



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:

- 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.
- To declare dividend on 8% Non-Cumulative Redeemable Preference Shares.
- To appoint a Director in place of Mr. Kartikeya Bharat Ram, who retires by rotation, and being eligible, offers himself for re-election.
- To appoint a Director in place of Mr. Mukul Khandelwal, who retires by rotation, and being eligible, offers himself for re-election.
- 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-imbusement 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:

- Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed.
- 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.
- 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.
- 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.

- 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 cord, 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 (including provision for deferred tax)	(0.12)	0.01
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:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year ended 31.03.12 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

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 Complains 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.

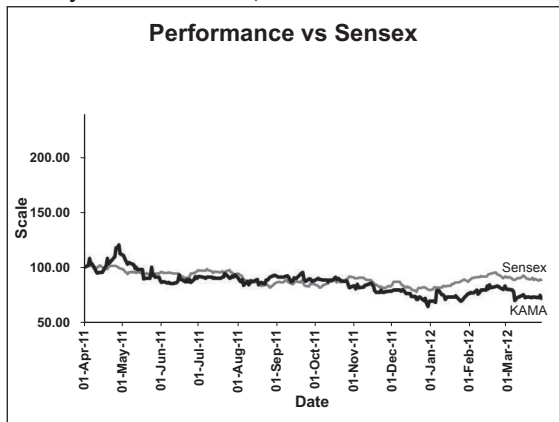
Stock Market Data

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 Lakhnupal, 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

AUDITOR'S REPORT

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

We have audited the accompanying financial statements of KAMA Holdings Ltd. which comprise the Balance Sheet as at March 31, 2012 and also the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with 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, 2012
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- a. We have obtained all the information and explanations which

- to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the act;
- e. On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Company's 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

Sd/-
V Rajaraman
Partner
M. No.: 2705

Place: Gurgaon
Date: May 30, 2012

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. However, in respect of office equipment record in terms of values are only kept.
- 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 not granted any loans, secured or unsecured to companies, firms or other parties 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.
4. There are no contracts or arrangements that were required to be entered into the register in pursuance of section 301 of the Act.

Loans, Advances and Guarantees

5. a. The company has taken loans from banks and others. The terms and conditions on which these have been taken are not prima facie prejudicial to the interest of the company.
- b. The payment of principal and interest are regular in respect of all such loans taken.

In view of what is stated in (a) & (b) above, there are no overdue amounts.

6. The company has not issued any debenture.
7. The company has granted loans and advances on the basis of security by way of pledge of shares for which adequate documents and proper records have been maintained.
8. The company has stood guarantee for loans taken by its wholly owned subsidiary, KAMA Realty (Delhi) Ltd., from banks or financial institutions
9. The term loans taken by the company have been applied for the purpose for which they were obtained.
10. The funds raised on short-term basis from banks have not been used for long-term investment and vice versa.

Internal Control

11. a. In our opinion and according to 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.
12. The company has an adequate internal audit system commensurate with its size and nature of its business.

Fixed Deposit

13. 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

14. a. According to the records of the company, undisputed dues

including provident fund, Investors Education and Protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues have generally been regularly deposited with the concerned authorities.

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

Name of Statute	Forum where case is pending	Nature of dues	Period of dispute	Amount (in Rs. Lacs)
Income Tax Act, 1961	CIT (Appeals)	Income Tax	AY 2009-10	186.64
			TOTAL	186.64

Others

15. 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.
16. The company has not issued any fresh share capital and hence the question of neither the preferential allotment nor the end use thereof arises.
17. 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

Sd/-

V Rajaraman

Partner

M.No. 2705

Place: Gurgaon

Date: May 30, 2012

KAMA HOLDINGS LIMITED

BALANCE SHEET

AS AT MARCH 31, 2012

Particulars	Note No.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	1	193,720,270	193,720,270
Reserves and surplus	2	<u>3,804,641,385</u>	<u>3,432,124,997</u>
		3,998,361,655	3,625,845,267
Non-current liabilities			
Long-term provisions	3(a)	<u>41,138,391</u>	<u>45,788,391</u>
		41,138,391	45,788,391
Current liabilities			
Short-term borrowings	4	-	227,098,581
Other current liabilities	5	13,508,231	16,163,537
Short-term provisions	3(b)	<u>56,519,905</u>	<u>55,840,905</u>
		<u>70,028,136</u>	<u>299,103,023</u>
		4,109,528,182	3,970,736,681
TOTAL EQUITY AND LIABILITIES			
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	6	23,002	27,826
Non-current investments	7(a)	<u>3,876,952,027</u>	<u>3,809,725,961</u>
Long term loans and advances	9(a)	<u>6,000,000</u>	-
		3,882,975,029	3,809,753,787
Current assets			
Current investments	7(b)	139,684,366	18,542,670
Cash and bank balances	8	4,764,222	18,097,538
Short-term loans and advances	9(b)	-	42,410,639
Other current assets	10	<u>82,104,565</u>	<u>81,932,047</u>
		<u>226,553,153</u>	<u>160,982,894</u>
		4,109,528,182	3,970,736,681

Accounting Policies & General Notes given in Annexure & note 1 to 14 form part of financial statements

As per our report of even date

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

Chartered Accountants

Regn. No. 000038N

Sd/-
V Rajaraman
Partner
M.No. 2705

Sd/-
Rajat Lakhnopal
Whole Time Director
& Company Secretary

Sd/-
Kartikeya Bharat Ram
Chairman

Sd/-
Dhirendra Datta
Director

Sd/-
Ashish Bharat Ram
Director

Place: Gurgaon
Date: May 30, 2012

KAMA HOLDINGS LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	Year Ended March 31, 2012 Rs.	Year Ended March 31, 2011 Rs.
Revenue from Operations			
Interest on Loans & Deposits		635,287	103,639
Interest on others		805,994	104,250
Other Income			
Dividend		400,560,745	598,667,270
Miscellaneous Income		762,501	3,240
TOTAL REVENUE		<u>402,764,527</u>	<u>598,878,399</u>
EXPENSES			
Employee benefits expenses	11	1,683,289	1,855,473
Finance costs	12	14,894,934	42,545,390
Other expenses	13	2,873,183	3,112,506
TOTAL EXPENSES		<u>19,451,406</u>	<u>47,513,369</u>
Profit before tax		383,313,121	551,365,030
Tax expense			
Current tax		679,000	65,000
Relating to earlier years		(1,894,479)	4,631
		<u>(1,215,479)</u>	69,631
Profit after tax		384,528,600	551,295,399
Proposed dividend on preference shares		10,335,530	10,335,530
Dividend distribution tax		1,676,682	1,676,682
Balance Profit		372,516,388	539,283,187
Earnings per share			
Basic (Rs.)	14	57.73	83.58
Diluted (Rs.)		57.73	83.58

Accounting Policies & General Notes given in Annexure & note 1 to 14 form part of financial statements

As per our report of even date

For THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

Regn. No. 000038N

Sd/-
V Rajaraman
Partner
M.No. 2705

Sd/-
Rajat Lakhanpal
Whole Time Director
& Company Secretary

Sd/-
Kartikya Bharat Ram
Chairman

Sd/-
Dhirendra Datta
Director

Sd/-
Ashish Bharat Ram
Director

Place: Gurgaon
Date: May 30, 2012

	As at	As at
	March 31, 2012	March 31, 2011
	Rs.	Rs.

1. Share Capital
a) Details of share capital
AUTHORISED

10,000,000 (Previous Year - 10,000,000) Equity Shares of Rs. 10 each	100,000,000	100,000,000
13,000,000 (Previous Year - 13,000,000) Preference Shares of Rs. 10 each	130,000,000	130,000,000
	230,000,000	230,000,000

ISSUED, SUBSCRIBED AND PAID UP

6,452,615 (Previous Year - 6,452,615) Equity Shares of Rs. 10 each fully paid up	64,526,150	64,526,150
12,919,412* (Previous Year - 12,919,412) Preference Shares of Rs. 10 each fully paid up	129,194,120	129,194,120
	193,720,270	193,720,270

*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, 2012		As at March 31, 2011	
	% age	(No. of shares)	% age	(No. of shares)
Manju Bharat Ram	37.50%	2,419,720	37.42%	2,414,285
Ashish Bharat Ram	18.75%	1,209,860	18.37%	1,185,370
Kartikya Bharat Ram	18.75%	1,209,860	18.37%	1,185,371

In the period immediately preceding five years:

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

2. Reserves and Surplus
Reserves

Capital reserve	2,034,505,858	2,034,505,858
General reserve	488,497,612	488,497,612
Total	2,523,003,470	2,523,003,470
Surplus	1,281,637,915	909,121,527
Total Reserves and Surplus	3,804,641,385	3,432,124,997

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

Movement in Surplus

As at the beginning of the year	909,121,527	369,838,340
Profit after tax transferred from statement of Profit and Loss annexed	372,516,388	539,283,187
As at the end of the year	1,281,637,915	909,121,527

3. Provisions
(a) Long-term provisions

Provision for contingencies	41,138,391	45,788,391
Total Long-term provisions	41,138,391	45,788,391

(b) Short-term provisions

Provision for tax	56,519,905	55,840,905
Total Short-term provisions	56,519,905	55,840,905

4. Borrowings
SHORT TERM BORROWINGS
Unsecured

Public Deposits	-	3,192,803
Others - Related Parties	-	223,905,778
Total short term borrowings	-	227,098,581

Details of Related Parties

Name of the Party	Nature of borrowing	Nature of relation	Amount	
			March 31, 2012	March 31, 2011
KAMA Realty (Delhi) Ltd.	Unsecured	Subsidiary	-	157,463,032
Karm Farms Pvt. Ltd.	Unsecured	Related Party	-	33,211,924
Srishti Westend Greens Farms Pvt. Ltd.	Unsecured	Related Party	-	33,230,822
		Total	-	223,905,778

As at
March 31, 2012
(Rs.)

As at
March 31, 2011
(Rs.)

5. Other current liabilities

Expenses payable	245,000	969,593
Interest accrued but not due on loans	-	60,730
Unclaimed fixed deposits	1,083,790	2,661,756
Unclaimed dividends	85,749	116,406
Proposed dividend on preference shares	10,335,530	10,335,530
Dividend distribution tax	1,676,682	1,676,682
Statutory dues	81,480	342,840
	13,508,231	16,163,537

6. FIXED ASSETS

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	Upto 31.03.2011	For the year	additions	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible assets										
Office equipments, etc.	167,500	-	-	167,500	154,301	4,824	-	159,125	8,375	13,199
Vehicles	292,548	-	-	292,548	277,921	-	-	277,921	14,627	14,627
Total	460,048	-	-	460,048	432,222	4,824	-	437,046	23,002	27,826
Previous year	460,048	-	-	460,048	424,390	7,832	-	432,222	27,826	35,658

7. 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, 2012		As at March 31, 2011	
		Qty. (Nos.)	Amount (Rs.)	Qty. (Nos.)	Amount (Rs.)

(a) NON-CURRENT INVESTMENTS- Others
Investments in Equity Instruments
Quoted

SRF Ltd	10	28,606,962	3,793,351,027	28,491,962	3,763,625,961
Total (A)			3,793,351,027		3,763,625,961

[Market value of Quoted Equity Investments Rs 7,085,944,487 (previous year Rs 9,076,114,495).]

Unquoted in wholly owned subsidiaries

KAMA Realty (Delhi) Ltd.	10	60,020	500,000	60,020	500,000
*Shri Educare Ltd.	10	7,760,000	77,600,000	4,560,000	45,600,000
Total (B)			78,100,000		46,100,000

Unquoted in others

*Children First Mental Health Ins Pvt Ltd	10	50,100	501,000	-	-
Total (C)			501,000		-

Investments in Other Instruments
Unquoted-Private Equity Fund

Asian Healthcare Fund (Partly paid-up to the extent of Rs 20 each)	100	250,000	5,000,000	-	-
Total (D)			5,000,000		-
Total (A)+(B)+(C)+(D)			3,876,952,027		3,809,725,961

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

(b) CURRENT INVESTMENTS
Investments in Mutual Funds
Quoted

Templeton India Mutual Fund	10	13,819,107	139,684,366	1,834,440	18,542,670
			139,684,366		18,542,670

[Market value of Quoted Current Investments Rs 166,563,368 (previous year Rs 18,542,670).]

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
8. Cash and bank balances		
Cash and cash equivalents		
Cash in hand	12,692	14,800
Balance with banks on		
Current accounts	3,903,485	15,813,795
Unclaimed dividends	85,749	116,406
Balance with banks in term deposits of more than three months	762,296	2,152,537
Total cash and bank balances	4,764,222	18,097,538
9. Loans and advances		
(Unsecured considered good, unless otherwise stated)		
(a) Long-term loans and advances		
*To related party - considered good	6,000,000	-
Total Long-term loans and advances	6,000,000	-
*Loan to Associate company Children First Mental Health Institute Pvt. Ltd. is secured to the extent of Rs 249,000 being nominal value of 24,900 shares of Children First Mental Health Institute Pvt Ltd of Rs 10 each fully paid-up.		
(b) Short-term loans and advances		
To related party - considered good		38,300,000
Others-unsecured considered good	-	4,110,639
Total Short-term loans and advances	-	42,410,639
10. Other current assets		
Interest accrued but not due on loans and deposits	558,992	127,299
MAT credit available	3,983,832	3,983,832
Income tax recoverable	77,561,741	77,820,916
Total other current assets	82,104,565	81,932,047
11. Employee benefits expenses		
Salaries and wages	1,544,972	1,752,468
Contribution to Provident Fund & Gratuity	138,317	103,005
	1,683,289	1,855,473
12. Finance Costs		
Interest expenses		
• On short term loans	14,758,753	41,714,367
• On deposits	136,181	831,023
	14,894,934	42,545,390
13. Other expenses		
Depreciation	4,824	7,832
Payment to Auditors:		
for Audit fee	100,000	100,000
for Interim audit fee	150,000	150,000
for other services	29,229	20,000
Professional & Legal Charges	582,304	1,595,584
Director Sitting Fees	53,000	45,000
Loss on sale of Investments	20,642	1,449
Rates & Taxes	23,499	117,440
Miscellaneous expenses	1,909,685	1,075,201
	2,873,183	3,112,506
14. Earnings Per Share		
Profit after tax	372,516,388	539,283,187
Weighted average number of equity shares outstanding	6,452,615	6,452,615
Earnings per share in rupees (face value- Rs. 10 per share)*	57.73	83.58

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

ANNEXURE –ACCOUNTING POLICIES AND GENERAL NOTES TO THE ACCOUNTS

A) ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. FIXED ASSETS

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

3. DEPRECIATION

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

4. INVESTMENTS

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

Rs./lakhs

	March 31, 2012	March 31, 2011
Income Tax	540.33	238.27
Under Business Transfer Agreement with SRF Limited for Excise Duty/Sales Tax	1,831.81	1,831.81

- 1.2 Guarantees provided on behalf of wholly-owned subsidiary for repayment of loans and interest thereon amount to Rs 2,617.28 lakhs (Pr Yr Rs 2,884.42 lakhs).

2. The Company had entered into Non-Compete Agreements whereby the Company had inter-alia agreed not to engage, directly or indirectly, in the manufacturing and selling thereof as would compete with SRF Ltd in respect of Engineering Plastics and Industrial Yarn, in any country of the world for a period of 5 years from the date of the Business Transfer Agreement, i.e., January 1, 2009.

3. Capital Commitment

Kama Holdings Limited has capital commitment for purchase of units of Rs. 200 Lakhs in Asian Healthcare Fund Investment Trust.

4. The Company, being a Systemically Important Core Investment Company under the Core Investment Companies (Reserve Bank) Directions, 2011 issued by Reserve Bank of India, intends to apply for registration during the current year as a Core Investment Company.

5. Remuneration for key Management Personnel*

Amount in Rs.

Whole Time Director	March 31, 2012	March 31, 2011
Salary including allowances	1,544,972	1,290,775
Contribution to provident and superannuation funds	138,317	97,308
Total	1,683,289	1,388,083

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

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

6. Related Party Transactions
(i) List of related parties and relationships:

(a)	Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise	<ul style="list-style-type: none"> • KAMA Realty (Delhi) Ltd. • Shri Educare Ltd. • SRF Polymers Investments Ltd. (since dissolved on 31.03.2011 pursuant to Scheme of Arrangement)
(b)	Associates	<ul style="list-style-type: none"> • SRF Ltd. • SRF Properties Ltd. • Children First Mental Health Institute Pvt. Ltd.
(c)	Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise and relatives of any such individual	<ul style="list-style-type: none"> • Ashish Bharat Ram • Kartikeya Bharat Ram
(d)	Key Management Personnel	<ul style="list-style-type: none"> • Rajat Lakhanpal, Whole Time Director
(e)	Enterprises over which any person described in (c) or (d) is able to exercise significant influence	<ul style="list-style-type: none"> • Karm Farms Pvt. Ltd. • Srishti Westend Greens Farms Pvt. Ltd. • Bharat Ram Associates Pvt. Ltd. • Karmav Holdings Pvt. Ltd. • Narmada Farms Pvt. Ltd. (since dissolved on 31.03.2011 pursuant to Scheme of Arrangement) • Bhairav Farms Pvt. Ltd. (since dissolved on 31.03.2011 pursuant to Scheme of Arrangement)

(ii) Transactions during the year with related parties:

SI.No.	Nature of transaction	Amount in Rs/lakhs with related parties referred to above					
		(a)	(b)	(c)	(d)	(e)	Total
(1)	Loan/ICD received:						
	Current year	Nil	Nil	Nil	Nil	115.00	115.00
	Previous year	1,574.63	Nil	Nil	Nil	2,012.03	3,586.66
(2)	Loan/ICD refunded:						
	Current year	1,574.63	Nil	Nil	Nil	779.43	2,354.06
	Previous year	Nil	25.00	Nil	Nil	2,248.60	2,273.60
(3)	Interest paid on ICD/Loan:						
	Current year	105.53	Nil	Nil	Nil	19.65	125.18
	Previous year	0.47	0.26	Nil	Nil	77.58	78.31
(4)	Loan/ICD given:						
	Current year	Nil	60.00	Nil	Nil	Nil	60.00
	Previous year	1,733.00	Nil	Nil	Nil	Nil	1,733.00
(5)	Loan/ICD refund received:						
	Current year	383.00	Nil	Nil	Nil	Nil	383.00
	Previous year	4,752.00	Nil	Nil	Nil	Nil	4,752.00
(6)	Interest received on ICD/Loan:						
	Current year	Nil	5.61	Nil	Nil	Nil	5.61
	Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(7)	Investment during year:						
	Current year	320.00	302.26	Nil	Nil	Nil	622.26
	Previous year	255.00	33,971.17	Nil	Nil	Nil	34,226.17
(8)	Reimbursement (payment) of expenses:						
	Current year	Nil	53.42	Nil	Nil	Nil	53.42
	Previous year	Nil	15.60	Nil	Nil	Nil	15.60
(9)	Reimbursement (receipt) of expenses:						
	Current year	Nil	41.10	Nil	Nil	Nil	41.10
	Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(10)	Remuneration:						
	Current year	Nil	Nil	Nil	16.83	Nil	16.83
	Previous year	Nil	Nil	Nil	13.88	Nil	13.88
(11)	Directors Sitting Fee:						
	Current year	Nil	Nil	0.12	Nil	Nil	0.12
	Previous year	Nil	Nil	0.12	Nil	Nil	0.12
(12)	Expenses paid on behalf:						
	Current year	Nil	Nil	Nil	Nil	Nil	Nil
	Previous year	Nil	Nil	Nil	Nil	Nil	Nil

(13)	Year end receivables:	Current year	Nil	65.05	Nil	Nil	Nil	65.05
		Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(14)	Year end payables:	Current year	Nil	Nil	Nil	Nil	Nil	Nil
		Previous year	1,575.06	6.92	Nil	Nil	664.61	2,246.59

6. Earning Per Equity Share

Annualised earnings per equity share have been calculated based on the net profit after taxation of Rs 3,845.29 lakhs (Pr Yr Rs 5,512.95 lakhs) less dividend to preference shareholders and dividend tax thereon Rs 120.12 lakhs (Pr Yr 120.12 lakhs) and the average number of equity shares of 6,452,615 (Pr Yr 6,452,615).

Basic earning per share for the year is Rs 57.73 (Pr Yr Rs 83.58).

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

7. Previous year figures have been regrouped/rearranged to accord with the Revised Schedule VI.

As per our report of even date

For THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

Regn. No. 000038N

**Sd/-
V Rajaraman
Partner
M.No. 2705**

**Sd/-
Rajat Lakhanpal
Whole Time Director
& Company Secretary**

**Sd/-
Kartikeya Bharat Ram
Chairman**

**Sd/-
Dhirendra Datta
Director**

**Sd/-
Ashish Bharat Ram
Director**

Place: Gurgaon
Date: May 30, 2012

KAMA HOLDINGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2012

	Amount (Rs.)	
	Year Ended March 31, 2012	Year Ended March 31, 2011
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	383,313,121	551,365,030
Adjustment for entries pursuant to Scheme of Arrangement:		
Income transferred under the Scheme	-	(372,030,099)
Expenses transferred under the Scheme	-	31,537,549
Adjusted Net Profit before tax	383,313,121	210,872,480
Adjustments for		
Interest & Finance Charges (net after adjustment for Scheme)	14,894,934	11,971,435
Depreciation	4,824	7,832
Income from Dividend on Shares	(400,560,745)	(226,637,171)
Interest Income	(1,441,281)	(207,889)
(Profit)/Loss on sale of Investments	20,642	1,440
Operating Profit before working capital changes	(3,768,505)	(3,991,873)
Adjustments for		
Trade and Other Receivables	36,238,121	34,772,059
Trade Payables and Provisions	(18,638,518)	(1,389,136)
Cash Generated from operations before tax	13,831,098	29,391,050
Taxation	1,215,479	(69,631)
Net Cash from operating activities (A)	15,046,577	29,321,419
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	(334,299,343)	(148,675,565)
Sale of Investments	145,910,939	105,131,455
Interest Income	1,441,281	207,889
Income from Dividend on Shares	400,560,745	226,637,171
Net Cash from Investment Activities (B)	213,613,622	183,300,950
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Short term borrowings	(227,098,581)	(207,889,478)
Interest Paid	(14,894,934)	(11,971,435)
Net cash used in/ from financing activities (C)	(241,993,515)	(219,860,913)
Net increase in Cash and Cash Equivalents D=(A+B+C)	(13,333,316)	(7,238,544)
Cash & Cash equivalents at the beginning of the year (E)	18,097,538	19,929,579
Add: Cash & Cash equivalents transferred under Scheme	-	5,406,503
Cash & Cash equivalents at the close of the year F =(D+E)	4,764,222	18,097,538

Sd/- Rajat Lakhnpal Whole Time Director & Company Secretary	Sd/- Kartikeya Bharat Ram Chairman	Sd/- Dhirendra Datta Director	Sd/- Ashish Bharat Ram Director
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We have certified the above cash flow statement of KAMA Holdings Limited derived from the audited financial statements for the year ended March 31, 2012 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

Place: Gurgaon
Date: May 30, 2012

Sd/-
V Rajaraman
Partner
M. No. 2705

AUDITOR'S REPORT

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

We have audited the accompanying Consolidated Financial Statements of KAMA Holdings Ltd. which comprise the Balance Sheet as at March 31, 2012 and also the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with 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, 2012
- In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the

- purpose of our audit;
- In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
- On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
Reg. No. 000038N
Sd/-

V. Rajaraman
Partner
M. No.: 2705

Place: Gurgaon
Date: May 30, 2012

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

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

Fixed Assets

- The company has maintained proper record showing full particulars including quantitative details and situation of its fixed assets. However, in respect of office equipment record in terms of values are only kept.
 - The company has a regular program of verifying all the assets over a period of three years which in our opinion is reasonable having regard to the size of the company and the nature of the assets.

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

- The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- There are no contracts or arrangements that were required to be entered into the register in pursuance of section 301 of the Act.

Loans, Advances and Guarantees

- The company has taken loans from banks and others. The terms and conditions on which these have been taken are not prima facie prejudicial to the interest of the company.
 - The payment of principal and interest are regular in respect of all such loans taken.

In view of what is stated in (a) & (b) above, there are no overdue amounts.

6. The company has not issued any debenture.
7. The company has granted loans and advances on the basis of security by way of pledge of shares for which adequate documents and proper records have been maintained.
8. The company has stood guarantee for loans taken by its wholly owned subsidiary, KAMA Realty (Delhi) Ltd., from banks or financial institutions
9. The term loans taken by the company have been applied for the purpose for which they were obtained.
10. The funds raised on short-term basis from banks have not been used for long-term investment and vice versa.

Internal Control

11. a. In our opinion and according to 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.
12. The company has an adequate internal audit system commensurate with its size and nature of its business.

Fixed Deposit

13. 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

14. a. According to the records of the company, undisputed dues including provident fund, Investors Education and Protection

fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues have generally been regularly deposited with the concerned authorities.

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

Name of Statute	Forum where case is pending	Nature of dues	Period of dispute	Amount (in Rs. Lacs)
Income Tax Act, 1961	CIT (Appeals)	Income Tax	AY 2009-10	186.64
			TOTAL	186.64

Others

15. 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.
16. The company has not issued any fresh share capital and hence the question of neither the preferential allotment nor the end use thereof arises.
17. 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
Sd/-
V Rajaraman
Partner
M.No. 2705

Place: Gurgaon
Date: May 30, 2012

KAMA HOLDINGS LIMITED (CONSOLIDATED)

BALANCE SHEET

AS AT MARCH 31, 2012

Particulars	Note No.	As at March 31, 2012 Rs.	As at March 31, 2011 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	1	193,720,270	193,720,270
Reserves and surplus	2	<u>8,301,688,015</u>	<u>6,471,883,533</u>
		8,495,408,285	6,665,603,803
Non-current liabilities			
Long-term borrowings	3(a)	229,138,490	258,707,169
Long-term liabilities	4(a)	406,613	-
Long-term provisions	5(a)	<u>41,682,848</u>	<u>46,127,916</u>
		271,227,951	304,835,085
Current liabilities			
Short-term borrowings	3(b)	30,703,088	154,705,484
Short-term liabilities	4(b)	56,472,769	62,893,214
Short-term provisions	5(b)	<u>73,524,641</u>	<u>70,288,079</u>
		160,700,498	287,886,777
TOTAL EQUITY AND LIABILITIES		<u>8,927,336,734</u>	<u>7,258,325,665</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	6(a)	275,328,661	273,875,871
Intangible assets	6(b)	4,088,635	4,608,248
Capital work-in-progress		24,371,768	1,888,510
Non-current investments	7(a)	8,307,381,058	6,801,671,035
Long term loans and advances	8(a)	<u>7,410,529</u>	<u>71,111</u>
		8,618,580,651	7,082,114,775
Current assets			
Current investments	7(b)	166,327,715	18,542,671
Trade Receivable	9	748,991	128,188
Cash and bank balances	10	33,780,072	44,943,766
Short-term loans and advances	8(b)	2,286,152	8,507,077
Other current assets	11	<u>105,613,153</u>	<u>104,089,188</u>
		308,756,083	176,210,890
TOTAL ASSETS		<u>8,927,336,734</u>	<u>7,258,325,665</u>

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

As per our report of even date

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

Chartered Accountants

Regn. No. 000038N

Sd/- V Rajaraman Partner M.No. 2705	Sd/- Rajat Lakhanpal Whole Time Director & Company Secretary	Sd/- Kartikeya Bharat Ram Chairman	Sd/- Dhirendra Datta Director	Sd/- Ashish Bharat Ram Director
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Place: Gurgaon

Date: May 30, 2012

KAMA HOLDINGS LIMITED (CONSOLIDATED)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	Year Ended March 31, 2012 Rs.	Year Ended March 31, 2011 Rs.
REVENUE			
Revenue from Operations	12	129,548,914	115,446,279
Other Income	13	6,024,497	2,134,010
TOTAL REVENUE		135,573,411	117,580,289
EXPENSES			
Employee benefits expenses	14	69,236,966	63,380,640
Finance costs	15	39,504,763	66,059,491
Depreciation and amortization expenses	16	6,518,609	5,512,134
Other expenses	17	41,107,256	27,379,328
TOTAL EXPENSES		156,367,594	162,331,593
Profit before tax		(20,794,183)	(44,751,304)
Tax expense			
Current tax		9,845,500	7,890,500
Net deferred tax asset written off		-	4,428,462
MAT credit reversal		152,911	770,921
Provision for earlier years written back			(4,998)
Relating to earlier years		(1,887,993)	4,631
		8,110,418	13,089,516
Profit after tax		(28,904,601)	(57,840,820)
Share in profit of Associate Companies		1,869,371,425	2,276,594,768
Profit after share in Associate company		1,840,466,824	2,218,753,948
Proposed dividend on preference shares		10,335,530	10,335,530
Dividend distribution tax		1,676,682	1,676,682
Balance Profit carried to Balance Sheet		1,828,454,612	2,206,741,736
Earnings per share			
Basic (Rs.)	18	283.37	341.99
Diluted (Rs.)		283.37	341.99
Accounting Policies & General Notes given in Annexure & note 1 to 18 form part of financial statements			

As per our report of even date

For THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

Regn. No. 000038N

Sd/- V Rajaraman Partner M.No. 2705	Sd/- Rajat Lakhanpal Whole Time Director & Company Secretary	Sd/- Kartikya Bharat Ram Chairman	Sd/- Dhirendra Datta Director	Sd/- Ashish Bharat Ram Director
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Place: Gurgaon

Date: May 30, 2012

As at
March 31, 2012
Rs.

As at
March 31, 2011
Rs.

1. Share Capital
a) Details of share capital
AUTHORISED

10,000,000 (Previous Year - 10,000,000) Equity shares of Rs. 10 each	100,000,000	100,000,000
13,000,000 (Previous Year - 13,000,000) Preference Shares of Rs. 10 each	130,000,000	130,000,000
	230,000,000	230,000,000

ISSUED, SUBSCRIBED AND PAID UP

6,452,615 (Previous Year - 6,452,615) Equity Shares of Rs. 10 each fully paid up	64,526,150	64,526,150
12,919,412* (Previous Year - 12,919,412) Preference Shares of Rs. 10 each fully paid up	129,194,120	129,194,120
	193,720,270	193,720,270

*Represents 8% Non-cumulative Redeemable Preference Shares redeemable on or before March 31, 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, 2012		As at March 31, 2011	
	%age	(No. of shares)	%age	(No. of shares)
Manju Bharat Ram	37.50%	2,419,720	37.42%	2,414,285
Ashish Bharat Ram	18.75%	1,209,860	18.37%	1,185,370
Kartikya Bharat Ram	18.75%	1,209,860	18.37%	1,185,371

In the period immediately preceding five years:

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

2. Reserves and Surplus
Reserves

Capital reserve	100,200	100,200
Capital redemption reserve	1,800	1,800
General reserve	488,497,612	488,497,612
Translation reserve	1,395,034	45,164
	489,994,646	488,644,776

Surplus

Total Reserves and Surplus

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

Movement in Surplus
Surplus

As at the beginning of the year	5,983,238,757	3,776,497,021
Profit after tax transferred from statement of Profit and Loss annexed	1,828,454,612	2,206,741,736
As at the end of the year	7,811,693,369	5,983,238,757

3. Borrowings
(a) Long -term borrowings

Secured

*Term loan from banks

	229,138,490	258,707,169
--	-------------	-------------

Total long-term borrowings

	229,138,490	258,707,169
--	--------------------	--------------------

(b) Short -term borrowings

Secured

*Term loan from banks

	30,703,088	28,069,935
--	------------	------------

Unsecured

Other

	-	126,635,549
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	30,703,088	154,705,484
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*Total secured borrowing of Rs 259,841,578 (previous year Rs 286,777,104) represents term loan from Indusind Bank Limited secured by first charge by way of an equitable mortgage by deposit of title deeds of the immovable property of KAMA Realty (Delhi) Ltd. situated at Gurgaon, Haryana and Corporate Guarantee executed by KAMA Holdings Ltd.

As at
March 31, 2012
Rs.

As at
March 31, 2011
Rs.

4. Liabilities
(a) Long-term liabilities

For purchase of capital goods	406,613	-
Total long-term liabilities	406,613	-

(b) Short-term liabilities

Expenses payable	270,000	994,593
Interest accrued but not due on loans	1,885,947	1,683,178
Interest payable	-	584,691
Security deposits	35,584,093	33,810,000
Income received in advance	1,760,005	849,363
Other payables:		
Due for expenses incurred	2,674,768	5,652,313
Accrued salaries and benefits	437,351	3,864,967
Unclaimed fixed deposits	1,083,790	2,661,756
Unclaimed dividends	85,749	116,406
Proposed dividend on preference shares	10,335,530	10,335,530
Dividend distribution tax	1,676,682	1,676,682
Statutory dues	678,854	663,735
Total short-term liabilities	56,472,769	62,893,214

5. Provisions
(a) Long-term provisions

Provision for contingencies	41,138,391	45,788,391
Other provisions	544,457	339,525
Total long-term provisions	41,682,848	46,127,916

(b) Short-term provisions

Provision for tax	73,511,905	70,274,405
Other provisions	12,736	13,674
Total short-term provisions	73,524,641	70,288,079

6. FIXED ASSETS

Description	Gross Block				Depreciation				Net Block		
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	Upto 31.03.2011	For the year	Withdrawals/ transfers	Deletion	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
(a) Tangible assets											
Leasehold land	14,787,720	1,596,000	-	16,383,720	-	-	-	-	-	16,383,720	14,787,720
Buildings	275,563,052	-	-	275,563,052	21,584,513	4,491,678	-	-	26,076,191	249,486,861	253,978,539
Books	-	104,077	-	104,077	-	104,077	-	-	104,077	-	-
Furniture & fixtures	2,404,983	1,934,059	140,460	4,198,582	136,647	302,672	-	5,466	433,853	3,764,729	2,268,336
Office equipments, etc.	1,916,315	1,090,471	-	3,006,786	249,811	179,124	-	-	428,935	2,577,851	1,666,504
Data processing	1,648,535	1,558,401	-	3,206,936	488,390	724,813	-	-	1,213,203	1,993,733	1,160,145
Vehicles	292,548	1,232,400	-	1,524,948	277,921	125,260	-	-	403,181	1,121,767	14,627
Total Tangible assets	296,613,153	7,515,408	140,460	303,988,101	22,737,282	5,927,624	-	5,466	28,659,440	275,328,661	273,875,871
Previous year	16,689,332	279,923,821	-	296,613,153	513,109	4,939,004	17,285,169	-	22,737,282	273,875,871	16,176,222
(b) Intangible assets											
Trade marks & copyrights	5,002,193	11,773	-	5,013,966	552,974	500,410	-	-	1,053,384	3,960,582	4,449,219
Software	240,070	52,500	-	292,570	81,041	83,476	-	-	164,517	128,053	159,029
Total Intangible assets	5,242,263	64,273	-	5,306,536	634,015	583,886	-	-	1,217,901	4,088,635	4,608,248
Previous year	5,023,389	218,874	-	5,242,263	67,984	566,031	-	-	634,015	4,608,248	4,955,405

Note: As per lease agreement for lease hold property (land), lease shall be valid for a period of 95 (ninety five) years from the date of commencement (October 19, 2011)

Scrip	Par Value (Rs.)	As at March 31, 2012		As at March 31, 2011	
		Qty. (Nos.)	Amount (Rs.)	Qty. (Nos.)	Amount (Rs.)

7. 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.

(a) NON-CURRENT INVESTMENTS- Others

Investments in Equity Instruments

Quoted

SRF Ltd*	10	28,606,962	8,301,884,610	28,491,962	6,801,671,035
	Total (A)		8,301,884,610		6,801,671,035

[Market value of Quoted Equity Investments Rs 7,085,944,487 (previous year Rs 9,076,114,495).]

*Net of Capital Reserve of Rs 382,593,339 (previous year Rs 379,472,887) and dividend received Rs 398,887,468 (previous year Rs 598,331,202)

Unquoted in others

Children First Mental Health Ins Pvt Ltd**	10	50,100	501,000	-	-
Share of Loss			(4,552)		
	Total (B)		496,448		

**Includes Goodwill of Rs 27,630 (previous year Nil).

Investments in Other Instruments

Unquoted-Private Equity Fund

Asian Healthcare Fund	100	250,000	5,000,000	-	-
(Partly paid-up to the extent of Rs 20 each)					
	Total (C)		5,000,000		
	Total (A)+(B)+(C)		8,307,381,058		6,801,671,035

(b) CURRENT INVESTMENTS

Investments in Mutual Funds

Quoted

Templeton India Mutual Fund	10	16,427,571	166,327,715	1,834,440	18,542,671
			166,327,715		18,542,671

[Market value of Quoted Current Investments Rs 166,563,368 (previous year Rs 18,542,885).]

			As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
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8. Loans and advances

(Unsecured considered good, unless otherwise stated)

(a) Long-term loans and advances

*To related party - considered good		6,000,000	-
Capital advances		999,799	48,565
Loans to employees		410,730	22,546
Total long-term loans and advances		7,410,529	71,111

*Loan to Associate company Children First Mental Health Institute Pvt Ltd secured to the extent of Rs 249,000 being nominal value of 24,900 shares of Children First Mental Health Institute Pvt Ltd of Rs 10 each fully paid-up.

(b) Short-term loans and advances

Others-unsecured considered good		-	4,110,640
Loans and advances to employees		115,468	253,056
Advances		263,811	1,849,950
Security deposits		1,906,873	2,293,431
Total short-term loans and advances		2,286,152	8,507,077

9. Trade Receivables

Receivables past due for a period within six months			
Unsecured - considered good		313,257	17,454
Receivables past due for a period exceeding six months		435,734	110,734
Unsecured - considered good			
Total trade receivables		748,991	128,188

10. Cash and bank balances

Cash and cash equivalents

Cash in hand		213,523	166,942
Balance with banks on			
Current accounts		32,718,504	42,507,881
Unclaimed dividends		85,749	116,406
Balance with banks in term deposits of more than three months		762,296	2,152,537
Total cash and bank balances		33,780,072	44,943,766

Balance of Cash in Hand includes foreign currency in hand as given below converted into INR at the respective closing rates.

- US Dollars 3060 in current year and 1360 in previous year
- Maldivian Rufiyaa 430 in current year and 430 in Previous year
- In Bank Balance includes MVR 1492.92 in terms of US Dollars

	As at March 31, 2012 (Rs.)	As at March 31, 2011 (Rs.)
11. Other current assets		
Interest accrued but not due on loans and deposits	558,992	127,299
Unamortized expenditure	15,973	23,072
Other current assets	802,617	935,078
MAT credit available	8,892,242	9,045,153
Cenvat/Service tax/VAT recoverable	636,447	478,196
Income tax recoverable	94,706,882	93,480,390
Total other current assets	105,613,153	104,089,188
12. Revenue from Operations		
Interest on loans and deposits	846,925	103,639
Rent received	64,170,000	62,970,000
Student fees:		
From Government	36,078,880	41,996,614
From students	27,787,109	9,736,026
License Fees	645,000	640,000
Management Fees	21,000	-
Total Revenue from Operations	129,548,914	115,446,279
13. Other Income		
Interest on others	805,994	906,602
Other income		
Dividend	1,808,873	336,068
Miscellaneous income	3,409,630	891,340
Total Revenue from Operations	6,024,497	2,134,010
14. Employee benefits expenses		
Salaries and Wages	65,966,657	62,596,134
Contribution to Provident Fund & Gratuity	2,817,180	565,625
Workmen & Staff Welfare Expenses	453,129	218,881
	69,236,966	63,380,640
15. Finance Costs		
Interest expenses		
• On short term loans	39,368,582	65,228,468
• On deposits	136,181	831,023
	39,504,763	66,059,491
16. Depreciation and amortization expenses		
Depreciation on tangible assets	5,927,624	4,939,004
Amortization on intangible assets	583,886	566,031
Others	7,099	7,099
Total Depreciation and amortization expenses	6,518,609	5,512,134
17. Other expenses		
Rent	9,056,550	4,023,234
Repair & maintenance		
Other than building	902,837	774,481
On Building	2,752,390	618,578
Promotional expenses	5,824,769	5,007,389
Insurance	108,222	80,696
Payment to Auditors:		
for Audit fee	312,984	211,644
for Interim audit fee	150,000	150,000
for other services	29,229	20,000
for reimbursement of expenses	3,000	-
Professional & Legal Charges	1,981,860	2,061,448
Director Sitting Fees	53,000	45,000
Loss on sale of Investments	12,890	1,449
Rates & Taxes	187,828	436,534
Telephone & communication	811,747	709,971
Traveling and Conveyance Expenses	3,995,306	1,907,552
Office expenses	2,086,722	1,492,384
Security Expenses	1,008,315	843,881

Water and electricity	3,780,946	3,982,663
Printing and stationery	2,261,247	1,419,568
Donation	134,994	-
Education aids	1,380,178	843,782
Festival & Celebrations	1,412,869	1,232,711
Exchange Rate Difference (Net)	221,564	102,714
Miscellaneous expenses	2,637,809	1,413,649
	41,107,256	27,379,328

18. Earnings Per Share

Profit after tax	1,828,454,612	2,206,741,736
Weighted average number of equity shares outstanding	6,452,615	6,452,615
Earnings per share in rupees (face value- Rs. 10 per share)*	283.37	341.99

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

ANNEXURE –ACCOUNTING POLICIES AND GENERAL NOTES TO THE ACCOUNTS

A) 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.

a) Principles of consolidation:

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

- 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 fully eliminating intra-group balances and intra group transactions, resulting in unrealised profit or losses.
- 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.
- 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.
- The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, is accounted through its profit and loss account to the extent such change is attributable to the associate profit and loss account and through its reserves for the balance, based on available information.
- The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve, as the case may be and included in the cost of investment in the associate.

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

Name of the subsidiary	Country of Incorporations	Proportion of ownership as on March 31, 2012	Proportion of ownership as on March 31, 2011
SRF Polymers Investments Ltd.	India	Since dissolved under Scheme	100.00%
Shri Educare Ltd.	India	100.00%	100.00%
KAMA Realty (Delhi) Ltd.	India	100.00%	100.00%
Shri Educare Maldives Pvt. Ltd.	Maldives	100.00%	100.00%

Name of the associate	Country of Incorporations	Proportion of ownership as on March 31, 2012	Proportion of ownership as on March 31, 2011
SRF Ltd.	India	49.82%	47.09%
Children First Mental Health Institute Pvt. Ltd.#	India	33.40%	Nil

Became an associate on March 31, 2012.

2. 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.

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 varies between 1.63% to 31.67%.

The depreciation rate for Vehicles is 19% and 20% in KAMA Holdings Ltd. (formerly known as SRF Polymers Ltd.) and Shri Educare Ltd. respectively.

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 except mobile phones being depreciated at 100% in the year of purchase.

3.4 Intangible assets are being amortized over their useful life:

3.4.1	Software	3 years
3.4.2	Trademark and copyrights	10 years

4. EMPLOYEE BENEFITS

Liability towards Gratuity and Leave Encashment is determined, based on the actuarial valuation as on the date of the Balance Sheet. The liability towards provident and superannuation Fund is accounted for on the basis of the contribution made to the respective funds. In case of KAMA Holdings Limited, the contribution to provident and superannuation funds is made to M/s SRF Limited which maintains separate funds administered by trusts.

5. FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currency are accounted at the rate prevalent on the date of transactions. Foreign currency Current Assets/ Current Liabilities are translated at the year end rates on account of fluctuations, whether gain or loss, is accounted for and disclosed in the profit and loss account.

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

6. 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.

7. 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.

8. REVENUE RECOGNITION

8.1 Sales are inclusive of excise duty and net of trade discounts. Export sales include goods invoiced against confirmed orders and cleared from excise and customs authorities.

8.2 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.

8.3 Interim dividend income from investments is recognized in the Profit and Loss Account on cash basis.

9. TAXATION

9.1 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.

9.2 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.

10. BORROWING COST

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

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

B) GENERAL NOTES

1. Basis of Preparation

(a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

(b) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

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

3. Capital Commitments

- Kama Holdings Limited has a remaining capital commitment of Rs. 200 Lakhs in Asian Healthcare Fund Investment Trust.
- KAMA Holdings Limited (KHL) share of capital commitment of SRF Limited Rs 5098.10 lakhs (Pr Yr Rs 6,105.64 lakhs).
- KHL's share of capital commitment for SRF Limited's investment in:
 - Packaging Films Business in South Africa and Thailand – USD 44.59 million (equivalent to Rs. 22,682.37 lakhs) (Previous Year – Nil).
 - SRF Holiday Homes Limited Rs 153.94 lakhs (Pr Yr 166.23)

4. Contingent Liabilities

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

Rs/lakhs

	March 31, 2012	March 31, 2011
Income Tax	540.33	238.27
Under Business Transfer Agreement with SRF Limited for Excise Duty/Sales Tax	1,831.81	1,831.81

4.2 Guarantees provided on behalf of wholly-owned subsidiary for repayment of loans and interest thereon amount to Rs 2,617.28 lakhs (Pr Yr Rs 2,884.42 lakhs).

4.3 KHL's share of contingent liabilities of SRF Limited amounts to Rs 5,411.48 lakhs (Pr Yr Rs 5,058.98 lakhs).

5. Security Deposit

Security deposit includes Rs 330 lakhs (Pr Yr Rs 330 lakhs) of interest free deposit from SRF Limited for leasing of office premises at Gurgaon and Mumbai.

6. The Company had entered into Non-Compete Agreements whereby the Company had inter-alia agreed not to engage, directly or indirectly, in the manufacturing and selling thereof as would compete with SRF Ltd in respect of Engineering Plastics and Industrial Yarn, in any country of the world for a period of 5 years from the date of the Business Transfer Agreement, i.e., January 1, 2009.

7. Related Party Transactions

(i) List of related parties and relationships:

(a)	Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise	<ul style="list-style-type: none"> • KAMA Realty (Delhi) Ltd. • Shri Educare Ltd. • SRF Polymers Investments Ltd. (since dissolved on 31.03.2011 pursuant to Scheme of Arrangement)
(b)	Associates	<ul style="list-style-type: none"> • SRF Ltd. • SRF Properties Ltd. • Children First Mental Health Institute Pvt Ltd.
(c)	Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual	<ul style="list-style-type: none"> • Ashish Bharat Ram • Kartikeya Bharat Ram
(d)	Key Management Personnel	<ul style="list-style-type: none"> • Rajat Lakhanpal, Whole Time Director
(e)	Enterprises over which any person described in (c) or (d) is able to exercise significant influence	<ul style="list-style-type: none"> • Karm Farms Pvt. Ltd. • Srishti Westend Greens Farms Pvt. Ltd. • Bharat Ram Associates Pvt. Ltd. • Karmav Holdings Pvt. Ltd. • Narmada Farms Pvt. Ltd. (since dissolved on 31.03.2011 pursuant to Scheme of Arrangement) • Bhairav Farms Pvt. Ltd.(since dissolved on 31.03.2011 pursuant to Scheme of Arrangement)

(ii) Transactions during the year with related parties:

Sl.No.	Nature of transaction	Amount in Rs/lakhs with related parties referred to above						
		(a)	(b)	(c)	(d)	(e)	Total	
(1)	Loan/ICD received:	Current year	Nil	Nil	Nil	Nil	598.00	598.00
		Previous year	Nil	Nil	Nil	Nil	2,012.03	2,012.03
(2)	Loan/ICD refunded:	Current year	Nil	Nil	Nil	Nil	1,537.43	1,537.43
		Previous year	Nil	25.00	Nil	Nil	2,248.60	2,273.60
(3)	Interest paid on ICD/Loan:	Current year	Nil	Nil	Nil	Nil	57.85	57.85
		Previous year	Nil	0.26	Nil	Nil	77.58	77.83
(4)	Loan/ICD given:	Current year	Nil	60.00	Nil	Nil	Nil	60.00
		Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(5)	Interest received on Loan/ICD given:	Current year	Nil	5.61	Nil	Nil	Nil	5.61
		Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(6)	Investment during year:	Current year	Nil	302.26	Nil	Nil	Nil	302.26
		Previous year	Nil	33,971.17	Nil	Nil	Nil	33,971.17
(7)	Rent received:	Current year	Nil	641.70	Nil	Nil	Nil	641.70
		Previous year	Nil	629.70	Nil	Nil	Nil	629.70
(8)	Reimbursement (payment) of expenses:	Current year	Nil	58.87	Nil	Nil	Nil	58.87
		Previous year	Nil	15.60	Nil	Nil	Nil	15.60

(9)	Reimbursement (receipt) of expenses:	Current year	Nil	41.11	Nil	Nil	Nil	41.11
		Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(10)	Remuneration:	Current year	Nil	Nil	Nil	16.83	Nil	16.83
		Previous year	Nil	Nil	Nil	13.88	Nil	13.88
(11)	Directors Sitting Fee:	Current year	Nil	Nil	0.12	Nil	Nil	0.12
		Previous year	Nil	Nil	0.12	Nil	Nil	0.12
(12)	Year end balances (receivables):	Current year	Nil	65.05	Nil	Nil	Nil	65.05
		Previous year	Nil	Nil	Nil	Nil	Nil	Nil
(13)	Year end balances (payables):	Current year	Nil	Nil	Nil	Nil	Nil	Nil
		Previous year	6.92	Nil	Nil	Nil	664.61	671.53

9. Employee Benefits:

Gratuity:

Assets/Liability	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
a. Present Value of obligation	2,87,915	1,81,782
b. Fair value of plan assets	Nil	Nil
c. Net assets/(liability) recognized in the balance sheet as provision	2,87,915	1,81,782
d. Enterprise best estimate of contribution during next year is Rs 2,21,198 (Pr Yr Rs 1,53,596).		

Valuation assumptions are as follows which have been agreed by the Company:

	March 31, 2012	March 31, 2011
a. Discounting rate	8.50	8.00
b. Future salary increase	7.50	7.00
c. Expected rate of return on plan assets	Nil	Nil

Demographic Assumption:

	March 31, 2012	March 31, 2011
a. Retirement Age (Years)	58	58
b. Mortality Table	LIC (1994-96)	
c. Withdrawal rate in % for		
Up to 30 years	3	3
31 years to 44 years	2	2
Above 44 years	1	1

Change in present value of obligation:

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
a. Present value of obligation as at the beginning of the period	1,81,782	1,71,178
b. Acquisition adjustment	Nil	Nil
c. Interest cost	15,451	13,694
d. Past service cost	Nil	Nil
e. Current service cost	1,36,961	75,699
f. Curtailment cost/(credit)	Nil	Nil
g. Settlement cost/(credit)	Nil	Nil
h. Benefits paid	(85,500)	Nil
i. Actuarial (gain)/loss on obligation	39,221	(78,789)
j. Present value of obligation as at the end of the period	2,87,915	1,81,782

Leave Encashment:

Assets/Liability	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
a. Present Value of obligation	2,69,278	1,71,417
b. Fair value of plan assets	Nil	Nil
c. Net assets/(liability) recognized in the balance sheet as provision	2,69,278	1,71,417
d. Enterprise best estimate of contribution during next year is Rs 177,328(Previous Year Rs 1,06,644).		

Change in present value of obligation:

	March 31, 2012 (Rs.)	March 31, 2011 (Rs.)
a. Present value of obligation as at the beginning of the period	1,71,417	78,430
b. Acquisition adjustment	Nil	Nil
c. Interest cost	14,570	6,274
d. Past service cost	Nil	Nil
e. Current service cost	1,67,383	1,15,825
f. Curtailment cost/(credit)	Nil	Nil
g. Settlement cost/(credit)	Nil	Nil
h. Benefits paid	(82,040)	Nil
i. Actuarial (gain)/loss on obligation	(2,052)	(29,112)
j. Present value of obligation as at the end of the period	2,69,278	1,71,417

10. The Company, being a Systemically Important Core Investment Company under the Core Investment Companies (Reserve Bank Directions, 2011 issued by Reserve Bank of India, intends to apply for registration as a Core Investment Company.

11. 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.

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

Indian Subsidiaries

(Amount in Rs.)

S. No.	Particulars	KAMA Realty (Delhi) Limited	Shri Educare Limited
(a)	Financial year of the subsidiary	March 31, 2012	March 31, 2012
(b)	Extent of holding	100%	100%
(c)	Capital	600,200	77,600,000
(d)	Reserves and Surplus (adjusted for debit balance in profit and loss account, wherever applicable)	99,952,588	(68,310,456)
(e)	Total Assets (Current Assets + Non-current Assets)	412,297,313	101,219,288
(f)	Total Liabilities (Current Liabilities+ Non-current Liabilities)	311,744,525	91,929,744
(g)	Details of Investment (except in case of investment in subsidiaries)	26,643,349	Nil
(h)	Turnover (Including Other Income)	79,003,930	12,237,673
(i)	Profit Before Taxation	42,760,932	(39,531,648)
(j)	Provision for Taxation	93,25,897	Nil
(k)	Profit After Taxation	33,435,035	(39,531,648)
(l)	Proposed Dividend	Nil	Nil

Foreign Subsidiaries (100% subsidiary of Shri Educare Limited)

S. No.	Particulars	Shri Educare Maldives Private Limited
(a)	Financial year of the subsidiary	March 31, 2012
(b)	Extent of holding	100%
(c)	Capital	43,948,178
(d)	Reserves and Surplus (adjusted for debit balance in profit and loss account, wherever applicable)	(43,224,734)
(e)	Total Assets (Fixed Assets + Current Assets)	6,076,829
(f)	Total Liabilities (Debts + Current Liabilities)	5,353,385
(g)	Details of Investment (except in case of investment in subsidiaries)	Nil
(h)	Turnover (Including Other Income)	54,962,106
(i)	Profit Before Taxation	(8,449,120)
(j)	Provision for Taxation	Nil
(k)	Profit After Taxation	(8,449,120)
(l)	Proposed Dividend	Nil

The financial statement of the foreign subsidiary has been translated into INR using the following procedure:

- All Assets and Liabilities has been translated at closing rate (1 MVR=Rs. 3.324)
- All Income and Expense has been translated at average rate (1 MVR= Rs. 3.407)

13. Remuneration for key Management Personnel*

(Amount in Rs.)

Whole Time Director	March 31, 2012	March 31, 2011
Salary including allowances	1,544,972	1,290,775
Contribution to provident and superannuation funds	138,317	97,308
Total	1,683,289	1,388,083

The contribution to provident and superannuation funds is made to M/s SRF Limited which maintains separate funds administered by trusts. *The director is entitled to a fixed remuneration irrespective of the profits or losses in accordance with Part II Section II of Schedule XIII to the Companies Act, 1956.

14. Earning Per Equity Share

Annualised earnings per equity share have been calculated based on the net profit after taxation of Rs 18,404.67 lakhs (Pr Yr Rs 22,187.54 lakhs) less dividend to preference shareholders and dividend tax thereon Rs 120.12 Lakhs (Pr Yr Rs. 120.12 Lakhs) and the average number of equity shares of 6,452,615 (Pr Yr 6,452,615).

Basic earning per share for the year is Rs 283.37 (Pr Yr Rs 341.99).

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

15. Operating Lease

KAMA Realty (Delhi) Limited has entered into operating lease agreement with M/s SRF Limited for office premises owned by it in Gurgaon and Mumbai. In terms of Accounting Standard 19 (AS-19) on "Leases" issued by the Institute of Chartered Accountants of India, the arrangement is non-cancelable in nature for the respective tenure of the leases. The disclosures required by AS-19 are set out below:

- The disclosures relating to gross carrying amount, the accumulated depreciation at the balance sheet date have been made in schedule 5 to the balance sheet. There has been no impairment and hence the question of reversal does not arise.
- The future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods:

Particulars	As at March 31, 2012	As at March 31, 2012
(i) not later than one year	64,410,000	64,170,000
(ii) later than one year and not later than five years@	259,466,400	258,660,000
(iii) later than five years @#	112,832,820	178,049,220
Lease Rent recognized in profit and loss account	64,170,000	62,970,000

@Assuming rent for lease, if any, which is due for review of rent during aforesaid period, is fixed at the existing level.

#Lease rent considered upto the period of the existing contract.

16. Previous year figures have been regrouped/recast/rearranged, wherever necessary, to conform to current year classifications.

As per our report of even date

For THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

Regn. No. 000038N

Sd/-
V Rajaraman
Partner
M.No. 2705

Sd/-
Rajat Lakhnopal
Whole Time Director
& Company Secretary

Sd/-
Kartikeya Bharat Ram
Chairman

Sd/-
Dhirendra Datta
Director

Sd/-
Ashish Bharat Ram
Director

Place: Gurgaon

Date: May 30, 2012

KAMA HOLDINGS LIMITED (CONSOLIDATED)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2012

	Amount (Rs.)	
	Year Ended March 31, 2012	Year Ended March 31, 2011
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	(20,794,183)	(44,751,304)
Adjustment for entries pursuant to Scheme of Arrangement:		
Income transferred under the Scheme	-	(433,402,384)
Expenses transferred under the Scheme	-	50,024,227
Adjusted Net Profit before tax	(20,794,183)	(428,129,461)
Adjustments for (net after adjustment for Scheme)		
Interest & Finance Charges	39,504,763	17,224,237
Depreciation	6,511,510	5,505,035
Exchange Currency Fluctuation	221,564	(363,661)
Donation (Fixed Assets - Not realisable)	134,994	-
Income from Dividend on Shares	(1,808,873)	(175,565)
Interest Income	(1,652,919)	(212,260)
(Profit)/Loss on sale of Investments	12,890	1,449
Operating Profit before working capital changes	22,129,746	(406,150,226)
Adjustments for		
Trade and Other Receivables	(3,270,360)	105,514,658
Trade Payables and Provisions	(19,234,550)	(20,766,330)
Deferred Revenue Expenditure	7,099	7,099
Cash Generated from operations before tax	(368,065)	(321,394,799)
Exchange Currency Fluctuation	(221,564)	363,661
Taxation	(8,110,418)	(7,895,131)
Net Cash from operating activities (A)	(8,700,047)	(328,926,269)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	(339,934,939)	(123,675,565)
Sale of Investments	156,910,939	105,131,454
Purchase of Fixed Assets	(7,579,681)	(39,881,634)
Increase in Capital work-in-progress	(22,483,258)	(536,060)
Interest Income	1,652,919	212,260
Translation Reserve	1,349,870	(466,376)
Income from Dividend on Shares of Associate Company	398,887,468	598,331,202
Income from Dividend on Shares	1,808,873	175,565
Net Cash from Investment Activities (B)	190,612,191	539,290,846
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Long term borrowings	(29,568,679)	-
Proceeds/(Repayment) of Short term borrowings	(124,002,396)	(176,370,092)
Interest Paid	(39,504,763)	(17,224,237)
Net cash used in/ from financing activities (C)	(193,075,838)	(193,594,329)
Net increase in Cash and Cash Equivalents D=(A+B+C)	(11,163,694)	16,770,248
Cash & Cash equivalents at the beginning of the year (E)	44,943,766	30,552,967
Add: Cash & Cash equivalents transferred under Scheme	-	5,406,503
Less: Cash balance of Company dissolved under Scheme	-	7,785,952
Cash & Cash equivalents at the close of the year F =(D+E)	33,780,072	44,943,766

Sd/- Dhirendra Datta Director	Sd/- Ashish Bharat Ram Director	Sd/- Rajat Lakhnupal Whole Time Director & Company Secretary	Sd/- Kartikeya Bharat Ram Chairman
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We have certified the above cash flow statement of KAMA Holdings Limited derived from the audited financial statements for the year ended March 31, 2012 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

Sd/-
V Rajaraman
Partner
M. No. 2705

Place: Gurgaon
Date: May 30, 2012

KAMA HOLDINGS LIMITED

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

ADMISSION SLIP

DP Id	
Client Id	

Registered Folio No.

No. of Shares held

PARTICULARS TO BE COMPLETED BY MEMBER/PROXY

Name

Address

I/we hereby record my/our presence at the 12th Annual General Meeting of the Company held at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 on Wednesday, 22nd August, 2012 at 3.00 P.M.

Signature of Member/Proxy

ATTENDANCE SLIPS WITHOUT THIS INFORMATION WILL NOT BE ACCEPTED

- NOTES:
1. Please produce this slip duly completed at the entrance.
 2. The attendance counter will open at 2.30 P.M.
 3. Tea, Coffee and cold drink will be served at the meeting.
 4. Change in address should be intimated promptly under signature of the member, quoting folio number.
 5. Please bring your copy of annual report to the meeting.

KAMA HOLDINGS LIMITED

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

PROXY FORM

DP Id	
Client Id	

Registered Folio No.

No. of Shares held

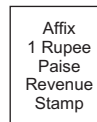
I/We of

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

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

me/us on my/ our behalf at the 12th Annual General Meeting of **KAMA HOLDINGS LIMITED** to be held at Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 on Wednesday, the 22nd August, 2012 at 3.00 P.M. and at any adjournment thereof.

Signed this day of 2012 Signature.....



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



KAMA Holdings Ltd.

Regd. Office: C-8, Commercial Complex, Safdarjung Development Area, New Delhi 110 016

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

Tel: +91-124-4354 400 • Fax: +91-124-4354 500