



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

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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

Kartik Bharat Ram
Chairman

Place: New Delhi
Date: May 27, 2014

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. (SEMPL)

SEMPL 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