



KAMA Holdings Limited
(Formerly SRF Polymers Limited)

Annual Report
2010-11

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

CONTENTS

Notice	1
Directors' Report	2
Management Discussion & Analysis	4
Report on Corporate Governance	5
Auditors' Report	11
Financial Statements	13
Consolidated Financial Statements	25

NOTICE

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of KAMA Holdings Limited will be held on Friday, the 12th August, 2011 at 3.30 P.M. at Laxmipat Singhania Auditorium, 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 31st March, 2011 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. Ashish Bharat Ram, who retires by rotation, and being eligible, offers himself for re-election.
- To appoint a Director in place of Mr. Dharendra Datta, 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-imburement of travelling and other incidental expenses, if any, incurred in connection with the audit.”

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

Place: Gurgaon
Date: 30th May, 2011

Rajat Laxhanpal
Whole-time Director
& Company Secretary

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 Friday, 29th July, 2011 to Friday, 5th August, 2011 (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 29th July, 2011.

- 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 31st March 2004 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. Ashish Bharat Ram and Mr. Dharendra Datta shall retire by rotation and being eligible, offer themselves for re-appointment. Brief resume of the Directors being re-appointed are as under:

Mr. Ashish Bharat Ram

Mr. Ashish Bharat Ram (42) holds a Masters’ degree in Business Administration from Cornell University, USA and has 20 years working experience in the area of strategy, finance, production and marketing. He is Managing Director of SRF Ltd. which is engaged in the businesses of technical textiles, chemicals, polymers and packaging films.

Mr. Ashish Bharat Ram is the Chairman of Shareholders’/ Investors’ Grievances Committee and a member of the Remuneration Committee and Committee of Directors – Financial Resources, of the Board and holds 11,85,370 (18.37%) equity shares.

Directorships in other public companies	Committee Membership
SRF Ltd.	- Shareholders’/Investors’ Grievance Committee - Committee of Directors- Financial Resources
SRF Holiday Home Ltd.	None
SRF Fluorochemicals Ltd.	None
Shri Educare Ltd.	None

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

No other Director is concerned or interested in the Resolution.

Mr. Dharendra Datta

Mr. Dharendra Datta (64) is a qualified chartered accountant having experience of 35 years.

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

Directorship in other Public Companies - Nil

None of the Directors of the Company other than Mr. Dharendra Datta is concerned or interested in the Resolution.

DIRECTORS REPORT

To the Members,

The Directors are pleased to present their eleventh Annual Report on the business and operations of the Company and the statement of accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

	(Rs. Crores)	
	2010-11	2009-10
Dividend and Other Income	59.89	13.20
Profit Before Interest, and Depreciation & Tax (EBIDT)	59.39	12.91
Less: Interest & Finance Charges	4.25	2.91
Profit before Depreciation and Tax (PBDT)	55.14	10.00
Less: Depreciation	-	-
Profit before Tax (PBT)	55.14	10.00
Less: Provision For Taxes	0.01	0.26
(including provision for deferred tax)		
Net Profit after Tax (PAT)	<u>55.13</u>	<u>9.74</u>
Add: Profit brought forward from previous year	36.98	27.25
Profit available for appropriation	<u>92.11</u>	<u>36.99</u>
Appropriations		
Dividend on Preference Shares	1.03	-
Dividend on Equity shares	-	-
Corporate tax on dividend	0.17	-
Amount transferred to General Reserve	-	-
Profit carried to Balance Sheet	<u>90.91</u>	<u>36.99</u>
Total Appropriation	<u>92.11</u>	<u>36.99</u>

SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement approved by the Hon'ble Delhi High Court vide its order dated 24th February, 2011 (hereinafter referred to as "the Scheme of Arrangement"), the investment divisions of SRF Polymers Investments Limited, a wholly-owned subsidiary, Narmada Farms Private Limited and Bhairav Farms Private Limited were merged with the company with effect from 1.4.2010. The accounts have been prepared after taking into consideration the effect of the Scheme of Arrangement.

Pursuant to the aforesaid Scheme:

- a. 48,38,249 fully paid equity shares of Rs. 10 each held by Narmada Farms Private Limited and Bhairav Farms Private Limited in your Company were cancelled and simultaneously equal number of equity shares of Rs. 10 each fully paid up had been issued to the shareholders of these companies. These shares have been listed on the Bombay Stock Exchange Ltd.
- b. 1,29,19,412, 8% Non-cumulative Redeemable Preference Shares of Rs. 10 each fully paid up were issued to the shareholders of Narmada Farms Private Limited and Bhairav Farms Private Limited on the terms and conditions as contained in the Scheme of Arrangement.

You are requested to kindly refer to the notes to accounts for further details.

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) increased by 360% to Rs 59.39 crores from Rs 12.91 crores. Profit before tax increased by 451% to Rs 55.14 crores from Rs 10 crores. Profit after Tax increased by 466% to Rs 55.13 crores from Rs 9.74 crores. This was due to amalgamation of investment divisions of SRF Polymers Investments Limited, Narmada Farms Private Limited and Bhairav Farms Private Limited into the Company with effect from 1st April 2010 in accordance with the Scheme of Arrangement due to which the income of these investment divisions has been merged with the income of your Company.

SUBSIDIARY COMPANIES

KAMA Realty (Delhi) Limited

Pursuant to the Scheme of Arrangement, the real estate division of SRF Polymers Investments Ltd. was transferred and vested in KAMA Realty (Delhi) Ltd., a wholly-owned subsidiary of the Company, with effect from 1.4.2010. It made a net profit of Rs. 2.45 Crores mainly due to rental income.

During the year, KAMA Realty (Delhi) Ltd. had issued 10,020 fully paid equity shares of Rs. 10 each to your Company pursuant to the Scheme of Arrangement

Shri Educare Limited

During the year your Company has invested a sum of Rs. 2.50 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. 1.76 crores mainly on account of personnel and administrative expenses.

Shri Educare Maldives Private Limited

Shri Educare Maldives Private Limited made a loss of MRF 0.51 crores (Rs 1.78 crores appx.) mainly on account of personnel and administrative expenses.

During the year, your Company had made an investment (including application money) of MRF 0.58 crores (Rs 2.05 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. Ashish Bharat Ram and Mr. Dharendra Datta, 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 31.03.11 on a 'going concern' basis.

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

a) Mr. Arun Bharat Ram; b) Mr. Ashish Bharat Ram; c) Mr. Kartikeya Bharat Ram; d) Mrs. Sheila 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 and senior management personnel 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 11th 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. 1st April, 2009. All the existing Deposits will be repaid as and when due.

Deposits (including interest) amounting to Rs. 0.17 crores due for repayment on or before 31st March, 2011 remained unclaimed by 54 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. Your Directors also place on record their appreciation of the contribution made by employees at all levels.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: 30th May 2011

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.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Pursuant to the Scheme of Arrangement approved by the Hon'ble Delhi High Court vide its order dated 24th February, 2011 (hereinafter referred to as "the Scheme of Arrangement"), the investment divisions of SRF Polymers Investments Limited, a wholly-owned subsidiary, Narmada Farms Private Limited and Bhairav Farms Private Limited, were merged with the Company with effect from 1.4.2010. This has resulted in merging of the dividend and other income pertaining to these divisions in the income of your Company. Hence, the dividend and other income of your Company was Rs. 59.89 crores for the year ended 31.3.2011. After payment of interest on loans, other expenses and tax, net profit for the year amounted to Rs. 55.13 crores as compared to Rs. 9.74 crores in the previous year. The share capital of the company as on 31st March, 2011 stood at Rs. 19.37 crores and Reserves and Surplus at Rs. 343.21 crores (including capital reserve of Rs. 203.45 crores created pursuant to Scheme of Arrangement). As on 31st March, 2011, the Company had public deposits amounting to Rs. 0.32 crores.

OUTLOOK

Your Company intends to apply for registration as a Systemically Important Core Investment Company under the Core Investment Companies (Reserve Bank) Directions, 2011. These Directions are applicable to the companies which primarily hold investments in group companies. The Company as a Promoter holds 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. which is engaged in the business of managing a school in Maldives.

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.

ANNEXURE-1 TO DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of KAMA Holdings Limited

(Formerly known as SRF Polymers Limited)

We have examined the compliance of conditions of Corporate Governance by KAMA Holdings Limited, for the year ended March 31, 2011, 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 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
(Registration No. 000038N)

Place: New Delhi
Date: 30th May, 2011

V. Rajaraman
Partner
(Membership No. 2705)

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 31 March 2011, 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 2010-11

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	4	1	1
2	Mr. Kartikeya Bharat Ram	Non-Executive, promoter	3	-	1
3	Mr. S. P. Agarwala	Independent	1	1	3
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

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

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

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

- Legal firm(s) and consulting firm(s) that have a material association with the company;
- Are not material supplier, service provider or customer or lessor or lessee of the company, which may affect independence of the Director;and
- Are not a substantial shareholder of the company i.e. do not own two percent 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 2010-11, the Board of Directors met 5 times — on 27th

May, 2010, 30th July, 2010, 18th October, 2010, 31st January, 2011 and 31st March, 2011. The gap between any two Board meetings did not exceed four months. Table 2 gives the details.

Table 2: Board Meeting Attendance Record of the Directors in 2010-11

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

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

Remuneration of Directors

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

Table 3: Remuneration Paid or Payable to Directors during 2010-11 (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	-	0.09	-	-	0.09
Mr. Rajat Lakhanpal	12.91	-	0.97	-	13.88
Mr. Mukul Khandelwal	-	0.08	-	-	0.08
Mr. Amitav Virmani	-	0.07	-	-	0.07
Mr. Dharendra Datta	-	0.09	-	-	0.09
Total	12.91	0.45	0.97	-	14.33

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

Value of perquisites on actual basis.

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

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

Shareholding of non-executive Directors

As on 31 March 2011, Mr. Ashish Bharat Ram holds 11,85,370 equity shares of Rs. 10 each and Mr Kartikeya Bharat Ram holds 11,85,371 fully paid equity shares of Rs.10/- each, allotted pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Delhi vide its order dated 24.02.2011. 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 company and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company 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 and designated senior management personnel 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 31 March 2011, 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 2010-11, the Audit Committee of KAMA met on four occasions — namely, on 27th May, 2010, 30th July, 2010, 18th October, 2010 and 31st January, 2011. Table 4 gives the attendance record of Directors who are members of the Audit Committee.

Table 4: Attendance Record of Audit Committee Meetings during 2010-11

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

All the members of the Audit Committee are financially literate while Mr. Amitav Virmani, Chairman of the Audit committee is a holder of Master's degree in Business Administration from University of North Carolina and has experience in the area of marketing and general management. Mr. Rajat 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 31 March 2011, Remuneration Committee comprised of four members' three of whom were independent and one is non-executive promoter Director.

During 2010-11, the Remuneration Committee met on 27th May, 2010. Table 5 gives the attendance record of Directors who are members of the Remuneration Committee.

Table 5: Attendance Record of Remuneration Committee Meetings during 2010-11

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	-

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 31 March 2011, KAMA's Shareholders'/Investors' Grievance Committee comprised of three members — one non- executive promoter Director and two non-executive Directors both of whom are independent Directors. 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 31 January, 2005 to consider and approve the registration of transfer and transmission of shares upto a limit of 500 shares in any one case.

As on 31 March 2011, 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 2010-11.

Table 6: Shareholder and Investor Complaints Received and Redressed during 2010-11

Pending Complains as on 01.04.2010	Total Complaints received	Total complaints redressed	Pending as on 31.03.2011
Nil	13	13	Nil

Management

Management Discussion and Analysis

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

Disclosure Requirements

- Disclosures on materially significant related party transactions are given in point no. 5 in the Notes to Accounts.
- The Company has followed the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.
- The Company has complied with the regulations issued by SEBI and terms and conditions of Listing Agreement with the Stock Exchanges.
- In compliance with the SEBI regulations on prevention of insider trading, the Company has laid down a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations.

Shareholders

Reappointment/Appointment of Directors

Mr. Ashish Bharat Ram and Mr. Dharendra Datta, 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 11th 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 2010-11, 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
2008	Modi Hall, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi 110 016	29.08.2008	11.00 A.M.	One
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

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

11th Annual General Meeting

Date	12 th August, 2011
Time	3.30 P.M.
Venue	Laxmipat Singhania Auditorium, PHD House 4/2, Siri Institutional Area August Kranti Marg, New Delhi 110 016

Tentative Financial Calendar for Results, 2011-12

First Quarter	Second week of August 2011
Second Quarter	Fourth week of October 2011
Third Quarter	Fourth week of January 2012
Fourth Quarter and Annual	Fourth week of May 2012

Book Closure Date

The Share Transfer Register of KAMA Holdings will remain closed from Friday, the 29th day of July, 2011 to Friday, the 5th day of August, 2011 (both days inclusive).

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 2011-12.

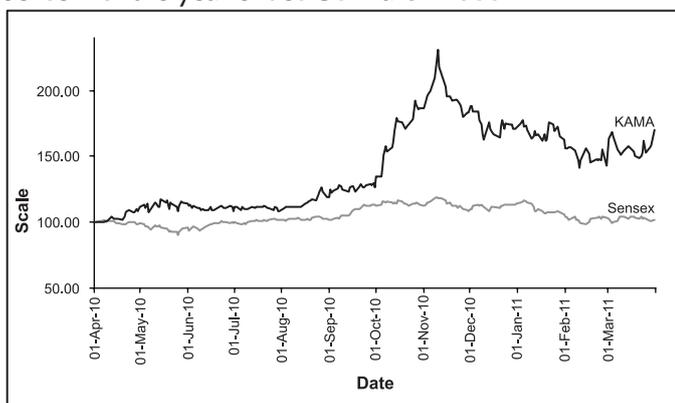
Stock Market Data

Table 8 gives the monthly high and low quotations as well as the volume of shares traded at BSE during 2010-11.

Table 8: Monthly Highs and Lows and Volumes Traded at the BSE, 2010-11

Month	BSE		
	High(Rs.)	Low (Rs.)	Volume (Nos.)
April	312.00	268.60	21408
May	375.35	285.00	28715
June	320.00	290.45	56314
July	315.00	295.00	23584
August	350.00	296.20	172544
September	365.00	319.05	50189
October	550.00	347.30	41113
November	639.90	482.00	38206
December	546.45	441.00	14788
January	549.00	381.00	8728
February	459.70	382.05	17219
March	492.95	400.00	11072

Chart 1: Share prices of KAMA Holdings Ltd. versus BSE Sensex for the year ended 31 March 2011



Note: Both Sensex and KAMA Holdings Ltd share prices are indexed to 100 as on 1 April 2010

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 1 April 2010 to 31 March 2011 was 1262.

Depository System

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

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

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

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

Dematerialisation of shares as on 31 March 2011@

There were 4,223 shareholders holding 62,79,309 shares in electronic form. This constitutes 97.31% of the total paid-up share capital of the Company.

@After giving effect to the Scheme of Arrangement sanctioned by Hon'ble Delhi High Court vide its order dated 24.02.11.

Distribution of shareholding as on 31 March 2011*

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

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

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Upto 500	6663	97.78	370174	5.74
501 – 1000	58	0.85	43277	0.67
1001-2000	39	0.57	58738	0.91
2001-3000	13	0.19	32929	0.51
3001-4000	5	0.08	17955	0.28
4001-5000	10	0.15	47393	0.73
5001-10000	11	0.16	73831	1.14
10000 and above	15	0.22	5808318	90.02
Total	6814	100.00	6452615	100.00

* including holdings by NSDL and CDSL

Table 10: Pattern of shareholding by ownership as on 31 March, 2011

Category	Shareholding	
	Number of shares held	Shareholding %
Promoters	4785033	74.16
Mutual Funds & UTI	-	-
Banks, Financial Institutions, Insurance Companies	1039	0.01
Central Government/State Government(s)	-	-
Foreign Institutional Investors	-	-
Private Corporate Bodies	205042	3.18
Indian Public	823785	12.77
NRIs / OCBs	637057	9.87
Other (including shares in transit)	659	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) 26510428

Corporate Office

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

Declaration regarding Code of Conduct

I, Rajat Lakhanpal, Whole Time Director & Company Secretary of KAMA Holdings Limited declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct for Board and Senior Management Personnel for the year ended 31st March, 2011.

Date: 30th May, 2011
Place: Gurgaon

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

AUDITORS' REPORT

**To The Members of
KAMA HOLDINGS LIMITED
(Formerly known as SRF Polymers Limited)**

We have audited the attached balance sheet of KAMA Holdings Ltd., as at 31st March 2011, and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto.

Responsibilities of management

These financial statements are the responsibility of the company's management.

Responsibilities of auditors

Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further subject to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) 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.
- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being

- appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) We understand that pursuant to the Core Investment Companies (Reserve Bank) Directions, 2011 the company intends to apply for registration as Systemically Important Core Investment Company.
- (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2011;
 - (b) in the case of the profit and loss account, 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.

For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

Reg. No. 000038N

V. Rajaraman

Partner

M.No.2705

Place: New Delhi

Date: 30th May 2011

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 not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. However,
8. The company has stood guarantee for loans taken by KAMA REALTY (Delhi) Ltd, its wholly owned subsidiary, 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 the 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	ITAT	Income Tax	AY 2006-07	14.70
Income Tax Act, 1961	CIT (Appeals)	Income Tax	AY 2007-08	65.92
			TOTAL	80.62

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.
- However, pursuant to the Scheme of Arrangement approved by the Hon'ble High Court under Section 391-394 of the Companies Act, 1956, certain equity and preference shares were issued pursuant to the Scheme.
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

Place: New Delhi
Date: 30th May, 2011

V. Rajaraman
Partner
M.No.2705

KAMA HOLDINGS LIMITED (AMALGAMATED)

(formerly SRF Polymers Limited)

BALANCE SHEET

AS AT 31ST MARCH 2011

Particulars	Schedule	Amount (Rupees in lakhs)	
		As at 31.03.2011	As at 31.03.2010
Sources of Funds			
Shareholders' Fund			
Share Capital	'1'	1,937.20	645.26
Reserves & Surplus	'2'	34,321.25	8,583.36
		<u>36,258.45</u>	<u>9,228.62</u>
Loan Funds			
Secured Loan	'3'	-	1,278.05
Unsecured Loan	'4'	2,271.59	1,047.98
		<u>2,271.59</u>	<u>2,326.03</u>
		<u>38,530.05</u>	<u>11,554.65</u>
Application of Funds			
Fixed Assets			
Gross Block	'5'	4.60	4.60
Less: Depreciation		4.32	4.24
Net Block		<u>0.28</u>	<u>0.36</u>
Investments	'6'	38,282.69	8,075.10
Current Assets, Loans & Advances			
Cash & Bank Balances	'7'	180.98	199.29
Loans and Advances	'8'	668.55	3,774.17
		<u>849.52</u>	<u>3,973.46</u>
Less: Current Liabilities & Provisions			
Current Liabilities	'9'	161.03	52.86
Provisions	'10'	441.41	441.41
		<u>602.44</u>	<u>494.27</u>
Net Current Assets		<u>247.08</u>	<u>3,479.19</u>
		<u>38,530.05</u>	<u>11,554.65</u>
Significant Accounting Policies & Notes	'14'		
Schedule 1 to 10 and 14 form an integral part of Accounts			

As per our Report of even date
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

V. Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
WHOLE TIME DIRECTOR
& COMPANY SECRETARY

Kartikeya Bharat Ram
CHAIRMAN

Dhirendra Datta
DIRECTOR

Amitav Virmani
DIRECTOR

Place: Gurgaon
Date: 30th May, 2011

KAMA HOLDINGS LIMITED (AMALGAMATED)

(formerly SRF Polymers Limited)

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED ON 31ST MARCH 2011

Particulars	Schedule	Amount (Rupees in lakhs)	
		Year ended 31.03.2011	Year ended 31.03.2010
Income			
Dividend and other Income	'11'	<u>5,988.78</u>	<u>1,319.73</u>
		5,988.78	1,319.73
Expenditures			
Administrative & Other Expenses	'12'	49.49	28.95
Interest and Finance Charges	'13'	425.57	290.50
Depreciation	'5'	0.08	0.20
Total Expenditure		<u>475.13</u>	<u>319.65</u>
Profit before Taxation		5,513.65	1,000.08
Provision for Taxation	0.65	-	-
Taxes Paid for earlier years	0.05		
Provision for earlier years written back	-	0.70	26.47
Profit after Taxation		5,512.95	973.61
Add: Profit Brought Forward		3,698.38	2,724.77
Profit available for appropriation		9,211.34	3,698.38
Proposed Dividend on Preference Shares		103.36	-
Dividend Distribution Tax		16.77	-
BALANCE PROFIT CARRIED TO BALANCE SHEET		9,091.22	3,698.38
Basic and Diluted EPS (in Rupees)		83.58	15.09
Significant Accounting Policies & Notes	'14'		
Schedules 5, 11 to 14 form an integral part of P&L Account			

As per our Report of even date
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

V. Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
WHOLE TIME DIRECTOR
& COMPANY SECRETARY

Kartikeya Bharat Ram
CHAIRMAN

Dhirendra Datta
DIRECTOR

Amitav Virmani
DIRECTOR

Place: Gurgaon
Date: 30th May, 2011

KAMA HOLDINGS LIMITED (AMALGAMATED)

(formerly SRF Polymers Limited)

SCHEDULES TO THE BALANCE SHEET

AS AT 31ST MARCH 2011

	Amount (Rupees in lakhs)	
	As at 31.03.2011	As at 31.03.2010
Schedule '1': Share Capital		
Authorised Capital		
10,000,000 (Pr.Yr. 10,000,000) Equity Shares of Rs.10 each	1,000.00	1,000.00
13,000,000* (Pr.Yr. 5,000,000) Preference Shares of Rs.10 each	1,300.00	500.00
*Authorised Capital increased pursuant to Scheme of Arrangement.		
	<u>2,300.00</u>	<u>1,500.00</u>
Issued, Subscribed and Paid-up Capital		
6,452,615 (Pr.Yr. 6,452,615) Equity Shares of Rs.10 each fully paid-up	645.26	645.26
12,919,412* (Pr. Yr. Nil) Preference Shares of Rs.10 each fully paid-up	1,291.94	-
*Represents 8% Non-cumulative Redeemable Preference Shares issued pursuant to Scheme of Arrangement. These shares are 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.		
	<u>1,937.20</u>	<u>645.26</u>
Schedule 2: Reserves & Surplus		
General Reserve	4,884.98	4,884.98
Capital Reserve*	20,345.06	-
Surplus		
Profit & Loss Account (Transfer from Profit & Loss Account)	9,091.22	3,698.38
*Capital reserve created pursuant to Scheme of Arrangement.		
	<u>34,321.25</u>	<u>8,583.36</u>
Schedule 3: Secured Loan		
Short Term from Other than banks	-	1,255.00
Interest accrued & due	-	23.05
	<u>-</u>	<u>1,278.05</u>
Schedule 4: Unsecured Loan		
Short Term from Other than banks	2,239.06	926.00
Fixed Deposits	31.93	98.43
Interest accrued & due	0.61	23.55
	<u>2,271.59</u>	<u>1,047.98</u>

Schedule 5: Fixed Assets

Amount (Rupees in lakhs)

Particulars	Gross Block			Depreciation				Net Block		
	As on 01.04.2010	Additions	Deletions/ Transfers	As on 31.03.2011	upto 31.03.2010	for the year	Withdrawal/ Transfers	upto 31.03.2011	As on 01.04.2010	As on 31.03.2011
Office Equip., etc.	1.68	-	-	1.68	1.46	0.08	-	1.54	0.21	0.13
Vehicles	2.93	-	-	2.93	2.78	-	-	2.78	0.15	0.15
Total	4.60	-	-	4.60	4.24	0.08	-	4.32	0.36	0.28
Prev. yr.	19.84	-	15.24	4.60	18.26	0.20	14.22	4.24	1.58	0.36

Schedule '6': Investments

Long Term Non-trade

-Quoted*

28,491,962** (Pr Yr 10,783,886) Equity Shares of Rs.10 each fully paid up in SRF Ltd. 37,636.26

1834439.849 (Pr Yr Nil) Units of Rs 10 each fully paid up in Templeton India Mutual Fund 185.43

3,665.09

-

	Amount (Rupees in lakhs)	
	As at 31.03.2011	As at 31.03.2010
Unquoted		
Nil (Pr Yr 4,205,002) Equity Shares of Rs.100 each fully paid up in SRF Polymers Investments Ltd. (wholly owned subsidiary)***	-	4,204.01
60,020**** (Pr Yr Nil) Equity Shares of Rs.10 each fully paid up in KAMA Realty (Delhi) Ltd. (wholly owned subsidiary)	5.00	-
4,560,000 (Pr Yr 2,060,000) Equity Shares of Rs.10 each fully paid up in Shri Educare Ltd. (wholly owned subsidiary)	456.00	206.00
	<u>38,282.69</u>	<u>8,075.10</u>
*Market value of quoted investments Rs.90,946.57 lakhs (Rs.21,303.57 lakhs)		
**Includes 17,708,076 shares transferred to company pursuant to Scheme of Arrangement.		
***Cancelled pursuant to Scheme of Arrangement consequent to amalgamation of SRF Polymers Investments Ltd into the company.		
****Includes 10,020 shares issued by KAMA Realty (Delhi) Limited and and 50,000 shares got transferred from SRF Polymers Investments Limited pursuant to Scheme of Arrangement.		
Schedule '7': Cash and Bank Balances		
Cash in hand	0.15	0.07
Balances with Scheduled Banks		
Current Accounts	158.14	6.07
Unclaimed Dividend	1.16	1.72
Fixed Deposit*	21.53	191.43
	<u>180.98</u>	<u>199.29</u>
*Includes deposits earmarked Under Rule 3A of the Companies (Acceptance of Deposits Rules, 1975 amounting to Rs 20 lakhs (Pr Yr Rs 190 lakhs)		
Schedule '8': Loans & Advances		
Unsecured considered good for recovery by the management (unless otherwise stated)		
Loans to Subsidiaries (Interest Free)	383.00	3,402.00
Advances recoverable in cash or in kind or for value to be received		
Considered good	25.91	155.13
	<u>408.91</u>	<u>3,557.13</u>
MAT Credit available	39.84	-
Income-tax recoverable		
Advance Income Tax	777.56	(Pr Yr 759.67)
Less: Provision for tax	557.76	(Pr Yr 542.63)
	<u>219.80</u>	<u>217.04</u>
	<u>668.55</u>	<u>3,774.17</u>
Schedule '9': Current Liabilities		
Sundry Creditors	13.12	6.78
Unclaimed Dividends*	1.16	1.72
Unclaimed Fixed Deposits (Including Interest net of TDS)*	17.31	22.50
Interest accrued but not due on loans & deposits	9.31	21.86
Proposed Dividend on Preference Shares	103.36	-
Dividend Distribution Tax	16.77	-
	<u>161.03</u>	<u>52.86</u>
*Will be credited to Investor Education and Protection Fund if not claimed within seven years from the issue of dividend/interest warrant/maturity of Fixed Deposits. No interest have accrued on them.		
Schedule '10': Provisions		
Provision for contingencies	441.41	441.41
	<u>441.41</u>	<u>441.41</u>

	Amount (Rupees in lakhs)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
Schedule '11': Dividend and other Income		
Dividend on shares/Units (Non-Trade)*	5,986.67	1,295.35
Interest		
On Loans & Deposits**	1.04	18.72
Others***	1.04	1.92
Others	0.03	3.74
	<u>5,988.78</u>	<u>1,319.73</u>

*Includes additional dividend of Rs 3,720.30 lakhs on account of amalgamation.

**Includes Income-tax deducted at source Rs 0.15 (Pr Yr Rs 2.93 lakhs)

***Represents interest on refund of income tax Rs 1.04 lakhs (Pr Yr Rs 1.92 lakhs)

Schedule '12': Administrative & Other Expenses

Directors Remuneration	13.88	11.05
Salary	4.67	-
Rates & Taxes	1.36	3.56
Travel	-	0.20
Telephone	0.05	0.21
Legal and professional charges	15.87	2.72
Auditors Remuneration & Expenses		
Audit Fee	1.00	1.00
Interim audit fee	1.50	1.50
Tax Matters	-	1.50
Certification Work	-	1.13
Other	0.20	0.18
Directors Sitting Fees	0.45	0.70
Miscellaneous Expenses	10.51	5.20
	<u>49.49</u>	<u>28.95</u>

Schedule '13': Interest & Finance Charges

Interest on Term Loans & Fixed Deposit*	425.45	290.45
Financial Charges	0.11	0.05
	<u>425.57</u>	<u>290.50</u>

*Includes Prior period expenditure Rs Nil (Pr Yr Rs 13.39 lakhs)

SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) SIGNIFICANT 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).

4. INVESTMENTS

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

4.2 Unquoted investment in subsidiaries being of long term nature are valued at cost and no loss is recognized in the fall in their net worth, if any, unless there is permanent fall in their value.

5. CONTINGENT LIABILITY

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

6. REVENUE RECOGNITION

6.1 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.

6.2 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.

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

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) NOTES

1. Contingent Liabilities

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

	Rs/lakhs	
	31-Mar-2011	31-Mar-2010
Income Tax	238.27	277.03
Under Business Transfer Agreement with SRF Limited for Excise Duty/Sales Tax	1,831.81	1,841.31

1.2 Guarantees provided on behalf of wholly-owned subsidiary for repayment of loans and interest thereon amount to Rs 2,884.42 lakhs (Pr Yr Rs 6,220 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., 1st January 2009.

3. 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.

4. Directors' Remuneration*

	31-Mar-2011	31-Mar-2010
Whole Time Director		
Salary including allowances	12.91	10.22
Contribution to provident and superannuation funds	0.97	0.83
Total	13.88	11.05

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.

5. Related Party Transactions

(i) List of related parties and relationships:

(a)	Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise	<ul style="list-style-type: none"> · KAMA Realty (Delhi) Ltd. · Shri Educare Ltd. · SRF Polymers Investments Ltd. (since dissolved pursuant to Scheme of Arrangement)
(b)	Associates	<ul style="list-style-type: none"> · SRF Ltd. · SRF Properties 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"> · Manju Bharat Ram · Ashish Bharat Ram · Kartikeya Bharat Ram
(d)	Key Management Personnel	<ul style="list-style-type: none"> · Rajat Lakhanpal, Whole Time Director
(e)	Enterprises over which any person described in (c) or (d) is able to exercise significant influence	<ul style="list-style-type: none"> · Karm Farms Pvt. Ltd. · Srishti Westend Greens Farms Pvt. Ltd. · Bharat Ram Associates Pvt. Ltd. · Karmav Holdings Pvt. Ltd. · Narmada Farms Pvt. Ltd. (since dissolved pursuant to Scheme of Arrangement) · Bhairav Farms Pvt. Ltd.(since dissolved 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	1,574.63	-	-	-	2,012.03	*3,586.66
	Previous year	-	25.00	-	-	1,196.00	1,221.00
(2)	Loan/ICD refunded:						
	Current year	-	25.00	-	-	2,248.60	2,273.60
	Previous year	-	-	-	-	295.00	295.00
(3)	Interest paid on ICD/Loan:						
	Current year	-	0.26	-	-	78.04	78.30
	Previous year	-	-	-	-	52.05	52.05
(4)	Loan/ICD given:						
	Current year	1,733.00	-	-	-	-	1,733.00
	Previous year	1,757.00	-	-	-	-	1,757.00
(5)	Loan/ICD refund received:						
	Current year	4,752.00	-	-	-	-	4,752.00
	Previous year	1,275.00	-	-	-	-	1,275.00
(6)	Investment during year:						
	Current year	255.00	33,971.17	-	-	-	**34,221.17
	Previous year	206.00	-	-	-	-	206.00
(7)	Reimbursement (payment) of expenses:						
	Current year	-	15.60	-	-	-	15.60
	Previous year	-	-	-	-	-	-

(8)	Reimbursement (receipt) of expenses:						
	Current year	-	-	-	-	-	-
	Previous year	8.18	-	-	-	-	8.18
(9)	Remuneration:						
	Current year	-	-	-	13.88	-	13.88
	Previous year	-	-	-	11.05	-	11.05
(10)	Directors Sitting Fee:						
	Current year	-	-	0.12	-	-	0.12
	Previous year	-	-	0.29	-	-	0.29
(11)	Expenses paid on behalf:						
	Current year	-	-	-	-	-	-
	Previous year	4.87	-	-	-	-	4.87
(12)	Year end receivables:						
	Current year	-	-	-	-	-	-
	Previous year	3,402.00	75.02	-	-	-	3,477.02
(13)	Year end payables:						
	Current year	-	6.92	-	-	2,239.67	2,246.59
	Previous year	-	25.61	-	-	923.94	949.55

*Includes Rs 2,559.06 lakhs pursuant to Scheme of Arrangement.

**Includes Rs 33,976.17 lakhs pursuant to Scheme of Arrangement.

6. Earning Per Equity Share

Annualised earnings per equity share have been calculated based on the net profit after taxation of Rs 5,512.95 lakhs (Pr Yr Rs 973.61 lakhs) less dividend to preference shareholders and dividend tax thereon Rs 120.12 lakhs (Pr Yr Nil) and the average number of equity shares of 6,452,615 (Pr Yr 6,452,615).

Basic and diluted earning per share for the year is Rs 83.58 (Pr Yr Rs 15.09).

7. The Composite Scheme of Arrangement approved by the Hon'ble Delhi High Court vide order dated 24th February 2011 consists of:
- Demerger of Real Estate Division of Narmada Farms Private Limited (NFPL), Bhairav Farms Private Limited (BFPL) and SRF Polymers Investments Limited (SRFPIL) to Srishti Westend Greens Farms Private Limited, Karm Farms Private Limited and KAMA Realty (Delhi) Limited respectively; and
 - Amalgamation of Investment Division of NFPL, BFPL and SRFPIL into KAMA Holdings Limited
 - Issue of 12,919,412 – 8% Non-cumulative Redeemable Preference Shares of Rs 10 each fully paid up and 4,838,249 equity shares of Rs 10 each fully paid up simultaneous to cancellation of 4,838,249 equity shares of Rs 10 each fully paid up pursuant to Scheme of Arrangement.
with effect from the appointed date, i.e., 01st April 2010 on scheme becoming effective, i.e., 31st March 2011 when a certified copy of the order dated 24th February 2011 was filed with the Registrar of Companies.
 - The amalgamation of Investment Divisions of NFPL, BFPL and SRFPIL into the Company has been done as 'amalgamation in the nature of purchase'. This has given rise to capital reserve of Rs 20,345.06 lakhs.
 - As per conditions imposed by Bombay Stock Exchange Limited (BSE) while granting its 'No Objection' to the Scheme of Arrangement, 1,209,563 equity shares issued to the promoters [out of equity shares allotted in (c) above] have been put under lock-in for a period of three years from the date of listing of new shares on the BSE. The new equity shares issued by the company pursuant to Scheme of Arrangement have been listed on BSE.
8. 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

V. Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
WHOLE TIME DIRECTOR
& COMPANY SECRETARY

Kartikeya Bharat Ram
CHAIRMAN

Dhirendra Datta
DIRECTOR

Amitav Virmani
DIRECTOR

Place: Gurgaon

Date: 30th May, 2011

KAMA HOLDINGS LIMITED (AMALGAMATED)

(formerly SRF Polymers Limited)

CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH 2011

	Amount (Rupees)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	5,513.65	1,000.08
Adjustments for entries pursuant to Scheme of Arrangement:		
Income transferred under the Scheme	(3,720.30)	-
Expenses transferred under the Scheme	315.38	-
Adjusted Net Profit before tax	2,108.73	1,000.08
Adjustments for		
Interest & Finance Charges (Net after adjustment for Scheme)	119.71	290.50
Depreciation	0.08	0.20
Income from Dividend on Shares	(2,266.37)	(1,295.35)
Interest Income	(2.08)	(20.64)
(Profit)/Loss on Sale of Investments	0.01	(0.07)
(Profit)/Loss on Sale of Fixed Assets	-	(0.25)
Operating Profit before working capital changes	(39.92)	(25.53)
Adjustments for		
Trade and Other Receivables (Net after adjustment for Scheme)	347.72	(188.77)
Trade Payables and Provisions (Net after adjustment for Scheme)	(13.89)	(113.37)
Cash Generated from operations before tax	293.91	(327.67)
Taxation	(0.69)	(26.47)
Net Cash from operating activities (A)	293.22	(354.14)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	(1,486.75)	(757.28)
Sale of Investments	1,051.31	551.35
Deletion to fixed assets pursuant to Sale/write off	-	1.02
Profit/(Loss) on Sale of Fixed Assets	-	0.25
Interest Income	2.08	20.64
Income from Dividend on Shares	2,266.37	1,295.35
Net Cash used in Investing Activities (B)	1,833.01	1,111.33
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of short term borrowings (net after adjustment for scheme)	(2,078.89)	(525.46)
Interest Paid	(119.71)	(290.50)
Net cash used in/ from financing activities (C)	(2,198.60)	(815.96)
Net increase in Cash and Cash Equivalents D=(A+B+C)	(72.37)	(58.77)
Cash & Cash equivalents at the beginning of the year (E)	199.29	258.06
Add: Cash & Cash equivalents transferred under Scheme (F)	54.06	-
Cash & Cash equivalents at the close of the year G=(D+E+F)	180.98	199.29

Rajat Lakhnopal
WHOLE TIME DIRECTOR
& COMPANY SECRETARY

Kartikeya Bharat Ram
CHAIRMAN

Dhirendra Datta
DIRECTOR

Amitav Virmani
DIRECTOR



We have certified the above cash flow statement of KAMA Holdings Limited derived from the audited financial statements for the year ended March 31, 2011 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 agreement with the Stock Exchange.

for **THAKUR VAIDYANATH AIYAR & CO.**
Chartered Accountants

Place: Gurgaon
Date: 30th May, 2011

V Rajaraman
Partner
M.No. 2705

KAMA HOLDINGS LIMITED (AMALGAMATED)

(formerly SRF Polymers Limited)

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration details		
Registration No.		104779
State Code		55
Balance Sheet date		31-03-2011
II. Capital raised during the year (Rs.000s)		
Public issue		NIL
Rights issue		NIL
Bonus issue		NIL
Private placement*		129194
*Pursuant to Scheme of Arrangement		
III. Position of mobilisation of and deployment of funds (Rs.000s)		
Total liabilities		3853005
Total assets		3853005
Sources of funds		
Paid-up Capital		193720
Reserves and Surplus		3432125
Secured Loans		NIL
Unsecured Loans		227159
Application of funds		
Net fixed assets		28
Investments		3828269
Net current assets		24708
Miscellaneous expenditure		NIL
Accumulated losses		NIL
IV. Performance of the company (Rs.000s)		
Turnover		598878
Total expenditure		47513
Profit before tax		551365
Profit after tax		551295
Earnings per share (Rs.)		83.58
Dividend rate (%)		NIL
V. Generic names of three principal products/services of the company (as per monetary terms)		
Item code no. (ITC Code)		N/A
Product description		N/A

As per our Report of even date
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

V. Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
WHOLE TIME DIRECTOR
& COMPANY SECRETARY

Kartikeya Bharat Ram
CHAIRMAN

Dhirendra Datta
DIRECTOR

Amitav Virmani
DIRECTOR

Place: Gurgaon
Date: 30th May, 2011

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF KAMA HOLDINGS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KAMA HOLDINGS LIMITED AND IT'S SUBSIDIARIES

We have examined the attached Consolidated Balance Sheet of KAMA Holdings Limited (Formerly known as SRF Polymers Limited), it's wholly owned subsidiaries KAMA Realty Delhi Ltd. and Shri Educare Ltd., as at 31st March 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

Responsibilities of management

These financial statements are the responsibility of the company's management.

Responsibilities of auditors

Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework generally accepted in India and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not Audit the financial statements of one subsidiary of KAMA Holdings Limited viz. KAMA Realty Delhi Limited, whose financial statements reflect total assets and liabilities of Rs. 4,186.10 lakhs, as at March 31st, 2011, total revenues of Rs. 638.19 lakhs and total expenditure of Rs. 262.86 lakhs, net profit of Rs. 245.14 lakhs and net cash flows amounting to Rs. 1.68 lakhs for the year ended on that date as considered in the consolidated financial statements. These financial statements

have been audited by other auditor whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of this subsidiary is based solely on the reports of the other auditor.

Opinion

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for Investment in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of KAMA Holdings Ltd., it's wholly owned subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the company, it's subsidiary and it's associate and we are of the opinion that:

- (a) the Consolidated Balance Sheet, gives a true and fair view of the consolidated state of affairs of the company, it's subsidiary and it's associate as at 31st March 2011;
- (b) the Consolidated Profit and Loss Account, gives a true and fair view of the consolidated results of operations of the company, it's subsidiary and it's associate for the year then ended; and
- (c) the Consolidated Cash Flow Statement, gives a true and fair view of the consolidated cash flows of the company, it's subsidiary and it's associate for the year then ended.

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

Place: New Delhi
Date: 30th May, 2011

V. Rajaraman
Partner
M.No.2705

KAMA HOLDINGS LIMITED (AMALGAMATED) (CONSOLIDATED)

(formerly SRF Polymers Limited)

BALANCE SHEET

AS AT 31ST MARCH 2011

Particulars	Schedule	Amount (Rupees in lakhs)	
		As at 31.03.2011	As at 31.03.2010
Sources of Funds			
Shareholders' Fund			
Share Capital	'1'	1,937.20	645.26
Reserves & Surplus	'2'	64,718.83	42,656.06
		<u>66,656.03</u>	<u>43,301.32</u>
Loan Funds			
Secured Loan	'3'	2,884.42	7,498.29
Unsecured Loan	'4'	1,267.65	1,303.47
		<u>4,152.08</u>	<u>8,801.77</u>
		<u>70,808.11</u>	<u>52,103.09</u>
Application of Funds			
Fixed Assets			
Gross Block	'5'	3,018.55	2,619.74
Less: Depreciation		233.71	178.66
Net Block		<u>2,784.84</u>	<u>2,441.08</u>
Capital Work-in-progress		<u>18.89</u>	<u>13.52</u>
		<u>2,803.73</u>	<u>2,454.60</u>
Investments	'6'	68,202.14	49,354.04
Deferred Tax Assets		-	44.28
Current Assets, Loans & Advances			
Cash and Bank balances	'7'	449.17	305.26
Loans and Advances	'8'	408.78	849.60
		<u>857.95</u>	<u>1,154.86</u>
Less: Current Liabilities & Provisions			
Current Liabilities	'9'	610.98	461.07
Provisions	'10'	444.95	443.91
		<u>1,055.93</u>	<u>904.98</u>
Net Current Assets		<u>(197.98)</u>	<u>249.88</u>
Miscellaneous Expenditure			
(to the extent not written off)			
Preliminary Expenses		0.18	0.24
Pre-operative Expenses		0.05	0.06
		<u>70,808.11</u>	<u>52,103.10</u>
Significant Accounting Policies & Notes	'14'		
Schedule 1 to 10 and 14 form an integral part of Accounts			

As per our Report of even date
For THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

V. Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
WHOLE TIME DIRECTOR
& COMPANY SECRETARY

Kartikeya Bharat Ram
CHAIRMAN

Dhirendra Datta
DIRECTOR

Amitav Virmani
DIRECTOR

Place: Gurgaon
Date: 30th May, 2011

KAMA HOLDINGS LIMITED (AMALGAMATED) (CONSOLIDATED)

(formerly SRF Polymers Limited)

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED ON 31ST MARCH 2011

Particulars	Schedule	Amount (Rupees in lakhs)	
		Year ended 31.03.2011	Year ended 31.03.2010
Income			
Dividend and other Income	'11'	1,175.80	767.84
		<u>1,175.80</u>	<u>767.84</u>
Expenditures			
Administrative & Other Expenses	'12'	906.70	467.54
Interest and Finance Charges	'13'	661.57	1,209.63
Depreciation	'5'	55.05	42.23
Total Expenditure		<u>1,623.32</u>	<u>1,719.40</u>
Profit before Taxation		<u>(447.51)</u>	<u>(951.53)</u>
Provision for Taxation		78.91	66.08
Net Deferred Tax Assets Written Off		44.28	22.68
Taxes Paid for earlier years		0.05	31.94
Provision for earlier years written back		0.05	5.48
MAT credit available/(reversal)		(7.71)	58.32
Profit after Taxation		<u>(578.41)</u>	<u>(1,008.43)</u>
Loss of the wholly owned subsidiary made during the year		-	(0.26)
Share in Profit of SRF Ltd. (Associate company)		22,765.95	14,069.42
Profit after share in Associate		22,187.54	13,060.72
Add: Profit Brought Forward (Net of Loss of Subsidiaries)		37,764.96	24,704.24
PROFIT AVAILABLE FOR APPROPRIATION		59,952.51	37,764.96
Proposed Dividend on Preference Shares		103.36	-
Dividend Distribution Tax		16.77	-
PROFIT CARRIED TO BALANCE SHEET		59,832.38	37,764.96
Basic EPS (in Rupees) (Ref note no. 9)		341.99	202.41
Diluted EPS (in Rupees) (Ref note no. 9)		341.99	202.41
Significant Accounting Policies & Notes	'14'		
Schedules 5, 11 to 14 form an integral part of P&L Account			

As per our Report of even date

For THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

V. Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
WHOLE TIME DIRECTOR
& COMPANY SECRETARY

Kartikeya Bharat Ram
CHAIRMAN

Dhirendra Datta
DIRECTOR

Amitav Virmani
DIRECTOR

Place: Gurgaon

Date: 30th May, 2011

KAMA HOLDINGS LIMITED (AMALGAMATED) (CONSOLIDATED)

(formerly SRF Polymers Limited)

SCHEDULES

	Amount (Rupees in lakhs)	
	As at 31.03.2011	As at 31.03.2010
Schedule '1': Share Capital		
Authorised Capital		
10,000,000 (Pr.Yr. 10,000,000) Equity Shares of Rs.10 each	1,000.00	1,000.00
13,000,000 (Pr.Yr. 5,000,000) Preference Shares of Rs.10 each	1,300.00	500.00
	<u>2,300.00</u>	<u>1,500.00</u>
*Authorised Capital increased pursuant to Scheme of Arrangement.		
Issued, Subscribed and Paid-up Capital		
6,452,615* (Pr.Yr. 6,452,615) Equity Shares of Rs.10 each fully paid-up	645.26	645.26
12,919,412** (Pr. Yr. Nil) Preference Shares of Rs.10 each fully paid-up	1,291.94	-
	<u>1,937.20</u>	<u>645.26</u>
**Represents 8% Non-cumulative Redeemable Preference Shares issued pursuant to Scheme of Arrangement. These shares are 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.		
Schedule 2: Reserves & Surplus		
Capital Reserve	1.00	0.99
Capital Redemption Reserve	0.02	0.02
Translation Reserve	0.45	5.12
General Reserve	4,884.98	4,884.98
Surplus		
Profit & Loss Account	59,832.38	37,764.96
(Transfer from Profit & Loss Account)	<u>64,718.83</u>	<u>42,656.06</u>
Schedule 3: Secured Loan		
Long Term from banks	2,867.77	-
Short Term from banks		2,720.24
Short Term from Other than banks		4,755.00
Interest accrued but not due	16.65	-
Interest accrued & due		23.05
	<u>2,884.42</u>	<u>7,498.29</u>
Schedule 4: Unsecured Loan		
Short Term from Other than banks	1,235.55	1,176.00
Interest accrued & due	0.18	29.04
Fixed Deposits	31.93	98.43
	<u>1,267.65</u>	<u>1,303.47</u>
Schedule 5: Fixed Assets Amount		

(Rupees in lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on	Additions	Deletions/ Transfers	As on	upto	for	With- drawal/ Transfers	upto	As on	As on
	01.04.2010			31.03.2011	31.03.2010	the year		31.03.2011	31.03.2010	31.03.2011
Leasehold Land	147.88	-	-	147.88	-	-	-	-	147.88	147.88
Buildings*	2,402.61	2,755.63	2,402.61	2,755.63	172.85	42.99	-	215.85	2,229.76	2,539.79
Furniture & Fixtures	1.65	22.40	-	24.05	0.10	1.26	-	1.37	1.55	22.68
Data Processing	10.73	5.76	-	16.49	0.54	4.34	-	4.88	10.18	11.60
Office Equipments	3.72	15.45	-	19.16	1.71	0.79	-	2.50	2.01	16.67
Vehicles	2.93	-	-	2.93	2.78	-	-	2.78	0.15	0.15

Particulars	Gross Block				Depreciation				Net Block	
	As on	Additions	Deletions/ Transfers	As on	upto	for	With- drawal/ Transfers	upto	As on	As on
	01.04.2010			31.03.2011	31.03.2010	the year		31.03.2011	31.03.2010	31.03.2011
Trademarks & Copyrights	49.25	0.77	-	50.02	0.55	4.98	-	5.53	48.70	44.49
Total	2,619.74	2,801.43	2,402.61	3,018.55	178.66	55.05	-	233.71	2,441.08	2,784.84
Prev. yr.	2,422.45	221.16	23.88	2,619.73	151.95	42.23	15.52	178.66	2,270.50	2,441.07

*Includes building transfer of Rs 2,402.61 lakhs from SRF Polymers Investments Limited (since dissolved) to KAMA Realty (Delhi) Limited pursuant to Scheme of Arrangement.

Schedule '6': Investments	Amount (Rupees in lakhs)	
	As at 31.03.2011	As at 31.03.2010
Long Term Non-trade -Quoted*		
28,491,962** (Pr Yr 27,511,962) Equity Shares of Rs.10 each fully paid up in SRF Ltd.@	68,016.71	49,354.04
1834439.849 (Pr Yr Nil) Units of Rs 10 each fully paid up in Templeton India Mutual Fund	185.43	
	<u>68,202.14</u>	<u>49,354.04</u>

*Market value of quoted investments Rs.90,946.57 lakhs (Rs.21,303.57 lakhs)

**Includes 980,000 shares transferred to company pursuant to Scheme of Arrangement.

@Net of Capital Reserve of Rs 3,794.73 lakhs (Pr Yr Rs 3,620.92 lakhs) and Dividend

Received Rs 5,983.31 lakhs (Pr Yr Rs 3,301.44 lakhs)

Schedule '7': Cash and Bank Balances

Cash in hand	1.40	0.77
Cheques in hand	-	31.66
Balances with Scheduled Banks		
Current Accounts	425.08	79.68
Unclaimed Dividend	1.16	1.72
Fixed Deposit*	21.53	191.43
	<u>449.17</u>	<u>305.26</u>

*Includes deposits earmarked Under Rule 3A of the Companies (Acceptance of Deposits Rules, 1975 amounting to Rs 20 lakhs (Pr Yr Rs 190 lakhs)

Schedule '8': Loans & Advances

Unsecured considered good for recovery by the management (unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	66.63	551.46
Security Deposit	14.55	-
MAT credit available	90.45	-
Cenvat/Service Tax/VAT recoverable	4.78	-
Loan to Employees	0.30	0.37
Income-tax recoverable	934.80	(Pr Yr 906.53)
Less: Provision for tax	<u>702.74</u>	(Pr Yr 608.76)
	<u>232.06</u>	<u>297.77</u>
	<u>408.78</u>	<u>849.60</u>

Schedule '9': Current Liabilities

Sundry Creditors	107.03	6.78
Security Deposits	330.00	300.00
Unclaimed Dividends*	1.16	1.72
Unclaimed Fixed Deposits (Including Interest net of TDS)*	17.31	22.50
Other Liabilities	26.05	81.46
Interest accrued but not due on loans & deposits	9.31	48.61
Proposed Dividend on Preference Shares	103.36	-
Dividend Distribution Tax	16.77	-
	<u>610.98</u>	<u>461.07</u>

*Will be credited to Investor Education and Protection Fund if not claimed within seven years from the issue of dividend/interest warrant/maturity of Fixed Deposits. No interest have accrued on them.

	Amount (Rupees in lakhs)	
	As at 31.03.2011	As at 31.03.2010
Schedule '10': Provisions		
Provision for contingencies	441.41	441.41
Provision for Gratuity	1.82	1.71
Provision for Leave Encashment	1.71	0.78
	<u>444.95</u>	<u>443.91</u>
	Amount (Rupees in lakhs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Schedule '11': Dividend and Other Income		
Dividend on shares/Units (Non-Trade)	3.36	4.88
Rent Income*	631.97	605.70
Fees	523.73	128.88
Interest		
On Loans & Deposits**	1.08	18.77
Others***	9.07	5.31
Others	6.60	4.30
	<u>1,175.80</u>	<u>767.84</u>
*Includes Income-tax deducted at source Rs 62.97 lakhs (Pr Yr Rs 79.94 lakhs)		
*Includes Income-tax deducted at source Rs 0.15 (Pr Yr Rs 2.93 lakhs)		
**Represents interest on refund of income tax Rs 1.04 lakhs (Pr Yr Rs 1.92 lakhs)		
Schedule '12': Administrative & Other Expenses		
Salaries, Wages, Bonus, etc.,	613.11	184.22
Contribution to PF and other funds	4.63	-
Rent	40.23	3.53
Repairs & Maintenance		
Buildings	6.19	109.29
Other Maintenance	7.74	3.51
Festival & Celebrations	12.33	-
Educational Aids	8.44	-
Curriculum development	-	7.87
Office Expenses	23.85	8.23
Water & Electricity	39.83	8.95
Printing & Stationery	-	4.62
Directors Remuneration	13.88	14.73
Marketing and Advertisement	-	41.31
Rates & Taxes	4.64	20.11
Travel & Conveyance	16.63	8.10
Telephone & Communication	7.10	3.84
Legal and professional charges	20.53	12.39
Auditors Remuneration & Expenses		
Audit Fee	2.12	2.15
Interim audit fee	1.50	1.50
Tax Matters	-	1.50
Certification Work	-	1.13
Other	0.20	0.18
Directors Sitting Fees	0.45	0.70
Exchange currency fluctuation	1.03	-
Loss on sale of Fixed Assets	-	0.53
Miscellaneous Expenses*@	82.28	29.16
	<u>906.70</u>	<u>467.54</u>

*Includes Provision for Doubtful Debts and Advances Rs Nil (Pr Yr Rs 60.93 lakhs)

@Includes Prior period expenditure Rs Nil (Pr Yr Rs 393.62 lakhs)

	Amount (Rupees in lakhs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Schedule '13': Interest & Finance Charges		
Interest on Term Loans & Fixed Deposit*	660.62	1,209.53
Financial Charges	0.95	0.10
	<u>661.57</u>	<u>1,209.63</u>

*Includes Prior period expenditure Rs Nil (Pr Yr 13.39 lakhs)

SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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.

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 31 st March 2011	Proportion of ownership as on 31 st March 2010
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 31 st March 2011	Proportion of ownership as on 31 st March 2010
SRF Ltd.#	India	47.09%	45.47%

*Became subsidiary on 29th September 2009.

**through Shri Educare Ltd. as it became wholly owned subsidiary of Shri Educare Ltd. on 16th December 2009, i.e., its date of incorporation.

#Became an associate on 16th September 2004.

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) 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) 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, 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.
 - c) 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.
 - d) 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 in Maldives. For this, Shri Educare Limited has incorporated a wholly owned subsidiary in Maldives namely Shri Educare Maldives Private Limited.

3. Details for Securities (refer Schedule No. 3 “Secured Loans to the financials):

The borrowings of the company are secured against the assets of the company as indicated below:

Secured Loan	Outstanding Amount (Rs/Lakhs)	Security
Short Term Loans from Bank		
IndusInd Bank Ltd.	2,867.77	<ul style="list-style-type: none"> • First charge by way of an equitable mortgage by deposit of title deeds of the immovable property of the company situated at Gurgaon, Haryana; and • Corporate Guarantee executed by M/s KAMA Holdings Ltd., holding company.
Total	2,867.77	

4. Capital Commitments

KAMA Holdings Limited (KHL) share of capital commitment of SRF Limited Rs 6,105.64 lakhs (Pr Yr Rs 1,947.80 lakhs).

KHL’s share of capital commitment for SRF Limited’s investment in:

- i) SRF Cord Gmbh Nil (Pr Yr Euro 44561).
- ii) SRF Holiday Homes Limited Rs 166.23 lakhs (Pr Yr Nil)

5. Contingent Liabilities

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

	31-Mar-2011	31-Mar-2010
Income Tax	238.27	277.03
Under Business Transfer Agreement with SRF Limited for Excise Duty/Sales Tax	1,831.81	1,841.31

5.2 Guarantees provided on behalf of wholly-owned subsidiary for repayment of loans and interest thereon amount to Rs 2,884.42 lakhs (Pr Yr Rs 6,220 lakhs).

5.3 KHL’s share of contingent liabilities of SRF Limited on account of claims Rs 5,058.98 lakhs (Pr Yr Rs 4497.36 lakhs).

6. Security Deposit

Security deposit includes Rs 330 lakhs (Pr Yr Rs 300 lakhs) of interest free deposit from SRF Limited for leasing of office premises at Gurgaon and Mumbai.

7. The Company had entered into Non-Compete Agreements whereby the Company had inter-alia agreed not to engage, directly or indirectly, in the manufacturing and selling thereof as would compete with SRF Ltd in respect of Engineering Plastics and

Industrial Yarn, in any country of the world for a period of 5 years from the date of the Business Transfer Agreement, i.e., 1st January 2009.

8. Related Party Transactions

(i) List of related parties and relationships:

(a)	Enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the reporting enterprise	<ul style="list-style-type: none"> ▪ KAMA Realty (Delhi) Ltd. ▪ Shri Educare Ltd. ▪ SRF Polymers Investments Ltd. (since dissolved pursuant to Scheme of Arrangement)
(b)	Associates	<ul style="list-style-type: none"> ▪ SRF Ltd. ▪ SRF Properties 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"> ▪ Manju Bharat Ram ▪ Ashish Bharat Ram ▪ Kartikeya Bharat Ram
(d)	Key Management Personnel	<ul style="list-style-type: none"> ▪ Rajat Lakhanpal, Whole Time Director
(e)	Enterprises over which any person described in (c) or (d) is able to exercise significant influence	<ul style="list-style-type: none"> ▪ Karm Farms Pvt. Ltd. ▪ Srishti Westend Greens Farms Pvt. Ltd. ▪ Bharat Ram Associates Pvt. Ltd. ▪ Karmav Holdings Pvt. Ltd. ▪ Narmada Farms Pvt. Ltd. (since dissolved pursuant to Scheme of Arrangement) ▪ Bhairav Farms Pvt. Ltd.(since dissolved 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	-	-	-	-	2,012.03	*2,012.03
	Previous year	-	25.00	-	-	1,196.00	1,221.00
(2)	Loan/ICD refunded:						
	Current year	-	25.00	-	-	2,248.60	2,273.60
	Previous year	-	-	-	-	295.00	295.00
(3)	Interest paid on ICD/Loan:						
	Current year	-	0.26	-	-	77.57	77.83
	Previous year	-	-	-	-	52.05	52.05
(4)	Investment during year:						
	Current year	-	33,971.17	-	-	-	**33,971.17
	Previous year	-	-	-	-	-	-
(5)	Reimbursement (payment) of expenses:						
	Current year	-	15.60	-	-	-	15.60
	Previous year	-	-	-	-	-	-
(6)	Remuneration:						
	Current year	-	-	-	13.88	-	13.88
	Previous year	-	-	-	11.05	-	11.05
(7)	Directors Sitting Fee:						
	Current year	-	-	0.12	-	-	0.12
	Previous year	-	-	0.29	-	-	0.29
(8)	Year end receivables:						
	Current year	-	-	-	-	-	-
	Previous year	-	75.02	-	-	-	75.02
(9)	Year end payables:						
	Current year	-	6.92	-	-	664.61	***671.53
	Previous year	-	-	-	-	923.94	923.94

*Includes Rs 984.43 lakhs pursuant to Scheme of Arrangement.

**Represents investment pursuant to Scheme of Arrangement.

***Includes Rs 664.43 lakhs pursuant to Scheme of Arrangement.

9. Employee Benefits:

Gratuity:

Rs/Lakhs

	Assets/Liability	31.03.2011	31.03.2010
a.	Present Value of obligation	1.82	1.71
b.	Fair value of plan assets	-	-
c.	Net assets/(liability) recognized in the balance sheet as provision	(1.82)	(1.71)
d.	Enterprise best estimate of contribution during next year is Rs 1.54 lakhs (Pr Yr Rs 0.50 lakh).		

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

		31.03.2011	31.03.2010
a.	Discounting rate	8	8
b.	Future salary increase	7	7
c.	Expected rate of return on plan assets	-	-

Demographic Assumption:

		31.03.2011	31.03.2010
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:

Rs/Lakh

		31.03.2011	31.03.2010
a.	Present value of obligation as at the beginning of the period	1.71	1.45
b.	Acquisition adjustment	-	-
c.	Interest cost	0.14	0.08
d.	Past service cost	-	-
e.	Current service cost	0.76	0.25
f.	Curtailement cost/(credit)	-	-
g.	Settlement cost/(credit)	-	-
h.	Benefits paid	-	-
i.	Actuarial (gain)/loss on obligation	(0.79)	(0.07)
j.	Present value of obligation as at the end of the period	1.82	1.71

Leave Encashment:

Rs/Lakhs

	Assets/Liability	31.03.2011	31.03.2010
a.	Present Value of obligation	1.71	0.78
b.	Fair value of plan assets	-	-
c.	Net assets/(liability) recognized in the balance sheet as provision	(1.71)	(0.78)
d.	Enterprise best estimate of contribution during next year is Rs 1.07 lakhs (Pr Yr Rs 0.24 lakh).		

Change in present value of obligation:

Rs/Lakhs

		31.03.2011	31.03.2010
a.	Present value of obligation as at the beginning of the period	0.78	0.76
b.	Acquisition adjustment	-	-
c.	Interest cost	0.06	0.05
d.	Past service cost	-	-
e.	Current service cost	0.99	0.13
f.	Curtailement cost/(credit)	-	-
g.	Settlement cost/(credit)	-	-
h.	Benefits paid	-	(0.69)
i.	Actuarial (gain)/loss on obligation	(0.12)	0.53
j.	Present value of obligation as at the end of the period	1.71	0.78

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

11.1 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.

11.2 The deferred tax asset has been recognized details of which are given below:

Rs/lakhs

Particulars	31.03.2011	31.03.2010
Deferred tax assets on account of:		
Losses	Nil	44.28
Interest for the Pre-occupation period	Nil	Nil
Total	Nil	44.28

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

Indian Subsidiaries

S. No.	Particulars	KAMA Realty (Delhi) Limited	Shri Educare Limited
		Rs. Lakhs	Rs. lakhs
a.	Financial year of the subsidiary	March 31, 2011	March 31, 2011
b.	Extent of holding	100%	100%
c.	Capital	6.00	456.00
d.	Reserves and Surplus (adjusted for debit balance in profit and loss account, wherever applicable)	665.18	(287.79)
e.	Total Assets (Fixed Assets + Current Assets)	4,185.87	519.48
f.	Total Liabilities (Debts + Current Liabilities)	3,514.93	725.88
g.	Details of Investment (except in case of investment in subsidiaries)	-	-
h.	Turnover (Including Other Income)	638.20	61.89
i.	Profit Before Taxation	375.34	(175.58)
j.	Provision for Taxation	130.20	-
k.	Profit After Taxation	245.14	(175.58)
l.	Proposed Dividend	-	-

Foreign Subsidiaries (100% subsidiary of Shri Educare Limited)

S. No.	Particulars	Shri Educare Maldives Private Limited
		Rs. lakhs
a.	Financial year of the subsidiary	March 31, 2011
b.	Extent of holding	100%
c.	Capital	363.94#
d.	Reserves and Surplus (adjusted for debit balance in profit and loss account, wherever applicable)	(349.47)
e.	Total Assets (Fixed Assets + Current Assets)	90.18
f.	Total Liabilities (Debts + Current Liabilities)	75.71
g.	Details of Investment (except in case of investment in subsidiaries)	-
h.	Turnover (Including Other Income)	472.17
i.	Profit Before Taxation	(178.17)
j.	Provision for Taxation	-
k.	Profit After Taxation	(178.17)
l.	Proposed Dividend	-

#Includes Rs 127.12 lakhs towards share application money received from Shri Educare Limited pending allotment.

The financial statement of the foreign subsidiary has been converted into Indian Rupees on the basis of 1 MRF = INR 3.4894

13. Directors' Remuneration*

Whole Time Director	31-Mar-2011	31-Mar-2010
Salary including allowances	12.91	10.22
Contribution to provident and superannuation funds	0.97	0.83
Total	13.88	11.05

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 22,187.54 lakhs (Pr Yr Rs 13,060.72 lakhs) less dividend to preference shareholders and dividend tax thereon Rs 120.12 lakhs (Pr Yr Nil) and the average number of equity shares of 6,452,615 (Pr Yr 6,452,615).

Basic and diluted earning per share for the year is Rs 341.99 (Pr Yr Rs 202.41).

15. The Composite Scheme of Arrangement approved by the Hon'ble Delhi High Court vide order dated 24th February 2011 consists of:

- Demerger of Real Estate Division of Narmada Farms Private Limited (NFPL), Bhairav Farms Private Limited (BFPL) and SRF Polymers Investments Limited (SRFPIL) to Srishti Westend Greens Farms Private Limited, Karm Farms Private Limited and KAMA Realty (Delhi) Limited respectively; and
- Amalgamation of Investment Division of NFPL, BFPL and SRFPIL into KAMA Holdings Limited
- Issue of 12,919,412 – 8% Non-cumulative Redeemable Preference Shares of Rs 10 each fully paid up and 4,838,249 equity shares of Rs 10 each fully paid up simultaneous to cancellation of 4,838,249 equity shares of Rs 10 each fully paid up pursuant to Scheme of Arrangement.
- with effect from the appointed date, i.e., 01st April 2010 on scheme becoming effective, i.e., 31st March 2011 when a certified copy of the order dated 24th February 2011 was filed with the Registrar of Companies.
- The amalgamation of Investment Divisions of NFPL, BFPL and SRFPIL into the Company has been done as 'amalgamation in the nature of purchase'. This has given rise to capital reserve of Rs 20,345.06 lakhs.
- As per conditions imposed by Bombay Stock Exchange Limited (BSE) while granting its 'No Objection' to the Scheme of Arrangement, 1,209,563 equity shares issued to the promoters [out of shares allotted in (c) above] have been put under lock-in for a period of three years from the date of listing of new shares on the BSE. The new equity shares issued by the company pursuant to Scheme of Arrangement have been listed on BSE.

16. 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:

(Rs/Lakhs)

	Particulars	As at 31.03.2011	As at 31.03.2010
(i)	not later than one year	641.70	605.70
(ii)	later than one year and not later than five years@	2,586.60	2,422.80
(iii)	later than five years@#	1,780.49	353.33
	Lease Rent recognized in the profit and loss account	629.70	605.70

@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.

17. 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

V. Rajaraman
Partner
M.No. 2705

Rajat Lakhanpal
WHOLE TIME DIRECTOR
& COMPANY SECRETARY

Kartikeya Bharat Ram
CHAIRMAN

Dhirendra Datta
DIRECTOR

Amitav Virmani
DIRECTOR

Place: Gurgaon
Date: 30th May, 2011

KAMA HOLDINGS LIMITED (AMALGAMATED) (CONSOLIDATED)

(formerly SRF Polymers Limited)

CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH 2011

	Amount (Rupees)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	(447.51)	(951.56)
Adjustments for entries pursuant to Scheme of Arrangement:		
Income transferred under the Scheme	(4,334.02)	-
Expenses transferred under the Scheme	500.24	-
Adjusted Net Profit before tax	(4,281.30)	(951.56)
Adjustments for		
Depreciation	55.05	42.22
Interest Paid	172.24	1,209.62
Exchange Fluctuation	(3.64)	-
Income from Dividend on Shares	(1.76)	(4.88)
Interest Income	(2.12)	(24.11)
(Profit)/Loss on Sale of Investments	0.01	(0.07)
(Profit)/Loss on Sale of Fixed Assets	-	0.28
Operating Profit before working capital changes	(4,061.50)	271.51
Adjustments for		
Trade and Other Receivables	1,055.15	(126.53)
Trade Payables and Provisions	(207.66)	(67.47)
Deferred Revenue Expenditure	0.07	0.19
Cash Generated from operations before tax	(3,213.95)	77.69
Exchange Fluctuation	3.64	-
Taxation	(78.95)	3.97
Net Cash from operating activities (A)	<u>(3,289.26)</u>	<u>81.66</u>
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(398.82)	(221.16)
Increase in Capital work-in-progress	(5.36)	(13.52)
Deletion pursuant to sale/write off	-	8.36
Profit/(Loss) on Sale of Fixed Assets	-	(0.28)
Purchase of Investments	(1,236.76)	(2,435.88)
Sale of Investments	1,051.31	2,741.27
Interest Income	2.12	24.11
Income from Dividend on Shares	1.76	4.88
Income from Dividend on Shares from SRF Ltd. (Associate Co.)	5,983.31	3,301.44
Translation Reserve	(4.66)	5.12
Net Cash used in Investing Activities (B)	<u>5,392.91</u>	<u>3,414.33</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of long term borrowings	-	(3,500.00)
Proceeds/(Repayment) of Short term borrowings	(1,763.70)	793.95
Proceeds from other unsecured loans	-	255.50
Interest Paid	(172.24)	(1,209.62)
Net cash used in/ from financing activities (C)	<u>(1,935.94)</u>	<u>(3,660.18)</u>

Net increase in Cash and Cash Equivalents D=(A+B+C)	167.70	(164.19)
Cash & Cash Equivalent transferred from Shri Educare Ltd (F)	-	0.74
Cash & Cash equivalents at the beginning of the year (G)	305.25	468.70
Add: cash balances of transferee companies under Scheme (E)	54.07	-
Less: cash balance of SRF Polymers Investments Ltd dissolved (H)	77.86	-
Cash & Cash equivalents at the close of the year I=(D+E+F+G-H)	449.16	305.25

Rajat Lakhanpal
WHOLE TIME DIRECTOR
& COMPANY SECRETARY

Kartikeya Bharat Ram
CHAIRMAN

Dhirendra Datta
DIRECTOR

Amitav Virmani
DIRECTOR

We have certified the above cash flow statement of KAMA Holdings Limited derived from the audited financial statements for the year ended 31-Mar-2011 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
V RAJARAMAN
Partner
M.No. 2705

Date: 30th May 2011
Place: Gurgaon

KAMA HOLDINGS LIMITED

(formerly SRF Polymers 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 11th Annual General Meeting of the Company held at Laxmipat Singhania Auditorium, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 on Friday, 12th August, 2011 at 3.30 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 3.00 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.

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(formerly SRF Polymers 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 11th Annual General Meeting of **KAMA HOLDINGS LIMITED** to be held at Laxmipat Singhania Auditorium, PHD House, 4/2, Siri

Institutional Area, August Kranti Marg, New Delhi - 110 016 on Friday, the 12th August, 2011 at 3.30 P.M. and at any adjournment thereof.

Signed this day of 2011 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.
(FORMERLY SRF POLYMERS LIMITED)

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