

Board's Report

Dear Members,

Your Directors are pleased to present their Twenty first Annual Report on the business and operations of the Company and the statement of accounts for the year ended March 31, 2021

FINANCIAL RESULTS

(Rs. Lakhs)

Particulars	2020-21	2019-20
Dividend and Other Income	7212.09	4206.86
Profit before Interest, Depreciation & Tax (PBIDT)	7102.00	4138.91
Less: Interest & Finance Charges (Net)	103.36	103.36
Gross Profit	6998.64	4035.55
Less: Depreciation and amortization charge	3.77	3.76
Profit before Tax (PBT)	6994.87	4031.79
Less: Provision for Taxes (including provision for deferred tax)	8.49	(5.86)
Net Profit after Tax (PAT)	6986.38	4037.65
Add: Profit brought forward from previous year	31512.33	29410.80
Surplus available for appropriation	38498.71	33448.45

Appropriations

Interim Dividend on Equity shares	6968.84	1935.80
Other comprehensive income arising from re-measurement of defined benefit obligation	(0.33)	(0.32)
Amount transferred to General Reserve	-	-
Profit carried to Balance Sheet	31529.54	31512.33
Total Appropriation	38498.71	33448.45

DIVIDEND

During the year, your Company has paid an interim dividend of Rs. 108 per equity share amounting to Rs. 6182.29 lakhs (net of TDS). No final dividend is recommended on Equity Shares.

Interim dividend @8% amounting to Rs. 93.02 lakhs (net of TDS) was paid on 8% Non-cumulative Redeemable Preference Shares for financial year 2020-21.

OPERATIONS REVIEW

Profit before Interest, Depreciation & Tax (PBIDT)

increased by 71.59% to Rs 7102.00 lakhs during 2020-21 from Rs 4138.91 lakhs during 2019-20. Profit after Tax increased by 73.03% to Rs. 6986.39 lakhs during 2020-21 from Rs 4037.65 lakhs during 2019-20 mainly on account of increase in dividend income

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2021, your company had the following subsidiaries:-

1. SRF Limited is a subsidiary of the Company engaged primarily in the manufacture of technical textiles, specialty chemicals, fluorochemicals and packaging films. It has six wholly owned subsidiaries out of which one wholly owned subsidiary is registered in India and remaining five are registered outside India. Two of these are direct wholly owned subsidiaries and the rest four are step down wholly owned subsidiaries of SRF Limited. The details of the business of these subsidiaries is more particularly given in the Annual Report of SRF Ltd. for 2020-21 which is available on the website www.srf.com
2. SRF Transnational Holdings Ltd. (SRFT) is a registered non deposit taking NBFC engaged in the business of investment in shares and securities.
3. Shri Educare Ltd. (SEL) is a company engaged in the business of rendering assistance for establishing, managing and running of the schools including sub-licensing of copyrights, trademarks and software.
4. Shri Educare Maldives Pvt. Ltd. (SEMPL) is managing a school in a public-private partnership with Maldives Government.
5. KAMA Realty (Delhi) Ltd. (KRDL) is a company engaged in acquisition and rental of properties.
6. KAMA Real Estate Holdings LLP (KREHL) is a limited liability partnership between KAMA Realty (Delhi) Ltd. and Shri Educare Ltd. It is engaged primarily in acquisition and rental of properties.

The consolidated profit and loss account for the period ended March 31, 2021 includes the profit and accounts for these twelve subsidiaries for the complete financial year ended March 31, 2021

The consolidated financial statements of the Company prepared in compliance with applicable Accounting Standards and other applicable laws including all the above subsidiaries duly audited by the statutory auditors are presented in the Annual Report.

No company has become/ceased to be a joint venture or associate during the year. A report on performance and financial position of each of the subsidiaries and associates is presented in a separate section in this Annual Report. Please refer (AOC-1) annexed to the financial statements in the Annual Report. The Policy for

determining material subsidiaries as approved by the Board may be accessed on the Company's website at the link: http://www.kamaholdings.com/Inv/Policy_MaterialSubsidiaryCompanies.pdf

The Company shall make available the annual accounts of the subsidiary companies to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and respective subsidiary companies. Further, the annual accounts of the subsidiaries are also available on the website of the Company viz. www.kamaholdings.com.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Kartik Bharat Ram (DIN 00008557) is retiring at the forthcoming annual general meeting and being eligible offers himself for re-appointment.

All the Independent Director(s) have submitted the declaration of meeting the criteria for independence as provided in section 149 (6) of the Companies Act, 2013 and Listing Regulations. They are also independent of the management.

The Board confirms that independent directors appointed during the year possess the desired integrity, expertise and experience. The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. One of the Directors is exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA and the remaining have been advised to undergo the Online Proficiency Test as prescribed under Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended.

In accordance with the requirements of the Act and the Listing Regulations, the Company has formulated a Nomination, Appointment and Remuneration Policy. A copy of the Policy is enclosed as Annexure 1.

In accordance with the aforesaid Policy, the Nomination and Remuneration Committee (NRC) evaluates the performance of the Executive Director, Non-Independent non-executive Directors and Independent Directors. Board evaluates, its own performance on criteria like discharge of duties and responsibilities under the Companies Act, 2013 ("the Companies Act) and Listing Regulations, fulfilment of its role with respect to guiding corporate strategy, risk policy, business plans, corporate performance, monitoring company's governance practices etc. and number of meetings held during the year and the performance of its Committees on the criteria like fulfilment of role of the Committee with reference to its terms of reference, the Companies Act and the Listing

Regulations and the number of committee meetings held during the year. Performance evaluation of individual Directors is done annually by the NRC as per the structure of performance evaluation prescribed in the Nomination, Appointment and Remuneration Policy.

NRC recommend to the Board appropriate fees / commission to the non-executive directors for its approval. The Committee / Board shall inter alia, consider level of remuneration /commission payable by other comparable companies, time devoted, experience, providing guidance on strategic matters and such other factors as it may deem fit.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link.

<https://www.kamaholdings.com/Inv/KAMA%20Familiarisation%20programme%202021.pdf>

MEETINGS OF THE BOARD

During the year 2020-21, five meetings of the Board of Directors were held. For further details, please refer to report on Corporate Governance on page no. 28 of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that :

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws

and that such systems were adequate and operating effectively.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered into by the Company during the financial year, with related parties, referred to in sub-section (1) of section 188 were in the ordinary course of business and on an arms' length basis and in accordance with the basis approved by the Audit Committee. During the year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the Policy on materiality of related party transactions. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 ('the Act') in Form No. AOC-2 is not applicable to the Company for FY 2020-21 and hence the same is not provided.

Your Directors draw attention of the members to Note 25 to the notes to accounts forming part of the financial statements which sets out related party transaction disclosures.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided alongwith the purpose for which the loan, guarantee or security was proposed to be utilized by the recipient are provided in the standalone financial statement. (Please refer Note 26 to the standalone financial statement).

BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective has been prepared for 2020-21 and forms a part of the Board's Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year 2020-21, the provisions of Section 135 of the Companies Act 2013, were not applicable to the Company as the criteria for formation of CSR Committee laid down in section 135 (1) of the said Act were not met by the Company. Moreover, the net profit of the Company consisted predominantly of dividend from SRF limited, which is a subsidiary of the Company, which is complying with the requirements of the said section. As per the Companies (Corporate Social Responsibility Policy) Rules 2014, net profit for the purpose of the said section excludes any dividend income received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

RISK MANAGEMENT

The Company is a Core Investment Company within the meaning of Core Investment Companies (Reserve Bank) Directions, 2011

Investment business is always prone to various risks i.e. risk of capital market fluctuations, global developments, competition risk, interest rate volatility, economic cycles and political risks which can affect the fortunes of investment companies in both ways.

To manage these risks the Company is following a sound and prudent risk management policy. The aim of the policy is to minimize risk and maximize the returns.

In the opinion of your Board, none of the risks, which have been identified, may threaten the existence of the Company.

The Company has a Risk Management Committee consisting of Mr. Ashish Bharat Ram as Chairman, Mr. Kartik Bharat Ram and Mr. Jagdeep Singh Rikhy as members of the Committee. Mr. Jagdeep Singh Rikhy was appointed as member of the Committee wef 28.05.2021 in place of Ms. Ekta Maheshwari

INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

LISTING OF EQUITY SHARES

KAMA's equity shares are listed at the BSE Limited.

DIVIDEND DISTRIBUTION POLICY

In compliance with the listing regulations, your Board had formulated a Dividend Distribution Policy. A copy of the said policy is available on the website of the company at www.kamaholdings.com. The Policy is also given in Annexure II.

CORPORATE GOVERNANCE

Certificate of the Statutory Auditor regarding compliance of the conditions of corporate governance as stipulated in Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the report as Annexure III.

In compliance with the requirements of Regulation 17(8) of the aforesaid Regulations, a certificate from Whole Time Director, CFO and Company Secretary was placed before the Board.

All Board members 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, CFO and Company Secretary is enclosed as a part of the Corporate Governance Report. A copy of the Code is also placed at the website of the Company (www.kamaholdings.com).

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant amendments issued thereafter of the Act.

AUDIT COMMITTEE

The Audit Committee comprises of Independent Directors namely Mr. Amitav Virmani (Chairman of the Committee), Ms. Ira Gupta and Mr. Jagdeep Singh Rikhy as other members. All the recommendations made by the Audit Committee were accepted by the Board.

ACCOUNTS AND AUDIT

M/s V Sahai Tripathi & Co. (VST), Chartered Accountants (Firm Registration No. 000262N) were appointed as the statutory Auditor of the Company for a term of 5 years in its 20th Annual General Meeting.

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditor in their Audit Report. The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in the Annual Report.

COST AUDIT

As per the requirement of section 148(1) and other applicable provisions of the Companies Act, 2013, Maintenance of Cost records is not applicable on the Company.

VIGIL MECHANISM

In compliance of provisions of the Companies Act, 2013 and Listing Regulations, the company has established a vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.

The Vigil mechanism of the Company consists of Code of Conduct for Employees, Whistleblower Policy, Code of Conduct for Prevention of Insider Trading and Code of Conduct for Directors and Sr. Management Personnel. These taken together constitute the vigil mechanism through which Directors, employees and other stakeholders can voice their concerns. The Whistleblower Policy, Code of Conduct for Prevention of Insider Trading

and Code of Conduct for Directors and Sr. Management Personnel can be accessed on the Company's website at the link <http://www.kamaholdings.com/InvCodesPolicies.aspx>.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis on matters as stipulated in Listing Regulations is given as a separate section in the Annual report.

SECRETARIAL AUDITOR

The Board had appointed M/s Sanjay Grover & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith as Annexure IV to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, Secretarial Compliance Report dated May 28, 2021, issued as per SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 was given by M/s Sanjay Grover & Associates, Practicing Company Secretary which was submitted to Stock Exchanges.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, a statement showing the names and other particulars of the employees drawing remuneration required to be disclosed under the said rules are provided in Annexure V.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are provided in Annexure VI.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

As the Company is not carrying out any manufacturing activity, the disclosures as required under section 134(3)(m) of the Companies Act, 2013 and rules made thereunder have not been given. There is no foreign exchange earnings and outgo in the financial year ended March 31, 2021.

ANNUAL RETURN

The Annual Return (MGT-7) of the Company as on March 31, 2021 is available on the following web link: www.kamaholdings.com

SECRETARIAL STANDARDS

Applicable Secretarial Standards i.e. SS-1, SS-2 and SS-3, relating to 'Meeting of the Board of Directors', 'General

Meetings' and 'Dividend' respectively, have been duly followed by the Company.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there was no transactions on these items during the year under review :-

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Whole-time Director, CFO and Company Secretary has not received any remuneration or commission from any of the Company's subsidiaries.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

During the year there were no complaints received under the Sexual Harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013.

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the co-operation and assistance received from various stakeholders and statutory agencies. Your Directors thank the shareholders for their support.

For and on behalf of the Board of Directors

Sd/-

Kartik Bharat Ram

Chairman

(DIN 00008557)

Place: New Delhi
Date: May 28, 2021

