsibility Statement

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

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 or loss of the Company for the period under review;
- 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;
- that the Directors have prepared the annual accounts for the year ended 31.03.14 on a 'going concern' basis.

LISTING OF SHARES

Your Company's equity shares are listed at BSE Limited.

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

As per the requirements of the Companies Act, 2013, the auditors, M/s Thakur Vaidyanath Aiyar & Co., Chartered Accountants retire at the conclusion of the 14th Annual General Meeting. M/s Thakur Vaidyanath Aiyar & Co being eligible, offer themselves for re-appointment and are proposed to be reappointed from the conclusion of the forthcoming annual general meeting till the conclusion of the 17th annual general meeting. 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

in the Annual report.

FIXED DEPOSITS

Your company had discontinued to accept/renew fixed deposits w.e.f. 1st April, 2009. As on 31st March, 2014 all fixed deposits had matured and are being repaid as and when claimed by the depositors. As on 31st March, 2014, deposits (including interest) amounting to Rs. 5.70 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 27, 2014

Kartik Bharat Ram
Chairman

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, 2014, 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:

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 27, 2014

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. 30.21 crores. Net profit for the year amounted to Rs. 29.48 crores as compared to Rs. 31.95 crores in the previous year. The share capital of the company as on 31st March, 2014 stood at Rs. 19.37 crores and Reserves and Surplus at Rs. 434.98 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 which does not require registration with Reserve Bank of India under the said Directions. SRF Limited, a listed company is a subsidiary of the Company. SRF has businesses ranging from technical textiles, refrigerant gases, speciality chemicals and packaging films and has presence in Thailand and South Africa in one or more of these businesses.

The Company has three 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 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 2013-14 which is available on its website www.srf.com.

Other subsidiaries

Shri Educare Ltd. (SEL)

SEL is primarily engaged in school consultancy, management of schools, providing ERP for schools and coaching for students. During 2013-14, SEL added one play school and four K-12 schools to the portfolio of schools being managed by it.

During 2013-14, SEL has earned a revenue of Rs. 564.45 lacs mainly

on account of project management fees and student fees and a profit after tax of Rs. 60.17 lacs.

Shri Educare Maldives Pvt. Ltd. (SEMP)

SEMP is managing a school in a public-private partnership with Maldives Government. This school is now a financially self-sufficient school and this has been possible because the school has managed to establish itself as one of the best school in Maldives.

During 2013-14, SEMPL has earned a revenue of MVR 237.48 lacs (Rs. 868.55 lacs) mainly on account of tuition fees and made a loss of MVR 1.83 lacs (Rs. 6.28 lacs).

KAMA Realty (Delhi) Ltd. (KRDL)

KRDL is a company engaged in acquisition and rental of properties. During 2013-14, KRDL has earned a revenue of Rs. 895.90 lacs mainly on account of rental and interest income and profit after tax of Rs.435.38 lacs.

KHL Investments Ltd.

It is an inoperative company. An application has been made with Registrar of Companies for getting the name of this company struck off from the Register of Companies.

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 SYSTEM

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-2014

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 2014, 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 2013-14

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 Kartik Bharat Ram	Non-Executive Chairman, promoter,	4	1	1
3	Mr Rajat Lakhanpal	Executive	1	-	-
4	Mr Mukul Khandelwal	Independent	-	-	1
5	Mr Amitav Virmani	Independent	1	1	1
6	Mr Dharendra Datta	Independent	1	-	1

#Directorship in Foreign companies and Indian private limited companies not included.

*Considered Membership of Audit Committee & Stakeholders' Relationship Committee only.

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than Mr. Kartik Bharat Ram, Chairman, Mr. Ashish Bharat Ram, Director and Mr. Rajat Lakhanpal, Whole-time Director & Company Secretary are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013.

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 2013-14, the Board of Directors met 7 times — on 17th May, 2013, 30th May, 2013, 12th August, 2013, 14th November, 2013, 10th January, 2014, 11th February, 2014 and 21st February, 2014. 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 2013-14

Name of the Director	Number of meetings attended	Attended last AGM?
Mr Ashish Bharat Ram	6	No
Mr Kartik Bharat Ram	7	Yes
Mr Rajat Lakhanpal	7	Yes
Mr Mukul Khandelwal	4	No
Mr Amitav Virmani*	6	Yes
Mr Dharendra Datta	7	Yes

*Mr Amitav Virmani is the Chairman of the 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 2013-14
(Rs.)

Name of Director	Salary & Perquisites#	Sitting fees for Board and Committee meetings*	Deferred Benefits (PF and superannuation) @	Terminal Benefits	Total
Mr Ashish Bharat Ram	-	22500	-	-	22500
Mr Kartik Bharat Ram	-	20000	-	-	20000
Mr Rajat Lakhanpal	23,43,090	-	1,70,556	-	25,13,646
Mr Mukul Khandelwal	-	17500	-	-	17500
Mr Amitav Virmani	-	32500	-	-	32500
Mr Dharendra Datta	-	30000	-	-	30000
Total	23,43,090	1,22,500	1,70,556	-	26,36,146

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

Value of perquisites on actual basis.

@ Having regard to the fact that there is a global contribution to gratuity fund, the amount applicable to an individual is not ascertainable.

None of the employees is related to any of the Directors.

Shareholding of non-executive Directors

As on 31 March 2014, Mr Ashish Bharat Ram holds 12,09,860 fully paid up equity shares and 31,94,325 fully paid up, 8% Non-cumulative, Redeemable Preference Shares of Rs. 10 each and Mr Kartik Bharat Ram holds 12,09,860 fully paid equity shares and 31,94,325 fully paid up, 8% Non-cumulative, Redeemable Preference Shares of Rs. 10 each. 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.

In addition to the above, the Board is also provided with the information as required by Companies Act, 2013.

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.

SRF Ltd. which is a company listed on Bombay Stock Exchange and National Stock Exchange is a subsidiary of the Company. Consequently, the subsidiaries of SRF Ltd. all of whom are unlisted are also 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

a) Audit Committee

As on 31 March 2014, the Audit Committee of KAMA comprises of three Directors all of whom are independent. The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013, as well as Clause 49 of the Listing Agreement.

During 2013-14, the Audit Committee of KAMA met on five occasions — namely, on 30th May, 2013, 12th August, 2013, 14th November, 2013, 10th January, 2014 and 11th February, 2014. Table 4 gives the attendance record of Directors who are members of the Audit Committee.

Table 4: Attendance Record of Audit Committee Meetings during 2013-14

Name of Director	Category	Number of meetings held during his tenure	Number of meetings attended
Mr Amitav Virmani (Chairman)	Independent	5	4
Mr Mukul Khandelwal	Independent	5	2
Mr Dharendra Datta	Independent	5	5

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 Lakhanpal, 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 177 of the Companies Act, 2013. 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, remuneration and term of auditors, examination of financial statements and auditors' report thereon, review the functioning of the Whistle Blower Mechanism, review and monitor the auditor's independence and performance and effectiveness of audit process, approval or any subsequent modification of transactions of the company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the company, wherever it is necessary, evaluation of internal financial controls and risk management systems and reviewing with the management adequacy of internal control system.

In addition, the Committee also mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;



- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor.

b) Nomination and Remuneration Committee

In order to comply with Section 178 of the Companies Act, 2013 Remuneration Committee was renamed as Nomination and Remuneration Committee and its role and scope enhanced as follows-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising a policy on Board diversity.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel, Senior Management Personnel and functional heads.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel, Senior Management Personnel and functional heads in accordance with the criteria laid down.
- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel, Senior Management Personnel and functional heads.
- Evaluation of the performance of independent directors and make recommendations to Board.
- Evaluation of the performance of Directors (other than independent directors).
- Evaluation of the performance of Key Managerial Personnel, Senior management personnel and functional heads as a team.

As on 31 March 2014, Remuneration Committee comprised of three members' two of whom are independent and one is non-executive promoter Director.

During 2013-14, the Remuneration Committee met on 28th May, 2013. Table 5 gives the attendance record of Directors who are members of the Remuneration Committee.

Table 5: Attendance Record of Remuneration Committee Meetings during 2013-14

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr Mukul Khandelwal- (Chairman)	Independent	1	1
Mr Ashish Bharat Ram	Non-executive, promoter	1	1
Mr Amitav Virmani	Independent	1	1

c) Stakeholders' Relationship Committee

In order to comply with provisions of Section 178 (5) of the Companies Act, 2013 Shareholders'/Investors' Grievance Committee was renamed as Stakeholders Relationship Committee and scope of the Committee extended to consider and resolve the grievances of all type of security holders of the company.

As on 31 March 2014, this 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.

Mr Rajat Lakhanpal, Whole-time Director & Company Secretary, is the Compliance Officer. To expedite the process of transfer, Mr Rajat Lakhanpal, Whole-time Director & Company Secretary was authorised by the Board on 31 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 31 March 2014, 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 2013-14.

Table 6: Shareholder and Investor Complaints Received and Redressed during 2013-14

Pending Complaints as on 01.04.2013	Total Complaints received	Total complaints redressed	Pending as on 31.03.2014
Nil	6	6	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. 5 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 Kartik Bharat Ram, Director is retiring by rotation and being eligible, offer himself for re-appointment.

In order to comply with the provisions of Companies Act, 2013, Mr. Amitav Virmani, Mr. Mukul Khandelwal and Mr. Dharendra Datta Independent Directors of the Company are being appointed for a term upto 31st March, 2019.

Brief resumes of these Directors are given in the Notice of the 14th Annual General Meeting.

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 2013-14, 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
2011	Laxmipat Singhania Auditorium, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016	12.08.2011	3.30 P.M	None
2012	Modi Hall, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016	22.08.2012	3.00 P.M	None
2013	Modi Hall, PHD House, 4/2, Siri Institutional Area August Kranti Marg ,New Delhi 110 016	23.08.2013	11.00 A.M	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

The Company has constituted 'Nomination and Remuneration Committee' as per the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013.

Additional Shareholder Information
14th Annual General Meeting

Date 2nd September, 2014
Time 11.30 A.M.
Venue Modi Hall, PHD House
4/2, Siri Institutional Area
August Kranti Marg ,
New Delhi 110 016

Tentative Financial Calendar for Results, 2014-15

First Quarter First week of August 2014
Second Quarter First week of November 2014
Third Quarter First week of February 2014
Fourth Quarter and Annual Fourth week of May 2014

Book Closure Date

The Share Transfer Register of KAMA Holdings will remain closed from Friday, 22nd August, 2014, to Tuesday, 2nd September, 2014 (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, 22nd August, 2014.

Interim Dividend Payment Date

Two interim dividends of Rs. 1.5 per share (15 per cent) and Rs. 5 per share (50 per cent) on the paid up capital of the Company absorbing Rs. 4.19 crores approx. were paid on 6 February 2014 and 10 March 2014 respectively on equity shares.

Listing on Stock Exchanges in India

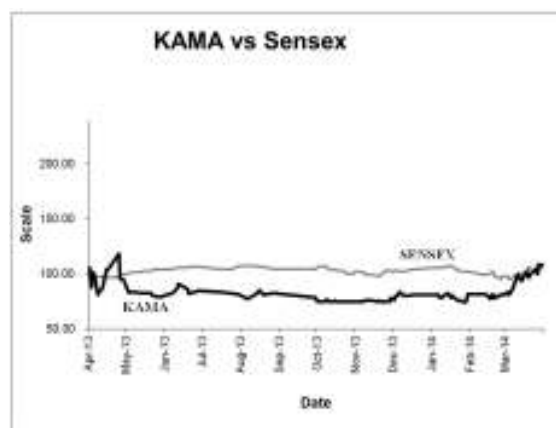
The shares of KAMA Holdings Ltd are listed on Bombay Stock Exchange Ltd. (Stock Code: 532468). The Company has paid the listing fees to Bombay Stock Exchange for the year 2014-15.

Stock Market Data

Table 8 gives the monthly high and low quotations as well as the volume of shares traded at BSE during 2013-14.

Table 8: Monthly Highs and Lows and Volumes Traded at the BSE, 2013-14

Month	BSE		
	High(Rs.)	Low (Rs.)	Volume (Nos.)
April	438.00	300.15	573
May	309.95	291.00	849
June	336.00	288.85	340
July	315.00	302.00	2,041
August	315.15	285.00	104
September	290.00	290.00	100
October	289.75	276.00	1,449
November	289.80	276.00	3,603
December	310.00	282.00	1,901
January	310.00	274.10	4,349
February	316.00	275.00	2,019
March	417.95	288.30	10,700

Chart 1: Share prices of KAMA Holdings Ltd. versus BSE Sensex for the year ended 31 March 2014


Note: Both Sensex and KAMA Holdings Ltd share prices are indexed to 100 as on 1 April 2013

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 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 Stakeholders' Relationship 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 1 April 2013 to 31 March 2014 was 366.

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 31 March 2014

There were 3,913 shareholders holding 63,43,396 shares in electronic form. This constitutes 98.31% of the total paid-up share capital of the Company.

Distribution of shareholding as on 31 March 2014*

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 31 March, 2014

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Upto 500	6144	97.87	333046	5.16%
501 – 1000	53	0.84	38445	0.60%
1001-2000	30	0.48	42931	0.67%
2001-3000	9	0.14	22408	0.35%
3001-4000	8	0.13	28934	0.45%
4001-5000	8	0.13	37705	0.58%
5001-10000	13	0.21	84061	1.30%
10000 and above	13	0.21	5865085	90.89%
Total	6278	100.00	6452615	100.00

* including holdings by NSDL and CDSL

Table 10: Pattern of shareholding by ownership as on 31 March, 2014

Category	Shareholding	
	Number of shares held	Shareholding %
Promoters	4839447	74.99
Mutual Funds & UTI	-	-
Banks, Financial Institutions, Insurance Companies	1039	0.02
Central Government/ State Government(s)	-	-
Foreign Institutional Investors	-	-
Private Corporate Bodies	267760	4.15
Indian Public	679897	10.54
NRIs / OCBs	650889	10.09
Other (including shares in transit)	13583	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	Corporate Office	Registrar & Share Transfer Agent
C-8, Commercial Complex Safdarjung Development Area, New Delhi – 110 016 Tel : (+91-11) 26857141 Fax : (+91-11) 2651 0428	Block C, Sector 45, Gurgaon Haryana – 122 003 Tel No. (+91 -124) 4354400 Fax No : (+91-124) 4354500 e-mail: rlakhanpal@kamaholdings.com	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, 2014.

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

Date: May 27, 2014
Place: New Delhi



Financials

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAMA Holdings Limited

We have audited the accompanying financial statements of KAMA Holdings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss 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 and financial performance 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") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 12th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentations of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information

required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014 and
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, in terms of sub-section (4A) of section 227 of the Act, we have given a statement in the Annexure on the matters specified in paragraphs 4 and 5 of that Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) 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 27 2014

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

1. a. The company has maintained proper record showing full particulars including quantitative details and situation of its fixed assets.
- b. 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

2. The company has granted an interest free unsecured loans of Rs. 15.39 lakhs (Net) (1543.00 lakhs granted during the year of which Rs. 1527.61 lakhs has been refunded) to KAMA Realty (Delhi) Ltd. and Shri Educare Ltd., its wholly owned subsidiaries, covered in the register maintained under Section 301 of the Act.
3. 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 subsidiary, KAMA Realty (Delhi) Ltd., during the year, from banks or financial institution, the terms & conditions of which are not prejudicial to the interest of the company.

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, as applicable to the company, 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	AY 2003-04	10.40
Income Tax Act, 1961	HC	Income Tax	AY 2003-04	5.57
Income Tax Act, 1961	ITAT	Income Tax	AY 2005-06	68.83
Income Tax Act, 1961	SC	Income Tax	AY 2007-08	37.43
TOTAL				122.23

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 27, 2014



KAMA HOLDINGS LIMITED

BALANCE SHEET

AS AT MARCH 31, 2014

Particulars	Note No.	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	1	1,937.20	1,937.20
Reserves and surplus	2	43,498.34	41,073.72
		45,435.54	43,010.92
Non-current liabilities			
Long-term provisions	3 (a)	7.36	6.49
		7.36	6.49
Current liabilities			
Other current liabilities	4	118.30	115.72
Short-term provisions	3 (b)	0.22	0.18
		118.52	115.90
TOTAL EQUITY AND LIABILITIES		45,561.42	43,133.31
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	5	0.08	0.08
Non-current investments	6(a)	41,435.90	39,882.93
		41,435.98	39,883.01
Current assets			
Current investments	6(b)	-	398.62
Cash and bank balances	7	1,283.85	3.48
Short-term loans and advances	8	2,631.00	2,615.61
Other current assets	9	210.59	232.59
		4,125.44	3,250.30
TOTAL ASSETS		45,561.42	43,133.31

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

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

V Rajaraman
Partner
M.No. 2705

Rajat Lakhnarpal
Whole Time Director & Company Secretary

Kartik Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 27, 2014

KAMA HOLDINGS LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No.	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
Revenue from Operations			
Dividend from subsidiary		2,995.26	2,904.31
Dividend from others		10.42	23.18
Interest on Loans & Deposits		12.41	7.26
Other Income			
Gain on sale of Investments		0.09	0.87
Long term provision written back		-	403.70
Miscellaneous income		3.02	-
TOTAL REVENUE		3,021.20	3,339.32
EXPENSES			
Employee benefits	10	25.14	28.50
Other expenses	11	21.24	12.85
TOTAL EXPENSES		46.38	41.35
Profit before tax expense		2,974.82	3,297.97
Tax expense			
Current tax		3.25	-
Current tax (MAT)		-	82.40
Relating to earlier years		24.16	20.39
		27.41	102.79
Profit after tax		2,947.41	3,195.18
Interim Dividends @ Rs. 6.50/- on equity shares		419.43	64.53
Proposed dividend on preference shares		103.36	103.35
Balance Profit		2,424.62	3,027.30
Earnings per share			
Basic (Rs.)	12	44.08	47.92
Diluted (Rs.)		44.08	47.92

Accounting Policies & General Notes given in Annexure & Note 10 to 12 form part of financial statements

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

V Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
Whole Time Director & Company Secretary

Kartik Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 27, 2014



KAMA HOLDINGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED ON MARCH 31, 2014

	Year Ended March 31, 2014 Rs./lakhs	Year Ended March 31, 2013 Rs./lakhs
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	2,974.82	3,297.97
Adjustments for		
Income from Dividend on Shares	3,005.68	(2,927.49)
Interest Income	(12.41)	(7.26)
Asset written off	-	0.15
(Profit)/Loss on sale of Investments	(0.09)	(0.87)
Operating Profit before working capital changes	5,968.00	362.50
Adjustments for		
Trade and Other Receivables	6.61	(2,532.35)
Trade Payables and Provisions	3.49	(424.07)
Cash Generated from operations before tax	5,978.10	(2,593.92)
Taxation	(27.41)	(102.79)
Net Cash from operating activities (A)	5,950.69	(2,696.71)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	(2,185.68)	(3,650.59)
Sale of Investments	1,031.42	3,536.27
Interest Income	12.41	7.26
Income from Dividend on Shares	(3,005.68)	2,927.49
Net Cash from Investment Activities (B)	(4,147.53)	2,820.43
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend on preference share paid	(103.36)	(103.35)
Interim dividend on equity shares paid	(419.43)	(64.53)
Net cash used in/ from financing activities (C)	(522.79)	(167.88)
Net increase in Cash and Cash Equivalents D=(A+B+C)	1,280.37	(44.16)
Cash & Cash equivalents at the beginning of the year (E)	3.48	47.64
Cash & Cash equivalents at the close of the year F =(D+E)	1,283.85	3.48

Rajat Lakhanpal
Whole Time Director & Company Secretary

Kartik 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, 2014 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 27, 2014

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 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
Total Authorised Capital	2,300.00	2,300.00
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
Total Issued, Subscribed and Paid up capital	1,937.20	1,937.20

*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, 2014		As at March 31, 2013	
	% age	(No. of shares)	% age	(No. of shares)
Equity				
Arun Bharat Ram } Promoters	37.50%	2,419,727	37.50%	2,419,727
Ashish Bharat Ram }	18.75%	1,209,860	18.75%	1,209,860
Kartik Bharat Ram }	18.75%	1,209,860	18.75%	1,209,860
Preference				
Arun Bharat Ram } Promoters	49.45%	6,388,650	-	-
Ashish Bharat Ram }	24.73%	3,194,325	74.18%	9,582,975
Kartik Bharat Ram }	24.73%	3,194,325	24.73%	3,194,325

In the period immediately preceding five years:

- 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
- The company has not allotted any bonus shares.

2. Reserves and Surplus

Reserves

Capital reserve	20,345.06	20,345.06
General reserve	5,184.98	4,884.97

Total

Surplus	25,530.04	25,230.03
Total Reserves and Surplus	17,968.30	15,843.69

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

Movement in General Reserve

As at the beginning of the year	4,884.98	4,884.97
Add: transfer from profit and loss account	300.00	-
As at the end of the year	5,184.98	4,884.97
Movement in Surplus		
As at the beginning of the year	15,843.68	12,816.39
Profit after tax transferred from statement of Profit and Loss annexed	2,424.62	3,027.30
Less: Transfer to General Reserve	300.00	-
As at the end of the year	17,968.30	15,843.69

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
3. Provisions		
(a) Long-term provisions		
Provision for Gratuity (non-funded)	3.61	3.01
Provision for leave encashment (non-funded)	3.75	3.48
Total Long-term provisions	<u>7.36</u>	<u>6.49</u>
(b) Short-term provisions		
Provision for Gratuity (non-funded)	0.10	0.08
Provision for leave encashment (non-funded)	0.12	0.10
Total Long-term provisions	<u>0.22</u>	<u>0.18</u>
Total Provisions	<u>7.58</u>	<u>6.67</u>
4. Other current liabilities		
Expenses payable	2.00	2.45
Unclaimed fixed deposits*	5.70	7.35
Unclaimed dividends*	5.78	1.37
Proposed dividend on preference shares	103.36	103.35
Statutory dues	1.46	1.20
Total Other current liabilities	<u>118.30</u>	<u>115.72</u>

*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										Rs./lakhs
Description	Gross Block				Depreciation				Net Block	
	As at April 1, 2013	Additions	Deductions/ Write Off	As at March 31, 2014	Upto March 31, 2013	For the year	additions/ (deletion)	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
	Rs./lakhs									
Tangible assets										
Office equipments, etc.	1.68	-	-	1.68	1.59	-	-	1.59	0.08	0.08
Total Fixed Assets	1.68	-	-	1.68	1.59	-	-	1.59	0.08	0.08
Previous year	4.60	-	2.93	1.67	4.37	-	(2.78)	1.59	0.08	0.23

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, 2014		As at March 31, 2013	
		Qty. (Nos.)	Amount Rs./lakhs	Qty. (Nos.)	Amount Rs./lakhs
(a) NON-CURRENT INVESTMENTS- Others					
Investments in Equity Instruments					
<u>Quoted in subsidiary</u>					
SRF Limited	10	30,000,000	40,412.40	29,043,134	38,859.43
Total (A)			40,412.40		38,859.43
Aggregate value of quoted investments			40,412.40		38,859.43
[Market value of Quoted Equity Investments Rs. 1,07,880 lakhs (previous year Rs 49,170.03 lakhs).]					

Scrip	Par Value (Rs.)	As at March 31, 2014		As at March 31, 2013	
		Qty. (Nos.)	Amount Rs./lakhs	Qty. (Nos.)	Amount Rs./lakhs
Unquoted in wholly owned subsidiaries	10	60,020	5.00	60,020	5.00
Kama Realty (Delhi) Limited					
KHL Investments Limited	10	50,000	5.00	50,000	5.00
Shri Educare Limited**	10	95,10,000	951.00	95,10,000	951.00
Total (B)			961.00		961.00
Total of Investments in Subsidiaries (A+B=C)			41,373.40		39,820.43

**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	62.50
<i>(Partly paid-up to the extent of Rs 25 each (pr. yr. Rs. 25)</i>					
<i>(Total Commitment Rs. 62.50 lakhs (pr. Yr. Rs. 250.00 lakhs)</i>					
Total (D)			62.50		62.50

Total Non-Current Investments (C+D)

41,435.90 **39,882.93**

(b) CURRENT INVESTMENTS

Investments in Mutual Funds

Quoted

ICICI Prudential Money Market Fund	100	-	-	398,172	398.62
Total Current Investments			-		398.62

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

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
7. Cash and bank balances		
Cash and cash equivalents		
Cash in hand	0.06	0.13
Balance with banks on		
Current accounts	1,278.01	1.98
Unclaimed dividends	5.78	1.37
Total Cash and bank balances	1,283.85	3.48
8. Loans and advances		
<i>(Unsecured considered good, unless otherwise stated)</i>		
Short-term loans and advances (interest free)		
To related party - considered good	2,631.00	2,615.61
Total Short-term loans and advances	2,631.00	2,615.61

Details of Related Parties

Name of the Party	Nature of borrowing	Relationship	Amount	
			March 31, 2014 Rs./lakhs	March 31, 2013 Rs./lakhs
KAMA Realty (Delhi) Limited	Unsecured	Subsidiary	1,740.00	1,729.61
Shri Educare Limited	Unsecured	Subsidiary	891.00	886.00
		Total	2,631.00	2,615.61

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
9. Other current assets	3.27	-
Dividend receivable		
MAT credit available	36.33	37.27
Advance to Supplier	0.13	-
Advance Tax (net of provisions)	170.86	195.32
Total Other current assets	210.59	232.59
10. Employee benefits		
Salaries, wages, leave encashment and gratuity	23.43	27.53
Contribution to provident and superannuation fund	1.71	0.97
Total Employees benefits	25.14	28.50
11. Other expenses		
Payment to Auditors:		
for Audit fee	2.25	1.00
for Interim audit fee	1.50	1.50
for other services	0.36	0.31
Rates & Taxes	1.27	0.15
Donation to Political Party*	5.00	-
Miscellaneous expenses	10.86	9.89
Total Other expenses	21.24	12.85
<i>*Contribution to Aam Aadmi Party</i>		
12. Earnings Per Share		
Profit after tax	2,947.41	3,195.18
Less: Dividend to Preference Shareholders	103.36	103.35
	2,844.06	3,091.83
Weighted average number of equity shares outstanding	64,52,615	64,52,615
Earnings per share in rupees (face value- Rs. 10 per share)*	44.08	47.92

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

KAMA HOLDINGS LIMITED

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, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
Income Tax	122.23	308.87
Under Business Transfer Agreement with SRF Limited for Excise Duty/Sales Tax	2,102.30	2,102.30

1.2 Guarantees provided on behalf of wholly-owned subsidiary for repayment of loans and interest thereon amount to Rs 2,086.83 lakhs (Previous Year Rs 2,382.34 lakhs) which is a related party.

2. The company has acquired 100% equity stake acquired at a cost of Rs. 11,44,31,096/- in SRF Transnational Holdings Limited on 01st April 2014 from SRF Limited. Consequently, SRF Transnational Holdings Limited has become wholly owned subsidiary of the company with effect from 01st April 2014.

3. Remuneration for key Management Personnel

Whole Time Director	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
Salary including allowances	23.43	27.53
Contribution to provident and superannuation funds	1.71	0.97
Total	25.14	28.50

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

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

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
Amount at the beginning of the year	6.67	411.38
Add: additional provision made during the year	0.91	6.67
Less: amounts used during the year	-	7.68
Less: unused amounts reversed during the year	-	403.70
Amount at the end of the year	7.58	6.67

5. 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	(i) KAMA Realty (Delhi) Limited (ii) Shri Educare Limited (iii) SRF Limited (iv) KHL Investments Limited
(b)	Associates	(v) 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	(vi) Arun Bharat Ram (vii) Ashish Bharat Ram (viii) Kartik Bharat Ram
(d)	Key Management Personnel	(ix) Rajat Lakhanpal, Whole Time Director

(ii) 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	
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	
Loan/ICD given:										
Current year	1,538.00	5.00	-	-	-	-	-	-	-	1,543.00
Previous year	2,002.50	1,829.00	-	-	-	-	-	-	-	3,831.50
Loan/ICD refund received:										
Current year	1,527.61	-	-	-	-	-	-	-	-	1,527.61
Previous year	272.89	943.00	-	-	60.00	-	-	-	-	1,275.89
Interest received on ICD/Loan:										
Current year	-	-	-	-	-	-	-	-	-	-
Previous year	-	-	-	-	6.60	-	-	-	-	6.60
Investment during year in:										
Current year	-	-	1,552.96	-	-	-	-	-	-	1,552.96
Previous year	-	175.00	925.92	5.00	-	-	-	-	-	1,105.92
Sale of Investments of:										

Nature of transaction	Amount in Rs/lakhs with related parties referred to above									Total
	a				b	c			d	
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	
Current year	-	-	-	-	-	-	-	-	-	-
Previous year	-	-	-	-	5.01	-	-	-	-	5.01
Sale of investments to:										
Current year	-	-	-	-	-	-	-	-	-	-
Previous year	-	-	-	-	-	0.01	-	-	-	0.01
Reimbursement (payment) of expenses:										
Current year	-	-	-	-	-	-	-	-	-	-
Previous year	7.68	-	6.25	-	-	-	-	-	-	13.93
Dividend received:										
Current year	-	-	2,995.26	-	-	-	-	-	-	2,995.26
Previous year	-	-	2,904.31	-	-	-	-	-	-	2,904.31
Reimbursement (receipt) of expenses:										
Current year	-	-	-	-	-	-	-	-	-	-
Previous year	-	-	-	4.40	-	-	-	-	-	4.40
Remuneration:										
Current year	-	-	-	-	-	-	-	-	25.13	25.13
Previous year	-	-	-	-	-	-	-	-	28.50	28.50
Directors Sitting Fee:										
Current year	-	-	-	-	-	-	0.23	0.20	-	0.43
Previous year	-	-	-	-	-	-	0.20	0.15	-	0.35
Expenses paid on behalf:										
Current year	-	-	-	-	-	-	-	-	-	-
Previous year	-	-	-	4.40	-	-	-	-	-	4.40
Year end receivables:										
Current year	1,740.00	891.00	-	-	-	-	-	-	-	2,631.00
Previous year	1,729.61	886.00	-	-	-	-	-	-	-	2,615.61

*Includes investment of Rs. 1552.96 lakhs (pr. Yr. Rs.925.92 lakhs) in equity shares of SRF Limited acquired from open market.

6. Tax on distributed profits: The interim dividend to equity shareholders (Rs.419.43 lakhs) as well as proposed dividend to preference shareholders (Rs.103.35 lakhs) is paid out of dividend received from the subsidiary (Rs.2,995.26 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.
7. 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.
8. The company has only one segment i.e. Core Investments.
9. Previous year figures have been regrouped/ rearranged to accord with current year classification.

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

V Rajaraman
Partner
M.No. 2705

Rajat Laxhanpal
Whole Time Director & Company Secretary

Kartik Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 27, 2014

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF KAMA HOLDINGS LIMITED

We have audited the accompanying Consolidated Financial Statements of KAMA Holdings Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the 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 alongwith their respective auditors.

Subsidiaries' Name	Name of the Auditor
SRF Ltd.	Delloite Haskins & Sells
Kama Realty (Delhi) Ltd.	VATTS & Associates
KHL Investments Ltd.	VATTS & Associates
SRF Holiday Homes Ltd.	J.P. Tulsian & Co.
SRF Energy Ltd.	J.P. Tulsian & Co.
SRF Fluorochemicals Ltd.	J.P. Tulsian & Co.
SRF Global B.V.	VATTS & Associates
SRF Fluor Private Ltd. (Mauritius)	Lancasters
SRF Overseas Ltd. (U.A.E)	BDO Chartered Accountants & Advisors
SRF Industries (Thailand) Ltd.	Ernst & Young, Thailand
SRF Industex Belting (Pty.) Ltd.	Pricewater house Coopers, South Africa
SRF Flexipack (South Africa Ltd.	Delloite & Touche, South Africa

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

The Company's Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance 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") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 12th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentations of the Consolidated financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Emphasis of matter

- SRF Limited (subsidiary of Kama Holdings Ltd.) had received demand notices from the Commercial Tax Department, Government of Madhya Pradesh ("State Government") for payment of Central Sales Tax (CST), Value Added Tax (VAT) and Entry Tax aggregating to Rs. 9491 lakhs (including interest and penalty) for the period from 2007 to 2013 in respect of sales from its manufacturing facility in Special Economic Zone (SEZ) in Madhya Pradesh to the Domestic Tariff Area (DTA). The matter is sub-judice and is pending before the Hon'ble High Court of Madhya Pradesh. Basis legal opinion obtained by the Company, the Management of the Company is confident of getting relief in this matter and, accordingly, has not made any provision for the said disputed demands.
- SRF Limited had opted to apply the provisions under paragraph 46A of Accounting Standard – 11 "The Effects of changes in Foreign Exchange Rates" with effect from April 1, 2013. Accordingly, exchange difference of Rs. 9,777.25 lakhs arising on all long term monetary items relating to acquisition of depreciable assets are added to the cost of Fixed Assets / Capital work-in-progress and will be depreciated over the useful life of the assets. The unamortized portion carried forward as at March 31, 2014 is Rs. 9,223.63 lakhs. As a result of such change, the net profit after tax for the year is higher by Rs. 5,851.70 lakhs.

Our Opinion is not qualified in respect of above matters.

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 with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014 and
- in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date;
- in the case of the Consolidated Cash Flow Statement, of the cash flow 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;

- b) According to the concerned Audit Reports, proper books of account as required by law have been kept by the Company and its subsidiaries concerned.
- 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 audited financial statements of the Company and its subsidiaries concerned.
- d) In our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow

Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

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

Place: New Delhi
Date: May 27, 2014

Partner
M. No.: 2705



KAMA HOLDINGS LIMITED (CONSOLIDATED)

BALANCE SHEET

AS AT MARCH 31, 2014

Particulars	Note No.	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	1	1,937.20	1,937.20
Reserves and surplus	2	116,939.81	104,402.02
		118,877.01	106,339.22
Minority interest	3	93,040.73	94,459.95
Non-current liabilities			
Long-term borrowings	4	172,992.37	111,685.00
Long-term liabilities	5	13.83	13.57
Deferred tax liabilities (net)	6	27,517.55	25,028.81
Long-term provisions	7	1,740.67	1,718.94
		202,264.42	138,446.32
Current liabilities			
Short-term borrowings	4	32,085.40	24,254.85
Trade payables	8	78,860.68	51,817.97
Other current liabilities	9	27,768.00	47,657.49
Short-term provisions	10	1,481.08	775.21
		140,195.16	124,505.52
TOTAL EQUITY AND LIABILITIES		554,377.32	463,751.01
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		355,648.31	234,714.82
Intangible assets		2,518.13	2,397.60
Capital work-in-progress		11,747.18	57,073.31
Non-current investments	12	3,548.12	3,286.84
Long-term loans and advances	13	6,881.61	14,681.39
Other non-current assets	14	863.40	832.94
		381,206.76	312,986.90
Current assets			
Current investments	12	2,649.00	14,565.52
Inventories	15	74,640.29	56,322.55
Trade receivables	16	69,220.29	50,907.26
Cash and cash equivalents	17	9,720.87	19,176.19
Short-term loans and advances	18	16,050.13	9,466.40
Other current assets	19	889.98	326.19
		173,170.56	150,764.11
TOTAL ASSETS		554,377.32	463,751.01

Accounting Policies & General Notes given in Annexure &
Note 1 to 19 form part of financial statements

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

V Rajaraman
Partner
M.No. 2705

Rajat Lakhnarpal
Whole Time Director & Company Secretary

Kartik Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 27, 2014

KAMA HOLDINGS LIMITED (CONSOLIDATED)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No.	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
REVENUE FROM OPERATIONS			
Sale of products (gross)		429,447.74	270,033.35
Less: Excise Duty		30,179.56	18,990.61
Sale of products (net)		399,268.18	251,042.74
Other operating revenues	20	3,959.58	2,727.70
Other Income	21	2,642.32	3,421.71
TOTAL REVENUE		405,870.08	257,192.15
EXPENSES			
Cost of materials consumed	22	242,088.64	140,474.05
Purchase of traded goods	23	1,601.62	647.53
(Increase)/Decrease in inventories of finished goods, stock-in-process and traded goods	24	(3,966.01)	(1,980.69)
Employee benefits	25	32,047.26	18,893.07
Finance costs [Refer sub-note 10 in note 11]	26	9,901.55	6,625.29
Depreciation and amortisation	27	22,569.18	14,321.45
Other expenses	28	80,252.02	45,977.05
TOTAL EXPENSES		384,494.26	224,957.75
Profit before tax		21,375.82	32,234.40
Tax expense			
Current tax		5,642.07	6,608.23
Current tax (MAT)		-	82.40
MAT credit		(2,841.22)	-
MAT credit reversal		-	5.18
Current tax relating to prior years		(574.79)	(1,459.58)
Deferred tax charge		2,467.48	3,501.52
		4,693.54	8,737.75
Profit after tax		16,682.28	23,496.65
Add: Profit on sale of Associate		-	0.05
Less: Interim dividend on equity shares		419.43	64.53
Less: Proposed dividend on preference shares		103.36	103.35
Less: Dividend distribution tax		975.86	931.50
Balance Profit		15,183.63	22,397.32
Earnings per share	29		
Basic (Rs.)		256.93	362.54
Diluted (Rs.)		256.93	362.54

Accounting Policies & General Notes given in Annexure & Note 20 to 29 form part of financial statements

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

V Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
Whole Time Director & Company Secretary

Kartik Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 27, 2014



KAMA HOLDINGS LIMITED (CONSOLIDATED)

CASH FLOW STATEMENT

FOR THE YEAR ENDED ON MARCH 31, 2014

	Year Ended March 31, 2014 Rs./lakhs	Year Ended March 31, 2013 Rs./lakhs
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	21,375.82	32,234.40
Adjustments for		
Interest & Finance Charges	9,901.55	6,625.29
Depreciation and amortisation	22,569.19	14,321.29
Incorporation expenses	-	(4.61)
Exchange currency fluctuation (net)	(809.97)	183.70
Provision for doubtful debts	97.79	42.01
Impairment of fixed assets	91.62	-
Income from dividend	(934.54)	(414.58)
Interest Income	(771.84)	(245.46)
Asset written off/discarded	134.67	168.03
(Profit)/Loss on sale of fixed assets	(78.48)	(2,208.91)
(Profit)/Loss on sale of investments	(96.91)	(215.44)
Operating Profit before working capital changes	51,478.90	50,485.72
Adjustments for		
Trade and other receivables, inventories and other assets	(39,973.42)	(1,981.15)
Trade payables and provisions and other current liabilities	27,998.66	(4,765.39)
Deferred revenue expenditure	-	0.16
Cash Generated from operations before tax	39,504.14	43,739.34
Exchange currency fluctuation	-	-
Taxation	(4,276.60)	(5,285.27)
Net Cash from operating activities (A)	35,227.54	38,454.07
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	(87,230.58)	(86,807.53)
Sale of Investments	97,429.77	79,784.07
Capital expenditure on fixed assets including capital advances	(80,010.54)	(53,347.95)
Proceeds from sale of fixed assets	984.63	2,833.24
Interest Income	771.84	245.46
Income from dividend on shares	934.54	414.58
Net Cash from Investment Activities (B)	(67,120.34)	(56,878.13)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of long term borrowings (net)	30,130.97	49,549.48
Proceeds/(Repayment) of short term borrowings (net)	8,778.86	(9,769.78)
Dividend paid on equity shares	(3,121.06)	(2,801.25)
Dividend paid on preference shares	(103.36)	(103.35)
Corporate dividend tax paid	(975.86)	(931.50)
Repayment of fixed deposits	(1.01)	(1.55)
Finance cost	(12,271.06)	(6,437.48)
Net cash used in/ from financing activities (C)	22,437.48	29,504.57
Net increase in Cash and Cash Equivalents D=(A+B+C)	(9,455.32)	11,080.51
Cash & Cash equivalents of SRF at the beginning (E)	-	7,757.88
Cash & Cash equivalents at the beginning of the year (F)	19,176.19	337.80
Cash & Cash equivalents at the close of the year (D+E+F)	9,720.87	19,176.19

We have certified the above cash flow statement of consolidated KAMA Holdings Limited derived from the audited financial statements for the year ended March 31, 2014 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.

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

V Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
Whole Time Director & Company Secretary

Kartik Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 27, 2014

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 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
	2,300.00	2,300.00
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
	1,937.20	1,937.20

*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, 2014		As at March 31, 2013	
	% age	(No. of shares)	% age	(No. of shares)
Equity				
Arun Bharat Ram	37.50%	2,419,727	37.50%	2,419,727
Ashish Bharat Ram	18.75%	1,209,860	18.75%	1,209,860
Kartik Bharat Ram	18.75%	1,209,860	18.75%	1,209,860
Preference				
Arun Bharat Ram	49.45%	6,388,650	-	-
Ashish Bharat Ram	24.73%	3,194,325	74.18%	9,582,975
Kartik Bharat Ram	24.73%	3,194,325	24.73%	3,194,325

In the period immediately preceding five years:

- 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
- The company has not allotted any bonus shares.

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
2. RESERVES AND SURPLUS		
Reserves		
Capital reserve	75,753.56	73,967.29
Capital redemption reserve	0.02	0.02
General reserve	5,184.97	4,884.97
Foreign currency translation reserve	3.51	13.48
Total	80,942.06	78,865.76
Surplus	35,997.75	25,536.26
Total Reserves and Surplus	116,939.81	104,402.02
<i>There is no change in Capital redemption reserve.</i>		
Movement in surplus		
As at the beginning of the year	25,536.26	78,116.94
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	(244.67)	5,354.66
Add: Profit after tax transferred from statement of Profit and Loss annexed	15,183.63	22,397.32
Less: Transfer to general reserve	300.00	-
Less: Transfer to minority interest	4,666.81	5,441.64
As at the end of the year	35,997.75	25,536.26
Movement in capital reserve		
As at the beginning of the year	73,967.29	1.00
Add: Adjustment due to conversion of associate into subsidiary	-	19,096.39
Addition on consolidation (net)*	1,786.27	54,869.90
*on acquisition of shares of SRF Limited		
As at the end of the year	75,753.56	73,967.29
Movement in foreign currency translation reserve		
As at the beginning of the year	13.48	13.95
Addition/(deletion) during the year	(9.97)	(0.47)
As at the end of the year	3.51	13.48
Movement in general reserve		
As at the beginning of the year	4,884.97	4,884.97
Add: Transfer from surplus in statement of profit and loss	300.00	-
As at the end of the year	5,184.97	4,884.97
3. MINORITY INTEREST		
As at the beginning of the year	94,459.95	-
Share of minority in net worth	-	92,906.09
Add: Profit for the year	4,666.81	5,441.64
Less: Dividend paid to minority during the year	2,746.79	2,837.74
Less: Withdrawal for acquisition during the year	3,339.24	1,050.04
	93,040.73	94,459.95

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
4. BORROWINGS		
LONG TERM BORROWINGS		
Secured		
Term loans		
from banks	99,228.93	69,268.33
from others	50,854.78	30,239.89
	150,083.71	99,508.22
Less: Current maturities of long term borrowings		
Term loans from banks	14,617.30	21,819.87
Net secured long term borrowings (a)	135,466.41	77,688.35
Unsecured		
1500, 10.6% Listed, unsecured, redeemable non-convertible debentures of Rs.10 lakhs each	-	15,000.00
Term loans from banks	37,525.96	33,996.65
	37,525.96	48,996.65
Less: Current maturities of long term borrowings	-	15,000.00
Net unsecured long term borrowings (b)	37,525.96	33,996.65
Net long term borrowings (c = a+b)	172,992.37	111,685.00
SHORT TERM BORROWINGS		
Secured		
Term loans		
from banks	8,548.32	-
from others	-	6,249.76
Cash credit from banks	449.24	91.74
	8,997.56	6,341.50
Unsecured		
Term loans		
from banks	22,527.68	17,913.35
from related party	50.00	-
from others	510.16	-
	23,087.84	17,913.35
Total short term borrowings (d)	32,085.40	24,254.85
Total borrowings (e = c+d)	205,077.77	135,939.85
5. LONG TERM LIABILITIES		
For purchase of capital assets	13.83	13.57
Total long term liabilities	13.83	13.57
6. DEFERRED TAX LIABILITIES (NET)		
Difference between book and tax depreciation	30,894.08	24,970.99
Research and development expenditure and others	1,604.35	1,509.18
	32,498.43	26,480.17
Less: Deferred Tax Assets		
Provision for bad and doubtful debts	278.94	98.29
Accrued expenses deductible on payment	3,435.97	1,221.94
Brought forward business losses*	1,265.97	131.13
	4,980.88	1,451.36
Total deferred tax liabilities	27,517.55	25,028.81

*The deferred tax assets have been recognised keeping in view the concept of prudence and on the basis of virtual certainty that sufficient future taxable income will be available against which deferred tax assets will be realised.

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
7. LONG TERM PROVISIONS		
Employee benefits	1,740.67	1,718.94
Total long term provisions	1,740.67	1,718.94
8. TRADE PAYABLES		
Acceptances	46,317.97	27,264.04
Trade payables		
Outstanding dues to Micro and Small enterprises	213.48	42.98
Outstanding dues to parties other than Micro and Small enterprises	32,329.23	24,510.95
Total trade payables	78,860.68	51,817.97
9. OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings	14,617.30	36,819.87
Interest accrued but not due on borrowings	1,054.71	616.14
Interest accrued and due on borrowings	0.08	-
Unclaimed dividend*	605.83	556.26
Unclaimed fixed deposits (including interest)*	6.44	9.10
Proposed dividend on preference shares	103.36	103.35
Book overdraft	-	66.59
Security deposits from:		
Students	15.37	16.30
Others	486.41	458.37
Income received in advance from:		
Fee from students	29.62	22.13
Others	30.89	5.36
Advances received from customers	1,393.52	659.75
Acceptances for fixed assets	175.28	395.17
Payables for fixed assets		
Outstanding dues to Micro and Small enterprises	465.01	16.56
Outstanding dues to parties other than Micro and Small enterprises	3,150.11	1,850.01
Gratuity	451.73	222.56
Statutory remittances	3,180.81	2,640.81
Statutory dues and other taxes payable	1,946.81	1,947.09
Other payables	54.72	1,252.07
	27,768.00	47,657.49
<i>*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.</i>		
10. SHORT TERM PROVISIONS		
Employee benefits	605.12	715.64
Provision for tax (net of payments)	875.96	59.57
	1,481.08	775.21

11. FIXED ASSETS
Rs./lakhs

Particulars	Gross Block					Depreciation/ amortization**					Net Block	
	As at April 1, 2013	Additions (refer note 10 below)	Translation/ adjustment/ net revaluation	Dispos- als/ De- ductions/ Transfers	As at March 31, 2014	Upto March 31, 2013	For the year	Trans- lation/ adjust- ment	Dispos- als/ De- ductions/ Trans- fers	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible assets												
Land												
Freehold	11,320.16	-	(71.97)	-	11,248.19	1.76	1.76	-	-	3.51	11,244.68	11,318.41
Leasehold	10,187.20	200.19	-	-	10,387.39	-	-	-	-	-	10,387.39	10,187.20
Roads	2,287.53	2,087.52	(3.85)	2.85	4,368.36	916.00	52.64	(4.23)	0.96	963.45	3,404.91	1,371.53
Buildings*	63,197.64	25,232.64	237.69	3,422.61	85,245.36	18,540.30	2,390.35	181.78	2,667.54	18,444.89	66,800.47	44,657.34
Books	1.04	-	-	-	1.04	1.04	-	-	-	1.04	-	-
Plant and machinery	378,836.82	115,488.11	198.65	6,352.40	488,171.18	215,365.37	18,530.08	626.17	5,637.66	228,883.95	259,287.23	163,471.45
Furniture and fixtures	2,654.12	620.34	2.08	130.91	3,145.63	1,475.17	146.03	1.89	72.71	1,550.37	1,595.26	1,178.95
Office equipments	3,834.07	831.33	8.93	139.15	4,535.17	2,685.83	347.14	5.71	119.86	2,918.83	1,616.35	1,148.23
Data processing	36.63	10.32	-	(0.40)	46.55	22.75	10.05	-	(0.40)	32.39	14.16	13.89
Vehicles	2,548.72	463.82	(1.52)	314.07	2,696.94	1,180.90	446.77	(1.44)	227.15	1,399.08	1,297.86	1,367.82
Sub-total	474,903.93	144,934.27	370.01	10,361.59	609,845.82	240,189.11	21,924.82	809.88	8,725.49	254,197.52	355,648.31	234,714.82
Previous year	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
Intangible assets												
Goodwill	1,004.04	-	-	-	1,004.04	147.59	43.45	-	-	191.03	813.01	856.45
Trade marks & copyrights	1,191.38	8.06	-	-	1,199.43	499.97	119.14	-	-	619.11	580.32	691.41
Technical knowhow	914.81	-	-	-	914.81	403.20	106.82	-	-	510.02	404.79	511.61
Software	1,449.39	793.17	-	-	2,242.56	1,111.26	411.28	-	-	1,522.55	720.01	338.12
Sub-total	4,559.62	801.23	-	-	5,360.85	2,162.02	680.69	-	-	2,842.71	2,518.13	2,397.60
Previous year	53.06	4,535.51	-	-	4,588.57	12.18	2,123.75	-	-	2,135.93	2,452.64	40.88
Grand total	479,463.55	145,735.50	370.01	10,361.59	615,206.67	242,351.13	22,605.51	809.88	8,725.49	257,040.23	358,166.45	237,112.41
Previous year	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

Notes to fixed assets :

- The amount of borrowing cost capitalised to fixed assets/capital work-in-progress during the year Rs.2,812.02 lakhs (previous year Rs.2,874.38 lakhs) by SRF Limited.
- The deed of assignment in respect of free hold land at Manali, Chennai has been executed in respect of 135.70 acres (previous year 135.70 acres). In addition to aforesaid extent, 0.79 acres were handed over to SRF Limited under a land delivery receipt. Thus, SRF Limited is in possession of 136.49 acres of Industrial land at Manali, Chennai.
- Conveyancing of buildings and other superstructures located at SRF Limited's plant at Malanpur in the state of Madhya Pradesh including immovable machinery is linked to the Stamp Duty matter.
- Out of the Industrial free hold land measuring 32.41 acres at the SRF Limited's plant in Gummidipoondi, SRF Limited does not have clear title to 2.43 acres.
- The execution of lease deed of land in respect of 904910 square metres (previous year 904910 square meters) of leasehold land allotted to SRF Limited by Gujarat Industrial Development Corporation at Dahej, Gujarat is pending. Out of the above, formal possession of 175057 square metres is yet to be received from Gujarat Industrial Development Corporation at Dahej, Gujarat.
- Capital work-in-progress includes pre-operative expenses Rs.161.05 lakhs (previous year Rs.6,463.21 lakhs).
- The revaluation of fixed assets of SRF Limited was carried out in the year ended March 31, 2005 and of SRF Industries (Thailand) Limited has been done in financial year ended March 31, 2011.
- SRF Overseas Limited has charged an impairment of Rs.91.62 lakhs (previous year Rs.718.08 lakhs) on fixed assets. The same is based on the estimated value in use.
- Assets retired from active use and held for sale aggregating to Rs.503.65 lakhs (gross block of Rs.3,136.50 lakhs less accumulated depreciation of Rs.2,632.85 lakhs) has been reclassified under 'Other current assets'.
- SRF Limited had opted to apply the provisions under paragraph 46A of Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates" with effect from April 1, 2013. Accordingly, exchange difference of Rs.9,777.25 lakhs arising on all long term monetary items relating to acquisition of depreciable assets are added to the cost of Fixed Assets/Capital work-in-progress and will be depreciated over the useful life of the assets. The unamortised portion carried forward as at March 31, 2014 is Rs.9,223.63 lakhs. As a result of such change, the net profit after tax for the year is higher by Rs.5,851.70 lakhs.

	Par Value Rs.	As at March 31, 2014		As at March 31, 2013	
		Qty. (nos.)	Amount Rs./lakhs	Qty. (nos.)	Amount Rs./lakhs
12. INVESTMENTS					
NON-CURRENT INVESTMENTS-LONG TERM					
Trade investments					
Investments in equity instruments					
Unquoted					
Malanpur Captive Power Ltd	10	4,221,535	422.15	4,221,535	422.15
Other investments					
Investments in equity instruments					
Quoted					
Mawana Sugars Ltd	10	2,901	0.48	2,901	0.48
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	1,150	3.03
Bajaj Auto Ltd	10	200	3.91	-	-
Bajaj Finserv Ltd	5	600	4.34	-	-
Cairn India Ltd	10	1,500	4.92	1,500	4.92
Cipla Ltd	2	750	2.97	-	-
Cholamandalam Investment and Finance Co.Ltd.	10	70,000	199.81	70,000	199.81
Dish TV India Ltd	1	7,500	4.93	10,000	6.53
Dr.Reddy's Laboratories Ltd	5	125	2.65	-	-
Gail (India) Ltd	10	1,500	5.80	1,500	5.80
Goldman Sachs Nifty ETF	10	3,200	18.09	2,000	11.81
Hindustan Unilever Ltd	1	-	-	1,000	5.32
ICICI Bank Ltd	10	400	3.51	550	4.82
Indian Bank	10	2,500	4.88	2,500	4.88
Indoco Remedies Ltd	2	-	-	2,800	2.00
IDFC Ltd	10	2,000	2.93	2,000	3.04
ITC Ltd	1	2,000	4.88	3,000	7.31
Infosys Ltd	5	100	3.04	-	-
Jaiprakash Associates Ltd	2	-	-	5,000	4.70
Jindal Steel & Power Ltd	1	500	2.05	500	2.05
Kalpitaru Power Transmission Ltd	2	-	-	2,400	2.02
LIC Housing Finance Ltd	2	-	-	2,000	4.94
Lupin Ltd	2	200	1.18	400	2.35
TV18 Broadcast Ltd	2	10,000	2.06	-	-
NMDC Ltd	1	3,500	5.61	3,500	5.61
Sterlite Industries (India) Ltd	1	-	-	1,900	2.00
SESA Sterlite Ltd	1	1,140	2.00	-	-
Uflex Ltd	10	114,000	99.72	114,000	99.72
Unquoted					
Sanghi Spinners Ltd	10	670,000	11.69	670,000	11.69
Less: provision for diminution in value			11.69		11.69
			-		-
SB Packaging Ltd	10	119,000	49.98	119,000	49.98
Less: provision for diminution in value			49.98		49.98
			-		-
Vaayu Renewable Energy (Tapti) Pvt Ltd	100	5,000	5.00	-	-

	Par Value Rs.	As at March 31, 2014		As at March 31, 2013	
		Qty. (nos.)	Amount Rs./lakhs	Qty. (nos.)	Amount Rs./lakhs
Investments in debt instruments					
Quoted					
8.20% 2027 tax free bonds of HUDCO	1,000	42,500	446.87	42,500	446.87
8.66% 2033 tax free bonds of NTPC	1,000	6,333	63.33	-	-
8.12% 2027 tax free bonds of REC	1,000	25,000	249.97	25,000	249.97
Bonds of VGN Developers Pvt Ltd	10,000,000	10	1,000.00	10	1,000.00
Investments in mutual funds					
Quoted					
DWS Gilt Fund-Growth	10	390,665	50.00	390,665	50.00
HDFC Income Fund-Growth	10	187,571	50.00	187,571	50.00
IDFC Dynamic Bond Fund-Growth	10	362,500	50.00	362,500	50.00
Kotak Bond Scheme Plan A-Growth	10	148,993	50.00	148,993	50.00
Birlasunlife Frontline Equity Fund- Growth	10	25,596	25.00	25,596	25.00
ICICI Prudential Discovery Fund- Growth	10	45,389	25.00	45,389	25.00
IDFC Sterling Equity Fund- Growth	10	122,556	25.00	122,556	25.00
Reliance Equity Opportunity Fund- Growth	10	58,987	25.00	58,987	25.00
Birlasunlife Dynamic Bond Fund-Retail-Qtly Dividend	10	-	-	434,480	50.00
Birlasunlife Dynamic Bond Fund-Retail-Growth	10	548,944	100.00	548,944	100.00
HDFC Index Fund-Nifty Plan-Growth	10	93,270	50.00	-	-
JP Morgan US Value Equity Offshore Fund-Growth	10	830,916	85.00	-	-
Kotak FMP Series 127 Direct-Growth	10	830,000	83.00	-	-
ICICI Prudential Exports and Other Services-Growth	10	186,637	50.00	-	-
Templeton India Short Term Income Retail Plan-Qtly dividend	1,000	-	-	4,307	50.00
Investment in Private equity funds					
Fully paid investments					
Unquoted					
TVS Shriram Growth Fund Scheme 1B	1,000	12,500	125.00	12,500	125.00
Partly paid investments					
Unquoted					
Asian Healthcare Fund	100	500,000	125.00	500,000	125.00
[Rs.25 paid-up (previous year Rs.20 paid-up)]					
ICICI Prudential Venture Capital Fund	10	1,000,100	60.01	1,000,100	30.00
[Rs.6 paid up (Rs.3 paid-up)]					
Total non-current investments			3,548.12		3,286.84
Aggregate value of long term quoted investments			2,810.96		2,584.69
Aggregate amount of long term unquoted investments (net of provisions)			737.16		702.15
Aggregate provision for diminution in value of long term investments			61.67		61.67
<i>Market value of long term quoted investments</i>			2,840.04		2,593.08
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
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

	Par Value Rs.	As at March 31, 2014		As at March 31, 2013	
		Qty. (nos.)	Amount Rs./lakhs	Qty. (nos.)	Amount Rs./lakhs
Kotak Gilt Investment	10	238,190	96.31	1,322,929	536.05
ICICI Prudential FMP Series 73 Regular Cumulative	10	5,000,000	500.00	-	-
SBI Debt Fund Series A Regular Growth	10	10,000,000	1,000.00	-	-
Baroda Pioneer Liquid Fund Plan A Growth	1,000	68,304	1,002.76	-	-
DSP Blackrock Liquidity Fund-Weekly dividend	1,000	4,891	48.95	-	-
Kotak Floater Long Term-Dividend option	10	9,779	0.99	204,123	20.57
Unquoted					
Birlasun 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			2,649.00		14,565.52
Aggregate amount of current quoted investments			2,649.00		14,468.30
Aggregate amount of current unquoted investments			-		97.22
Market value of current quoted investments			2,660.53		14,523.16

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
13. LONG TERM LOANS AND ADVANCES		
(Unsecured considered goods, unless otherwise stated)		
Capital advances	716.12	7,948.74
Security deposits *	2,115.85	2,379.75
Loans to employees (also refer to note no. 17)	480.62	469.39
Prepaid expenses (also refer to note no. 17)	15.96	87.20
MAT credit entitlement	2,841.22	-
Cenvat/Service tax/VAT recoverable	528.65	3,660.43
Other loans and advances (unsecured):		
considered good	183.19	135.88
considered doubtful	9.95	9.95
Less : Provision for doubtful advances	(9.95)	(9.95)
Total long term loans and advances	6,881.61	14,681.39

*Security deposits includes Rs.798.61 lakhs (previous year Rs.726.85 lakhs) as interest free security deposits for accommodation taken on lease for SRF Limited's officers/ directors and various offices taken on lease by SRF Limited.

#Security deposits include the following related party deposits:

Arun Bharat Ram	12.00	12.00
Ashish Bharat Ram	0.60	0.60
Kartik Bharat Ram	0.60	0.60
Karm Farms Private Limited	310.00	310.00
Srishti Westend Greens Farms Private Limited	310.00	310.00
	633.20	633.20

14. OTHER NON-CURRENT ASSETS

Unamortised upfront fees on loans	863.40	832.94
Total other non-current assets	863.40	832.94

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
15. INVENTORIES		
Raw materials	26,787.29	18,421.72
Raw materials in transit	14,351.26	9,506.52
Stock-in-process	10,566.61	9,926.89
Stock-in-process in transit	134.28	87.98
Finished goods	12,757.05	10,371.35
Finished goods in transit	1,554.05	714.76
Stock of traded goods	83.36	19.58
Stores and spares	8,383.89	7,260.46
Stores and spares in transit	17.99	-
Stock of Certified Emission Reductions	4.51	13.29
Total inventories	74,640.29	56,322.55
16. TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured – considered good	-	42.66
Unsecured – considered doubtful	309.39	281.50
	309.39	324.16
Less : Provision for doubtful debts	309.39	281.50
	-	42.66
Other trade receivables		
Unsecured – considered good	69,220.29	50,864.60
Total trade receivables	69,220.29	50,907.26
17. CASH AND CASH EQUIVALENTS		
Cash in hand	48.05	47.47
Cheques/drafts in hand	0.48	-
Balance with banks on		
Current accounts	8,832.30	17,322.33
Balances with bank in deposits maturing within three months	50.00	706.44
Other bank balances:		
Balances with bank in deposits maturing after more than three months but within twelve months	-	38.06
In earmarked accounts		
Margin money	189.99	505.63
Unclaimed dividend accounts	600.05	556.26
Total cash and bank equivalents	9,720.87	19,176.19

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
18. SHORT TERM LOANS AND ADVANCES		
(Unsecured considered goods, unless otherwise stated)		
Loans to employees	551.14	427.81
Prepaid expenses	851.23	3.81
Advances	1,079.06	0.51
Deposits with customs and excise authorities	311.90	150.84
Security deposits	455.05	132.27
Claims recoverable	2,566.58	2,343.75
CENVAT/Service tax/VAT recoverable	8,331.57	4,763.21
	14,146.53	7,822.20
Other loans and advances		
Unsecured - considered good	1,903.60	1,644.20
- considered doubtful	293.68	286.01
	2,197.28	1,930.21
Less : Provision for doubtful advances	293.68	286.01
	1,903.60	1,644.20
Total short-term loans and advances	16,050.13	9,466.40
19. OTHER CURRENT ASSETS		
Unamortised upfront fees on loans	275.57	217.52
Unamortised expenditure	-	4.61
Interest accrued on bonds	18.35	17.81
MAT credit available	84.05	81.18
Assets held for sale	503.65	-
Others	8.36	5.07
Total other current assets	889.98	326.19
20. OTHER OPERATIVE REVENUE		
Claims	40.87	40.77
Rent received	0.90	213.90
Dividend on investments	10.41	414.58
Interest on loans, deposits and investments	12.41	74.95
License fee	12.27	15.13
Project management fee	290.89	147.85
Annual maintenance fee	10.77	10.24
Student fee from:		
Government	220.82	292.71
Student	863.24	575.19
Export incentives	126.70	16.25
Scrap sales	1,666.46	822.06
Other operating income	703.82	104.07
Total other operating revenue	3,959.58	2,727.70
21. OTHER INCOME		
Provision / Liabilities no longer required written back	233.12	578.16
Dividend on investments	924.13	-
Profit on sale of investments	96.91	215.44
Profit on sale of fixed assets	78.48	2,208.91

	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
Interest income		
from customers	15.32	18.39
on others	744.00	152.12
Other non-operating income	550.36	248.69
Total other operating income	2,642.32	3,421.71
22. COST OF RAW MATERIAL CONSUMED		
Opening stock of Raw Materials	27,928.24	29,610.69
Add : Purchase of Raw Materials	255,298.95	138,791.60
	283,227.19	168,402.29
Less : Closing Stock of Raw Materials	41,138.55	27,928.24
Cost of materials consumed	242,088.64	140,474.05
23. PURCHASE OF TRADED GOODS		
	Qty. (MT)	
Yarn	490.09	1,065.25
Refrigerant gases	32.71	100.90
Polyester films	160.56	200.33
Others	-	235.14
Total	1,601.62	647.53
24. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND TRADED GOODS		
Opening Stock		
Stock-in-Process	10,014.87	9,617.73
Finished goods	11,086.11	9,156.20
Traded goods	19.58	25.39
Certified Emission Reductions Stock*	13.29	76.54
	21,133.85	18,875.86
Stock produced during trial run		
Finished goods	-	277.30
	-	277.30
Closing Stock		
Stock-in-Process	10,700.89	10,014.87
Finished goods	14,311.10	11,086.11
Traded goods	83.36	19.58
Certified Emission Reductions Stock	4.51	13.29
	25,099.86	21,133.85
(Increase) \ Decrease in inventories of finished goods, stock-in-process and traded goods		
Stock-in-Process	(686.02)	(397.14)
Finished goods	(3,224.99)	(1,652.61)
Traded goods	(63.78)	5.81
Certified Emission Reductions Stock	8.78	63.25
	(3,966.01)	(1,980.69)

*In the previous year, pursuant to the adoption of Guidance Note on Accounting for Self-Generated Certified Emission Reductions (CER) effective April 1, 2012, the stock of CER as on April 1, 2012 has been recognized at cost amounting to Rs. 135.22 lakhs net of tax of Rs. 43.87 lakhs by adjusting Surplus in statement of profit and loss by Rs. 91.35 lakhs.

	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
25. EMPLOYEE BENEFITS		
Salaries, wages, bonus, etc	26,217.93	15,553.52
Contribution to provident and other funds	2,408.92	1,267.69
Workmen and staff welfare expenses	3,420.40	2,071.86
Total employee benefits	32,047.26	18,893.07
26. FINANCE COSTS		
Interest expenses		
On loans to related party	40.09	0.38
On debentures and loans to others	3,878.03	3,087.77
Cash Credit and others	2,724.04	1,360.44
Other borrowing costs	1,294.88	1,225.18
Net (gain)/loss on foreign currency transactions and translation (considered as finance cost)	1,964.51	951.52
Total finance costs	9,901.55	6,625.29
27. DEPRECIATION AND AMORTISATION		
Depreciation on tangible assets	21,924.81	17,536.74
Amortization on intangible assets	685.30	310.55
Less : Transfer from revaluation reserve	40.93	3,526.00
Preliminary/Pre-operative expenses written off	-	0.16
Net Depreciation and amortisation	22,569.18	14,321.45
28. OTHER EXPENSES		
Stores and Spares consumed	4,222.72	3,486.63
Power and Fuel	41,885.24	25,883.97
Rent	1,292.65	996.86
Repairs and Maintenance		
Buildings	303.88	221.10
Plant and machinery	6,879.86	3,983.41
Other Maintenance	2,504.92	1,368.43
Insurance	1,170.38	721.58
Rates and taxes	489.87	388.46
Freight	8,581.50	5,437.56
Professional and legal charges	1,976.74	1,812.44
Contract conversion charges	355.25	263.99
Travel and conveyance	1,468.31	815.31
Directors' sitting fees	17.30	12.99
Selling commission	893.41	501.17
Increase / (decrease) in excise duty on closing stock	(240.85)	191.04
Provision for doubtful debts / advances	42.23	22.81
Bad debts / advances written off	55.56	19.20
Fixed assets discarded/written off	134.67	168.03
Impairment of fixed assets	91.62	-
Auditors' Remuneration (net of service tax input credit)		
Audit Fees	97.61	62.11
For limited review of unaudited financial results	31.50	21.50
For corporate governance, consolidated financial statements and other certificates	20.29	6.45
For tax audit	8.50	8.50
For other services	-	0.33
Exchange currency fluctuation	1,718.21	(3,914.12)
Donation to political parties:		
Bhartiya Janata Party	50.00	-

	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
Aam Aadmi Party	5.00	-
Miscellaneous expenses	6,195.65	3,497.30
Total other expenses	80,252.02	45,977.05

29. EARNINGS PER SHARE

Profit after tax after reckoning of dividend to preference shareholders and tax thereon	16,578.93	23,393.30
Weighted average number of equity shares outstanding	6,452,615	6,452,615
Earnings per share in rupees (face value- Rs. 10 per share)*	256.93	362.54

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

KAMA HOLDINGS LIMITED (Consolidated)

SIGNIFICANT ACCOUNTING POLICIES AND 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 2014	Proportion of ownership as on 31 st March 2013
SRF Limited*	India	52.25%	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%	100.00%
SRF Transnational Holdings Limited@#	India	52.25%	50.58%
SRF Properties Limited@	India	52.25%	50.58%
SRF Holiday Home Limited@	India	52.25%	50.58%
SRF Energy Limited@	India	52.25%	50.58%
SRF Fluorochemicals Limited@	India	52.25%	50.58%

*Became subsidiary on 03rd August 2012. **Became subsidiary on 29th September 2009. ***Incorporated on 06th 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 03rd August 2012.

The company has acquired 100% equity stake acquired at a cost of Rs. 11,44,31,096/- in SRF Transnational Holdings Limited on 01st April 2014 from SRF Limited. Consequently, SRF Transnational Holdings Limited has become wholly owned subsidiary of the company with effect from 01st April 2014.

Foreign subsidiaries	Country of Incorporations	Proportion of ownership as on 31 st March 2014	Proportion of ownership as on 31 st March 2013
Shri Educare Maldives Pvt. Ltd.****	Maldives	100.00%	100.00%
SRF Fluor Private Limited@	Mauritius	52.25%	50.58%
SRF Global BV @	Netherlands	52.25%	50.58%
SRF Overseas Limited ('SRFO') (100% subsidiary of SRF Global BV)@	British Virgin Islands	52.25%	50.58%
SRF Industries (Thailand) Limited (100% subsidiary of SRF Global BV)@	Thailand	52.25%	50.58%
SRF Industex Belting (Pty) Limited (100% subsidiary of SRF Global BV)@	Republic of South Africa	52.25%	50.58%
SRF Flexipak (South Africa) (Pty) Limited (100% subsidiary of SRF Global BV)@	Republic of South Africa	52.25%	50.58%

****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 03rd August 2012.

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

As regards the holding company, i.e, KAMA Holdings Limited as well as the subsidiaries other than SRF Limited is concerned, there are no transactions in foreign currency. However the subsidiary SRF Limited follows the following policy:

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

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve".

The exchange difference arising on settlement/restatement of long-term foreign currency monetary items relating to the period prior to 01.04.2013 were reflected in the statement of profit and loss. However as from 01.04.2013, in respect of such loans outstanding as on 31.03.2013 and fresh borrowings, these items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

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 costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to



construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

14. PROVISIONS AND CONTINGENT LIABILITIES

The Company recognizes a provision 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.

15. 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, 2014	Amount as at March 31, 2013
SRF Limited	97,161.19	66,909.03
KAMA Realty (Delhi) Limited	2,067.74	2,359.30
Total	99,228.93	69,268.33

1.1 Details of long term borrowing of SRF Limited- Rs.97,161.19 lakhs (previous year Rs.66,909.03 lakhs)

Out of this, Rs.85,178.19 lakhs (previous year 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. 57,757.69 lakhs (previous year 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.26,983.00 lakhs (previous year 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.Nil (previous year 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 immoveable 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.437.50 lakhs (previous year Rs.1,688.26 lakhs) are additionally secured by equitable mortgage of SRF Limited's immoveable properties, both present and future, situated at Indore in the State of Madhya Pradesh.

1.1.2.2 Term Loans aggregating to Rs.Nil (previous year Rs.813.26 lakhs) is additionally secured by equitable mortgage of SRF Limited's immoveable properties, both present and future, situated at Gummidipoondi (leasehold land) in the State of Tamil Nadu.

1.1.2.3 Term Loans of Rs.35,995.19 lakhs (previous year Rs.41,627.77 lakhs) is additionally secured by equitable mortgage of SRF Limited's immoveable 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.35,995.19 lakhs (previous year Rs.40,814.51 lakhs) are additionally secured by equitable mortgage of SRF Limited's immoveable 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.29,971.45 lakhs (previous year Rs.32,443.17 lakhs) are to be further secured by equitable mortgage of SRF Limited's immoveable 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.29,533.95 lakhs (previous year Rs.31,568.17 lakhs) are to be further secured by equitable mortgage of SRF Limited's immoveable 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.2,200 lakhs (previous year Rs.3,400.00 lakhs) are to be further secured by equitable mortgage of SRF Limited's immoveable 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.2,200 lakhs (previous year Rs.4,213.26 lakhs) are to be further secured by equitable mortgage of SRF Limited's immoveable 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.29,971.45 lakhs (previous year 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.46,983.00 lakhs (previous year 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.11,983.00 lakhs (previous year 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.Nil (previous year Rs.1,025.26 lakhs)** represents bank loan in SRF Industries (Thailand) Limited of THB Nil (previous year 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.2,067.74 lakhs (previous year Rs. 2,359.30 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, 2014	Amount as at March 31, 2013
SRF Industries (Thailand) Limited	27,036.04	19,654.50
SRF Flexipak (South Africa) (Pty) Limited	23,818.74	10,585.39
Total	50,854.78	30,239.89

1.5 **Rs.27,036.04 lakhs (previous year Rs.19,654.50 lakhs)** represents term loan in SRF Industries (Thailand) Limited of USD 45 million (previous year 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.23,818.74 lakhs (previous year Rs.10,585.39 lakhs)** represents term loan in SRF Flexipak (South Africa) (Pty) Ltd. of USD 40 million (previous year 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.8,548.32 lakhs (previous year Rs.6,249.76 lakhs) and Cash credit from banks Rs.10.78 lakhs (previous year Rs.Nil)** 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, 2014	Amount as at March 31, 2013
SRF Overseas Limited	-	60.17
SRF Industries (Thailand) Limited	438.46	31.57
Total	438.46	91.74

1.8 **Out of above, Rs.Nil (previous year 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 **Out of above, Rs.438.46 lakhs (previous year 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.11,983.00 lakhs (previous year 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, 2014	As at March 31, 2013
Excise duty, customs duty and service tax*	6,182.32	6,290.11
Sales tax** #	9,615.65	9,602.63
Income tax***	798.46	1,087.66
Stamp duty****	2,881.55	2,881.55
Others***	940.73	1,766.32

*Amount deposited Rs.455.85 lakhs (previous year Rs.448.69 lakhs).

**Amount deposited Rs.16.60 lakhs (previous year Rs.9.75 lakhs).

***Amount deposited Rs.8.00 lakhs (previous year Rs.8.00 lakhs).

****Amount deposited Rs.162.41 lakhs (previous year 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, Bhind (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.

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.

SRF Limited had received demand notices from the Commercial Tax Department, Government of Madhya Pradesh ("State Government") for payment of Central Sales Tax (CST), Value Added Tax (VAT) and Entry Tax aggregating to Rs. 9491 lakhs (including interest and penalty) for the period from 2007 to 2013 in respect of sales from its manufacturing facility in Special Economic Zone (SEZ) in Madhya Pradesh to the Domestic Tariff Area (DTA).

In terms of the Policy of the Government of Madhya Pradesh and Madhya Pradesh SEZ Act, 2003, the Unit was exempt from local state taxes and levies. SRF Limited has paid Additional Countervailing Duty (ACVD), to counter balance CST / Sales Tax, aggregating to Rs. 4831 lakhs for the period from 2007 to 2013 on sales from the SEZ to the DTA under the Customs laws pursuant to the Special Economic Zone Act 2005, MP SEZ Act, 2003 and the Policy of Centre and Madhya Pradesh State. SRF Limited had filed a writ petition before the Indore Bench of the Hon'ble High Court of Madhya Pradesh ("Court") against the said demands.

SRF Limited contended that while State is demanding local taxes, the Centre in its reply has stated that ACVD is payable and therefore this amounts to double taxation.

The Court has directed the State Government not to take any coercive steps for recovery of demand.

The matter is sub judice. The Management of SRF Limited, based on the facts of the case and opinion received by it from legal experts, is confident of getting a relief in the matter from the Court and, accordingly, has not made any provision for the said disputed demands.

2.2 Liability on account of Bank Guarantees Rs.869.44 lakhs (previous year Rs.1,142.36 lakhs).

2.3 Guarantees given to banks for repayment of financial facilities availed by others Rs.2,336.84 lakhs (previous year Rs.2,632.34.00 lakhs). Outstanding amount as at the year-end is Rs.2,186.83 lakhs (previous year 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.369.15 lakhs (previous year 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 – 5,00,000 units) of Rs. 100 each out of which further investment of Rs. Nil (previous year - Rs. 75) per unit aggregating to Rs. Nil (previous year - Rs. 375.00 lakhs) in Asian Healthcare Fund Investment Trust.
- 4.2 10,00,100 units (previous year – 10,00,100) of Rs. 10 each out of which further investment of Rs. 4 (previous year – Rs.7) per unit aggregating to Rs.40 lakhs (previous year Rs.70 Lakhs) in ICICI Prudential Venture Capital Fund.

SRF Limited has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any other long term commitments or material non-cancellable contractual commitments / contracts, which might have material impact on the financial statements.

5. MANAGERIAL REMUNERATION

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

	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
Salary and allowances	391.35	249.68
Contribution to provident and superannuation funds	97.53	58.42
Value of perquisites	208.39	113.81
Commission (provided)	475.00	316.67
Sub-total	1,172.27	738.58

5.2 Non-executive Directors

	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
Commission (provided)	25.00	18.30
Professional consultancy	7.48	6.71
Directors' sitting fees	18.53	12.99
Sub-total	51.01	38.00
Total	1,223.28	776.58

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, 2014, the future minimum lease payments under non-cancellable operating leases as set out below:

	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
Total of future minimum lease payments under non-cancellable operating leases for each of the following periods:		
- Not later than one year	1,340.54	891.30
- Later than one year and not later than five years	5,098.40	3,622.86
- Later than five years	1,044.47	1,315.29
Lease rent recognized in the statement of profit and loss	1,280.86	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 (only till financial year 2012-13)

(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) (<i>only till financial year 2012-13</i>) • Ashish Bharat Ram • Kartik Bharat Ram
(d)	Key Management Personnel and their relatives	<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 • Kartik 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 • Rose Farms (Delhi) Private Limited • SRF Foundation

Nature of Transactions	(a) Year ended 31 st March		(b) Year ended 31 st March		(c) Year ended 31 st March		(d) Year ended 31 st March		(e) Year ended 31 st March	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Rent received from										
• Mr. Arun Bharat Ram					0.90	-				
Rent paid to										
• Karm Farms Private Limited									30.00	20.00
• Srishti Westend Greens Farms Private Limited									30.00	20.00
• Manju Bharat Ram					-	10.00				
• Arun Bharat Ram					24.00	6.00				
• Ashish Bharat Ram					2.40	1.60				
• Kartik Bharat Ram					2.40	1.60				
Managerial Remuneration paid to										
• Arun Bharat Ram							456.76	329.46		
• Ashish Bharat Ram							341.56	194.63		
• Kartik Bharat Ram							331.36	173.20		
• K. Ravichandra							9.57	5.59		
• T L Raman							1.20	0.80		
• Rajat Lakhanpal							25.14	28.50		
• Ekta Maheshwari							6.68	6.40		
Donations to										
• SRF Foundation									-	25.00
Sitting fee paid to										
• Ashish Bharat Ram					0.23	0.20				
• Kartik Bharat Ram					0.20	0.15				
Sale of investments to										
• Arun Bharat Ram					-	0.01				
Refund of loan from				- 60.00						
Interest received from				- 6.60						
Interest paid to										
• Rose Farms(Delhi)Pvt.Ltd.									0.64	-
• Bharat Ram Associates Pvt. Ltd.									17.62	0.93
• Karmav Holdings Pvt. Ltd.									18.24	0.38

Nature of Transactions	(a)		(b)		(c)		(d)		(e)	
	Year ended 31 st March		Year ended 31 st March		Year ended 31 st March		Year ended 31 st March		Year ended 31 st March	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
• Srishti Westend Greens Farms Private Limited									3.60	-
Loan received from										
• Rose Farms(Delhi)Pvt.Ltd.									70.00	-
• Bharat Ram Associates Pvt. Ltd.									665.00	50.00
• Karmav Holdings Pvt. Ltd.									315.00	10.00
• Srishti Westend Greens Farms Private Limited									175.00	-
Loan repaid to										
• Rose Farms(Delhi)Pvt.Ltd.									70.00	-
• Bharat Ram Associates Pvt. Ltd.									665.00	50.00
• Karmav Holdings Pvt. Ltd.									265.00	10.00
• Srishti Westend Greens Farms Private Limited									175.00	-

Balances outstanding as at the year end:-

Nature of Transactions	(a)		(b)		(c)		(d)		(e)	
	Year ended 31 st March		Year ended 31 st March		Year ended 31 st March		Year ended 31 st March		Year ended 31 st March	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Commission Payable										
• Arun Bharat Ram							225.00	225.00		
• Ashish Bharat Ram							125.00	125.00		
• Kartik Bharat Ram							125.00	125.00		
Security Deposits outstanding with										
• Karm Farms Private Limited									310.00	310.00
• Srishti Westend Greens Farms Private Limited									310.00	310.00
• Arun Bharat Ram							12.00	12.00		
• Ashish Bharat Ram							0.60	0.60		
• Kartik Bharat Ram							0.60	0.60		
Loan taken from										
• Karmav Holdings Pvt. Ltd.									50.00	-
Interest payable to										
• Karmav Holdings Pvt. Ltd.									0.09	-
Salary payable to										
• Ekta Maheshwari							-	0.52		

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.16,578.93 lakhs (Previous Year Rs. 23,393.30 lakhs) less dividend to preference shareholders Rs.103.36 lakhs (Previous Year Rs.103.35 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 256.93 (Previous Year Rs 362.54).

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. SEGMENT REPORTING

KAMA Holdings Limited has only one segment 'Core Investment' of its own. Segment information in respect of subsidiary SRF Limited is given below.

Business segments

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

12.1.1 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

12.1.2 Chemicals and Polymers business: includes refrigerant gases, chloromethanes, pharmaceuticals, certified emissions reductions & allied products, engineering plastics business and its research and development.

12.1.3 Packaging film business includes polyester films.

12.2 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.

12.3 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:

12.3.1 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.

12.3.2 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.

12.4 Information about Business Segments

Segment Revenue, Results, Assets, Liabilities and Capital Employed

	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
Segment revenue		
a) Technical Textiles Business (TTB)		
• External sales	218,019.20	138,389.56
• Inter-segment sales	548.92	251.23
• Total	218,568.12	138,640.79
b) Chemicals and Polymers Business (CPB)		
• External sales	95,612.61	74,264.91
• Inter-segment sales	14.13	19.67
• Total	95,626.74	74,644.58
c) Packaging Films Business (PFB)		
• External sales	88,174.23	39,011.42
• Inter-segment sales	126.46	85.51
• Total	88,300.69	39,096.93
Total segment revenue	402,495.55	252,382.30
Less: Inter-segment revenue	689.51	356.41
Net sales/income from operations	401,806.04	252,025.89
Add: Un-allocable income	2,354.63	3,395.59
Total revenue	404,160.67	255,421.48
Segment results		
Profit/(loss) before finance costs and tax from each segment		
a) Technical Textiles Business (TTB)	16,305.51	8,287.91
b) Chemicals and Polymers Business (CPB)	19,129.59	27,121.95
c) Packaging Films Business (PFB)	(496.88)	140.41
Total segment results	34,938.22	35,550.27
Less: i) Finance Costs	9,611.82	6,297.18
Less: ii) Other Un-allocable expenses net of income	4,529.16	(2,355.28)
Total Profit before tax	20,797.24	31,608.37
Less: Provision for taxation	4,551.42	8,569.25
Profit after tax	16,245.82	23,039.12

	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
Capital expenditure (other than capital advances)		
a) Technical Textiles Business (TTB)	2,662.11	3,036.27
b) Chemicals and Polymers Business (CPB)	61,177.31	14,810.76
c) Packaging Films Business (PFB)	34,527.79	34,465.52
d) Un-allocated	1,990.43	1,498.78
Total	100,357.64	53,811.33
Depreciation		
a) Technical Textiles Business (TTB)	9,101.18	7,685.48
b) Chemicals and Polymers Business (CPB)	7,221.94	4,324.10
c) Packaging Films Business (PFB)	5,378.77	1,901.54
d) Un-allocated	772.76	326.19
Total	22,474.65	14,237.31

Other information

	As at March 31, 2014 Rs./lakhs	As at March 31, 2013 Rs./lakhs
Segment assets		
a) Technical Textiles Business (TTB)	173,979.68	172,110.30
b) Chemicals and Polymers Business (CPB)	209,042.38	143,007.60
c) Packaging Films Business (PFB)	144,418.31	104,533.61
Total	527,440.37	419,651.51
Add: Un-allocable Assets	16,513.75	34,840.56
Total assets	543,954.12	454,492.07
Segment liabilities		
a) Technical Textiles Business (TTB)	44,562.12	39,134.66
b) Chemicals and Polymers Business (CPB)	17,626.10	7,707.40
c) Packaging Films Business (PFB)	30,272.66	15,170.61
Total	92,460.88	62,012.67
Add: Un-allocable liabilities	2,698.50	3,118.81
Total liabilities	95,159.38	65,131.48
Segment capital employed (Segment assets less segment liabilities)		
a) Technical Textiles Business (TTB)	129,417.55	132,975.64
b) Chemicals and Polymers Business (CPB)	191,416.28	135,300.20
c) Packaging Films Business (PFB)	114,145.65	89,363.00
Total	434,979.48	357,638.84
Add : Un-allocable assets less liabilities	13,815.28	31,721.75
Total capital employed	448,794.76	389,360.59

Geographical segments

	Year ended March 31, 2014 Rs./lakhs	Year ended March 31, 2013 Rs./lakhs
Revenue		
• India	265,468.82	161,237.15
• Outside India	138,691.86	94,184.33
Total	404,160.68	255,421.48
Carrying amount of segment assets revenue		
• India	429,863.55	370,129.77
• Outside India	114,090.57	84,362.30
Total	543,954.12	454,492.07
Addition to fixed assets and intangible assets		
• India	66,384.57	19,270.84
• Outside India	33,973.07	34,540.49
Total	100,357.64	53,811.33

13. 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, 2014 are as under (figures are given in the format: current year, previous year):

Nature of derivative	No. of deals	Purpose	Foreign currency (in millions)	Amount Rs./ lakhs
Interest Rate Swap	3, 3	Conversion of Floating LIBOR to Fixed Rate	40, 45	23966, 24426
EUR/USD	0, 4	Sales	0, 0.09	0, 64.02
USD/ZAR Range forward	0, 2	Hedging exposure for borrowing in Foreign currency	0, 6	0, 3256.80
USD/ZAR Vanilla forward	0, 1	Hedging exposure for borrowing in Foreign currency	0, 2	0, 1085.60
USD/EUR Vanilla forward	0, 2	Hedge against Euro denominated capital equipment purchases	0, 11.83	0, 6423.18
USD/INR Buy	1, 0	Forward buy contract	10, 0	0, 5991.50
Interest rate options	1, 0	Capping the floating interest rate	20, 0	0, 11983.00

Foreign Currency Exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	As at March 31, 2014		As at March 31, 2013	
	Foreign Currency (in millions)	Amount Rs./lakhs	Foreign Currency (in millions)	Amount Rs./lakhs
Term Loans – USD	177.63	106,428	139.63	75791.31
PCFC - USD	24.00	143,79.60	26.50	14384.20
Buyer's Credits - USD	13.32	7,979.55	18.02	9778.91

14. 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, 2014	March 31, 2014	March 31, 2014
(b)	Extent of holding	52.25%	52.25%	52.25%
(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	(2090.61)	23.04
(e)	Total Assets (Fixed Assets + Current Assets)	385,933.59	434.28	31.41
(f)	Total Liabilities (Debts + Current Liabilities)	184,682.35	0.36	0.37
(g)	Details of Investment (except in case of investment in subsidiaries)	13,935.21	729.64	-
(h)	Turnover (Including Other Income)	336,629.77	77.81	26.07
(i)	Profit Before Taxation	35,259.27	65.69	24.94
(j)	Less: Provision for Taxation	9,408.57	21.34	4.39
(k)	Profit After Taxation	25,850.70	44.35	20.55
(l)	Proposed Dividend	-	-	-

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, 2014	March 31, 2014	March 31, 2014
(b)	Extent of holding	52.25%	52.25%	52.25%
(c)	Capital	5.00	5.00	332.50
(d)	Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable)	(0.75)	(0.75)	(5.19)
(e)	Total Assets (Fixed Assets + Current Assets)	4.30	4.30	327.35
(f)	Total Liabilities (Debts + Current Liabilities)	0.05	0.05	0.05

S. No.	Particulars	SRF Energy Limited	SRF Fluorochemicals Limited	SRF Holiday Home Limited
		Rs./lakhs	Rs./lakhs	Rs./lakhs
(g)	Details of Investment (except in case of investment in subsidiaries)	-	-	-
(h)	Turnover (Including Other Income)	-	-	-
(i)	Profit Before Taxation	(0.07)	(0.07)	(0.08)
(j)	Less: Provision for Taxation	-	-	-
(k)	Profit After Taxation	(0.07)	(0.07)	(0.08)
(l)	Proposed Dividend	-	-	-

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, 2014	March 31, 2014	March 31, 2014
(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)	1,726.55	737.10	-
(e)	Total Assets (Fixed Assets + Current Assets)	5,889.64	1,325.73	-
(f)	Total Liabilities (Debts + Current Liabilities)	4,157.09	1,111.83	-
(g)	Details of Investment (except in case of investment in subsidiaries)	2,475.08	-	-
(h)	Turnover (Including Other Income)	895.90	564.45	-
(i)	Profit Before Taxation	550.08	60.17	-
(j)	Less: Provision for Taxation	114.71	-	-
(k)	Profit After Taxation	435.37	60.17	-
(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, 2014		March 31, 2014	
(b)	Extent of holding	52.25%		52.25%	
(c)	Capital	183.16	10973.83	0.001	0.01
(d)	Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable)	(5.99)	(358.74)	(637.91)	(3609.95)
(e)	Total Assets (Fixed Assets + Current Assets)	530.99	31,814.32	7,042.56	39,853.88
(f)	Total Liabilities (Debts + Current Liabilities)	654.80	39,232.09	7,680.48	43,463.82
(g)	Details of Investment (except in case of investment in subsidiaries)	*	*	-	-
(h)	Turnover (Including Other Income)	16.25	973.60	769.43	4,354.20
(i)	Profit Before Taxation	(6.41)	(383.82)	(657.30)	(3,719.69)
(j)	Less: Provision for Taxation	0.24	14.64	(129.44)	(7,847.06)
(k)	Profit After Taxation	(6.65)	(398.46)	(527.87)	4,127.37
(l)	Proposed Dividend	-	-	-	-

*Investment in subsidiary USD 300.97 lakhs (Equivalent to Rs. 18,029.51 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, 2014		March 31, 2014	
(b)	Extent of holding	52.25%		52.25%	
(c)	Capital	840.50	13,710.23	1,000.00	1,844.01
(d)	Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable)	(624.15)	(10,181.13)	2,809.90	5,181.45
(e)	Total Assets (Fixed Assets + Current Assets)	255.21	4,162.96	37,610.74	69,354.21

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
(f)	Total Liabilities (Debts + Current Liabilities)	38.86	633.86	33,800.84	62,328.75
(g)	Details of Investment (except in case of investment in subsidiaries)	-	-	-	-
(h)	Turnover (Including Other Income)	394.97	6,442.77	25,974.23	47,896.48
(i)	Profit Before Taxation	(118.47)	(1,932.52)	(3,493.12)	(6,441.30)
(j)	Less: Provision for Taxation	-	-	-	-
(k)	Profit After Taxation	(118.47)	(1,932.52)	(3,493.12)	(6,441.30)
(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, 2014	
(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)	(129.92)	(458.19)
(e)	Total Assets (Fixed Assets + Current Assets)	38.17	142.19
(f)	Total Liabilities (Debts + Current Liabilities)	30.14	123.11
(g)	Details of Investment (except in case of investment in subsidiaries)	-	-
(h)	Turnover (Including Other Income)	237.48	868.55
(i)	Profit Before Taxation	(1.83)	(6.28)
(j)	Less: Provision for Taxation	-	-
(k)	Profit After Taxation	(1.83)	(6.28)
(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, 2014		March 31, 2014	
(b)	Extent of holding	52.25%		52.25%	
(c)	Capital	133.20	753.79	0.45	26.96
(d)	Reserves and Surplus (adjusted for debit balance in statement of profit and loss, wherever applicable)	2.52	14.28	(0.57)	(34.18)
(e)	Total Assets (Fixed Assets + Current Assets)	801.66	4,536.60	0.01	0.81
(f)	Total Liabilities (Debts + Current Liabilities)	665.94	3,768.53	0.13	8.03
(g)	Details of Investment (except in case of investment in subsidiaries)	-	-	-	-
(h)	Turnover (Including Other Income)	1,775.39	10,046.95	-	-
(i)	Profit Before Taxation	(31.04)	(175.67)	(0.04)	(2.49)
(j)	Less: Provision for Taxation	(9.81)	(55.53)	-	-
(k)	Profit After Taxation	(21.23)	(120.14)	(0.04)	(2.49)
(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. 16.31
- (ii) 1 USD = Rs. 59.92
- (iii) 1 Baht = Rs. 1.84
- (iv) 1 Rand = Rs. 5.66
- (v) 1 MVR = Rs. 3.66



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

V Rajaraman
Partner
M.No. 2705

Rajat Lakhnpal
Whole Time Director & Company Secretary

Kartik Bharat Ram
Chairman

Dhirendra Datta
Director

Amitav Virmani
Director

Place: New Delhi
Date: May 27, 2014



KAMA HOLDINGS LIMITED

(CIN : L92199DL2000PLC104779)

Email : info@kamaholdings.com website : www.kamaholdings.com Phone : 011-26857141
Regd. Office : C-8, Commercial Complex, Safdarjung Development Area, New Delhi-110 016
Corp. Office : Block-C, Sector-45, Gurgaon-122 003, Haryana

ADMISSION SLIP

MODI HALL, PHD HOUSE,
4/2 SIRI INSTITUTIONAL AREA, AUGUST KRANTI MARG, NEW DELHI-110 016

Tuesday, 2 September 2014

11.30 A.M.

PARTICULARS TO BE COMPLETED BY SHAREHOLDER/PROXY

I /We hereby record my/our presence at the 14th Annual General Meeting of KAMA Holdings Limited

DP Id/Client Id/ Registered Folio No.....

Name of the Shareholder/Proxy.....

No. of shares held.....

Signature(s) of person(s) attending

- Notes:
1. Please produce this admission slip duly completed at the entrance for admission to the meeting hall.
 2. The attendance counter will open at 11.00 a.m.
 3. Tea, coffee and cold drinks will be served at the meeting.
 4. Please bring your copy of the Annual Report to the meeting.

KAMA HOLDINGS LIMITED

(CIN : L92199DL2000PLC104779)

Email : info@kamaholdings.com website : www.kamaholdings.com Phone : 011-26857141
Regd. Office : C-8, Commercial Complex, Safdarjung Development Area, New Delhi-110 016
Corp. Office : Block-C, Sector-45, Gurgaon-122 003, Haryana

PROXY FORM

Name of the Member (s)	
Client I Registered Address d	

Email Id.

Folio No./ DP ID-Client ID

I/We being the member(s) of shares of the above named Company hereby appoint :

- (1) Name:.....Address:
Email Id:Signature..... or falling him;
- (2) Name:.....Address:
Email Id:Signature..... or falling him;
- (3) Name:.....Address:
Email Id:Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of KAMA HOLDINGS LIMITED to be held on Tuesday, 2 September 2014 at 11.30 a.m. at the Modi Hall, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110 016 and at any adjournment thereof in respect of such resolutions as are contained in Notice.

Signed this.....day of2014

**Affix Re 1
Revenue
Stamp**

Signature of Shareholder.....

Signature of Proxy holders (s)

- 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 himself or his constituted attorney may sign the proxy
 3. Where a proxy is appointed, the member should hand over 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



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