

KAMA Holdings Limited

**Annual Report
2011-12**

BOARD OF DIRECTORS

Mr. Kartikeya Bharat Ram, Chairman
Mr. Ashish Bharat Ram
Mr. S.P. Agarwala
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.
ICICI Bank Ltd.

Registered Office

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

Corporate Office

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

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NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of KAMA Holdings Limited will be held on Wednesday, the August 22, 2012 at 3.00 P.M at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 to transact the following businesses:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2012 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. Kartikeya Bharat Ram, who retires by rotation, and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Mukul Khandelwal, who retires by rotation, and being eligible, offers himself for re-election.

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

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

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

Rajat Lakanpal
Whole-time Director &
Company Secretary

Place: Gurgaon, Haryana
Date: May 30, 2012

NOTES:

1. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ATTACHED HERewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 14, 2012 to Monday, August 20, 2012 (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 Tuesday, August 14, 2012.
4. Members seeking any information regarding accounts to be given at the meeting should write to the Company at its Corporate Office at Block C, Sector – 45, Gurgaon, 122 003 (Haryana) at least seven days before the meeting so as to enable the

management to keep the information ready.

5. Shareholders are advised that those who have not encashed their dividend warrant(s) so far for the financial years ended March 31, 2005 and thereafter may send their outdated dividend warrants to M/s Karvy Computershare Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad- 500 081 for issue of 'payable at par' cheques/ demand drafts in lieu thereof.

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

Item Nos. 3 & 4

Mr. Kartikeya Bharat Ram and Mr. Mukul Khandelwal shall retire by rotation and being eligible, offer themselves for re-appointment.

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

Mr. Kartikeya Bharat Ram

Mr. Kartikeya Bharat Ram (40) holds a Masters' degree in Business Administration in Corporate Strategy from Cornell University, USA and has about 18 years working experience in senior positions. He is the Deputy Managing Director of SRF Ltd. which is engaged in the business of manufacture of tyre record, refrigerant gases and packaging films.

Mr. Kartikeya 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 (24.72% of the paid up preference share capital), jointly with Mr. Ashish Bharat Ram and Mrs. Manju Bharat Ram who are his relatives.

Directorships in other public limited companies	Committee Chairmanship/ Membership*
SRF Ltd.	Shareholders'/Investors' Grievance Committee- Member
Shri Educare Ltd.	-
SRF Energy Ltd.	-

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

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

Mr. Mukul Khandelwal

Mr. Mukul Khandelwal (41) 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 Remuneration Committee of the Board and has no shareholding in the Company.

Mr. Mukul Khandelwal is not a Director in any other company

No Director other than Mr. Mukul Khandelwal is concerned or interested in the resolution.

DIRECTORS REPORT

To the Members,

The Directors are pleased to present their twelfth Annual Report on the business and operations of the Company and the statement of accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

	(Rs. Crores)	
	2011-12	2010-11
Dividend and Other Income	40.28	59.89
Profit Before Interest, Depreciation & Tax (EBIDT)	39.82	59.39
Less: Interest & Finance Charges	1.49	4.25
Profit before Depreciation and Tax (PBDT)	38.33	55.14
Less: Depreciation	-	-
Profit before Tax (PBT)	38.33	55.14
Less: Provision For Taxes	(0.12)	0.01
(including provision for deferred tax)		
Net Profit after Tax (PAT)	38.45	55.13
Add: Profit brought forward from previous year	90.91	36.98
Profit available for appropriation	129.36	92.11
Appropriations		
Dividend on Preference Shares	1.03	1.03
Dividend on Equity shares	-	-
Corporate tax on dividend	0.17	0.17
Amount transferred to General Reserve	-	-
Profit carried to Balance Sheet	128.16	90.91
Total Appropriation	129.36	92.11

DIVIDEND

Your Directors recommended payment of dividend on 8% Non-cumulative Redeemable Preference Shares. No dividend is recommended on Equity Shares.

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

OPERATIONS REVIEW

Profit Before Interest, Depreciation & Tax (EBIDT) decreased by 32.95% to Rs 39.82 crores from Rs 59.39 crores mainly due to decrease in dividend income. Profit before tax decreased by 30.49% to Rs 38.33 crores from Rs 55.14 crores. Profit after Tax decreased by 30.26% to Rs 38.45 crores from Rs 55.13 crores.

SUBSIDIARY COMPANIES

KAMA Realty (Delhi) Limited

KAMA Realty (Delhi) Limited made a net profit of Rs. 3.34 Crores mainly due to rental and interest income.

Shri Educare Limited

During the year your Company has invested a sum of Rs. 3.20 crores in the equity capital of Shri Educare Ltd. This company is engaged in the field of education. It had made a loss of Rs. 3.95 crores mainly on account of personnel and administrative expenses.

Shri Educare Maldives Private Limited

Shri Educare Maldives Private Limited made a loss of MRF 0.25 crores (Rs. 0.85 crores appx.) mainly on account of personnel and administrative expenses.

During the year, Shri Educare Limited had made an investment (including application money) of MRF 0.59 crores (Rs. 2 crores appx.) in the equity shares of Shri Educare Maldives Private Limited.

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 registered offices of the subsidiaries between 11 A.M. to 1 P.M. on all working days.

DIRECTORS

Mr. Kartikeya Bharat Ram and Mr. Mukul Khandelwal, Directors retire by rotation and being eligible, offer themselves for re-appointment.

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 31.03.12 on a 'going concern' basis.

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

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

LISTING OF SHARES

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

CORPORATE GOVERNANCE

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

In compliance with the requirements of Clause 49(V), a certificate from Whole-time Director & Company Secretary was placed before the Board.

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

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 & AS-23 on Consolidated Financial Statements, your Directors have pleasure in attaching the Consolidated Financial Statements, which form part of the Annual Report and Accounts.

ACCOUNTS AND AUDIT

The Auditors, M/s Thakur, Vaidyanath, Aiyar & Company, retire at the conclusion of the 12th Annual General Meeting and being eligible, offer themselves for re-appointment. The observations of the

Auditors are explained wherever necessary in appropriate notes to the Accounts.

MANAGEMENT DISCUSSION AND ANALYSIS

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

FIXED DEPOSITS

Your company had discontinued to accept/renew fixed deposits w.e.f. April 1, 2009. As on March 31, 2012 all fixed deposits had matured and are being repaid as and when claimed by the depositors.

Deposits (including interest) amounting to Rs. 0.10 crores due for repayment on or before March 31, 2012 remained unclaimed by depositors. There has been no default in repayment of fixed deposits during the year.

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: Gurgaon
Date: May 30, 2012

Kartikeya Bharat Ram
Chairman

Important communication to Members

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

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, 2012, 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 30, 2012

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. 40.28 crores. After payment of interest on loans and other expenses net profit for the year amounted to Rs. 38.45 crores as compared to Rs. 55.13 crores in the previous year. The share capital of the company as on March 31, 2012 stood at Rs. 19.37 crores and Reserves and Surplus at Rs. 380.46 crores (including capital reserve of Rs. 203.45 crores).

OUTLOOK

Your Company as a Promoter holds mainly investments in the shares of SRF Ltd. engaged in businesses relating to Technical Textiles, fluorochemicals, packaging films etc. and has two wholly-owned 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.

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

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 March 31, 2012, KAMAs' Board consisted of seven Directors. One Director is executive of the Company, four are independent and two are non-executive promoters. Table 1 gives the details of the Board during the year 2011-12

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

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

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

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

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

Remuneration of Directors

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

Table 3: Remuneration Paid or Payable to Directors during 2011-12

(Rs./lacs)

Name of Director	Salary & Perquisites#	Sitting fees for Board and Committee meetings*	Deferred Benefits (PF and superannuation)@	Terminal Benefits	Total
Mr Ashish Bharat Ram	-	0.06	-	-	0.06
Mr Kartikeya Bharat Ram	-	0.06	-	-	0.06
Mr S.P. Agarwala	-	0.13	-	-	0.13
Mr Rajat Lakhanpal	15.45	-	1.38	-	16.83
Mr Mukul Khandelwal	-	0.06	-	-	0.06
Mr Amitav Virmani	-	0.13	-	-	0.13
Mr Dharendra Datta	-	0.09	-	-	0.09
Total	15.45	0.53	1.38	-	17.36

* 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.

- Legal firm(s) and consulting firm(s) that have a material association with the company;
- Are not material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the Director; and
- Are not a substantial shareholder of the company i.e. do not own two per cent or more of the block of voting shares.
- Are not less than 21 years of age

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

Number of Board Meetings

During 2011-12, the Board of Directors met 5 times — on April 18, 2011, May 30, 2011, August 12, 2011, November 3, 2011 and

February 3, 2012. 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 2011-12

Name of the Director	Number of meetings attended	Attended last AGM?
Mr Ashish Bharat Ram	2	No
Mr Kartikeya Bharat Ram	4	No
Mr S.P. Agarwala	4	Yes
Mr Rajat Lakhanpal	5	Yes
Mr Mukul Khandelwal	3	No
Mr Amitav Virmani*	5	Yes
Mr Dharendra Datta	5	Yes

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

Shareholding of non-executive Directors

As on March 31, 2012, Mr Ashish Bharat Ram holds 12,09,860 fully paid up equity shares and 31,94,325 fully paid up, 8% Non-cumulative Preference Shares of Rs. 10 each and Mr Kartikeya Bharat Ram holds 12,09,860 fully paid equity shares and 31,94,325 fully paid up, 8% Non-cumulative 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.

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.

In addition to the above, pursuant to the revised Clause 49, the minutes of the Board meetings of your company's unlisted subsidiary companies and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Code of Conduct

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

Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that

management controls risk through means of a properly defined framework.

Committees of the Board Audit Committee

As on March 31, 2012, the Audit Committee of KAMA comprises of four Directors all of whom are independent. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956, as well as Clause 49 of the Listing Agreement.

During 2011-12, the Audit Committee of KAMA met on four occasions — namely, on May 30, 2011, August 12, 2011, November 3, 2011 and February 3, 2012. Table 4 gives the attendance record of Directors who are members of the Audit Committee.

Table 4: Attendance Record of Audit Committee Meetings during 2011-12

Name of Director	Category	Number of meetings held	Number of meetings attended
Mr S.P. Agarwala	Independent	4	3
Mr Mukul Khandelwal	Independent	4	2
Mr Amitav Virmani (Chairman)	Independent	4	4
Mr Dharendra Datta	Independent	4	4

All the members of the Audit Committee are financially literate while Mr Amitav Virmani, Chairman of the Audit committee is a holder of Master's degree in Business Administration from University of North Carolina and has experience in the area of marketing and general management. Mr Rajat 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 292A of the Companies Act, 1956. These broadly include approval of annual internal audit plan, review of financial reporting systems, ensuring compliance with regulatory guidelines, discussions on quarterly, half yearly and annual financial results, interaction with statutory and internal auditors, recommendation for appointment of statutory auditors and their remuneration.

In addition, the Committee also reviews:

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

Remuneration Committee

As on March 31, 2012, Remuneration Committee comprised of four members' three of whom were independent and one is non-executive promoter Director.

During 2011-12, the Remuneration Committee met on May 30, 2011. Table 5 gives the attendance record of Directors who are members of the Remuneration Committee.

Table 5: Attendance Record of Remuneration Committee Meetings during 2011-12

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

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

Shareholders'/Investors' Grievance Committee

As on March 31, 2012, KAMA's Shareholders'/Investors' Grievance Committee comprised of three members. Mr Ashish Bharat Ram, Chairman of the Committee is a non-executive promoter Director. Mr S.P.Agarwala and Mr Amitav Virmani, members of the Committee are non-executive and independent Directors.

The terms of reference of the Committee are:

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

Mr Rajat 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 January 31, 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 March 31, 2012, 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 2011-12.

Table 6: Shareholder and Investor Complaints Received and Redressed during 2011-12

Pending Complaints as on 01.04.2011	Total Complaints received	Total complaints redressed	Pending as on 31.03.2012
Nil	10	10	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. 6 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 Kartikeya Bharat Ram and Mr Mukul Khandelwal, Directors are retiring by rotation and being eligible, offer themselves for re-appointment. Brief resumes of these Directors are given in the Notice of the 12th 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 2011-12, 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
2009	Modi Hall, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016	25.09.2009	11.00 A.M.	One
2010	Modi Hall, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016	10.09.2010	10.00 A.M.	None
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

Postal Ballot

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

Compliance

Mandatory Requirements

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

Adoption of Non-Mandatory Requirements

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

Additional Shareholder Information

12th Annual General Meeting

Date	August 22, 2012
Time	3.00 P.M.
Venue	Modi Hall, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016

Tentative Financial Calendar for Results, 2012-13

First Quarter	Fourth week of July 2012
Second Quarter	Fourth week of October 2012
Third Quarter	Fourth week of January 2013
Fourth Quarter and Annual	Fourth week of May 2013

Book Closure Date

The Share Transfer Register of KAMA Holdings will remain closed from Tuesday, August 14, 2012 to Monday, August 20, 2012 (both days inclusive). Dividend will be paid to Preference Shareholders as on Tuesday, August 14, 2012.

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 2012-13.

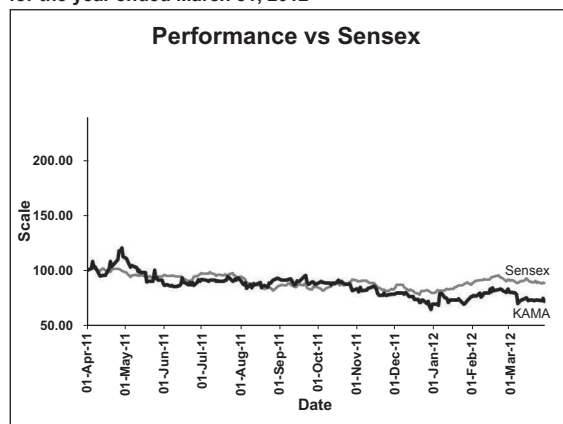
Stock Market Data

Table 8 gives the monthly high and low quotations as well as the volume of shares traded at BSE during 2011-12.

Table 8: Monthly Highs and Lows and Volumes Traded at the BSE, 2011-12

Month	BSE		
	High(Rs.)	Low (Rs.)	Volume (Nos.)
April	599.55	442.50	9838
May	545.05	415.00	4590
June	459.90	400.00	48859
July	520.00	401.15	12908
August	519.95	385.00	7737
September	478.00	405.00	6347
October	449.70	375.00	17408
November	470.00	370.00	2994
December	400.00	310.00	15427
January	379.00	310.15	4060
February	422.70	344.40	10310
March	388.00	333.00	23975

Chart 1: Share prices of KAMA Holdings Ltd. versus BSE Sensex for the year ended March 31, 2012



Note: Both Sensex and KAMA Holdings Ltd share prices are indexed to 100 as on April 1, 2011

Table 9: Pattern of shareholding by share class as on 31 March, 2011

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Upto 500	6467	97.76	359867	5.58
501 – 1000	59	0.89	44625	0.69
1001-2000	38	0.58	54471	0.85
2001-3000	10	0.15	24792	0.38
3001-4000	9	0.14	32453	0.50
4001-5000	8	0.12	36964	0.57
5001-10000	12	0.18	76915	1.19
10000 and above	12	0.18	5822528	90.24
Total	6615	100.00	6452615	100.00

* including holdings by NSDL and CDSL

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 Lakhnarpal, Whole-time Director & Company Secretary has been authorised to consider and approve the registration of transfer and transmission of shares/debentures upto a limit of 500 shares/debentures in any one case. For the shares above 500 cases, the Shareholders' / Investors' Grievances Committee meets to approve valid transfer requests. After transfer, the physical shares are sent to the shareholders.

The total number of shares transferred in physical form during the period from April 1, 2011 to March 31, 2012 was 407.

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 March 31, 2012

There were 4,129 shareholders holding 62,84,422 shares in electronic form. This constitutes 97.40% of the total paid-up share capital of the Company.

Distribution of shareholding as on March 31, 2012*

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

Table 10: Pattern of shareholding by ownership as on March 31, 2012

Category	Shareholding	
	Number of shares held	Shareholding %
Promoters	4839447	75.00
Mutual Funds & UTI	-	-
Banks, Financial Institutions, Insurance Companies	1039	0.02
Central Government/State Government(s)	-	-
Foreign Institutional Investors	-	-
Private Corporate Bodies	225042	3.49
Indian Public	737771	11.43
NRIs / OCBs	648920	10.05
Other (including shares in transit)	396	0.01
Total	6452615	100.00

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

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

Address for Correspondence
Registered Office

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

Corporate Office

Block C, Sector 45, Gurgaon
Haryana – 122 003
Tel: (+91 -124) 4354400
Fax: (+91-124) 4354500
E-mail: rlakhanpal@kamaholdings.com

Registrar & Share Transfer Agent

Karvy Computershare Pvt. Ltd.
Plot No. 17 to 24, Vittalrao Nagar
Madhapur, Hyderabad -500 081
Tel: (+91-40) 4465 5000
Fax: (+91-40) 2342 0814
E-mail: 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 March 31, 2012.

For and on behalf of the Board of Directors

Date: May 30, 2012
Place: Gurgaon, Haryana

Rajat Lakhanpal
Whole Time Director & Company Secretary