

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SRF Transnational Holdings Limited

We have audited the accompanying financial statements of SRF Transnational Holdings Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with 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 March 31, 2014 and
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, in terms of sub-section (4A) of section 227 of the Act, we have given a statement in the Annexure on the matters specified in paragraphs 4 and 5 of that Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;



- d) In our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

FRN: 000038M


(V. Rajaraman)

Partner

M. No. : 002705


Place: New Delhi

Date: 26.04.2014

ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN MAIN REPORT

The company is an Investment company and not involved either in manufacturing or in the business of chit fund, nidhi, or mutual benefit. Further the shares are not listed and the turnover does not exceed Rs.5 crores, hence the clauses applicable to these businesses have not been considered below.

As required by the Companies (Auditors' Report) Order, 2003 we state that:

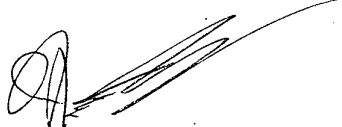
1. The company does not have any fixed assets.
2. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
3. The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. There are no transactions covered under section 301 of the Act.
5. 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. Management is of the view that there is no necessity of internal audit since turnover does not exceed Rs. Five crore and the operations involves only investing activities.
6. The company has not accepted any deposits from the public.
7. According to the records of the company, the company is regular in depositing, with appropriate authorities undisputed, statutory dues including Income-tax, Provident Fund and any other statutory dues, applicable to it.
8. There are no undisputed amounts of income tax, wealth tax.
9. The accumulated losses of the company at the end of the financial year are more than 50% of its net worth. The company has not incurred any cash losses neither in the current financial year nor in the previous year.
10. The company has not taken any loans whether secured or unsecured. Hence question of default in repayment of dues or its utilization does not arise. The company has granted loan, the rate of interest and other terms and



conditions on which loan has been granted are not, *prima facie*, prejudicial to the interest of the company. There are no overdue amounts involved in the loan outstanding.

11. The company has no investments specifically meant to be traded. The board has bifurcated investments made between long-term investments and short-term investments; records for the same are kept in accordance with section 49 except for the deficiencies mentioned in schedule no. 3.
12. The company has granted a loan to Shrestha Real Estates Private Limited on the basis of security by way of pledge of shares.
13. The company has not given any guarantee for loans taken by others from banks or financial institutions.
14. The company has not made any public issue of shares and hence the question of preferential allotment and use thereof does not arise.
15. The company has not issued any debentures.
16. 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


(V. RAJARAMAN)
(Partner)

Membership Number : 002705

Place: Gurgaon
Date : 26.04.2014



SRF TRANSNATIONAL HOLDINGS LIMITED
 (Wholly owned Subsidiary of SRF Limited)
 BALANCE SHEET AS AT MARCH 31, 2014



Particulars	Note No.	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	32,54,18,400	32,54,18,400
Reserves and surplus	3	(20,90,61,484)	(21,34,96,164)
		<u>11,63,56,916</u>	<u>11,19,22,236</u>
Current liabilities			
Other current liabilities	4	35,694	35,000
		<u>35,694</u>	<u>35,000</u>
TOTAL EQUITY AND LIABILITIES		<u><u>11,63,92,610</u></u>	<u><u>11,19,57,236</u></u>
ASSETS			
Non-current assets			
Non-current investments	5	5,84,38,457	5,54,38,157
		<u>5,84,38,457</u>	<u>5,54,38,157</u>
Current assets			
Current investments	5	1,45,25,751	5,36,05,434
Cash and cash equivalents	6	8,44,398	4,86,168
Short-term loans and advances	7	4,00,00,000	-
Other current assets	8	25,84,004	24,27,477
		<u>5,79,54,153</u>	<u>5,65,19,079</u>
TOTAL ASSETS		<u><u>11,63,92,610</u></u>	<u><u>11,19,57,236</u></u>

Accounting Policies contained in Note 1 & Note 2 to 8 form part of financial statements 1

As per our report of even date
 For **THAKUR, VAIDYANATH AIYAR & CO.**
 Chartered Accountants
 Regn. No. 000038N


 V Rajaraman
 Partner
 M.No. 2705


 T.L.Raman
 Whole Time Director


 T. Mathew
 Director

Place: Gurgaon
 Date: 26.04.2014




 C.L.Bhat
 Director


 Sanjiv Kumar Sharma
 Company Secretary

SRF TRANSNATIONAL HOLDINGS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014



Particulars	Note No.	Year ended	Year ended
		March 31, 2014	March 31, 2013
		Rs.	Rs.
Revenue from Operations			
Interest on Loans		44,71,233	31,96,575
Interest on others		2,15,656	-
Interest on others (Tax free)		14,35,000	15,41,151
Profit on sale of Investments		10,67,835	57,926
Other Income			
Dividend		4,72,149	35,62,477
Miscellaneous Income		1,19,380	-
TOTAL REVENUE		77,81,253	83,58,129
EXPENSES			
Employee benefits expenses	9	1,20,000	1,20,000
Other expenses	10	10,92,143	1,63,475
TOTAL EXPENSES		12,12,143	2,83,475
Profit before tax		65,69,110	80,74,654
Tax expense			
Current tax		17,64,800	9,90,200
Prior period tax expenses		3,69,630	-
		21,34,430	9,90,200
Profit after tax		44,34,680	70,84,454
Earnings per share			
Basic (Rs.)	11	1.36	2.18
Diluted (Rs.)		1.36	2.18

Accounting Policies contained in Note 1 & Note 9 to 11 form part of financial statements

1

As per our report of even date

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

Chartered Accountants

Regn. No. 000038N

V Rajaraman
Partner
M.No. 2705

T.L.Raman
Whole Time Director

T. Mathew
Director



Place: Gurgaon

Date: 26.04.2014

C.L.Bhat
Director

Sanjiv Kumar Sharma
Company Secretary

SRF TRANSNATIONAL HOLDINGS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2014



		Amount (Rs.)	
		Year Ended	Year Ended
		March 31, 2014	March 31, 2013
A	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before tax	65,69,110	80,74,654
	Adjustments for		
	Profit on sale of Investments	(10,67,835)	(57,926)
	Provision for diminution in value of Investments	13,768	(1,441)
	Operating Profit before working capital changes	55,15,043	80,15,287
	Adjustments for		
	Trade and Other Receivables	(1,56,527)	(13,56,962)
	Trade Payables and Provisions	694	3,43,878
	Cash Generated from operations before tax	53,59,210	70,02,203
	Taxation	(21,34,430)	(9,90,200)
	Net Cash from operating activities (A)	32,24,780	60,12,003
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Investments	(78,94,917)	(11,40,50,124)
	Sale of Investments	4,50,28,367	8,32,49,950
	Loan made	(4,00,00,000)	-
	Refund of loan made	-	2,50,00,000
	Net Cash from Investment Activities (B)	(28,66,550)	(58,00,174)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds (Repayment) of Short term borrowings	-	-
	Net cash used in/ from financing activities (C)	-	-
	Net increase in Cash and Cash Equivalents D=(A+B+C)	3,58,230	2,11,829
	Cash & Cash equivalents at the beginning of the year (E)	4,86,168	2,74,339
	Cash & Cash equivalents at the close of the year F =(D+E)	8,44,398	4,86,168

T.L.Raman
Whole Time Director

T.Mathew
Director

C.L.Bhat
Director

Sanjiv Kumar Sharma
Company Secretary

We have certified the above cash flow statement of SRF Transnational Investments Limited derived from the audited financial statements for the year ended March 31, 2014 and other records and found the same to be drawn in accordance there with and also with the requirements of clause 32 of the listing agreements with the Stock Exchanges.

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

Place: Gurgaon
Date: 26.04.2014

V. RAJARAMAN
Partner
M. No. 2705

1 Significant Accounting Policies & Notes to the financial statements for the year ended March 31, 2014



A Accounting Policies:

- (i) Revenue items are recognized in accordance with the Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India read with the provisions of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. Accordingly, wherever there are uncertainties in the ascertainment/realization of income, the same is not accounted for.
- (ii) Long term quoted investments/non-current investments are valued at cost unless there is a permanent fall in their value as at the date of Balance Sheet. Current investments are valued at lower of cost or fair value.
- (iii) Unquoted investments are valued at cost and no loss is recognized for the fall in their net worth, if any, unless there is a permanent fall in their value.
- (iv) Contingent liabilities, barring frivolous claims, not acknowledged as debts are disclosed by way of note.

B Notes

- (i) In view of accumulated losses, no reserve has been created out of the profits for the year as required under section 45-IC of the Reserve Bank of India Act, 1934.
- (ii) The Deferred Tax Assets relating to accumulated business loss and capital loss have not been created due to uncertainty in earning of taxable income and capital gain in coming years. Therefore, the same has not been accounted for and the provision for taxation has been made accordingly.
- (iii) Contingent Liability: Rs 448/- (Pr. Yr. Rs 336/-) representing dividend received, credited to Profit & Loss Account, on investments sold by the company in earlier year in physical form and the buyer had not got the shares transferred in his name.
- (iv) Amount of Rs. 1,20,000 (Pr. Yr. Rs. 1,20,000) is paid as Remuneration to Whole Time Director.
- (v) Information required by M/s Deloitte Haskins & Sells, the Statutory Auditors of SRF Limited, for the purpose of consolidation of the subsidiaries with the holding company SRF Limited:

There is no information related to Inter-company transaction.

- (vi) The company is party to the Share Purchase Agreement dated 11th February 2014 between SRF Limited and KAMA Holdings Limited for transfer of investment in the entire equity shares of the company held by SRF Limited to KAMA Holdings Ltd. The transaction has been executed on 01st April 2014 and the company has become wholly owned subsidiary of KAMA Holdings Limited with effect from 01st April 2014.



2. Share Capital



a) Details of share capital

	As at March 31, 2014 Rs.	As at March 31, 2013 Rs.
AUTHORISED		
33,49,900 (Previous Year - 33,49,900) Equity shares of Rs. 100 each	33,49,90,000	33,49,90,000
100 (Previous Year - 100) 4% Redeemable Cumulative Preference Shares of Rs. 100 each	10,000	10,000
	33,50,00,000	33,50,00,000
ISSUED, SUBSCRIBED AND PAID UP		
32,54,184 (Previous Year - 32,54,184) Equity Shares of Rs. 100 each fully paid up*	32,54,18,400	32,54,18,400
	32,54,18,400	32,54,18,400

* Entire equity capital is held by SRF Limited, the Holding Company and its nominees.

There is no change in the shareholding as compared to previous year.

b) Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2014 (No. of shares)	As at March 31, 2013 (No. of shares)
SRF Limited and its nominees	32,54,184	32,54,184

In the period of immediately preceding five years, the Company has not: -

- allotted any shares without payment being received in cash; and
- allotted any bonus shares as fully paid up shares.



3. Reserves and Surplus



	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Capital reserve	95,76,252	95,76,252
Capital redemption reserve	7,200	7,200
Amalgamation reserve	2,52,57,800	2,52,57,800
Surplus in statement of profit and loss	<u>(24,39,02,736)</u>	<u>(24,83,37,416)</u>
Total Reserves and Surplus	<u>(20,90,61,484)</u>	<u>(21,34,96,164)</u>

There is no change in the balances of Reserves (except surplus) as compared to Previous year.

	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Surplus		
As at the beginning of the year	(24,83,37,416)	(25,54,21,870)
Profit after tax transferred from statement of Profit and Loss annexed	44,34,680	70,84,454
As at the end of the year	<u>(24,39,02,736)</u>	<u>(24,83,37,416)</u>





4. Other current liabilities

	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Expenses payable	31,500	31,500
Statutory dues	4,194	3,500
	<u>35,694</u>	<u>35,000</u>



5. Investments



Scrip	Par Value (Rs.)	As at March 31, 2014		As at March 31, 2013	
		Qty. (Nos.)	Amount (Rs.)	Qty. (Nos.)	Amount (Rs.)
NON-CURRENT INVESTMENTS- Others					
Investments in Equity Instruments					
<u>Quoted</u>					
Chemplast Sanmar Ltd.*	1	-	-	220	-
Mawana Sugars Ltd.	10	2,901	47,500	2,901	47,500
DCM Shriram Ltd.*	10	280	-	280	-
			47,500		47,500
<u>Unquoted</u>					
SB Packaging Ltd.**		23,800	49,98,000	1,19,000	49,98,000
Less: Provision for diminution in value			49,98,000		49,98,000
			-		-
*These investments have no cost value as these represents split shares issued by the companies concerned. These were sold by the company in physical form and the buyer had not got the shares transferred in his name.					
** The capital of M/s S. B. Packaging Ltd has been reduced to 20% as per BIFR order dated 04th April 2013					
Investments in Bonds					
<u>Quoted</u>					
HUDCO Tax Free Bonds 8.20%, 2027	1,000	17,500	1,98,90,357	17,500	1,98,90,357
			1,98,90,357		1,98,90,357
Investments in Mutual Funds					
<u>Quoted</u>					
DWS Gilt Fund- Growth	12.80	3,90,665	50,00,000	3,90,665	50,00,000
HDFC Income Fund- Growth	26.66	1,87,571	50,00,000	1,87,571	50,00,000
IDFC Dynamic Bond Fund- Growth	13.80	3,62,500	50,00,000	3,62,500	50,00,000
Kotak Bond Scheme Plan A- Growth	33.56	1,48,993	50,00,000	1,48,993	50,00,000
			2,00,00,000		2,00,00,000
Aggregate value of quoted investments			3,99,37,857		3,99,37,857
[Market value of quoted investments Rs. 38,188,128 (previous year Rs 38,794,054)]					
Investments in Other Instruments					
<u>Unquoted-Private Equity Fund</u>					
Asian Healthcare Fund	100	2,50,000	62,50,000	2,50,000	62,50,000
[Partly paid-up to the extent of Rs. 25 each (pr. yr. Rs.25)]					
[Total commitment Rs.62,50,000 (pr. yr. Rs.25,000,000)]					
ICICI Prudential Venture Capital Fund	10	10,00,100	60,00,600	10,00,100	30,00,300
[Partly paid-up to the extent of Rs 6 each (pr. yr Rs. 3)]					
[Total commitment Rs.10,001,000]					
TVS Shriram Growth Fund Scheme 1B	1000	6,250	62,50,000	6,250	62,50,000
[Total commitment Rs.25,000,000]					
			1,85,00,600		1,55,00,300
Aggregate value of non-current investments			5,84,38,457		5,54,38,157
CURRENT INVESTMENTS					
Investments in Mutual Funds					
<u>Quoted</u>					
DSP Blackrock Liquidity Fund-Weekly Dividend	1,000	4,891	48,94,617	-	-
Kotak Gilt Investment-Growth	40.60	2,38,190	96,44,902	13,22,929	5,36,05,434
Less: Diminution in Value of Investment			(13,768)		-
			96,31,134		5,36,05,434
			1,45,25,751		5,36,05,434

[Market value of current investments Rs 14,529,459/- (previous year Rs 53,714,875).]



6. Cash and bank equivalents



	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Cash and cash equivalents		
Cash in hand	7,274	1,012
Balance with banks on Current accounts	<u>8,37,124</u>	<u>4,85,156</u>
Total cash and bank balances	<u>8,44,398</u>	<u>4,86,168</u>



7. Short-term loans and advances
(Unsecured considered good, unless otherwise stated)



	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Short term loans and advances		
Secured - considered good	<u>4,00,00,000</u>	-
Total short term loans and advances	<u>4,00,00,000</u>	-



8. Other current assets



	As at March 31, 2014 (Rs.)	As at March 31, 2013 (Rs.)
Interest accrued but not due on non-current investments	1,06,151	1,06,151
Dividend receivable	3,26,520	-
Advance for purchase of sculpture	-	2,81,250
Advance Tax (net of provisions)	<u>21,51,333</u>	<u>20,40,076</u>
Total other current assets	<u>25,84,004</u>	<u>24,27,477</u>



9. Employee benefits expenses



	Year Ended March 31, 2014 (Rs.)	Year Ended March 31, 2013 (Rs.)
Remuneration to Whole Time Director	1,20,000	1,20,000
	<u>1,20,000</u>	<u>1,20,000</u>



10. Other expenses

	Year Ended March 31, 2014 (Rs.)	Year Ended March 31, 2013 (Rs.)
Provision for dimunition in investments	13,768	(1,441)
Donation to foreign party	3,42,379	1,00,000
Payment to Auditors:		
for Audit fee	35,000	35,000
for Certification charges	20,000	-
Professional Expenses	28,105	11,165
Miscellaneous expenses	6,52,891	18,751
	10,92,143	1,63,475



11. Earnings Per Share



	Year Ended March 31, 2014 (Rs.)	Year Ended March 31, 2013 (Rs.)
Profit after tax (Rs. Lakhs)	44,34,680	70,84,454
Weighted average number of equity shares outstanding	32,54,184	32,54,184
Basic and diluted earnings per share in rupees (face value- Rs. 100 per share)	1.36	2.18

