



(Corporate Identity Number : L31101MH2007PLC168823)

13th Annual Report  
2019-2020

## KARMA ENERGY LIMITED ANNUAL REPORT 2019-2020

### BOARD OF DIRECTORS

Shri Dharmendra G. Siraj	–	Chairman
Shri Chetan D. Mehra	–	Vice Chairman
Shri Neelkamal V. Siraj		
Shri Kishore N. Vussonji		
Smt. Smita V. Davda		
Shri Balady S. Shetty		
Shri Ganesh N. Kamath	–	Managing Director
Shri T V Subramanian	–	CFO and Company Secretary

### BANKERS

HDFC Bank

### AUDITORS

M/s Batliboi and Purohit, Chartered Accountants

### REGISTERED OFFICE

Empire House, 214, Dr. D.N. Road,  
Ent. A. K. Nayak Marg, Fort  
Mumbai - 400 001.  
Tel Nos. 22071501-06, Fax : 22071514  
Email [investorshelpdesk@weizmann.co.in](mailto:investorshelpdesk@weizmann.co.in)  
Website : [karmaenergy.co](http://karmaenergy.co)  
CIN : L31101MH2007PLC168823

### WIND POWER PLANTS

Andhra Pradesh - Anantpur  
Maharashtra - Beed, Satara  
Tamil Nadu - Tiruppur, Theni, Tirunelveli

**“Shareholders are requested to be part of the green initiative and avail copies of Annual Report and other intimations electronically through email and hence request to share your email ID along with Folio number to [investorshelpdesk@weizmann.co.in](mailto:investorshelpdesk@weizmann.co.in)”**

## CONTENTS

Notice.....	
Director's Report.....	
Report on Corporate Governance.....	
Certificate on Corporate Governance .....	
Management Discussions & Analysis Report.....	
Auditor's Report on Financial Statements.....	
Balance Sheet.....	
Profit & Loss Accounts.....	
Cash Flow Statement.....	
Notes to Financial Statements .....	
Auditors' Report on Consolidated Financial Statements .....	
Consolidated Balance Sheet.....	
Consolidated Profit & Loss Account.....	
Consolidated Cash Flow Statement.....	
Notes to the Consolidated Financial Statements .....	
Additional Disclosure under Schedule III of Companies Act, 2013....	
Statement u/s 129 (3) of the Companies Act, 2013 .....	

**NOTICE**

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of the Members of KARMA ENERGY LIMITED will be held on Tuesday, December 22, 2020 at 2.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020 on standalone and consolidated basis together with the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dharmendra G. Siraj (holding DIN 00025543), who retires by rotation and, being eligible, offers himself for re- appointment.

**SPECIAL BUSINESS**

3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Special Resolution:-

**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force, read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the re-appointment of Shri Ganesh N. Kamath (holding DIN : 00040805), who was re-appointed as Managing Director by the Board of Directors with effect from 1<sup>st</sup> December, 2019 under the Articles of Association of the Company for a term of 1 year effective from 1<sup>st</sup> December, 2019 and for a further period from 1<sup>st</sup> December, 2020 for a term of 1 year until 30<sup>th</sup> November, 2021, on the terms and conditions of appointment and remuneration as contained in the agreement entered into between the company and Shri Ganesh N. Kamath and the Board of Directors be and are hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Shri Kamath.

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the recommendation of the Board and subject to the applicable provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Including any statutory modifications or re-enactment thereof for the time being in force) and other applicable provisions and subject to necessary approvals from the Securities and Exchange Board of India (SEBI), Stock Exchanges and other appropriate statutory authorities as may be required, consent of the Members be and is hereby accorded for the reclassification of the status of following entity (hereinafter referred to as the 'outgoing promoter group') from "Promoter group" to the "Public" shareholding of the Company :

Name of the Outgoing Promoter Group	No. of equity shares held as on the date of this Notice	Percentage of shareholding / voting rights
M/s. Ebixcash World Money India Limited	NIL	NIL

**RESOLVED FURTHER THAT** in supersession of any provision etc., their special rights, if any, with respect to the Company through formal or informal arrangements including through any shareholders agreements, if any, stand withdrawn/terminated and be null and void, with immediate effect.

**RESOLVED FURTHER THAT** upon receipt of necessary approval(s) for reclassification/classification for the aforementioned outgoing promoter group, the Company shall effect such re-classification/classification in the statement of Shareholding pattern of the Company from the immediate succeeding quarter/half year under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, in compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions for the time being in force.

**RESOLVED FURTHER THAT** Shri Dharmendra G. Siraj, Chairman, Shri Chetan D. Mehra, Vice Chairman and Shri T V Subramanian, CFO & Company Secretary of the Company, be and are hereby severally authorised to intimate Stock Exchanges post members approval, and to submit a reclassification application to the Stock Exchanges within the permitted time, and thereby execute all such documents, instruments, papers and writings etc., on behalf of the Company, as may be required from time to time and to do all such acts and deeds as may be necessary to give effect to this resolution."

By Order of the Board

Place : Mumbai

Date : 11<sup>th</sup> November, 2020

T. V. Subramanian  
CFO & Company Secretary

**NOTES :**

- 1) In view of the global outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), Government of India, has vide its General Circular No. 14/ 2020 dated 8th April 2020, General Circular No. 17/ 2020 dated 13th April 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19" and General Circular No. 20/ 2020 dated 5th May 2020, in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid-19 pandemic" ("SEBI Circular") have permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), as amended from time to time, read with the MCA Circulars, SEBI Circular and pursuant to

Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) the Annual General Meeting (“AGM”) of the Company is scheduled to be held on Tuesday, 22<sup>nd</sup> December, 2020, at 2 p.m. (IST) through VC/OAVM and the voting for items to be transacted in the Notice to this AGM only through remote electronic voting process (“e-Voting”).

- 2) As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated 5th May 2020, the matters of Special Business as appearing at Item Nos. 3 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
- 3) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto
- 4) PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
- 5) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 7) The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited’s (“NSDL”) e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars.
- 8) Further, due to non-availability of postal and courier services, on account of the threat posed by COVID-19 and in terms of the MCA Circulars and the SEBI Circular, the Company is sending this AGM Notice along with the Annual Report for FY20 in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the AGM and the Annual Report for FY20 has been uploaded on the website of the Company at [www.karmaenergy.co](http://www.karmaenergy.co) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. The AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 9) In terms of Section 152 of the Companies Act, 2013, Shri Dharmendra G. Siraj (DIN : 00025543) Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors of the Company recommends re-appointment of Shri Dharmendra G. Siraj.

- 10) Information of Directors recommended for re-appointment at the Annual General Meeting in terms of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms integral part of the notice. The Directors have furnished the requisite declarations for their re-appointment. Information on Directors recommended for appointment / re-appointment at the Annual General Meeting in terms of Regulation 39(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
- 11) The Register of Members and Share Transfer Books of the Company will be closed on December 15, 2020 for the purpose of Annual General Meeting.
- 12) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent, Bigshare Services Private Limited for assistance in this regard.
- 13) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Bigshare Services Private Ltd in case the shares are held in physical form.
- 14) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
- 15) Members desiring inspection of statutory registers during the AGM may send their request in writing to the Company at [investorshelpdesk@weizmann.co.in](mailto:investorshelpdesk@weizmann.co.in)
- 16) Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to [investorshelpdesk@weizmann.co.in](mailto:investorshelpdesk@weizmann.co.in) up to the date of the AGM.
- 17) This AGM Notice is being sent by e-mail only to those eligible Members who have already registered their e-mail address with the Depositories/the DP/the Company's RTA/the Company or who will register their e-mail address with Bigshare Services Private Ltd, on or before 5:00 p.m. (IST) on Tuesday, 15<sup>th</sup> December 2020.
- 18) To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangement with Bigshare Services Pvt. Ltd for registration of e-mail addresses in terms of the MCA Circulars. Eligible Members who have not submitted their e-mail address to Bigshare, are

required to provide their e-mail address to the RTA, on or before 5:00 p.m. (IST) on Tuesday, 15<sup>th</sup> December 2020 pursuant to which, any Member may receive on the e-mail address provided by the Member the Annual Report for FY20 and the procedure for remote e-Voting along with the login ID and password for remote e-Voting. The process for registration of e-mail address is as under:

I. For Members who hold shares in Electronic form:

- a) Visit the link <https://www.bigshareonline.com/InvestorRegistration.aspx>
- b) Select Company name from drop down list
- c) Enter the DP ID & Client ID and PAN.
- d) Enter your e-mail address and mobile number.
- e) An OTP would be sent on the mobile number and email id.
- f) Once OTP is entered the email id would be registered.

II. For Members who hold shares in Physical form:

- a) Visit the link <https://www.bigshareonline.com/InvestorRegistration.aspx>
- b) Select Company name from drop down list
- c) Enter the Folio No and PAN.
- d) Enter your e-mail address and mobile number.
- e) An OTP would be sent on the mobile number and email id.
- f) Once OTP is entered the email id would be registered.

- 19) After successful submission of the e-mail address, NSDL will e-mail a copy of the Annual Report for FY20 along with the remote e-Voting user ID and password, within 48 hours of successful registration of the e-mail address by the Member. In case of any queries, Members may write to [investor@bigshareonline.com](mailto:investor@bigshareonline.com) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 20) For permanent registration of their e-mail address, Members are requested to register their e-mail address, in respect of electronic holdings, with their concerned DP and in respect of physical holdings, with the RTA.
- 21) Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP/TSR to enable servicing of notices / documents/Annual Reports and other communications electronically to their e-mail address in future.
- 22) Process and manner for Members opting for e-Voting is, as under:-
  - I. In compliance with the provisions of Sections 108 and other applicable provisions of the Act, read with Rule 20 of the Rules and Regulation 44 of the Listing Regulations, the Company is offering only e-Voting facility to all the Members of the company and the business will be transacted only through the electronic voting system. The Company has engaged the services of NSDL for facilitating e-Voting to enable the Members to cast their votes electronically as well as for e-Voting during the AGM.



Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if it / they have been passed at the AGM.

- II. Members are provided with the facility for voting through Voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, are eligible to exercise their right to vote at the AGM.
- III. Members who have already cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the Member has already cast the vote through remote e-Voting.
- IV. **Members of the Company holding shares either in physical form or electronic form as on the cut-off date of Tuesday, 15<sup>th</sup> December 2020, may cast their vote by remote e-Voting. The remote e-Voting period commences on Saturday, 19<sup>th</sup> December 2020 at 9:00 a.m. (IST) and ends on Monday, 21<sup>st</sup> December, 2020 at 5:00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.**
- V. The instructions for Members attending the AGM through VC/OAVM are as under:
  - A. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system and they may access the same at <https://www.evoting.nsdl.com> under the shareholders / Members login by using the remote e-Voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM through a live webcast of the meeting and submit votes on announcement by the Chairman. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further, Members may also use the OTP based login for logging into the e-Voting system of NSDL.
  - B. **Members may join the AGM through laptops, smartphones, tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.**
  - C. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at [investorshelp@weizmann.co.in](mailto:investorshelp@weizmann.co.in) before 3.00 p.m. (IST) on Friday, 18<sup>th</sup> December 2020. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
  - D. Members who would like to express their views /ask questions as a Speaker at the AGM may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID / folio number, PAN and mobile number to [investorshelpdesk@weizmann.co.in](mailto:investorshelpdesk@weizmann.co.in) between Tuesday, 15<sup>th</sup> December 2020 (9:00 a.m. IST) and Friday, 18<sup>th</sup> December 2020 (5:00 p.m. IST). Only those Members who have pre-registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The

Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

- E. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.:1800-222-990 or contact Mr. Amit Vishal, Senior Manager - NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or call on +91 22 24994360/+91 9920264780.

VI. The instructions for Members for e-Voting are as under :

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**How to Log-in to NSDL e-Voting website?**

- A. Visit the e-Voting website of NSDL. Open web browser by typing the following: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- B. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
- C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- D. Your User ID Details are given below :

Manner of holding shares i.e. demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 114901 then user ID is 114901001***

1. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your initial password?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investorshelpdesk@weizmann.co.in](mailto:investorshelpdesk@weizmann.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investorshelpdesk@weizmann.co.in](mailto:investorshelpdesk@weizmann.co.in).
2. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
4. Now, you will have to click on "Login" button.
5. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

## 13<sup>th</sup> Annual Report 2019-20

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- VII. The instructions for Members for e-Voting during the proceedings of the AGM are, as under:
- A. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
  - B. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mferraocs@gmail.com](mailto:mferraocs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e- voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- VIII. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Tuesday, 15<sup>th</sup> December 2020.
- IX. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Tuesday, 15<sup>th</sup> December 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or the Company/RTA.
- X. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting.
- XI. The Board of Directors has appointed Mr. Martinho Ferrao (FCS 6221) of M/s. Martinho Ferrao & Associates, Company Secretaries as Scrutinizer to scrutinize the voting at the AGM and remote e-Voting process, in a fair and transparent manner.
- XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
- XIII. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast during the AGM and, thereafter, unblock the votes cast through remote e-Voting and shall make, not later than 48 hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Results declared, alongwith the Scrutinizer's Report, shall be placed on the Company's website [www.karmaenergy.co](http://www.karmaenergy.co) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com), immediately after the declaration of the result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's Equity Shares are listed viz. BSE and NSE and be made available on their respective websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

**Explanatory Statement**  
(Pursuant to Section 102 of the Companies Act, 2013)

The following explanatory statement sets out all the material facts relating to the Special Business under item No. 3 & 4 of the accompanying notice dated 11<sup>th</sup> November, 2020.

**In respect of item No.3**

The Board of Directors at their meeting held on November 14, 2019 and November 11, 2020 re-appointed Shri Ganesh N. Kamath as Managing Director of the Company subject to necessary approvals for the period effective from 1<sup>st</sup> December, 2019 for a period of one year and further from 1<sup>st</sup> December, 2020 until 30<sup>th</sup> November, 2021. Shri Ganesh Kamath is a BE (Mech) from IIT, Mumbai.

The re-appointment of Shri Ganesh Kamath is appropriate and in the best interest of the Company.

The approval of the members is being sought to the terms, conditions and stipulations for the re-appointment of Shri Ganesh N. Kamath as the Managing Director and the remuneration payable to him.

The material terms of re-appointment and remuneration as contained in the Agreement are given below :

Period of Agreement : One year from 1<sup>st</sup> December 2019 until 30<sup>th</sup> November, 2020 &  
One year from 01<sup>st</sup> December, 2020 until 30<sup>th</sup> November, 2021

Remuneration payable :

a)	Salary	:	Rs.17,28,000/- p.a
b)	House Rent Allowance	:	Rs. 3,84,000/- p.a
c)	Leave travel assistance	:	Rs. 36,000/- p.a
d)	Provident Fund	:	12 % of Basic salary i.e Rs.2,07,360/- p.a

i)	Personal Accident Insurance	:	As per rules of the Company
ii)	Medical Insurance	:	As per rules of the Company
iii)	Gratuity	:	Half month's basic salary for each completed year of service.
iv)	Leave encashment	:	At the end of the tenure and computation based on basic salary and the same shall not be considered in computing ceiling on perquisites.
v)	Leave	:	As per the applicable rules of the Company.
vi)	Company's Car with Driver	:	Permitted for the business of the Company.
vii)	Telephone facility	:	Free Telephone at residence, personal long distance calls to be billed at actuals.

## 13<sup>th</sup> Annual Report 2019-20

If during the currency of the Managing Director, the Company has no profits or its profits are inadequate in any financial year, the Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above.

The other terms and conditions of the said agreement are such as are customarily contained in agreement of similar nature.

None of the Directors of the company except Shri Ganesh N. Kamath is concerned in the said resolution.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item No.3 of the accompanying notice for the approval of the members.

### In respect of item No.4

M/s. Ebixcash World Money India Limited ("Outgoing promoter group") are part of the promoter group of the Company since 2010. M/s. Ebixcash World Money India Ltd is not holding any shares in the company.

On September 14, 2020, Outgoing Promoter group has requested reclassification of their Status from "Promoter group Category" to "Public Category" as per Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and their current holding is given below :-

Name of the Outgoing Promoter Group	No. of equity shares held as on the date of this Notice	Percentage of shareholding / voting rights
M/s. Ebixcash World Money India Limited	NIL	NIL

It may be further noted that following are the pre-requisite for making application under these regulations i.e. the Outgoing Promoter group :

- a) Does not hold more than 10% of the total voting rights in the Company;
- b) Does not exercise control over the affairs of the Company directly or indirectly;
- c) Does not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- d) Does not represent on the Board of Directors (including not having a nominee Director) of the Company;
- e) act as a key managerial person in the listed entity;
- f) Not be a 'wilful defaulter' as per the Reserve Bank of India Guidelines;
- g) Not be a fugitive economic offender;

It is further informed that the Outgoing Promoter group had confirmed that they do not :

- i. hold any % in the share capital of the Company (either individually or in concert);

## 13<sup>th</sup> Annual Report 2019-20

- ii. have any direct or indirect control over the affairs of the Company;
- iii. hold any Key Managerial position in the Company;
- iv. have any representations on the Board of Directors in the Company;
- v. engage in any management or day to day affairs of the Company;
- vi. have any influence on the decision taken by the Company;
- vii. have any special right through formal or informal arrangements with the Company;
- viii. been declared as wilful defaulter and fugitive economic offender;

At its meeting held on September 15, 2020, the Board considered and approved the request received from outgoing promoters for reclassifying their status as Public.

Members may note that Chetan D. Mehra ["continuing Promoter"] is continuing to be the Promoter of the Company along with other Promoter group individuals / entities. There is no change in Promoter and Promoter Group current shareholding of 74.70 % in the Company in view of the re-classification of outgoing Promoter group.

Further, in accordance with Regulation 31A of the Listing Regulations, the re-classification requires the approval of the Stock Exchanges, where the shares of the Company are listed. In terms of the procedure adopted by the Stock Exchange for granting such approval, the Stock Exchange, inter alia, requires that the Company obtain the consent of the Shareholders of the Company for re-classification.

Accordingly, the Board recommends the Resolution No.4 as an Ordinary Resolution for the approval of members. None of Director or Key Managerial Personnel or their relatives is concerned or interested in the said resolution.

By Order of the Board

Place : Mumbai

Date : 11<sup>th</sup> November 2020

T. V. Subramanian  
CFO & Company Secretary

## Details of Directors seeking appointment / re-appointment at the Annual General Meeting

Particulars	Shri Dharmendra G. Siraj	Shri Ganesh N. Kamath
Date of Birth	28 <sup>th</sup> December, 1951	14 <sup>th</sup> September, 1942
Date of Appointment	26 <sup>th</sup> August, 2010	15 <sup>th</sup> March, 2007
Qualifications	Graduate in Commerce	BE (Mechanical)
Expertise in specific functional areas	Shri Dharmendra. G. Siraj has rich and varied management experience of over 40 years in financial services, including Money Exchange and Remittance Services, besides Housing and Consumer Finance. He has been closely associated with the promotion of Renewable Energy and Exports, and has repeatedly served on the Export Promotion Panel of the Cotton Textile Export Promotion Council, and been on the Committee of the All India Exporters Chamber. D. G. Siraj holds a Bachelors degree in Business Management from Mumbai University and a Diploma in Management Studies from London, U. K.	Shri Ganesh Kamath has over 45 years of experience in engineering Industry and was associated with multi-national companies like Hindustan Lever and Johnson & Johnson, Windia Power Limited, Greenweiz Projects Limited and Karma Energy Limited in various positions in Production Management and General Management.  Has done project work on Wind Electric Generators and Wind Farm Development and associated with development of the Sector for over 23 years.
Directorships held on other Public Companies (Excluding foreign companies and Section 8 companies)	<ul style="list-style-type: none"> <li>• Brahmanvel Energy Ltd</li> <li>• Greenweiz Projects Ltd</li> <li>• Joiner Hydro Power Projects Ltd</li> <li>• Malayamarutha Energy Projects Ltd</li> <li>• Purvaja Projects Ltd</li> <li>• Weizmann Corporate Services Ltd</li> <li>• Weizmann International Ltd</li> <li>• Weizmann Ltd</li> <li>• Weizmann Impex Service Enterprises Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Batot Hydro Power Ltd</li> <li>• Joiner Hydro Power Projects Ltd</li> <li>• Kaldar Energy Projects Ltd</li> <li>• Khandesh Energy Projects Ltd</li> <li>• Kombai Mettu Energy Projects Ltd</li> <li>• Siul Baroti Hydro Projects Ltd</li> <li>• Supportive Insurance Brokers Ltd</li> <li>• Tapi Energy Projects Ltd</li> <li>• Vajharpada Energy Ltd</li> </ul>
Memberships / Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders' Committee)	Member of Audit and Stake holders Relationship committee of Weizmann Ltd	Nil
Number of Shares held in the Company	844974 Equity shares constituting 7.16 % of the Equity Shares held	Nil

The aforesaid Directors are not related to any other Directors



## DIRECTORS' REPORT

### TO THE MEMBERS OF KARMA ENERGY LIMITED

The Directors are pleased to present this **Thirteenth** Annual Report and the Audited Statement of Accounts for the year ended March 31, 2020.

#### 1. FINANCIAL RESULTS

(Rs. in lakh)

Particulars	2019-2020	2018-2019
Total Income including exceptional items	3686.72	3106.65
Profit / (Loss) Before Depreciation	562.27	(87.45)
Less : Depreciation	542.46	496.48
Profit / (Loss) Before Tax	19.81	(583.93)
Less : Income Tax	127.60	9.08
Less : Deferred Tax	(124.95)	(167.81)
Profit / (Loss) After Tax	17.16	(425.20)
Other Comprehensive Income Net of Tax	(209.24)	(2169.63)
Total Comprehensive Income for the year	(192.08)	(2594.83)

The consolidated Financial Statements of the Company and its subsidiaries and associates, prepared in accordance with Indian Accounting Standards (IND AS) including the Rules notified under the relevant provisions of the Companies Act, 2013, form part of the Annual Report and Accounts.

#### 2. DIVIDEND AND RESERVES

Your Directors have not recommended dividend (previous year Rs. NIL per share) for financial year 2019-20 on account of the need to conserve the resources as the payments from the utilities have been considerably delayed in all the states where the company is selling power to state utilities and regulatory changes are adversely affecting the revenues.

No amounts have been transferred to Reserves during the year.

#### 3. SHARE CAPITAL

The Paid Up Equity Capital of the Company as on 31.03.2020 is Rs.11,56,99,180/-. The company has not issued any new equity shares during the year.

#### 4. FIXED DEPOSITS

Your Company has not accepted any Fixed Deposits within the meaning of Section 73 of the Companies Act, 2013.

#### 5. PERFORMANCE

During the year the Total Income of the Company was Rs.3686.72 Lakh as compared to Rs.3106.65 Lakh in the previous year. The primary reason for increase is on account of the fact that there was a bumper off take of Renewable Energy Certificates (RECs) in 2019-20 and revenue recorded on account of same was Rs.7.48 Crore against which the sale in 2018-19 was about Rs.2.21 Crore

The Profit before depreciation registered was Rs. 562.27 Lakh (Previous year loss of Rs.87.45 Lakh). The Profit after Tax was Rs.17.16 Lakh (Previous year loss of Rs.425.20 Lakh). As per the IND AS other comprehensive loss for the year 2019-2020 was Rs. 209.24 Lakh (Previous year loss of Rs.2169.63 Lakh) and total comprehensive loss for the year was Rs. 192.08 Lakh (Previous Year loss of Rs. 2594.83 Lakh). The company has not transferred any amount to Reserves during the year.

There has been no change in the business of the company during the year as compared to the previous year.

With respect to realization of generation proceeds from state utilities, there was little improvement in 2019-20, however the Company could realize old dues of 3-5 years in Tamil Nadu and Andhra Pradesh in the first four months of 2020-21. As far as Company's Wind Electric Generators (WEGs) in Maharashtra is concerned, the open access charges have been sky rocketing. The adverse effect stands compounded with restriction on Banking to one month as against 12 months which was in vogue for more than two decades. Further the introduction of forecasting and scheduling for every 15 minutes time block and deviations resulting in levy of penalties both at pooling station level and State periphery levels has led to an estimate that wind site where the Company has opted access may record negative net earnings.

In respect of Company's WEGs in Andhra Pradesh is concerned, the rough weather continues. The generation proceeds received only at 50% of the tariff for the period January 2011 to May 2014 has been held up due to the state bifurcation imbroglio and the matter now is pending before CERC after AP High Court rejected the writ petition.

For two phases of 3 MW each, the Power Purchase Agreement (PPA) generation dues were received in July 2020 after nil realization for 4-5 years. For the balance 1.5 MW PPA execution process in in progress.

## 6. SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

Your company has 2 subsidiary companies viz. Batot Hydro Power Ltd and Greenweiz Projects Limited.

Greenweiz Projects Limited is in the business of carrying out operation & maintenance of wind farms. This Company is in the process of being amalgamated with Karma Energy Ltd with effect from the Appointed date April 1,2019 and is awaiting Order from NCLT.

Batot Hydro Power Limited is operating its 3.5 MW small hydro power Project. The hydro power generation in 2019-20 was at 120.86 lakh units as against 122.74 lakh units in the previous year reflecting a marginal decrease. The profit before tax was Rs.1.46 lakh as against a loss of Rs.123.70 lakh in the previous year.

In accordance with Section 136 of the Companies Act, 2013 read with Rule 10 of The Companies (Accounts) Rules, 2014, a company may forward statement of accounts containing the salient features in the prescribed form and simultaneously ensure that copies of the financial statements including consolidated financial statements along with Auditors Report, Directors Report and other documents that is required to be attached of annexed with the financial statements are made available for inspection at the registered office of the company, during working hours for a minimum period of 21 days prior to the meeting of the shareholders. Accordingly Accounts in the Abridged Form as per prescribed Form AOC-3A of the subject rules are being forwarded to all the members of the company with complete set of financial statements being available on the website of the company [www.karmaenergy.com](http://www.karmaenergy.com). Also salient features in the financial statement of subsidiaries, associate companies, joint ventures compiled in Form AOC-1 of the subject Rules are attached to the financial statements.

## 7. DIRECTORS AND KEY MANAGEMENT PERSONNEL

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company the Director Shri Dharmendra G Siraj retires by rotation and, being eligible has offered himself for re-appointment.

The Managing Director of the company Mr. G N Kamath was re-appointed for a period of one year with effect from 1<sup>st</sup> December 2019 subject to approval of shareholders by special resolution and the ensuing Annual General Meeting. The confirmation of re-appointment of Mr. G N Kamath as Managing Director for a period of one year and above would be included in Notice to the ensuing AGM.

The Company had pursuant to Section 149(10) read with Section 152 of the Companies Act, 2013 has three independent directors viz. Shri K M Vussonji, Shri B S Shetty and Smt. Smita V Davda who were / are appointed for a term of five consecutive years at the relevant Annual General Meetings.

The Board of Directors had five board meetings during financial year 2019-20.

Mr. T V Subramanian is the Chief Financial Officer appointed by the Board of Directors.

## 8. COMMITTEES

The Audit Committee members are -

Mr. B S Shetty	- Independent Director	- Chairman
Mr. Kishore M Vussonji	- Independent Director	- Member
Smt. Smita V Davda	- Independent Director	- Member

The Nomination and Remuneration Committee members are :

Mr. Kishore M Vussonji	- Independent Director	- Chairman
Mr. D G Siraj	- Non Independent Director	- Member
Smt. Smita V Davda	- Independent Director	- Member

The Stakeholders Relationship Committee members are -

Mr. Chetan D Mehra	- Non Independent Director	- Chairman
Mr. D G Siraj	- Non Independent Director	- Member
Smt. Smita V Davda	- Independent Director	- Member

- 8a. The Board of Directors had accepted all the recommendations of the Audit Committee during the Financial Year.

## 9. STATEMENT INDICATING THE MANNER IN WHICH FORMAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to provisions of the Companies Act and the Listing Regulations, the Board as well as the Nomination and Remuneration Committee carried out the annual performance evaluation of Board's own performance, performance of the Chairman of the Board, the Committees and independent Directors without participation of the relevant Director. The Nomination and Remuneration Committee of the Board continuously evaluated the performance of the Board and provided feedback to the Chairman of the Board. The independent directors had a separate meeting without the presence of any non-independent directors and management and considered and evaluated the Board's performance, performance of the Chairman and other non-independent directors and shared their views with the Chairman.

## 10. FAMILIARISATION PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS

The company as required under Schedule IV of the Companies Act, 2013 and Listing Regulations has made arrangement to facilitate the independent directors to familiarize with the operations of the company, their roles, rights, responsibilities as Directors of the company considering the nature of the industry in which the company operates, business model of the company, etc. The

above aspect can be accessed by web link <http://www.karmaenergy.co/fid.html> The Company during Board Meetings itself updates all the Directors including Independent Directors on every aspect of the operations of the Company.

**11. EXTRACT OF ANNUAL RETURN AS PER SECTION 92(3) OF COMPANIES ACT, 2013**

An extract of Annual Return as at 31.03.2020 pursuant to section 92(3) of the Companies Act, 2013 and forming part of this Report is attached as Annexure-I to this Report.

**12. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) of the Companies Act, 2013, your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that 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 loss of the Company for that period ;
- iii) that 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 for preventing and detecting fraud and other irregularities; and
- iv) that the Directors had prepared the annual accounts on a going concern basis.
- v) that 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;
- vi) 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 ;

**13. STATEMENT OF DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(7) OF THE COMPANIES ACT, 2013**

The Board confirms the receipt of statement of declaration from independent directors u/s.149(7) of the Companies Act, 2013 on the matters of criteria of independent Director u/s. 149(6) of the Act. Further Independent Directors have complied with code for independent Directors prescribed in Schedule IV to the Act.

**14. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The company has constituted a Nomination and Remuneration Committee with the responsibilities of formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, Key Managerial Personnel and other employees ; Formulating criteria for evaluation of independent directors and the Board ; Devising policy on Board diversity ; Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company amends its policies based on developments in the regulatory forum and also to strengthen its corporate governance compliances.

Appointment and Remuneration to Managing Director is subject to approval by members in General Meeting and shall be in accordance with Schedule V of Companies Act, 2013 and ceiling as per Section 197 of the Act. Appointment of Independent Directors to satisfy conditions u/s.149(6) of the Companies Act, 2013.

The Independent Directors shall be governed by Code of Conduct detailed in Schedule IV of the Companies Act, 2013.

The personnel selected as Board Member or Key Management Personnel or other senior personnel of the company is based on their requisite qualifications, skills, experience and knowledge in the relevant fields.

Remuneration policy of the Company includes fixation of remuneration and annual increments based on performance, knowledge, position, target achievement, company's business plans, market environment and the remuneration is segregated into monthly fixed payments, annual payments, contribution to social and retirement benefits, reimbursement of expenses incurred for discharge of official duties, annual bonus, welfare schemes like insurance on health for self and family, accident benefits, tying up with agencies for managing retirement benefits like gratuity, pension schemes, etc.

The remuneration policy as above is also available in the website of the company – <http://www.karmaenergy.co/nnrp.html>

**15. PARTICULARS OF THE EMPLOYEES AND INFORMATION CALLED FOR UNDER SECTION 197 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

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, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits, top 10 employees in terms of remuneration drawn and other Disclosures pertaining to remuneration are set out in the said rules are provided in the Annual Report as Annexure-5.

Having regard to the provisions of the proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company.

The said information can be made available to any member interested in obtaining such information on request in writing to the Company Secretary.

**16. DISCLOSURE OF PARTICULARS**

Pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the Report on the matters of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as follows :

As the Company is in the field of Wind Farm development and not manufacturing, the relevant provisions relating to conservation of technology absorption are not applicable. However as the Company is in the field of wind farm development and promoting green energy, it is directly contributing to reducing dependency on fossil fuel and thus conserving the fossil fuel.

The earnings and outgo in foreign exchange was NIL during the year.

**17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S.186 OF THE COMPANIES ACT, 2013**

As the Company is in the business of Wind Power Generation an infrastructure activity as per Schedule VI of the Companies Act, 2013, provisions of Section 186 is not applicable.

**18. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013**

The transactions with the Related Parties are at arm's length basis and these transactions are not of material in nature as per Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014. The related party transactions are placed before the Audit Committee as also the Board for approval.

**19. POLICY ON RELATED PARTY TRANSACTIONS**

The Company has framed a policy on related party transactions and the same has been hosted on its website <http://www.karmaenergy.co/rptp.html>

The policy includes the specific transactions requiring prior approval of the Audit Committee, the Board of Directors, Special Resolution by members at General Meeting, determining the materiality of the transaction with the related party both under Companies Act and Listing Regulations, and also the procedures to be followed in complying with the statutory provisions in respect of related party transaction, if any.

## 13<sup>th</sup> Annual Report 2019-20

### 20. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY FOR THE COMPANY

The Company has framed its Risk Management Policy detailing the identification of elements of risks, monitoring and mitigation of the risks. The company has laid down detailed process in planning, decision making, organizing and controlling.

The Risk Management Policy has been hosted on the company's website <http://www.karmaenergy.co/rmp.html>

### 21. CORPORATE SOCIAL RESPONSIBILITY OF THE COMPANY

The statutory requirement of complying with Corporate Social Responsibility of the Companies Act, 2013 is not applicable to the company during F.Y. 2019-20.

### 22. ESTABLISHMENT OF VIGIL MECHANISM

The company has in place a vigil mechanism pursuant to which a Whistle Blower Policy is also in vogue. The whistle blower policy covering all employees and directors of the company is hosted on the company's website <http://www.karmaenergy.co/wbp.html>

### 23. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT

There are no material changes or commitments affecting the financial position of the company which have occurred between the end of the financial year and the date of this Report.

### 24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

No significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### 25. DETAILS IN RESEPECT OF ADEQUACY OF INTERNAL CONTROLS WITH RESPECT TO THE FINANCIAL STATEMENTS

The company has an internal control system commensurate with the size, scale and nature of its operation.

The internal controls ensure that all its assets are properly safeguarded and protected against loss from unauthorized use or disposal, all transactions are authorized, recorded and reported



## 13<sup>th</sup> Annual Report 2019-20

correctly. The company has also an internal audit system for periodical audit of the internal control systems of the company.

### 26. ISSUE OF NEW EQUITY SHARES DURING THE YEAR

The company has not issued any new equity shares during the year.

### 27. AUDITORS

In the Tenth Annual General Meeting (AGM) of the company held on August 23, 2017 Messrs. Batliboi & Purohit, Chartered Accountants was appointed as Statutory Auditors of the Company for a period of five years to hold office from the conclusion of the Tenth AGM until the conclusion of the Fifteenth AGM of the company. The Auditors have given a certificate that they are not disqualified and are eligible to be continued as Statutory Auditors of the Company.

### 28. SECRETARIAL AUDIT

Pursuant to requirement of section 204 of the Companies Act, 2013, the company had appointed Shri Martinho Ferraro – Practicing Company Secretary (COP 5676) as Secretarial Auditor for financial year 2019-20 and whose report of 28.07.2020 is attached as Annexure-VI. There are no adverse observations made by the Auditor.

### 29. AUDITORS' REPORT

The observations of the Auditors in their report, read with notes annexed to the accounts, are self-explanatory.

### 30. REPORTING OF FRAUDS

There was no instance of frauds during the year under review, which required the Statutory Auditors to report there on.

### 31. COST RECORDS AND AUDIT THEREOF

Maintenance of Cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 as amended from time to time is not applicable to the Company for this financial year 2019-20.

### 32. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As required u/s.124 of the Companies Act, 2013 the unclaimed dividend amount aggregating to Rs. 1,33,908/- pertaining to the financial year ended on 31.03.2012 lying with the company for the period of seven years were transferred during the financial year 2019-20 to IEPF established by the Central Government.

## 13<sup>th</sup> Annual Report 2019-20

Further as required u/s.124 of the Act, 13081 equity shares in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2019-20. Details of shares transferred have been uploaded on the website of IEPF as well as the company.

### 33. CREDIT RATING

Brickwork Rating has reaffirmed a rating of BWR BBB- {Outlook Stable} in respect of the borrowings by the Company from Banks.

### 34. CORPORATE GOVERNANCE

Your Company has complied with Corporate Governance requirements as per prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance forms part of this report as [Annexure - II](#). A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

### 35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is attached to this Report as [Annexure-VII](#).

### 36. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013.

"The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year no complaints have been received.

### 37. DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors confirm that the Secretarial Standards issued by the Institute of Companies Secretaries of India have been complied with.

### 38. ACKNOWLEDGEMENT

Your Directors express their grateful appreciation for the assistance and co-operation received from Government Authorities, Bankers, Lending Institutions, Suppliers and Customers during the year under review.



## **13<sup>th</sup> Annual Report 2019-20**

Your Directors place on record their appreciation for the committed services of the executives and staff of the Company.

For and on behalf of the Board

Place : Mumbai  
Date : August 10, 2020

**Chetan D. Mehra**  
**Vice Chairman (DIN :00022021)**

**KARMA ENERGY LIMITED**  
**CIN : L31101MH2007PLC168823**  
**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

*Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.*

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
(a)	Name (s) of the related party & nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transaction	
(c)	Duration of the contracts/arrangements/transaction	
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions'	
(f)	Date of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
(a)	Name (s) of the related party & nature of relationship	Greenweiz Projects Ltd - Subsidiary Company
(b)	Nature of contracts / arrangements / transaction	Operation & Maintenance of Wind Mills
(c)	Duration of the contracts / arrangements / transaction	Continuous contract
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Operation & Maintenance of Wind Mills – Rs. 44.35 Lakh
(e)	Date of approval by the Board	
(f)	Amount paid as advances, if any	Nil

Note : The Transactions with the Related Parties are at arm's length basis and these transactions are not material in nature as per Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 hence Section 188 not applicable as per third proviso to Section 188(1) of the Companies Act, 2013.

For **KARMA ENERGY LIMITED**

Sd/-

Chetan Mehra  
Vice Chairman  
DIN : 00022021

Place : Mumbai  
Date : 10-08-2020

## Annexure – I

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended 31<sup>st</sup> March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :			
i)	CIN	:	L31101MH2007PLC168823
ii)	Registration Date	:	15 <sup>th</sup> March 2007
iii)	Name of the Company	:	Karma Energy Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares
v)	Address of the Registered office and contact details	:	214, Empire House, Dr. D. N. Road, Ent. A. K. Nayak Marg, Fort, Mumbai – 400 001. Tel : 022-22071501, Email : investorshelpdesk@weizmann.co.in
vi)	Whether Listed Company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent:	:	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri East, Mumbai – 400071. Tel : 40430200, Email :

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sl. No.	Name and Description of main products / services	NIC Code of the product / Service	% to total turnover of the company
1.	Power Generation from Renewable energy sources	35106	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	Batot Hydro Power Ltd	U51909MH2002PLC135840	Subsidiary	100 %	2(87)
2.	Greenweiz Projects Ltd	U65920MH1993PLC071301	Subsidiary	100 %	2(87)



## 13<sup>th</sup> Annual Report 2019-20



a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	66	-	66	0.001	66	-	66	0.001	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Co's	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	66	-	66	0.001	66	-	66	0.001	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	373040	353	373393	3.23	351875	353	352228	3.04	(0.19)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 Lakh	1194018	278437	1472455	12.73	1200154	246576	1446730	12.50	(0.23)
ii) Individual shareholders holding nominal share capital in excess of Rs.2 Lakh	817373	-	817373	7.06	817373	-	817373	7.06	-
c) Others (Trust)	53	-	53		53	-	53		-
i) NRI's	69042	15343	84385	0.73	67124	12887	80011	0.69	(0.04)
ii) Demat Transit / Clearing Member	4691	-	4691	0.04	4886	-	4886	0.04	-
<b>Sub-total (B)(2):-</b>	2632673	294133	2926806	25.30	2666990	259816	2926806	25.30	-

<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	2632739	294133	2926872	25.30	2667056	259816	2926872	25.30	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	11275785	294133	11569918	100.00	11310102	259816	11569918	100.00	-

ii) Shareholding of promoters
-------------------------------

Sl. No	Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year
--------	--------------------	---	-------------------------------------

		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Chetan Mehra	370247	3.20	-	370247	3.20	-	-
2.	Dharmendra Siraj	844974	7.16	-	844974	7.30	-	-
3.	Anju Siraj	988097	8.54	-	988097	8.54	-	-
4.	Radhika Mehra	796715	6.89	-	796715	6.89	-	-
5.	Sweta Siraj Mehta	-	-	-	-	-	-	-
6.	Isha Siraj Kedia	16629	0.14	-	16629	0.14	-	-
7.	Arun Mehra	133	0.001	-	133	0.001	-	-
8.	Nirmal D. Mehra	3360	0.03	-	3360	0.03	-	-
9.	Sitex India Pvt. Ltd	245308	2.12	-	245308	2.12	-	-
10.	Windia Infrastructure Finance Ltd	1000	0.01	-	2000	0.02	-	0.01
11.	Hansneel Impex Pvt. Ltd	1001	0.01	-	1001	0.01	-	-
12.	Ram Krishna Iron Works Pvt. Ltd	1000	0.01	-	1000	0.01	-	-



## 13<sup>th</sup> Annual Report 2019-20



13.	Kotta Enterprises Ltd	2294026	19.83	-	2294026	19.83	-	-
14.	Purvaja Projects Ltd	1000	0.01	-	1000	0.01	-	-
15.	Prabhanjan Multitrade Pvt. Ltd	956614	8.27	-	956614	8.27	-	-
16.	Greenweiz Projects Ltd	1000	0.01	-	-	-	-	(0.01)
17.	Avinaya Resources Ltd	1000	0.01	-	1000	0.01	-	-
18.	Tapi Energy Projects Ltd	1000	0.01	-	1000	0.01	-	-
19.	Weizmann Ltd	500	0.004	-	500	0.004	-	-
20.	Ebix Cash World Money India Ltd (Formerly) Weizmann Forex Ltd	-	-	-	-	-	-	-
21	Inspeed Power Pvt. Ltd	2119442	18.32	-	2119442	18.32	-	-
	Total	8643046	74.70	-	8643046	74.70	-	-

iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	8643046	74.70	8643046	74.70
	23 <sup>rd</sup> January, 2019 Date wise Increase / Decrease in Promoters Share holding during the year specifying the	-	-	-	-

	reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year	8643046	74.70	8643046	74.70

iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year				
1.	Kanan Ankit Khambhati	255096	2.20	255096	2.20
2.	Mohanchand H	157500	1.36	157500	1.36
3.	Meghna Pratik Doshi	240328	2.07	240328	2.07
4.	Mansi Hitesh Siraj	53705	0.46	53705	0.46
5.	Maneka Hitesh Siraj	53705	0.46	53705	0.46
6.	Pansy Dinshaw Mehta	23439	0.20	23439	0.20
7.	Chandubhai Bhandas Hariyani	5170	0.04	22103	0.19
8.	Kanchan Sunil Singhania	19325	0.16	19325	0.16
9.	Brij Mohan Chawla	16348	0.14	17912	0.03
10.	Menahadevi SA	14374	0.12	14374	0.12

v) Shareholding of Directors and Key Managerial Personnel :

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				

	At the beginning of the year				
1.	Chetan Mehra	370247	3.20	370247	3.20
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	370247	3.20	370247	3.20
2.	Dharmendra Siraj	844974	7.30	844974	7.30
	06 <sup>th</sup> April, 2018 Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	844974	7.30	844974	7.30
3.	Neelkamal Siraj	-	-	-	-
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
4.	Ganesh N. Kamath	-	-	-	-
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-

	At the end of the year	-	-	-	-
5.	Kishore M. Vussonji	-	-	-	-
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
6.	Smita V. Davda	-	-	-	-
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
7.	Balady S. Shetty	133	0.001	133	0.001
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	133	0.001	133	0.001
8.	T V Subramanian – CFO & Co. Secretary	-	-	-	-
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-

At the end of the year	-	-	-	-
------------------------	---	---	---	---

V.	<b>INDEBTEDNESS</b>
	<b>Indebtedness of the Company including interest outstanding / accrued but not due for payment</b>

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	40,25,39,819.59	16,17,48,763.00	-	56,42,88,582.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29,75,060.86	-	-	29,75,060.86
<b>Total (i+ii+iii)</b>	40,55,14,880.45	16,17,48,763.00	-	56,72,63,643.45
Change in Indebtedness during the financial year				
• Addition		33,86,79,775.00	-	33,86,79,775.00
• Reduction	6,48,53,146.53	14,41,81,577.00	-	20,90,34,723.53
Net Change	-6,48,53,146.53	19,44,98,198.00	-	12,96,45,051.47
Indebtedness at the end of the financial year				
i) Principal Amount	33,82,14,304.00	35,62,46,961.00	-	69,44,61,265.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	24,47,430.02	-	-	24,47,430.02
<b>Total (i+ii+iii)</b>	34,06,61,734.02	35,62,46,961.00	-	69,69,08,695.02

VI.	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>
	A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
---------	-----------------------------	------------------------	--	--	--	--------------

		G N Kamath	.....	....	.....	
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	20.88				20.88
	(b) Value of Perquisite u/s 17(2) Income Tax Act, 1961	-				-
	(c) Profit in lieu of salary under section 17(3) Income Tax Act, 1961	-				-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - Others, specify.	-	-	-	-	-
5.	Others, please specify					
	Total (A)	20.88	0	0	0	20.88
	Ceiling as per the Act	42.00				42.00

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Kishore Vussonji	Balady Shetty	Smita V. Davda	
3.	Independent Directors				
	• Fee for attending	0.35	0.37	0.33	1.05

	board committee meetings		-	-	-	-
	• Commission		-	-	-	-
	• Others, please specify		-	-	-	-
	Total (1)	0.20		0.32	0.33	1.05
4.	Other Non-Executive Directors	Chetan Mehra	Dharmendra Siraj	Neelkamal Siraj		Total Amount
	• Fee for attending board committee meetings	0.20	0.26	0.18		0.64
	• Commission	-	-	-		-
	• Others, please specify					
	Total (2)	0.20	0.26	0.18		0.64
	Total (B) = (1+2)	0.55	0.63	0.51		1.69
	Total Managerial Remuneration	N.A.	N.A.	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

## C. Remuneration to Key Managerial Personnel Other than MD/Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary & CFO	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	55.19	55.19
	(b) Value of Perquisite u/s 17(2) Income Tax Act, 1961	-	0.45	0.45
	(c) Profit in lieu of salary under section 17(3) Income Tax Act,	-	-	-

1961				
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commissson - as % of profit - Others, specify.	-	-	-	-
Others, please specify	-	-	-	-
Total	-	55.64	55.64	55.64

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :						
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)	
<b>A. COMPANY</b>						
Penalty	Nil	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	Nil	Nil	
Compounding	Nil	Nil	Nil	Nil	Nil	
<b>B. DIRECTORS</b>						
Penalty	Nil	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	Nil	Nil	
Compounding	Nil	Nil	Nil	Nil	Nil	
<b>C. OTHER OFFICERS IN DEFAULT</b>						
Penalty	Nil	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	Nil	Nil	
Compounding	Nil	Nil	Nil	Nil	Nil	



## Annexure II

### REPORT ON CORPORATE GOVERNANCE

#### 1. Company's Philosophy on Corporate Governance Code

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders. Your Company is committed to good Corporate Governance. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of the stakeholders. The Company has established systems and procedures to ensure that its Board of Directors are well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders value. Your company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as applicable with regard to Corporate Governance.

#### 2. Board of Directors

##### I Composition and size of the Board

The Company is being managed by the Managing Director under the supervision of the Board of Directors ('the Board'). The Current strength of the Board is Seven. Since the Company has a Non-Executive Chairman who is part of the promoter group of the company, the Board meets the stipulated requirement of at least one-third of the Board comprising of Independent Directors. The Composition of the Board is in conformity with Regulation 17 of SEBI listing Regulations read with Section 149 of the Act.

None of the Directors on the Board holds directorships in more than ten public companies. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors are related to each other.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations.

The composition of and the category of directors on the Board of the Company as at March 31, 2020 were as under.

Category	Particulars of the Directors
Non-Executive – Non Independent	Shri Dharmendra G. Siraj - Chairman Shri Chetan D. Mehra - Vice Chairman Shri Neelkamal . V. Siraj
Non- Executive - Independent	Shri Kishore N. Vussonji Shri Balady S. Shetty
Non-Executive Independent Women Director	Smt. Smita V. Davda
Executive	Shri Ganesh N. Kamath – Managing Director

All the Directors other than Independent Directors are liable to retire by rotation.

## II Conduct of Board Proceedings

The day to day activities of the Company are conducted by the executives of the Company under the direction of the Managing Director and the overall supervision of the Board. During the financial year 2019-2020 the Board held five meetings on May 27, 2019, August 13, 2019, October 18, 2019, November 14, 2019 and February 14, 2020.

The Board at every Board Meeting reviews compliance report of all laws applicable to the Company and take steps to rectify deviations, if any. The Board also reviews and discusses the performance of the company, its future plans, strategies and other pertinent issues relating to the Company

## III Attendance of Directors

Attendance of Directors at the Board Meetings held during 2019-2020 and the last AGM held on August 6, 2019.

Directors	Meetings held during the tenure of Directors	Meetings Attended	Attendance at last AGM	No. of other Directorship held #	No. of other Committee Memberships held
Shri D G Siraj	5	5	No	9	2
Shri C D Mehra	5	4	Yes	9	2
Shri N V Siraj	5	4	Yes	9	-
Shri G N Kamath	5	5	Yes	9	-
Shri K M Vussonji	5	5	Yes	4	6

Smt. S V Davda	5	5	No	1	4
Shri B S Shetty	5	5	Yes	9	3

Directorships held in other listed entities as on 31st March, 2020 :

Name of the director	Name of the other listed entities in which the concerned Director is Director	Category of Directorship
Shri D G Siraj	1. Weizmann Ltd	Non-Executive Non-Independent
Shri C D Mehra	1. Weizmann Ltd	Non-Executive Non-Independent
Shri N V Siraj	1. Weizmann Ltd	Non-Executive Non-Independent
Shri G N Kamath	-	-
Shri K M Vussonji	1. Sunteck Realty Ltd	Non-Executive Independent Director
	2. Krishna Ventures Ltd	Non-Executive Independent Director
	3. Gold Crest Corporation Ltd	Non-Executive Independent Director
Smt. S V Davda	1. Weizmann Ltd	Non-Executive Independent Director
Shri B S Shetty	1. Weizmann Ltd	Non-Executive Independent Director

A sitting fee of Rs.5000/- per meeting is paid to each of the Directors (except Managing Director) for attending the Board Meeting.

In accordance with Regulation 26(1)(b) of SEBI (LODR) Regulations, 2015, Memberships / Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Karma Energy Limited) have been considered.

# (excluding private limited, foreign company and section 8 company)

Pursuant to section 165 of the Companies Act, 2013, the maximum number of directorships in companies that could be held by an individual shall be not more than 20 companies out of which maximum number of directorships in public limited companies shall not exceed 10.

#### Details of Shareholding of Non-Executive Directors

Sr. No.	Name of Directors	No. of shares held as on 31 <sup>st</sup> March, 2020
1.	Shri Dharmendra G. Siraj	8,44,974
2.	Shri Chetan D. Mehra	3,70,247
3.	Shri Neelkamal V. Siraj	Nil
4.	Shri Kishore M. Vussonji	Nil

5.	Smt. Smita V. Davda	Nil
6.	Shri Balady S. Shetty	133

The Board has identified the following skills /expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

The Company requires skills/expertise/competencies in the areas of strategy, finance, accounting, economics, legal and regulatory matters, mergers and acquisitions, the environment, green technologies, sustainability, operations of the Company's businesses and energy commodity markets to efficiently carry on its core businesses such as generation, distribution and transmission of renewable energy. All the above required skills/expertise/competencies have been identified by the Board.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence. The Board provides leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically evaluates the need for change in its composition and size.

### 3. Audit Committee

The Audit Committee inter alia, provides assurance to the Board on the adequacy of the internal control systems, financial disclosures and ensures that generally accepted accounting principles are observed by the Company. It also provides guidance and liaise with the Statutory Auditors of the Company. The terms of reference of the Audit Committee are in conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read in conjunction with Section 177 of the Companies Act, 2013. The Audit Committee comprised of Shri Balady Shekar Shety as Chairman, Shri Kishore M. Vussonji and Smt. Smit V. Davda as members. The Managing Director, CFO & Company Secretary, Internal Auditor and Statutory Auditors are invited to attend the meetings of the Audit Committee. The Audit committee discharges such duties and functions indicated in SEBI (LODR) Regulations, 2015 and also such other functions as may be specifically delegated to it by the Board from time to time. The Audit Committee held its meeting on May 27, 2019, August 13, 2019, November 14, 2019 and February 14, 2020.

All the recommendations of the Audit Committee has been accepted by the Board of Directors.

The Company Secretary acts as Secretary to the Committee.

The composition of the Audit Committee and the attendance of the Members in the meetings are as under :

Name	Category	Number of Meetings during the year 2019-20	
		Held	Attended
Shri B. S. Shetty	Non-Executive Independent	4	4
Shri U. S. Kohli	Non-Executive Independent	4	4

Smt S. V. Davda	Non-Executive Independent	4	4
-----------------	---------------------------	---	---

During the year, the Company paid sitting fees of Rs.3,000/- per meeting to the each of the Non-Executive Directors for attending Audit Committee meeting.

#### 4. Nomination & Remuneration Committee

The Nomination & Remuneration Committee for appointment & remuneration of executive Directors has been functioning with Shri Kishore M. Vussonji as Chairman. The Committee comprises of two Independent Directors and a non- executive director. .

Name	Category	Number of Meetings during the year 2019-20	
		Held	Attended
Shri K. M. Vussonji	Non-Executive Independent	1	1
Shri D G. Siraj	Non-Executive	1	1
Smt S. V. Davda	Non-Executive Independent	1	1

During the year, the Company paid sitting fees of Rs.2,000/- per meeting to each of the Non-Executive Directors for attending Nomination and Remuneration Committee meeting.

The terms of reference of Nomination and Remuneration Committee are in line with the SEBI Listing Regulations and Section 178 of the Companies Act, 2013 and has been reviewed by the Board of Directors at its meeting held on 30th March, 2020 :

- ⌚ Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, Key Managerial Personnel and other employees.
- ⌚ Formulate criteria for evaluation of independent directors and the Board
- ⌚ Devising policy on Board diversity
- ⌚ Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal
- ⌚ whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- ⌚ recommend to the board, all remuneration, in whatever form, payable to senior management

## POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

### Criteria of selection of Non-Executive Directors

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing with emphasis on renewable energy, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively. The N&R Committee shall ensure that the candidate identified for appointment has no disqualifications for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

### Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees.

A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

### CEO & Managing Director - Criteria for selection / appointment

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

### Remuneration for the CEO & Managing Director

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits.

### Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review, keep trend in the industry in mind, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

The details of remuneration paid to Managing Director from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 is given below

Name of the Managing Director	Salary (Rs. in Lacs)	Commission	Perquisites and Allowances (Rs. in Lacs)	Retiral Benefits * (Rs. in Lacs)
Ganesh N. Kamath	17.28	-	3.84	2.07

Notes : The agreement with Managing Director is for a period of 1 year from 1<sup>st</sup> December, 2019.

\* Exclusive of provision for leave encashment and contribution to the approved group gratuity fund, which are actuarially determined on an overall basis.

## 5. Stakeholders Relationship Committee

The Company has in place a Stakeholders Relationship Committee in accordance with the requirements of SEBI (LODR) Regulations, 2015. The Stakeholders Relationship Committee comprises of Shri Chetan D. Mehra as the Chairman, Shri Dharmendra G. Siraj and Smt Smita V. Davda as members of the Committee. The said Committee looks into redressing investors' complaints pertaining to transfer/ transmission of shares, non- receipt of dividend/ annual report of the Company. The Committee met on 14<sup>th</sup> February, 2019 during the financial year. Shri T. V. Subramanian, Company Secretary acts as the Company's Compliance Officer.

The composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members are given below :

Name	Category	Number of Meetings during the year 2019-20	
		Held	Attended
Shri C. D. Mehra	Non-Executive Non-Independent	1	1
Shri D G. Siraj	Non-Executive Non Independent	1	0
Smt S. V. Davda	Non-Executive Independent	1	1

There were 7 complaints received from the shareholders during the financial year ended 31<sup>st</sup> March, 2020 and all stood resolved.

## 6. Independent Directors Meeting

During the year under review, the Independent Directors met on 14<sup>th</sup> February, 2020, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.



3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

Management discussion and analysis report forms part of this Annual Report

7. **Familiarisation Programme arranged for Independent Directors**

The Company as required under Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI Listing Regulations has made arrangement to provide suitable training to independent directors, to familiarize them with the company, their roles, rights, responsibilities in the Company considering the nature of the industry in which the company operates, business model of the Company etc. The familiarization process for independent Director is uploaded on the website of the Company [www.karmaenergy.co](http://www.karmaenergy.co)

8. **Non-executive Directors' compensation and disclosures**

No significant or material transactions have been made with the Non-Executive Directors vis-à-vis the Company. No remuneration is paid to Non-Executive Directors except the sitting fees for the Board and Committee Meetings attended.

9. **General Body Meetings**

Details of the last three Annual General Meetings (AGMs)

<i>Date &amp; Year</i>	<i>Time</i>	<i>Location where AGM held in the last 3years.</i>
06/08/2019; 2019-2020	3.05 p.m	Maharashtra Chamber of Commerce, Oricon House, 6 <sup>th</sup> Floor, Maharashtra Chamber of Commerce path, Kalaghoda, Mumbai – 400 001
07/08/2018; 2017-2018	3.45 p.m	Maharashtra Chamber of Commerce, Oricon House, 6 <sup>th</sup> Floor, Maharashtra Chamber of Commerce path, Kalaghoda, Mumbai – 400 001
23/08/2017; 2016-2017	3.45 p.m	Maharashtra Chamber of Commerce, Oricon House, 6 <sup>th</sup> Floor, Maharashtra Chamber of Commerce path, Kalaghoda, Mumbai – 400 001

Whether resolution was put through a Postal Ballot last year: No

10. **Disclosures**

**Basis of Related party transactions**

During the year, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. Related party transactions as required to be complied under Ind-As 24 referred to as INDAS are furnished under Note no 31 of the Notes to Accounts attached to the annual accounts for the financial year ended 31<sup>st</sup> March, 2020. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and during the year there were no material transactions with related parties. The policy is also available on the website of the Company [www.karmaenergy.co](http://www.karmaenergy.co)

#### **Non Compliance / Strictures / Penalties Imposed**

There has neither been any non-compliance of any legal provision nor any penalty, stricture imposed by the Stock Exchange or SEBI or any other authorities on any matters related to Capital Market during last three years.

#### **Disclosure of Accounting treatment**

Your Company has followed all relevant Accounting standards while preparing the Financial statements.

#### **Whistle Blower Policy**

The Company has adopted a whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. The said policy has been also put on the website of the Company at [www.karmaenergy.co](http://www.karmaenergy.co)

#### **Materiality of Disclosures Policy on Archival of Documents and Policy for Preservation of Documents**

The Company has also adopted policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents. The said policy has also been put on the website of the Company at [www.karmaenergy.co](http://www.karmaenergy.co)

#### **Risk Management**

Risk Management and evaluation is an ongoing process within the organization. Your Company has a Risk Management Policy and it is periodically reviewed by the Board of Directors.

#### **Directors seeking appointment / re-appointment**

The Company has provided the details of Directors seeking appointment / reappointment in the notice of Annual General Meeting provided with Annual Report, Quarterly Financial Results and shareholding patterns are available on website of the Company [www.karmaenergy.co](http://www.karmaenergy.co)

#### **Credit Rating**

As per last rating, the rating of Term Loan by Brick Works Ratings is BWR BBB- (outlook stable)

- The company has not raised funds through preferential allotment or qualified institution placement

- The board has accepted all the recommendations of its committees
- All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Mr. Martinho Ferrao, Practicing Company Secretary, has submitted a certificate to this effect.

#### Total Fees Payable to Auditor

During the financial year 2019-20, details of amount charged to Statement of Profit and Loss by the Company, its subsidiaries and its associate with respect to the Statutory Auditor of holding Company and all entities in the network firm / network entity of which Statutory Auditor is a part :

Particulars	Rs.in Lakh
Audit fees for statutory Audit	4.06
Tax Audit	0.75
Other services	-

(Note: Above amount is exclusive of applicable taxes)

#### 11. Code of Conduct

The Code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company ([www.karmaenergy.co](http://www.karmaenergy.co)). The updated Code incorporates duties of Independent Directors. Whistle Blower Policy is also in place which has been posted on the website of the company [www. Karmaenergy.co](http://www.Karmaenergy.co)

For the year under review, all directors and senior management of the Company has confirmed their adherence to the provisions of the said code.

#### Declaration as required under Regulation 26(3) read with Schedule V of SEBI (LODR) Regulation 26(3) read with Schedule V of SEBI (LODR) Regulations, 2015.

We confirm that the Board members and Senior Management of the Company have confirmed compliance with the code of conduct, as applicable to them, for the year ended 31<sup>st</sup> March, 2020.

Date : 10<sup>th</sup> August, 2020  
Mumbai

Sd/-  
Ganesh N. Kamath  
Managing Director

#### 12. Code of Conduct for prevention of Insider Trading

Karma Energy Ltd has a Code of Conduct for prevention of Insider Trading in shares and Securities of the Company for its Directors and Designated employees. The Code is posted on the website of the Company [www.karmaenergy.co](http://www.karmaenergy.co)

#### 13. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website at <https://www.karmaenergy.co>. All employees (permanent, contractual, temporary and trainees, etc.) are covered under this Policy.

The Policy is gender neutral.

There were no complaints received during the year under review.

## 13<sup>th</sup> Annual Report 2019-20

14. The Company has complied with all the requirements of Corporate Governance Report as stated under sub paras (2) to (10) of section (C) of Schedule V to the Listing Regulations.
15. The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
16. In terms of Regulation 17(8) of the Listing Regulations, the CEO & Managing Director and the CFO made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board. The same is attached herewith and marked as Annexure III.
17. The Company follows Indian Accounting Standards (IndAS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements.
18. The Company has obtained compliance certificate from the Practising Company Secretary on corporate governance, which is attached herewith and marked as Annexure IV.
19. As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Notice of the AGM to be held on 22<sup>nd</sup> December 2020.

### 20. **Subsidiary Companies**

Batot Hydro Power Ltd and is a material non-listed Indian Subsidiary company in terms of SEBI (LODR) Regulations, 2015. Shri Kishore M. Vussonji – Independent Director is a director on the board of Batot Hydro Power Ltd.

The Audit Committee reviews the financial statements of subsidiaries of the Company. It also reviews the investments made by such subsidiaries, the statement of all significant transactions and arrangements entered into by the subsidiaries, if any, and the compliances of each materially significant subsidiary on a periodic basis. The minutes of board meetings of the subsidiary companies are placed before the Board of the Company for review.

### 21. **Means of Communication**

Half yearly report sent to each household of Shareholders

- No

Quarterly results usually published in (Proposed)

- Financial Express (English daily)

- The Global Times (Marathi daily)

Any website where displayed

- [www.karmaenergy.co](http://www.karmaenergy.co)  
[www.nseindia.com](http://www.nseindia.com)  
[www.bseindia.com](http://www.bseindia.com)

Whether any advertisement also displayed

## 13<sup>th</sup> Annual Report 2019-20

official news releases and presentations made to institutions or investors / analysts - No presentation made

Whether management discussions and analysis forms part of Annual Report - Yes

Whether shareholders information section forms part of Annual Report - Yes

### 22. General Shareholder Information

#### a) 13<sup>th</sup> Annual General Meeting- Day, Date, Time and Venue

Day	Date	Time	Venue
Tuesday	22/12/2020	2.00 p.m.	OAVM / VC

#### b) Financial Calendar

Financial Year : 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March 2021

Adoption of Quarterly Results for the quarter ending June, 2020 : 15<sup>th</sup> September, 2020

September, 2020 : 11<sup>th</sup> November, 2020

December, 2020 : February, 2021

March, 2021 : May, 2021

Book Closure Date : 15<sup>th</sup> December, 2020

Dividend Payment : Not Applicable

c) Listing on Stock Exchanges : BSE & NSE

d) Stock Exchange Codes :

The Stock Exchange, Mumbai : 533451

National Stock Exchange of India : KARMAENG

ISIN NO. : INE725L01011

e) Market Price Data/Performance:

Month	<b>BSE</b>		<b>S&amp;P SENSEX</b>	
	High (Rs.)	Low (Rs.)	High	Low
April, 2019	20.40	bigsha39	39487.45	38460.25
May, 2019	17.10	14.00	40124.96	36956.10
June, 2019	17.75	12.60	40312.07	38870.96
July, 2019	19.93	10.90	40032.41	37128.26
August, 2019	12.43	10.20	37807.55	36102.35
September, 2019	11.70	10.56	39441.12	35987.80
October, 2019	11.95	9.00	40392.22	37415.83
November, 2019	14.28	8.60	41163.79	40014.23
December, 2019	16.51	12.83	41809.96	40135.37
January, 2020	16.40	13.30	42273.87	40476.55
February, 2020	14.57	12.26	41709.30	38219.97
March, 2020	N.A.	N.A	39083.17	25638.90
Month	<b>NSE</b>		<b>NIFTY MIDCAP FIFTY</b>	
	High (Rs.)	Low (Rs.)	High	Low
April, 2019	19.75	14.50	5137.45	4831.75
May, 2019	18.20	14.00	5028.75	4533.30
June, 2019	17.70	12.50	5052.60	4727.50
July, 2019	19.85	10.80	4958.40	4226.85
August, 2019	11.85	9.25	4375.60	4077.40
September, 2019	11.00	9.50	4623.50	4133.35
October, 2019	10.80	7.60	4659.30	4189.15
November, 2019	12.30	8.30	4728.45	4527.10
December, 2019	15.55	12.45	4726.20	4495.05
January, 2020	15.20	12.30	5073.95	4617.35
February, 2020	14.20	11.75	5024.60	4491.75
March, 2020	12.50	9.80	4636.20	2856.35

- f) Registrar & Transfer Agent : Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (E), Mumbai- 400 072  
Tel : 62638200, Fax : 62638299  
Email : [info@bigshareonline.com](mailto:info@bigshareonline.com)  
Website : [www.bigshareonline.com](http://www.bigshareonline.com)

- g) Share Transfer System :

With a view to expedite the process of share transfer, the Board of Directors has delegated the powers of share transfers to the Sub-Committee of Board of Directors. Shares lodged in physical form with the

Company / Registrar & Share Transfer Agent are transferred expeditiously. The confirmation in respect of the request for dematerialisation of shares is sent to the respective depositories i.e. NSDL and CDSL after duly transferred.

#### h) Dematerialisation of Shares and Liquidity of Shares:

The Shares of the Company are permitted for trading in dematerialisation form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. 1,13,10,102 Equity Shares representing 97.75 % of the share capital of the Company stands dematerialised as on 31<sup>st</sup> March, 2020. The Shares of the Company are included under B group at the Bombay Stock Exchange Ltd. The shares are also traded at National Stock Exchange of India Ltd.

#### i) Shareholding Pattern as on 31<sup>st</sup> March 2020 :

<i>Sr. No</i>	<i>Category</i>	<i>No. of Equity Shares</i>	<i>Percentage of Shareholding</i>
A	<b>Promoters Holding</b>		
	Indian Promoters	8643046	74.70
B	<b>Non Promoter Holding</b>		
a	Mutual Funds & UTI	-	-
b	Banks, Financial Institutions Insurance Companies (Central / State Govt. Institutions/ Non Government Institutions)	66	0.001
c	FII's	Nil	Nil
C	<b>Others</b>		
a.	Private Corporate Bodies	352228	3.04
b.	Indian Public	2489681	21.52
c.	NRIs/OCBs	80011	0.69
d.	Any other (Demat Transit)	4886	0.04
	<b>GRAND TOTAL</b>	<b>11569918</b>	<b>100.00</b>

#### j) Distribution of Shareholding as on 31<sup>st</sup> March 2020:

<i>Range (In Rs)</i>	<i>Total Holders</i>	<i>Total Holdings in Rupees</i>
1 – 5000	6230	6824460
5001-10000	306	2321770

<i>Range (In Rs)</i>	<i>Total Holders</i>	<i>Total Holdings in Rupees</i>
10001 – 20000	131	1837710
20001 – 30000	38	938960
30001 - 40000	22	788390
40001 – 50000	9	417240
50001 – 100000	21	1546540
100001 – 999999999	33	101024110
<b>Total</b>	<b>6790</b>	<b>115699180</b>

**k) Transfer of unclaimed/unpaid amounts to Investor Education and Protection Fund**

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed in respect of dividends declared upto the financial year ended 31st March 2012 have been transferred to the IEPF.

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more from the date of transfer to the unpaid dividend account are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended 31st March 2011 and remained unclaimed are transferred to the IEPF. The Company had sent notices to all such Members in this regard and published a newspaper advertisement and, thereafter, transferred the shares to the IEPF during financial year 2019-20. The details of unclaimed dividends and Equity shares transferred to IEPF during the year 2019-20 are as follows:

Amount of Unclaimed Dividend Transferred	Number of Equity Shares Transferred
133908.00	13081

The below table gives information relating to various outstanding dividends and the dates by which they can be claimed by the Members from the Company :

Financial Year in respect of which Dividend is unpaid	Last date for claiming unpaid dividend from the Company
2012-2013	2 <sup>nd</sup> September, 2020
2013-2014	15 <sup>th</sup> October, 2021

Members who have not encashed the dividend warrant(s) from the financial year ended 31st March 2013 may forward their claims to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF.

The shares and unclaimed dividend transferred to the IEPF can, however, be claimed back by the concerned Members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member is required to make an online application to the IEPF Authority in Form No. IEPF -5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)). No claims shall lie against the Company in respect of the dividend/shares so transferred. The Member can file only one consolidated claim in a financial year as per the IEPF Rules.

- l) **Outstanding GDR's / ADR's / Warrants or any Convertible instruments, conversion date and Likely impact on equity** - Not Applicable



**13<sup>th</sup> Annual Report 2019-20**

- m) Wind Power Plant Location - Andhra Pradesh – Anantpur,  
Tamilnadu – Theni, Tirunelveli, Tiruppur  
Maharashtra – Beed & Satara
- n) Address for Correspondence - Regd. Office  
Empire House,  
214, Dr. D.N.Road,  
Fort,  
Ent. A.K. Nayak Marg,  
Mumbai - 400 001.  
Tel Nos. 22071501-06  
Fax : 22071514  
Website : [www.karmaenergy.co](http://www.karmaenergy.co)
- Registrar & Share Transfer Agent - Bigshare Services Pvt. Ltd.,  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road,Saki Naka,  
Andheri ( East),  
Mumbai - 400 072.  
Tel : 62638200, Fax, 62638299  
Email : [info@bigshareonline.com](mailto:info@bigshareonline.com)  
Website : [www.bigshareonline.com](http://www.bigshareonline.com)
- o) Dedicated email id for investor complaints - [investorshelpdesk@weizmann.co.in](mailto:investorshelpdesk@weizmann.co.in)
- p) Equity Shares in Suspense Account - There are no shares in unclaimed/ suspense account for the financial year 2019-20

----- XXXXXXXXXXXXXXXXXXXX-----

Annexure III

To,  
The Board of Directors  
Karma Energy Limited

**Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification**

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Karma Energy Limited ('the Company'), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March 2020 and to the best of our knowledge and belief, we state that:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the financial year, which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - a. significant changes, if any, in the internal control over financial reporting during the year;
  - b. significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
Ganesh N. Kamath  
CEO & Managing Directors  
(DIN : 00040805)

sd/-  
T V Subramanian  
CFO & Company Secretary

Date : 10th August, 2020

**MARTINHO FERRAO & ASSOCIATES**

*Company Secretaries*

Level 3, Office # 301, Dhun Building, 23/25 Janmabhoomi Marg, Fort, Mumbai - 400 001

Tel: +91 22 2202 4366 Email: mferraocs@yahoo.com Website : www.csmartinhoandassociates.com



To,  
The Members,  
**KARMA ENERGY LIMITED**  
214, Empire House, Dr. D.N. Road,  
Ent. A.K. Nayak Marg, Fort, Mumbai - 400001.

We have examined the compliance of the conditions of Corporate Governance **Karma Energy Limited** ('the Company') for the year ended on March 31, 2020 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

The compliance of the 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 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, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI LODR Regulations for the year ended 31<sup>st</sup> March 2020.

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 Martinho Ferrao & Associates**  
Company Secretaries

**Martinho Ferrao**  
Proprietor  
FCS No. 6221  
COP No. 5676

UDIN: F006221B000534045

Place: Mumbai  
Date: 30<sup>th</sup> July, 2020

Annexure VI

**MARTINHO FERRAO & ASSOCIATES**

*Company Secretaries*

Level 3, Office # 301, Dhun Building, 23/25 Janmabhoomi Marg, Fort, Mumbai - 400 001

Tel: +91 22 2202 4366 Email: mferraocs@yahoo.com Website : www.csmartinhoandassociates.com



To,  
The Members,  
**KARMA ENERGY LIMITED**  
214, Empire House, Dr. D.N. Road,  
Ent. A.K. Nayak Marg, Fort, Mumbai - 400001.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Karma Energy Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Due to the current nationwide lockdown arising out of COVID-19 pandemic, we have examined the papers, minute books, forms, returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2020 provided to us through electronic mode. No physical verification of any document / record was possible. Based on our verification of **Karma Energy Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year **ended on 31<sup>st</sup> March 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Karma Energy Limited** ("the Company") for the financial year ended on **31<sup>st</sup> March 2020** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not applicable as the Company has not issued any securities during the financial year under review.** ;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not applicable as the Company has not issued any Employee Stock Option Scheme and Employee Stock Purchase Scheme.**
  - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable as the Company has not issued any debt securities during the financial year under review;**
  - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review;**
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review;**
  - h. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013: **Not applicable as the Company has not issued any such securities during the financial year under review.**
  - i. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
  - j. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; - **Not applicable to the Company securities during the financial year under review.**
  - k. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

We have also examined the compliances of the provisions of the following other laws applicable specifically to the company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:

1. The Electricity Act, 2003

## 13<sup>th</sup> Annual Report 2019-20

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. *In terms of the provisions of Regulation 40(9) of SEBI LODR, the listed entity is required to issue Share Certificates relating to Share Transfer Deeds and in respect of request for exchange of duplicate certificate within 30 days of lodgement, the Company could not comply with the same during the half year April to September 2019 as Share Certificate in respect of Share Transfer Deeds and requests for duplicate certificates had been issued after a period of thirty days due to spurt in volume of transfer requests received pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 by the Company's Registrar and share transfer agents - Bigshare Services Pvt. Ltd.*

### **We further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### **We further report that;** during the period under review:

1. Approval of shareholders via Special Resolution was obtained and received for the following transactions:
  - i. Re-appointment of Mr. Kishore M. Vussonji (DIN: 00444408) as an Independent Director for a second term of 5 years from 06.08.2019.
  - ii. Re-appointment of Mr. Ganesh N. Kamath (DIN: 00040805) as Managing Director for a period of 1 year from 01.12.2018.

**Limitations:**

Due to the nationwide lockdown and social distancing guidelines issued by the Ministry of Home Affairs (MHA) on different dates for containment of spread of COVID-19, the abovementioned documents, registers, disclosures filed, etc. have not been physically verified by us, and as informed to us, these are being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium and taken confirmation from the Company wherever required, the audit was done subject to limitation of availability of documents.

For **Martinho Ferrao & Associates**  
Company Secretaries

**Martinho Ferrao**  
Proprietor  
FCS No. 6221  
C.P.No.5676  
UDIN:F006221B00053404

Place: Mumbai  
Date: 30<sup>th</sup> July, 2020

This report is to be read with our letter which is annexed as **Annexure A** and forms an integral part of this report.

**'Annexure A'**

To,  
The Members,  
**KARMA ENERGY LIMITED**  
214, Empire House, Dr. D.N. Road,  
Ent. A.K. Nayak Marg, Fort, Mumbai - 400001.

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. The minutes, documents, records and other information checked for the purpose of audit were received from the Company in soft copy and through electronic mail due to the nationwide lockdown caused pursuant to the outbreak of COVID-19 (Coronavirus).
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Martinho Ferrao & Associates**  
Company Secretaries

**Martinho Ferrao**

Proprietor

FCS No. 6221

C P. No. 5676

UDIN:F006221B00053404

Place: Mumbai  
Date: 30<sup>th</sup> July, 2020



## Annexure VII

### MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

#### BUSINESS REVIEW

##### General Economy

The global economy has been reeling under global pandemic caused by COVID-19. The pandemic being global has crippled the economy of every country whether developed or developing. World over there has been national lockdown in respective countries of varying duration based on the extent of crisis caused by the pandemic. Entire trade movement within countries and across globe came to a standstill.

As far as India is concerned, the Central Government imposed national lockdown in last week of March 2020 and the same has been extended time to time with slow relaxation since mid-May 2020 with a number of strings attached. Post relaxation the number of people affected and the unfortunate death quantum jumped leading to selective strict lockdowns in different states, districts, wards to a varying extent and duration causing continuous disruption to normal life trying to limp back.

The Governments, Regulatory bodies like RBI too different measures to mitigate the negative effect of the virus, revive growth and preserve financial stability. Time frame for compliances were extended from time to time. The survey by RBI in April 2020 stated that real GDP growth FY 2019-20 is 5% and 2020-21 was pegged at 5.5%. Within two months all turned topsy-turvy and in June RBI projected a GDP growth for 2020-21 at a negative of 1.5%.

##### Company Business

The performance of the Company as far as power generation is concerned was largely steady with varying wind availability in different sites where the windmills are in operation and has virtually no effect due to pandemic. However in like every renewable energy entity in the country the company had to grapple with adverse regulatory changes.

The performance of the Company is directly linked to the Renewable Energy Policies of both Centre and State Governments, effectiveness of Nodal Agencies and laying down of encouraging policies and implementation thereof by State Electricity Regulatory Commissions.

In Andhra Pradesh, though company has been generating power from its 7.5 MW, it continues to be hard pressed in realization of the generation dues with about Rs.3.80 crore for the period January 2011 to May 2014 pending to be received due to the imbroglio created by the state bifurcation and judicial authorities including the high court's not imparting a fair justice and consequently the matter is still lingering in the legal circles.

In part of the project where the PPA for 6 MW have been renewed after protracted 2 to 3 years of discussions and litigations, despite PPA having being signed around September 2018, the funds have been received only in July 2020 ie after 4-5 years. Still PPA for a 1.5 MW is yet to be finalized and plant stands disconnected.

In Tamil Nadu, for no valid reasons payments have been delayed for more than 24 months. However by offering certain discount the Company realized major dues till December 2019 in April 2020.

In Maharashtra, the major power are being sold to third party however the realization therefrom has been dwindling on account of high open access cost in the form of additional surcharge, increased cross subsidy surcharge stipulated by State Electricity Regulatory Commission. Added to the woes is restriction of banking to one month and introduction of forecasting and scheduling for every 15 minutes time block and deviation, if any resulting in levy of penalty charges. For certain wind mills where power is sold to State Utility, there has been delay in realization of about 10 months plus.

The sale of renewable energy certificates have been good with sale being at almost maximum rates in few months resulting in revenue from RECs being about 21% of the total revenue.

## **OUTLOOK, OPPORTUNITIES AND THREATS**

All machineries of the governments, all industries, all business and non-business entities and public at large are grappling with the pandemic COVID-19 Since February 2020 and as per the experts this is going to last over 2 years and may become a new way of life ie the virus and business activity has to live together with people taking all available precautions to protect precious life and at the same time earn for a living.

Couple with the pandemic as far as Company's operations are concerned like any other renewable energy entity many adverse regulatory changes have been worst than the pandemic. Some sites are recording negative earnings. The Company has taken lot of steps for cost reduction, tight cash flow management, policy changes to mitigate the downturn.

As it stands today, the steep increases and new type of levies through regulations, restrictions on banking especially in Maharashtra, belated payment of dues by utilities do not augur well for decent future for the Industry and Company. All talks of quantum increase in installation of RE Power in Giga watt scale will remain a pipe dream.

## RISKS AND CONCERNS

On the Renewable Energy Sector, the considerable delay in processing or decision making by state utilities and State Electricity Regulatory Commission and also the higher judicial authorities have been resulting in considerable strain on the liquidity front and also planning on the future projects.

The company continues to suffer due to multiple issues viz. state bifurcation, lack of funds, indecision in execution of PPA in the matter of realization of generation proceeds in Andhra Pradesh, delays in releasing the outstanding dues by state utility in Tamil Nadu and so also in Maharashtra coupled with ever increasing open access charges, Restriction on banking to mere one month from 12 months that as existed for more than two decades in Maharashtra , introduction of forecasting and scheduling across many states leading to payment of penalties for deviations are major concerns.

The experience of the company has been that inordinate delays in adjudication of the matters by Electricity Regulatory Commission, Appellate Tribunal for Electricity and higher courts result in acute pressure on the company due to huge mismatch in inflow and outflow of funds. In the wind power business the expenses are more or less fixed and also the loan repayment and interest to lenders like banks, however, the delayed receipt of generation proceeds necessitate that company has to resort to temporary borrowings to tide over the mismatch. This is also a concern as it has to bear the brunt of finance cost.

The Management Discussions and Analysis explaining the objectives of the company, the opportunities and threats, the outlook for the future, the risks and concerns have to be read with the meaning of relevant applicable laws and regulations. The actual physical performance may differ materially from those explained hereinabove.

## INTERNAL CONTROL SYSTEM

The company has a system of internal controls to ensure that all its assets are properly safeguarded and protected against loss from unauthorized use or disposal. Further all the internal control system is practiced by the company to ensure that all transactions are authorized, recorded and reported correctly.

The Company has an Audit Committee of Directors which reviews the adequacy of internal controls.

## MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The business in which the company is engaged does not call for large manpower resources.

The company has a team of able and experienced professionals. The work culture and value system in the company is designed to provide each employee the adequate space, freedom and guidance to bring out their full potential and provide personal growth opportunities within the organization. The human resource assets have been ably supporting the company despite the issues which the company is facing in its chosen field.

### SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Sr. No.	Parameters	F.Y. 2019-20	F.Y. 2018-19
1	Debtors Turnover	69.60%	41.54%
2	Inventory Turnover	3.71%	5.32%
3	Interest Coverage Ratio	2.05	0.79
4	Current Ratio	0.60	0.89
5	Debt Equity Ratio	1.09	0.52
6	Operating Profit Margin (%)	90.16%	100.14%
7	Net Profit Margin (%)	0.54%	(18.80%)
8	Return on Net Worth	0.41%	(8.91%)

#### Note :

The ratios are in respect of ordinary activities and hence exclude impact of other comprehensive income.

The variation in Debtors Turnover is primarily on account of accumulated dues against supply of wind power from state utilities in Andhra Pradesh and Tamil Nadu where dues are pending over 1 to 3 years.

The variation in Interest Coverage Ratio is attributable to earnings before interest depreciation and tax in F.Y. 2019.20 being higher as compared to F.Y.2018-19 where in Loss on sale of Investments impacting the net Profit.

The variation in Current Ratio is primarily due to short term borrowings for meeting statutory obligations as dues from state utilities have not been forthcoming in a timely manner.

The variation in Debt Equity Ratio is due to increase in borrowings.

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of KARMA ENERGY LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **KARMA ENERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**i. Valuation of unquoted financial assets held at fair value**

**Description of Key Audit Matter:**

The valuation of the Company's unquoted non-current investments held at fair value was a key area of audit focus due to the significance of the amount and complexity involved in the valuation process. The management makes significant judgements because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Company's valuations.

The valuation of the level 3 investment securities are dependent on market conditions and key assumptions made. The determination of these assumptions is complex and requires the exercise of management judgements.

See Note 1.2 (B) (o), Note 3 and Note 29 to the financial statements.

**Our response:**

- We assessed the design and operating effectiveness of the Company's key controls supporting the identification, measurement and oversight of valuation risk of financial assets.
- For the more judgemental valuations, which depend on unobservable inputs, we evaluated the assumptions, methodologies and models used by the Company.
- We also assess the appropriateness of the methodologies used and found that these are reasonable in the context of the relevant investments.
- We examined the calculation of the inputs used for substantive and arithmetical accuracy by performing re calculations wherever required.

**ii. Impairment testing of investment in subsidiary:**

**Description of Key Audit Matter:**

The Company has investment of Rs. 3,499.55 lakh in the equity shares of Batot Hydro Power Limited ('BHPL') which represents 100% of its equity capital. BHPL is engaged in the business of generation and distribution of hydro power.

Investments in subsidiaries are valued at cost adjusted for impairment losses, if any. In line with "Ind AS 36 Impairment of assets", in the presence of an impairment indicator, the Company carries out an impairment test by comparing the recoverable amount of the investments, determined according to the value in use method and their carrying amount.

BHPL has accumulated losses of Rs. 3,211.86 lakh as on March 31, 2020 which indicates that the investment in BHPL may be impaired and requires impairment testing.

The valuation process adopted by management is complex and is based on a series of assumptions, such as the forecast cash flows, the appropriate discounting rate (WACC) and the long-term growth rate. These assumptions are, by nature, influenced by future expectations regarding the evolution of external market conditions.

See Note 3 & Note 29 to the financial statements.

**Our response:**

We analysed the methods and assumptions applied by management to carry out the impairment test through following procedures:

- Identification and understanding of the significant controls implemented by the Company over the impairment testing process;
- Analysis of the reasonableness of the principal assumptions made to estimate their cash flows by obtaining information from management that we deemed to be significant;
- We also examined the adequacy of the information provided by the Company about the impairment test and its consistency with the requirements of Ind AS 36.
- Analysis of actual data of the year and previous years in comparison with the original plan, in order to assess the nature of variances and the reliability of the planning process;
- Assessment of the reasonableness of the discount rate (WACC) and the long-term growth rate;
- Verification that the carrying amount of the investment was determined properly and comparison with the value in use resulting from the impairment test.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 26 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For BATLIBOI & PUROHIT**  
Chartered Accountants  
ICAI Firm Reg. No.101048W

**Kaushal Mehta**  
Partner  
Membership No. 111749

Place : Mumbai  
Date : 10<sup>th</sup> August, 2020  
ICAI UDIN : 20111749AAAADD3029

**Annexure - A to the Auditors' Report**

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) As informed to us, the Company has a regular program for physical verification of fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, certain fixed assets have been verified by the Company as per the program and we were informed that no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the Company the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us, the management was unable to conduct physical inventory counting as at year-end as inventories were held in locations which were closed due to Government imposed lockdown for COVID-19. However, the management has conducted physical verification of inventory post year-end with roll-back procedures to the reporting date. In our opinion, the frequency of verification and the duration of roll-back procedures were reasonable.
- iii. The Company has not granted loans, secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us and the records examined by us, the Company has complied with the provision of section 185 and 186 of the Act with respect to investments made. The Company has not given any loans or given any guarantees or provided any securities covered under section 185 and section 186 of the Act.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013 for the Company. Accordingly, paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company, is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues to the appropriate authorities.

- b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at year end for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Sales Tax, Service Tax, Goods and service tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute. According to the records of the Company, the dues of Income Tax outstanding on account of dispute are as follows.

<b>Nature of Statute</b>	<b>Amount (Rs. In lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Income Tax Act, 1961	94.69	AY: 2014-15	Commissioner of Income Tax Appeals

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to Banks. There are no outstanding loans or borrowings from any financial institutions, Government and debenture holders.
- ix. The Company has not raised money through initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us and based on the documents and records examined by us on an overall basis, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanation given to us, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Hence, the provision of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **BATLIBOI & PUROHIT**  
*Chartered Accountants*  
Firm Reg. No.: 101048W

**Kaushal Mehta**  
Partner  
Membership No: 111749

Place : Mumbai  
Date : 10<sup>th</sup> August, 2020  
ICAI UDIN : 20111749AAAADD3029

**Annexure - B to the Auditors' Report**

(referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial Controls over financial reporting of Karma Energy Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **BATLIBOI & PUROHIT**  
Chartered Accountants  
Firm Reg. No.: 101048W

**Kaushal Mehta**  
Partner  
Membership No: 111749

Place : Mumbai  
Date : 10<sup>th</sup> August, 2020  
ICAI UDIN : 20111749AAAADD3029

**Karma Energy Limited**  
(CIN - L3110MH2007PLC168823)  
**Standalone Balance Sheet as at 31.03.20**

Rupees in Lakh

Particulars	Note No	As At	
		31.03.20	31.03.19
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a Property, Plant and Equipment	2A	4,090.17	4,509.64
b Right of Use Assets	2B	141.18	-
c Capital Work in Progress		-	32.76
d <u>Financial Assets</u>			
i Investments	3	5,899.15	4,987.67
ii Others	4	30.11	18.71
e Other Non-Current Assets	5	75.85	128.69
<b>Total Non-Current Assets ==&gt;</b>		<b>10,236.46</b>	<b>9,677.47</b>
<b>Current Assets</b>			
a Inventories	6	42.44	48.36
b <u>Financial Assets</u>			
i Trade Receivables	7	1,586.27	991.24
ii Cash and Cash Equivalents	8	32.23	748.29
iii Bank Balances other than (ii) above	9	1,022.06	309.82
c Current Tax Assets		67.34	82.40
d Other Current Assets	10	141.55	119.00
<b>Total Current Assets ==&gt;</b>		<b>2,891.89</b>	<b>2,299.11</b>
<b>TOTAL ASSETS</b>		<b>13,128.35</b>	<b>11,976.58</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity Share capital	11	1,156.99	1,156.99
b Other Equity	12	3,425.14	3,617.23
<b>Total Equity ==&gt;</b>		<b>4,582.13</b>	<b>4,774.22</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a <u>Financial Liabilities</u>			
i Borrowings	13	2,387.01	3,219.04
ii Lease Liabilities	38c	141.52	-
b Provisions	14	-	33.78
c Deferred Tax Liabilities	28a	1,175.21	1,360.05
<b>Total Non-Current Liabilities ==&gt;</b>		<b>3,703.74</b>	<b>4,612.87</b>
<b>Current Liabilities</b>			
a <u>Financial Liabilities</u>			
i Borrowings	15	3,562.47	1,617.49
ii Lease Liabilities	38c	8.51	-
iii Trade Payables			
(a) Micro and Small Enterprises		-	-
(b) Other than Micro and Small Enterprises	16	14.96	29.63
iv Others	17	1,033.76	854.74
b Other Current Liabilities	18	36.15	24.59
c Provisions	19	33.96	16.64
d Current Tax Liabilities		152.67	46.40
<b>Total Current Liabilities ==&gt;</b>		<b>4,842.48</b>	<b>2,589.49</b>
<b>Total Liabilities ==&gt;</b>		<b>8,546.22</b>	<b>7,202.36</b>
<b>TOTAL EQUITY and LIABILITIES</b>		<b>13,128.35</b>	<b>11,976.58</b>

The accompanying notes form an integral part of the Standalone Financial Statements

**As per our report of even date attached**

**For and on behalf of the Board**

**For Batliboi & Purohit**  
Chartered Accountants  
Firm Regn. No. 101048W

**D. G. Siraj**  
(Chairman)  
DIN - 00025543

**G. N. Kamath**  
(Managing Director)  
DIN - 00040805

**Kaushal Mehta**  
Partner  
Membership No. 111749  
Mumbai, Dated : 10.08.20

**T. V. Subramanian**  
(Chief Financial Officer  
& Company Secretary)



# Karma Energy Limited

(CIN : U51909MH2002PLC135840)

## Standalone Statement of Profit and Loss for the year ended 31.03.20

Rupees in Lakh

	Particulars	Note No	Year Ended	
			31.03.20	31.03.19
<b>1</b>	<b>Income</b>			
[a]	Revenue from Operations	<b>20</b>	3,587.69	2,911.28
[b]	Other Income	<b>21</b>	99.03	195.37
	<b>Total Income</b>		<b>3,686.72</b>	<b>3,106.65</b>
<b>2</b>	<b>Expenses</b>			
[a]	Operation and Maintenance Cost	<b>22</b>	1,985.36	1,888.48
[b]	Employee Benefits Expense	<b>23</b>	261.23	303.70
[c]	Finance Costs	<b>24</b>	535.05	422.42
[d]	Depreciation and Amortisation Expense	<b>2A &amp; 2B</b>	542.46	496.48
[e]	Other Expenses	<b>25</b>	342.81	331.21
	<b>Total Expenses</b>		<b>3,666.91</b>	<b>3,442.29</b>
<b>3</b>	<b>Profit / (Loss) before Exceptional Item and Tax (1 - 2)</b>		<b>19.81</b>	<b>(335.64)</b>
<b>4</b>	Exceptional Items (Net Expense)		-	(248.29)
<b>5</b>	<b>Profit / (Loss) before Tax (3 + 4)</b>		<b>19.81</b>	<b>(583.93)</b>
<b>6</b>	<b>Tax Expense:</b>			
[a]	Current Tax		127.60	9.08
[b]	Deferred Tax	<b>28a</b>	(124.95)	(167.81)
	<b>Total Tax Expenses</b>		<b>2.65</b>	<b>(158.73)</b>
<b>7</b>	<b>Profit / (Loss) after Tax (5 - 6)</b>		<b>17.16</b>	<b>(425.20)</b>
	<b>Other Comprehensive Income</b>			
[a]	Items that will not be reclassified to Profit or Loss			
	Re-measurement Gains / (Losses) on defined benefit plans		19.63	(23.37)
	Tax effect		(5.10)	6.08
	Net Gain / (Loss) on Fair Value through OCI - Equity Securities		(283.66)	(2,716.23)
	Tax effect		59.89	563.89
	<b>Total Other Comprehensive Income (Net of Tax)</b>		<b>(209.24)</b>	<b>(2,169.63)</b>
	<b>Total Comprehensive Income for the year</b>		<b>(192.08)</b>	<b>(2,594.83)</b>
<b>8</b>	<b>Earning per Share (of Rs 10/- each)</b>			
[a]	Basic	<b>30</b>	<b>0.15</b>	(3.68)
[b]	Diluted		<b>0.15</b>	(3.68)

The accompanying notes form an integral part of the Standalone Financial Statements

**As per our report of even date attached**

**For Batliboi & Purohit**  
Chartered Accountants  
Firm Regn. No. 101048W

**For and on behalf of the Board**

**D. G. Siraj**  
(Chairman)  
DIN - 00025543

**G. N. Kamath**  
(Managing Director)  
DIN - 00040805

**Kaushal Mehta**

Partner  
Membership No. 111749  
Mumbai, Dated : 10.08.20

**T. V. Subramanian**  
(Chief Financial Officer  
& Company Secretary)

# Karma Energy Limited

## Standalone Statement of Cash Flows for the year ended 31.03.20

Rupees in Lakh

Particulars	31.03.20	31.03.19	
<b>Operating Activities</b>			
Net Profit / (Loss) before Exceptional Items and Tax	19.81	(335.64)	
<i>Adjustments for:</i>			
Depreciation and Amortisation	542.46	496.48	
Finance Cost	535.05	422.42	
Interest Income	(76.53)	(41.90)	
Dividend Income	(0.05)	(0.06)	
Loss on Sale of Fixed Asset	-	1.08	
Sundry Balances Written Back / Off	32.74	(63.92)	
<b>Operating Profit / (Loss) before Working Capital changes</b>	<b>1,053.48</b>	<b>478.46</b>	
<i>Changes in Working Capital:</i>			
<i>Adjustments for (Increase) / Decrease in Operating Assets</i>			
Inventories	5.92	(0.03)	
Trade Receivables	(595.03)	(229.27)	
Short Term Loans and Advances	-	655.16	
Other Non Current Financial Assets	(11.40)	(3.70)	
Other Current Assets	(22.55)	1.52	
Other Non-Current Assets	72.47	(152.06)	
	<b>502.89</b>	<b>750.08</b>	
<i>Adjustments for Increase / (Decrease) in Operating Liabilities</i>			
Trade Payables	(14.67)	14.88	
Other Current Liabilities	11.56	(74.15)	
Short Term Provisions	17.32	(6.57)	
Long Term Provisions	(33.78)	11.50	
Other Current Financial Liabilities	(4.47)	20.64	
<b>Cash generated from Operations</b>	<b>478.85</b>	<b>716.38</b>	
Net Income Tax (Paid) / Refund	(11.37)	(143.96)	
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>467.48</b>	<b>572.42</b>	
<b>Investing Activities</b>			
Purchase of Fixed Assets	(107.53)	(719.00)	
Capital Work In Progress	-	(0.86)	
Bank Deposits	(713.59)	(297.76)	
<u>Purchase of Long Term Investments</u>			
- Subsidiaries	(1,435.18)	(256.90)	
<u>Sale of Long Term Investments</u>			
- Subsidiaries	-	20.08	
- Associates	-	140.24	
- Others	240.02	5.35	
Sale of Fixed Assets	-	3.60	
Interest Income	76.53	41.90	
Dividend	0.05	0.06	
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(1,939.70)</b>	<b>(1,063.29)</b>	
<b>Financing Activities</b>			
<u>Long Term Borrowings</u>			
Loans Taken	-	532.85	
Loans Repaid	(647.18)	(916.02)	
<u>Short Term Borrowings</u>			
Loans Taken	3,386.80	3,786.62	
Loans Repaid	(1,441.82)	(2,169.14)	
Finance Cost	(520.39)	(422.42)	
Principal Payment of Lease	(21.25)	-	
<b>Net Cash Flow from Financing Activities (C)</b>	<b>756.16</b>	<b>811.89</b>	
<b>Total (A + B + C)</b>	<b>(716.06)</b>	<b>321.02</b>	
Cash and Cash Equivalent at the Beginning of the year	748.29	427.27	
Cash and Cash Equivalent at the End of the year	32.23	748.29	
	<b>(716.06)</b>	<b>321.02</b>	
(a) Cash on Hand	0.30	0.01	
(b) Balances with Banks - in Current Accounts	31.93	748.28	
	<b>32.23</b>	<b>748.29</b>	
<b>Change in Liability arising from Financing Activities</b>	<b>01.04.19</b>	<b>Cash Flow</b>	<b>31.03.20</b>
Borrowing - Non Current (Refer Note 13 & 17)	4,048.63	(647.19)	3,401.44
Borrowing - Current (Refer Note 15)	1,617.49	1,944.98	3,562.47
	<b>5,666.12</b>	<b>1,297.79</b>	<b>6,963.91</b>

As per our report of even date attached

**For Batliboi & Purohit**  
Chartered Accountants  
Firm Regn. No. 101048W

For and on behalf of the Board

**D. G. Siraj**  
(Chairman)  
DIN - 00025543

**G. N. Kamath**  
(Managing Director)  
DIN - 00040805

**Kaushal Mehta**  
Partner  
Membership No. 111749  
Mumbai, Dated : 10.08.20

**T. V. Subramanian**  
(Chief Financial Officer  
& Company Secretary)

# Karma Energy Limited

## Standalone Statement of Changes in Equity for the year ended 31.03.20

### A. Equity Share Capital

Rupees in Lakh

Opening Balance as on 01.04.18	1,156.99
Changes during the year 2018-2019	-
Closing Balance as on 31.03.19	<b>1,156.99</b>
Opening Balance as on 01.04.19	1,156.99
Changes during the year 2019-2020	-
Closing Balance as on 31.03.20	<b>1,156.99</b>

### B. Other Equity

#### As on 31.03.19

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Retained Earnings		
Balance as at 01.04.18	3,074.95	9.45	165.46	2,962.20	6,212.06
Profit / (Loss) for the Year	-	-	(425.20)	(2,152.34)	(2,577.54)
Re-measurement Gains / (Losses) on defined benefit plans	-	-	(17.29)	-	(17.29)
Transfer to Retained Earnings			5.08	(5.08)	-
<b>Balance as at 31.03.19</b>	<b>3,074.95</b>	<b>9.45</b>	<b>(271.95)</b>	<b>804.78</b>	<b>3,617.23</b>

#### As on 31.03.20

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Retained Earnings		
Balance as at 01.04.19	3,074.95	9.45	(271.95)	804.78	3,617.23
Profit / (Loss) for the Year	-	-	17.16	(223.77)	(206.61)
Re-measurement Gains / (Losses) on defined benefit plans	-	-	14.52	-	14.52
Transfer to Retained Earnings			179.23	(179.23)	-
<b>Balance as at 31.03.20</b>	<b>3,074.95</b>	<b>9.45</b>	<b>(61.04)</b>	<b>401.78</b>	<b>3,425.14</b>

As per our report of even date attached

For and on behalf of the Board

**For Batliboi & Purohit**

Chartered Accountants  
Firm Regn. No. 101048W

**D. G. Siraj**

(Chairman)  
DIN - 00025543

**G. N. Kamath**

(Managing Director)  
DIN - 00040805

**Kaushal Mehta**

Partner  
Membership No. 111749  
Mumbai, Dated : 10.08.20

**T. V. Subramanian**

(Chief Financial Officer  
& Company Secretary)

# Karma Energy Limited

## Notes to Standalone Financial Statements for the year ended 31.03.20

Note No : 1 Corporate Information and Significant Accounting Policies, Judgments etc.

### 1.1 CORPORATE INFORMATION

Karma Energy Limited ("the Company") is a Company domiciled in India, with its Registered Office situated at Empire House, 214, Dr. D. N. Road, Ent. A. K. Nayak Marg, Fort, Mumbai - 400001. The Company has been incorporated under the provision of Indian Companies Act 1956 and its equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The location of its wind power plants are disclosed in the introduction to the annual report. The Company is engaged in generation of power from renewable sources like

### 1.2 BASIS OF PREPARATIONS AND SIGNIFICANT ACCOUNTING POLICIES

#### A Basis of preparation and presentation

##### i) Statement of Compliance

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The accounts have been compiled on an accrual system based on principle of going concern.

##### ii) Functional and Presentation Currency

Company's financial statements are presented in Indian Rupees, which is also its functional currency. All amounts have been rounded off to 2 decimal places to the nearest lakhs and unless otherwise indicated.

##### iii) Basis of measurement

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- i Certain financial assets and liabilities,
- ii Defined benefit plans - plan assets / (liabilities)

#### B Summary of significant accounting policies

##### a i) Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

##### ii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Assets	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Plant and Machinery	22 Years	22 Years
Road - Non RCC	5 Years	5 Years
Office Equipment's	5 Years	5 Years
Office Equipment's- Computers	3 Years	3 Years
Vehicles	8 Years	8 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions / (disposals) is provided on a pro-rata basis i.e. from / (up to) the date on which asset is ready for use / (disposed off).

b **Leases**

**As a lessee**

The Company has adopted 'simplified approach' under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised present value of lease liabilities of Rs. Rs.156.63 lakhs and equal amount of 'Right of Use (ROU)' assets as on April 01, 2019. In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous year), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due the above change in accounting policy is not material.

The Company's leases primarily consist of leasehold lands. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of respective lease terms (being lower of lease term and estimated useful life of underlying assets).

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows."

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

c **Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

d **Inventories**

Items of inventories i.e stores and spares are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of components, stores and spares are determined on FIFO (First In First Out) basis.

e **Impairment of non-financial assets**

The Company assesses at each reporting date as to whether there is any indication that any asset or group of assets, called cash generating units may be impaired. If any such indication exists the recoverable amount of an asset or cash generating units is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating units to which the asset belongs.

If the carrying amount of assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

f **Provisions and Contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

g **Employee Benefits Expense**

**Short Term Employee Benefits** : The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**Post-Employment Benefits** :

**Defined Contribution Plans** - A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined Benefit Plans** - The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act 1972 or otherwise contractually agreed with the employees.

The gratuity liability amount is contributed to the approved gratuity fund formed (LIC) exclusively for gratuity payment to the employees. The gratuity fund has been approved by Income Tax authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

h **Tax Expenses**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

***Current tax***

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

***Deferred tax***

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

i **Foreign currencies transactions**

Transactions in foreign currencies are initially recorded by the company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

j **Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the contracted rate.

Income from Sale of Entitlements from Wind Power Project is accounted for as and when sold and collection is certain.

There is no impact on account of applying the Ind AS 115 Revenue from Contract with Customers instead of erstwhile Ind AS 18 - Revenue on the Financial Statements of the Company for the year ended 31.03.2019.

**Interest Income** - Interest income is recognised using Effective Interest Rate (EIR) method.

Income on Inter Corporate Deposits is accounted for on time accrual basis.

**Dividend Income** - Revenue is recognised when the Company's right to receive the payment has been established.

k **Financial instruments**

i) **Financial Assets**

a **Recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

A Financial asset is measured at amortized cost if it is held with objective to hold the asset in order to collect contractual cash flows as and when due.

A financial assets is measured at FVTOCI if it is held with an objective to achieve collecting contractual cash flows as and when due and selling financial assets.

A financial assets which is not classified under any of the above categories are measured at FVTPL.

b **Investment in Associates and Subsidiaries**

The Company has accounted for its investments in associates and subsidiaries at cost.

c **Other Equity Investments**

All other equity investments and equity instruments held for trading are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

d **Impairment of financial assets**

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

e **Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

ii) **Financial liabilities**

**Recognition and measurement** - All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iii) **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

l **Cash and Cash Equivalents**

Cash and Cash Equivalents consist of cash on hand, cash at banks, demand deposits from banks and short term, highly liquid instruments.

m **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

n **Classification of current/ non current assets and liabilities**

All assets and liabilities are presented as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 Presentation of financial statements. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

o **Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

p **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**1.3 ACCOUNTING JUDGEMENTS AND ESTIMATION OF UNCERTAINTY**

a **Depreciation and useful lives of Property, Plant and Equipment**

Property, plant and equipment are depreciated over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets. The depreciation for future periods is revised if there are significant changes from previous estimates.

b **Recoverability of trade receivable**

Judgements are applied in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required.

c **Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d **Defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

**1.4 STANDARDS ISSUED / AMENDED BUT NOT YET EFFECTIVE**

Ministry of Corporate Affairs ("MCA") notifies new Indian accounting standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

# Karma Energy Limited

## Notes to the Standalone Financial Statements for the year ended 31.03.2019

### Note No : 2 - Property, Plant and Equipments

Rupees in Lakh

Description	Gross Block				Depreciation				Net Block	
	As At 01.04.18	Addi- tions	Dedu- ctions	As At 31.03.19	As At 01.04.18	For the Year	Adj / Dedns	As At 31.03.19	As At 31.03.19	As At 31.03.18
1 Land - Freehold	34.57	-	-	34.57	-	-	-	-	34.57	34.57
2 Plant & Machinery	15,252.13	688.87	-	15,941.00	11,040.70	478.73	-	11,519.43	4,421.57	4,211.43
3 Road - Non RCC	61.37	-	-	61.37	37.89	11.66	-	49.55	11.82	23.48
4 Office Equipment	6.00	-	-	6.00	4.33	0.44	-	4.77	1.23	1.67
5 Vehicles	41.79	30.13	10.73	61.19	21.13	5.65	6.04	20.74	40.45	20.66
<b>Total</b>	<b>15,395.86</b>	<b>719.00</b>	<b>10.73</b>	<b>16,104.13</b>	<b>11,104.05</b>	<b>496.48</b>	<b>6.04</b>	<b>11,594.49</b>	<b>4,509.64</b>	<b>4,291.81</b>

## Notes to the Standalone Financial Statements for the year ended 31.03.2020

### Note No : 2 - Property, Plant and Equipments and Right of Use Assets

#### A - Property, Plant and Equipments

Description	Gross Block				Depreciation				Net Block	
	As At 01.04.19	Addi- tions	Dedu- ctions	As At 31.03.20	As At 01.04.19	For the Year	Adj / Dedns	As At 31.03.20	As At 31.03.20	As At 31.03.19
<b>Property, Plant &amp; Equipment :</b>										
<b>Own Assets :</b>										
1 Land - Freehold	34.57	107.25	-	141.82	-	-	-	-	141.82	34.57
2 Plant & Machinery	15,941.00	-	-	15,941.00	11,519.43	513.19	-	12,032.62	3,908.38	4,421.57
3 Road - Non RCC	61.37	-	-	61.37	49.55	8.74	-	58.29	3.08	11.82
4 Office Equipment	6.00	0.28	-	6.28	4.77	0.13	-	4.90	1.38	1.23
5 Vehicles	61.19	-	-	61.19	20.74	4.95	-	25.69	35.50	40.45
<b>Total (A)</b>	<b>16,104.13</b>	<b>107.53</b>	<b>-</b>	<b>16,211.66</b>	<b>11,594.49</b>	<b>527.01</b>	<b>-</b>	<b>12,121.50</b>	<b>4,090.17</b>	<b>4,509.64</b>

#### B - Right of Use Assets

Description	Gross Block				Depreciation				Net Block	
	As At 01.04.19	Addi- tions	Dedu- ctions	As At 31.03.20	As At 01.04.19	For the Year	Adj / Dedns	As At 31.03.20	As At 31.03.20	As At 31.03.19
Leasehold Land (Refer Note 1.2(B)(b))	156.63	-	-	156.63	-	15.45	-	15.45	141.18	-
<b>Total (B)</b>	<b>156.63</b>	<b>-</b>	<b>-</b>	<b>156.63</b>	<b>-</b>	<b>15.45</b>	<b>-</b>	<b>15.45</b>	<b>141.18</b>	<b>-</b>
<b>Total (A + B)</b>	<b>16,260.76</b>	<b>107.53</b>	<b>-</b>	<b>16,368.29</b>	<b>11,594.49</b>	<b>542.46</b>	<b>-</b>	<b>12,136.95</b>	<b>4,231.35</b>	<b>4,509.64</b>

# Karma Energy Limited

Notes to the Standalone Financial Statements for the year ended 31.03.20

Rupees in Lakh

Particulars	As at 31.03.20		As at 31.03.19	
	No of Shares	Amount	No of Shares	Amount
<b>Note No : 3</b>				
<b>NON - CURRENT INVESTMENTS</b>				
<b><u>Investments in Equity Instruments (Fully Paid-up)</u></b>				
<b><u>(A) Investment measured at cost (unquoted)</u></b>				
<u>In Subsidiaries</u>				
Batot Hydro Power Ltd	3,50,00,000	3,499.55	2,06,48,250	2,064.37
Greenweiz Projects Ltd	4,95,000	651.03	4,95,000	651.03
<b>Sub Total</b>		<b>4,150.58</b>		<b>2,715.40</b>
<b>Total (A)</b>		<b>4,150.58</b>		<b>2,715.40</b>
<b><u>(B) Investments measured at Fair Value through Other Comprehensive Income</u></b>				
<b><u>Quoted</u></b>				
<u>Fully paid up Equity Shares</u>				
Weizmann Ltd	-	-	1,000	0.40
<b>Sub Total - (i)</b>		<b>-</b>		<b>0.40</b>
<b><u>Unquoted</u></b>				
<u>Fully paid-up Equity Shares</u>				
Windia Infrastructure Finance Ltd	31,38,913	1,483.14	36,38,913	1,850.39
Tapi Energy Projects Ltd	14,39,105	159.45	14,39,105	275.16
Bramanvel Energy Ltd	6,000	5.04	6,000	12.08
Khandesh Energy Projects Ltd	6,000	3.22	6,000	6.71
Weizmann Corporate Services Ltd	9,500	97.47	9,500	127.27
The Saraswat Co-op Bank Ltd	2,500	0.25	2,500	0.25
<b>Sub Total - (ii)</b>		<b>1,748.57</b>		<b>2,271.86</b>
<b>Total (B)</b>		<b>1,748.57</b>		<b>2,272.26</b>
<b>Total Non Current Investments</b>		<b>5,899.15</b>		<b>4,987.67</b>
Aggregate amount of quoted investments		-		<b>0.40</b>
Market value of quoted investments		-		<b>0.40</b>
Aggregate amount of unquoted investments		<b>5,899.15</b>		<b>4,987.27</b>
Aggregate impairment in value of Investments		-		-

# Karma Energy Limited

## Notes to the Standalone Financial Statements for the year ended 31.03.20

Rupees in Lakh

Particulars	As At	
	31.03.20	31.03.19
<b>Note No : 4</b>		
<b>OTHERS - Financial Asset (Non-Current)</b>		
[Unsecured, Considered Good]		
Security Deposits	28.45	17.05
Other Receivables	1.66	1.66
<b>Total</b>	<b>30.11</b>	<b>18.71</b>
<b>Note No : 5</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Capital Advance	75.85	128.69
<b>Total</b>	<b>75.85</b>	<b>128.69</b>
<b>Note No : 6</b>		
<b>INVENTORIES</b>		
(valued at lower of cost and net realisable value)		
Consumables / Spares	42.44	48.36
<b>Total</b>	<b>42.44</b>	<b>48.36</b>
<b>Note No : 7</b>		
<b>TRADE RECEIVABLES</b>		
(a) Unsecured, Considered Good		
Trade Receivables - Power	1,585.96	990.93
Trade Receivables - Others	0.31	0.31
<b>Total</b>	<b>1,586.27</b>	<b>991.24</b>
<p>Trade Receivables of the Company mainly consist of receivables from the state utilities and other parties. In respect of receivable from the state utilities, all written off amounts during the past years and current year were pertaining to specific disputes and not related to credit risk. Hence, in the opinion of the management there is no credit loss on receivable from the state utilities.</p> <p>In respect of Other Receivables, there is no past history of credit loss from these parties, hence there is no expected credit loss on such receivables</p>		
<b>Note No : 8</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	0.30	0.01
Balance with banks :		
- In Current A/c	31.93	748.28
<b>Total</b>	<b>32.23</b>	<b>748.29</b>
<b>Note No : 9</b>		
<b>OTHER BANK BALANCE</b>		
- In Fixed Deposit A/c (maturity between 3 to 12 months)	1,018.90	305.31
- In Dividend A/c *	3.16	4.51
* Balances under Dividend A/cs are not available for general use by the Company		
<b>Total</b>	<b>1,022.06</b>	<b>309.82</b>
<b>Note No : 10</b>		
<b>OTHER CURRENT ASSETS</b>		
Advances Recoverable	19.85	14.09
Prepaid Cont to Employee benefit Plan Assets	80.18	62.56
Prepaid Expenses	41.52	42.35
<b>Total</b>	<b>141.55</b>	<b>119.00</b>

# Karma Energy Limited

Notes to the Standalone Financial Statements for the year ended 31.03.20

Rupees in Lakh

	As at 31.03.20		As at 31.03.19	
	No of Shares	In Lakh	No of Shares	In Lakh
<b>Note No : 11</b>				
<b>SHARE CAPITAL</b>				
<b><u>Authorised Share Capital</u></b>				
Equity Shares of Rs. 10/- each	1,80,00,000	1,800.00	1,80,00,000	1,800.00
	<b>1,80,00,000</b>	<b>1,800.00</b>	<b>1,80,00,000</b>	<b>1,800.00</b>
<b><u>Issued, Subscribed &amp; Paid Up</u></b>				
Equity Shares of Rs. 10/- each	1,15,69,918	1,156.99	1,15,69,918	1,156.99
<b>Total</b>	<b>1,15,69,918</b>	<b>1,156.99</b>	<b>1,15,69,918</b>	<b>1,156.99</b>
<b>NOTE [11.1]</b>				
<b>Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year</b>				
<b>Equity Shares</b>				
At the beginning of the Year	1,15,69,918	1,156.99	1,15,69,918	1,156.99
Issued during the Year	-	-	-	-
Outstanding at the end of the Year	<b>1,15,69,918</b>	<b>1,156.99</b>	<b>1,15,69,918</b>	<b>1,156.99</b>
<b>NOTE [11.2]</b>				
<b><u>Terms / Rights attached to Equity Shares</u></b>				
a) The Company has only one class of shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.				
b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
c) The company has not issued any bonus shares or bought back the equity shares nor issued shares for consideration other than cash in the last 5 years immediately preceding the reporting date.				
<b>NOTE [11.3]</b>				
<b><u>Details of shares held by each shareholder holding more than 5% shares :</u></b>				
Shareholders	No of Shares	Holding %	No of Shares	Holding %
Radhika Mehra	7,96,715	6.89%	7,96,715	6.89%
Dharmendra G Siraj	8,44,974	7.30%	8,44,974	7.30%
Prabhanjan Multitrade Pvt Ltd	5,79,843	5.01%	5,79,843	5.01%
Anju D. Siraj	9,88,097	8.54%	9,88,097	8.54%
Inspeed Power Pvt Ltd	21,19,442	18.32%	21,19,442	18.32%
Kotta Enterprises Ltd	22,94,026	19.83%	22,94,026	19.83%

# Karma Energy Limited

Notes to the Standalone Financial Statements for the year ended 31.03.20

Rupees in Lakh

Particulars			As At	
			31.03.20	31.03.19
<b>Note No : 12</b>				
<b>OTHER EQUITY</b>				
<b>Capital Reserve</b>				
Opening Balance			9.45	9.45
<b>Closing Balance</b>			<b>9.45</b>	<b>9.45</b>
<b>General Reserve</b>				
Opening Balance			3,074.95	3,074.95
<b>Closing Balance</b>			<b>3,074.95</b>	<b>3,074.95</b>
<b>Retained Earnings</b>				
Opening Balance			(271.95)	165.46
Add : Profit / (Loss) for the Year			17.16	(425.20)
Add : Re-measurement Gains / (Losses) on defined benefit plans			14.52	(17.29)
Add : Items of OCI Earnings transferred to Retained Earnings			179.23	5.08
<b>Closing Balance</b>			<b>(61.04)</b>	<b>(271.95)</b>
<b>Equity Instruments Through Other Comprehensive Income</b>				
Opening Balance			804.78	2,962.20
Add : Movement in OCI (Net) during the year			(223.77)	(2,152.34)
Less : Items of OCI Earnings transferred to Retained Earnings			(179.23)	(5.08)
			<b>401.78</b>	<b>804.78</b>
<b>Total</b>			<b>3,425.14</b>	<b>3,617.23</b>
<b>Note No : 13</b>				
<b>BORROWINGS (Secured)</b>				
From Banks			2,387.01	3,219.04
<b>Total</b>			<b>2,387.01</b>	<b>3,219.04</b>
<b>Note [13.1] - Secured Term Loan from Banks</b>				
Name	Tenor	Int Rate	31.03.20	31.03.19
HDFC Bank Ltd	84 equal monthly installments starting from April 2018	9.95%	2,305.01	2,950.64
HDFC Bank Ltd	Varied monthly installments starting from June 2020	9.95%	82.00	268.40
			<b>2,387.01</b>	<b>3,219.04</b>
1. Security against Term Loan from HDFC Bank Ltd is charged on receivable from specific wind farm of 18.0 MW				
2. Security against Term Loan from HDFC Bank Ltd is charged on receivable from specific wind farm of 3.60 MW				
Note -For Current Maturities of Long Term Debt, Refer Note No.17 (Other Financial Liabilities)				
<b>Note No : 14</b>				
<b>LONG TERM PROVISIONS</b>				
Provision for Employee Benefits				
Leave Encashment			-	33.78
<b>Total</b>			<b>-</b>	<b>33.78</b>
<b>Note No : 15</b>				
<b>BORROWINGS - CURRENT</b>				
Unsecured Loans				
From Others - Inter Corporate Deposits			3,562.47	1,617.49
<b>Total</b>			<b>3,562.47</b>	<b>1,617.49</b>
<b>Note</b> : Inter Corporate Deposit (ICD) are taken from Tapi Energy Projects Ltd and Windia Infrastructure Finance Ltd and carry interest @ 7% p.a. The ICD are repayable on demand.				

# Karma Energy Limited

## Notes to the Standalone Financial Statements for the year ended 31.03.20

Rupees in Lakh

Particulars	As At	
	31.03.20	31.03.19
<b>Note No : 16</b>		
<b>TRADE PAYABLES</b>		
Micro and Small enterprises	-	-
Others than Micro and Small Enterprises	14.96	29.63
<b>Total</b>	<b>14.96</b>	<b>29.63</b>
<p>Based on Information of status of suppliers to the extent received by the company there are no Micro and Small undertakings included in Trade Payables to whom the payments are outstanding for a period more than 45 days. Further the company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium enterprises. Consequently the amount paid / payable to these parties during the year is Nil.</p>		
<b>Note No : 17</b>		
<b>OTHER FINANCIAL LIABILITIES</b>		
Current Maturities of Long-Term Debt	1,014.43	829.59
Unclaimed Dividend *	3.16	4.51
Payable to Employees	6.38	8.22
Other Payables	9.79	12.42
<b>Total</b>	<b>1,033.76</b>	<b>854.74</b>
* There are no amounts due and outstanding, to be credited to Investor Education and Protection Fund as at 31.03.20		
<b>Note No : 18</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Statutory Obligations	36.15	24.59
<b>Total</b>	<b>36.15</b>	<b>24.59</b>
<b>Note No : 19</b>		
<b>PROVISIONS</b>		
Provision for Employee Benefits		
Leave Encashment	33.96	16.64
<b>Total</b>	<b>33.96</b>	<b>16.64</b>

# Karma Energy Limited

## Notes to the Standalone Financial Statements for the year ended 31.03.20

Rupees in Lakh

Particulars	Year Ended	
	31.03.20	31.03.19
<b>Note No : 20</b>		
<b>REVENUE FROM OPERATIONS</b>		
<u>Revenue from Contracts with Customers</u>		
Sale of Power	2,839.08	2,689.83
Sale of Entitlement from Wind Power	748.61	221.45
<b>Total</b>	<b>3,587.69</b>	<b>2,911.28</b>
<b>Note</b> : No adjustments were required to be made to contract price on account of any discount, rebate, refunds, price concessions, incentives, etc for revenue recognition during the year.		
<b>Note No : 21</b>		
<b>OTHER INCOME</b>		
Interest - Bank Fixed Deposit	75.41	21.36
Interest - Others	1.12	20.54
Dividend on Non Current Investments	0.05	0.06
Insurance Claim	22.32	35.76
Other Income	0.13	0.86
Sundry Balances Written Back	-	63.94
Bad Debts Recovered	-	52.85
<b>Total</b>	<b>99.03</b>	<b>195.37</b>
<b>Note No : 22</b>		
<b>OPERATING AND MAINTENANCE COST</b>		
Energy / Open Access Charges	1,380.94	1,307.08
Operation and Maintenance	554.41	533.48
Others	43.28	42.01
Stores and Spares Consumed	6.73	5.91
<b>Total</b>	<b>1,985.36</b>	<b>1,888.48</b>
<b>Note No : 23</b>		
<b>EMPLOYEES BENEFIT EXPENSE</b>		
Salaries, Wages and Bonus	224.15	272.33
Contribution to Provident Funds and Other Funds	22.54	23.26
Staff Welfare Expenses	14.54	8.11
<b>Total</b>	<b>261.23</b>	<b>303.70</b>
<b>Note No : 23.1</b>		
As per Indian Accounting Standard 19 " Employee Benefits", the disclosures defined are given below :		
The Employee's Gratuity Fund Scheme managed by Life Insurance Corporation India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method.		
<b>Assumptions</b>		
Discount Rate	6.24%	7.86%
Salary Escalation	0.00%	5.00%
<b>Defined Benefit Plan</b>		
<b>I) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
<b>Particulars</b>		
Defined Benefit Obligation at the beginning of the year	173.17	134.87
Current Service Cost	7.14	5.98
Past Service Cost	-	-
Interest Cost	13.49	10.59
Actuarial (Gain) / Loss	(21.65)	22.13
Benefits Paid	(13.83)	(0.40)
Defined Benefit Obligation at year end	<b>158.32</b>	<b>173.17</b>



# Karma Energy Limited

## Notes to the Standalone Financial Statements for the year ended 31.03.20

Rupees in Lakh

Particulars	Year Ended	
	31.03.20	31.03.19
Fair value of Plan Assets at the beginning of the year	235.73	219.02
Expected Return on Plan Assets	18.36	17.20
Actuarial (Gain) / Loss	-	-
Employer Contribution	0.27	1.15
Benefits Paid	(13.83)	(0.40)
Actual Return on Plan Assets excluding Interest Income	(2.03)	(1.24)
Fair value of Plan Assets at year end	<b>238.50</b>	<b>235.73</b>
<b>III) Reconciliation of Fair Value of Assets and Obligations</b>		
Present Value of Obligation at the end of the year	(158.32)	(173.17)
Fair value of Plan Assets	238.50	235.73
Present Value of Obligation	80.18	62.56
Amount recognised in Balance Sheet Surplus / (Deficit)	<b>80.18</b>	<b>62.56</b>
<b>IV) Actuarial Gain / (Loss) recognised</b>		
Actuarial (Gain) / Loss on obligations	(21.65)	22.13
Return on Plan Assets, Excluding Interest Income	(2.03)	(1.24)
Total (Gain) / Loss for the year	(19.63)	23.37
Actuarial (Gain) / Loss recognised in the year	<b>(19.63)</b>	<b>23.37</b>
<b>V) Expenses recognised during the year</b>		
Current Service Cost	7.14	5.98
Net Interest Cost	(4.88)	(6.62)
Past Service Cost	-	-
Return on Plan Assets	-	-
<b>Net Cost</b>	<b>2.26</b>	<b>(0.64)</b>
<b>In Other Comprehensive Income</b>		
Actuarial (Gain) / Loss	(21.65)	22.13
Return on Plan Assets	(2.03)	(1.24)
<b>Net (Income) / Expense for the period Recognised in OCI</b>	<b>(19.63)</b>	<b>23.37</b>
<b>Maturity Analysis of Projected Benefit Obligation - From the Fund</b>		
Projected Benefits Payable in Future Years from the date of reporting		
1st Following Year	45.41	28.08
2nd Following Year	21.48	3.68
3rd Following Year	85.10	3.95
4th Following Year	4.02	120.04
5th Following Year	3.86	2.67
Sum of years 6 to 10	11.93	27.75
<b>Sensitivity Analysis</b>		
Projected Benefits Obligation on Current Assumption	158.32	173.17
Delta Effect of +1% change in Rate of Discounting	(2.59)	(6.83)
Delta Effect of -1% change in Rate of Discounting	2.72	7.50
Delta Effect of +1% change in Rate of Salary Increase	2.86	7.64
Delta Effect of -1% change in Rate of Salary Increase	-	(7.06)
Delta Effect of +1% change in Rate of Employee Turnover	0.60	1.11
Delta Effect of -1% change in Rate of Employee Turnover	(0.63)	(1.21)

# Karma Energy Limited

## Notes to the Standalone Financial Statements for the year ended 31.03.20

Rupees in Lakh

Particulars	Year Ended	
	31.03.20	31.03.19
<b>Note No : 24</b>		
<b>FINANCE COSTS</b>		
(a) Interest Expense on		
Secured Loans	366.75	385.89
Unsecured Loans	151.45	20.54
On Lease Liabilities	14.67	-
Others	0.41	11.31
(b) Other Borrowing Cost	1.77	4.68
<b>Total</b>	<b>535.05</b>	<b>422.42</b>
<b>Note No : 25</b>		
<b>OTHER EXPENSES</b>		
Payment to Auditors	4.81	4.79
Conveyance and Travelling	28.16	9.17
Director Sitting Fees	1.88	1.87
Electricity Charges	0.47	0.15
Insurance Charges	57.32	68.48
Legal and Professional Charges	37.50	26.84
Communication Expenses	5.73	5.25
Rent	3.90	25.87
Rates and Taxes	121.83	151.48
Repairs and Maintenance - Others	5.02	-
Miscellaneous Expenses	76.19	37.31
	<b>342.81</b>	<b>331.21</b>
<b>Note No : 25.1</b>		
<b>Payment to Auditor</b>		
For Statutory Audit	4.06	4.00
For Tax Audit	0.75	0.75
For Other Services	-	0.04
	<b>4.81</b>	<b>4.79</b>

# Karma Energy Limited

## Notes to Standalone Financial Statements for the year ended 31.03.20

### Note No

#### 26 Contingent Liabilities and Commitments (to the extent not provided for)

Income Tax matters Rs. 94.69 Lakh (Prev Year - Rs. 94.69 Lakh)

Note : It is not practicable for the Company to estimate the closure of the above issue and the consequential timing of cash outflow, if any.

#### 27 Disclosure pursuant to Regulation 34(3) and Schedule V of LODR - 2015

Loans and Advances to Subsidiary Companies : Rs. Nil

#### 28 (a) Deferred Tax

The breakup of Net Deferred Tax Liability as on 31.03.20

Rupees in Lakh

Particulars	Property, Plant & Equipment	Fair value of Investments	Processing fees	Others	Total
<b>As at 31.03.2018</b>	1,164.27	943.50	-	(16.02)	<b>2,091.75</b>
Charged / (Credited)					
- To Profit or Loss	(166.84)	-	1.70	(2.67)	<b>(167.81)</b>
- To Other Comprehensive Income	-	(563.89)	-	-	<b>(563.89)</b>
<b>As at 31.03.2019</b>	<b>997.43</b>	<b>379.61</b>	<b>1.70</b>	<b>(18.69)</b>	<b>1,360.05</b>
Charged / (Credited)					
- To Profit or Loss	(92.61)	-	1.35	(33.69)	<b>(124.95)</b>
- To Other Comprehensive Income	-	(59.89)	-	-	<b>(59.89)</b>
<b>As at 31.03.2020</b>	<b>904.82</b>	<b>319.72</b>	<b>3.05</b>	<b>(52.38)</b>	<b>1,175.21</b>

#### (b) Income Tax

Rupees in Lakh

Particulars	31.03.20	31.03.19
Income Tax recognised in statement of Profit & Loss Account		
Current Tax	127.60	9.08
Deferred Tax	(124.95)	(167.81)
<b>Income Tax Expenses recognised in the Current Year</b>	<b>2.65</b>	<b>(158.73)</b>

#### (c) The Income Tax expenses for the year can be reconciled to the accounting profit as follows

Particulars	31.03.20	31.03.19
Profit before Tax	19.81	(583.93)
Applicable Tax Rate	26.00%	26.00%
Computed Tax Expense	5.15	(151.82)
<b>Tax Effect of :</b>		
Income not Taxable	5.09	(7.41)
Permanent Difference	0.11	2.94
Expenses not deductible	-	64.56
Change in Tax Rate	-	(64.60)
Others	(7.70)	(2.40)
Current Tax (A)	2.65	(158.73)
<b>Income Tax Expenses recognised in the Statement of Profit &amp; Loss A/c</b>	<b>2.65</b>	<b>(158.73)</b>

#### 29 a Financial Instruments

##### Accounting classification and fair values

Rupees in Lakh

Particulars	As at 31.03.20			As at 31.03.19		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Asset</b>						
Non Current Investments *	-	1,748.57	4,150.58	-	2,272.26	2,715.40
Other Non Current Financial Asset	-	-	30.11	-	-	18.71
Trade Receivables	-	-	1,586.27	-	-	991.24
Loans	-	-	-	-	-	-
Cash and Cash Equivalents	-	-	32.23	-	-	748.29
Other Bank Balance	-	-	1,022.06	-	-	309.82
<b>Financial Liabilities</b>						
Long-Term Borrowings	-	-	2,387.01	-	-	3,219.04
Short-Term Borrowings	-	-	3,562.47	-	-	1,617.49
Trade Payable	-	-	14.96	-	-	29.63
Current & Non Current Lease Liabilities	-	-	150.03	-	-	-
Other Current Financial Liabilities	-	-	1,033.76	-	-	854.74

#### Note \*

1 Non Current Investments under FVTOCI includes Quoted and Unquoted Equity Instruments.

2 Non Current Investments under Amortised Cost includes Equity Instruments of Subsidiaries & Associates.

# Karma Energy Limited

## Notes to Standalone Financial Statements for the year ended 31.03.20

### Note No

#### b Fair Value Measurement Hierarchy ;

Rupees in Lakh

Particulars	As at 31.03.20			As at 31.03.19		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Asset</b>						
Non Current Investments **	-	-	1,748.57	0.40	-	2,271.86

#### Note \*\*

1 Non Current Investment includes Quoted and Unquoted Equity Instruments.

The financial instruments are categorised into two levels based on the inputs used to arrive at fair value of measurements as described below:

**Level 1** : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2** : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3** : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in Level 3.

#### c Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

##### i Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

##### ii Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

##### Trade and other receivables

Trade Receivables of the Company mainly consist of receivables from the state utilities and other parties. In respect of receivable from the state utilities, all written off amounts during the past years and current year were pertaining to specific disputes and not related to credit risk. Hence, in the opinion of the management there is no credit loss on receivable from the state utilities.

In respect of Other Receivables, there is no past history of credit loss from these parties, hence there is no expected credit loss on such receivables

##### iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

# Karma Energy Limited

## Notes to Standalone Financial Statements for the year ended 31.03.20

Note No

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

<b>Contractual cash flows</b>					
<b>31.03.20</b>	<b>Carrying Amount</b>	<b>Total</b>	<b>Upto 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>					
Trade payables	14.96	14.96	14.96	-	-
Other financial liabilities	19.33	19.33	19.33	-	-
Long term borrowings (including Current Maturity)	3,401.44	3,401.44	1,014.43	2,387.01	-
Short term borrowings	3,562.47	3,562.47	3,562.47	-	-
<b>Contractual cash flows</b>					
<b>31.03.19</b>	<b>Carrying Amount</b>	<b>Total</b>	<b>Upto 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>					
Trade payables	29.63	29.63	29.63	-	-
Other financial liabilities	25.15	25.15	25.15	-	-
Long term borrowings (including Current Maturity)	4,048.63	4,048.63	829.59	3,219.04	-
Short term borrowings	1,617.49	1,617.49	1,617.49	-	-

### iv Market risk

Market risk is the risk that changes in market prices – such as interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including payables and long term debt. We are exposed to market risk primarily related to interest rate risk. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating.

#### Currency risk

The Company is not exposed to Foreign Currency Risk.

#### Interest risk

At the reporting date in the interest rate profile of the Company's interest bearing financial instruments was as follows:

<b>Particulars</b>	Rupees in Lakh	
	<b>31.03.20</b>	<b>31.03.19</b>
<u>Floating Rate Instruments</u>		
Financial Liabilities		
Term Loans	3,401.44	4,048.63
<u>Fixed Rate Instruments</u>		
Financial Liabilities		
Term Loans	-	-
Inter-Corporate Deposits	3,562.47	1,617.49
	<b>6,963.91</b>	<b>5,666.12</b>

#### Cash Flow sensitivity analysis for variable-rate instruments

An increase of 50 basis points in interest rates at the reporting date would have decreased gains as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

<b>Particulars</b>	Rupees in Lakh	
	<b>31.03.20</b>	<b>31.03.19</b>
Variable rate instruments	17.01	20.24
<b>Cash flow sensitivity</b>	<b>17.01</b>	<b>20.24</b>

A decrease of 50 basis points in interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

Price Risk - The Company investment in equity instruments in Subsidiaries and Associates are stated at cost and not required to be remeasured. Neither Profit or Loss nor Equity will be affected by the equity price risk of those instruments.

Further the Company investment in equity instruments carried at fair value through Other Comprehensive Income are subject to price risk which may not effect the total comprehensive income of the Company

To manage its price risk, the Company diversify its portfolio. Diversification of the portfolio is done based on internal review and limits decided by the management from time to time.

<b>Particulars</b>	Rupees in Lakh	
	<b>31.03.20</b>	<b>31.03.19</b>
<b>Impact on Other Comprehensive Income</b>		
<u>Investments measured at Other Comprehensive Income</u>		
Increase in price by 10%	-	0.04
Decrease in price by 10%	-	(0.04)

# Karma Energy Limited

## Notes to Standalone Financial Statements for the year ended 31.03.20

### Note No

### 30 Earning Per Share

Rupees in Lakh

Particulars	31.03.20	31.03.19
Net Profit / (Loss) After Tax attributable to Equity Shareholders	17.16	(425.20)
Weighted Average Number of Equity Shares	1,15,69,918	1,15,69,918
Nominal Value per Ordinary Shares	10.00	10.00
Basic and Diluted Earning Per Share	<b>0.15</b>	<b>(3.68)</b>

### 31 Related Party Disclosure

In accordance with the "Accounting Standard 24 - Related Party Disclosure", the details are as follows :

#### 1 Related Party and their Relationship

Subsidiaries
Batot Hydro Power Ltd
Greenweiz Projects Ltd

**Key Management Personnel :** 1 Mr. Ganesh N. Kamath - Managing Director  
2 Mr. T. V. Subramanian - Company Secretary and Chief Financial Officer

#### 2 Transactions with the related Parties

Rupees in Lakh

Nature of Transaction	Subsidiaries	Associates	Key Management Personnel	Total
<b>Income / Receipts</b>				
<u>Interest</u>	-	-	-	-
	(20.15)	-	-	(20.15)
Batot Hydro Power Ltd	-	-	-	-
	(20.15)	-	-	(20.15)
<b>Expenditure / Payments</b>				
<u>Operation &amp; Maintenance Expenses</u>	<b>44.35</b>	-	-	<b>44.35</b>
	(55.70)	-	-	(55.70)
Greenweiz Projects Ltd	<b>44.35</b>	-	-	<b>44.35</b>
	(55.70)	-	-	(55.70)
<u>Remuneration</u>	-	-	<b>91.07</b>	<b>91.07</b>
	-	-	(92.38)	(92.38)
Ganesh N. Kamath	-	-	<b>24.11</b>	<b>24.11</b>
	-	-	(26.48)	(26.48)
T. V. Subramanian	-	-	<b>66.96</b>	<b>66.96</b>
	-	-	(65.90)	(65.90)
<b>Finance</b>				
<u>Loans Given</u>	-	-	-	-
	(567.14)	-	-	(567.14)
Batot Hydro Power Ltd	-	-	-	-
	(567.14)	-	-	(567.14)
<u>Loans Repaid</u>	-	-	-	-
	(567.14)	-	-	(567.14)
Batot Hydro Power Ltd	-	-	-	-
	(567.14)	-	-	(567.14)
<b>Outstandings</b>				
<u>Creditors</u>	<b>3.05</b>	-	-	<b>3.05</b>
	-	-	-	-
Greenweiz Projects Ltd	<b>3.05</b>	-	-	<b>3.05</b>
	-	-	-	-

# Karma Energy Limited

## Notes to Standalone Financial Statements for the year ended 31.03.20

### Note No

32 Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

Rupees in Lakh

Sr No	Equity Investments	During the Year				As At 31.03.20		As At 31.03.19	
		Purchase		Sale		Qty	Amount	Qty	Amount
		Qty	Amount	Qty	Amount				
1	Batot Hydro Power Ltd	1,43,51,750	1,435.18	-	-	3,50,00,000	3,499.55	2,06,48,250	2,064.37
2	Greenweiz Projects Ltd	-	-	-	-	4,95,000	651.03	4,95,000	651.03
3	Bramanvel Energy Ltd	-	-	-	-	6,000	5.04	6,000	12.08
4	Khandesh Energy Projects Ltd	-	-	-	-	6,000	3.22	6,000	6.71
5	Weizmann Corporate Services Ltd	-	-	-	-	9,500	97.47	9,500	127.27
6	Windia Infrastructure Finance Ltd	-	-	5,00,000	239.80	31,38,913	1,483.14	36,38,913	1,850.39
7	Weizmann Ltd	-	-	1,000	0.22	-	-	1,000	0.40
8	Saraswat Co-op Bank Ltd	-	-	-	-	2,500	0.25	2,500	0.25
9	Tapi Energy Projects Ltd	-	-	-	-	14,39,105	159.45	14,39,105	275.16

### 33 Valuation

- The Fair Value of investment in Quoted Equity Shares is measured at quoted price.
- The Fair Value of investment of unquoted equity shares in other than Associate and Subsidiary is determined by valuing such investee companies at their respective fair values by considering in each of such investee companies, the value of immovable properties considered by revenue authorities for determining the stamp duty amount, the quoted equity shares at their quoted price, and for unquoted equity shares by adopting the method of determination as above i.e. finding the fair value of such unquoted entities and other assets and liabilities at their carrying costs.

### 34 Segment Information

The Primary Business activity of the Company is that of Generation of Power from Renewable Sources and hence there being only one reportable segment, segment reporting has not been furnished.

### 35 Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of net debt (borrowings as detailed in notes No. 13 & 17 offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 11 and 12).

The company is not subject to any externally imposed capital requirements.

Gearing Ratio - The gearing ratio at end of the reporting period was as follows.

Rupees in Lakh

Particulars	As at	As at
	31.03.20	31.03.19
Debt	3,401.44	4,048.63
Cash and Cash Equivalent	32.23	748.29
Net Debt	<b>3,369.21</b>	<b>3,300.34</b>
Equity	4,582.13	4,774.22
Net Debt to Equity Ratio	0.74	0.69

Debt is defined as long-term borrowings including current maturities of long term borrowings, as given in notes 13 and 17.

36 These financial statements are approved for issue by the Board of Directors of the Company on 10.08.20

37 In the previous year Exceptional Items represent loss on sale of investments in subsidiaries, associates and other companies.

38 a The company has taken land and premises on cancellable and non-cancellable operating leases. Non-cancellable leases of the Company are pertaining to leasehold lands for its windmills. These agreements contain a lease term for a period 10 years. In such lease agreements, there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the Company do not contain any variable lease payment or any residual value guarantees. The Company has not entered into any sublease agreement in respect of these leases.

During the year the Company has adopted Ind AS 116. Accordingly, the Company has recognised a Right of Use asset in respect of each identified asset under leases agreements (other than short term lease of 12 months or less and lease of low value assets) and corresponding lease liability being the present value of lease payments during the lease term.

Refer note 2 for details of Right of use assets and Refer note 1.2(B)(b) for accounting policy and transition effects of first time of Ind AS 116

Rs in Lakh

Sr	Particulars	Amount
1	Lease payments accounted as rent expense	3.90
2	Amortisation of Right of use assets	15.45
3	Unwinding discount on lease liabilities	14.67

# Karma Energy Limited

## Notes to Standalone Financial Statements for the year ended 31.03.20

### Note No

c Maturity Analysis lease liabilities		Rs in Lakh
Sr	Particulars	Amount
1	Due in next 1 year	8.51
2	Due in next 1 - 3 years	20.77
3	Due in next 3 - 5 years	29.14
4	Due after 5 years	91.61

d Total cash outflows in respect of lease payments (including short term and low value leases) during the year were Rs. 21.25 Lakhs (Previous Year Rs. 21.87 Lakhs)

39 The Company and It's wholly owned Subsidiary Company Greenweiz Projects Limited have filed a petition before NCLT seeking sanctioning of a Scheme of Amalgamation with respect to merger of the Subsidiary Company with Holding Company w.e.f the Appointed date 01.04.19. Since NCLT is yet to issue their final order sanctioning the scheme, the Annual Accounts for year ended 31.03.20 is finalized with out giving effect to the merger.

40 Government of India declared lock down on effective from 25.03.20 due to the outbreak of Coronavirus Disease (COVID-19) a global pandemic declared by World Health Organisation (WHO). However the operation of the Company has not been affected materially with the directives and orders issued by the relevant authorities and the business of the Company beign power generation, the same was under Essential Services as per the guideines. Still the Company has made assessment of its liquidity position and of the recoverability and carrying values of its assets comprising of property, plant and equipment inventories, investments, receivables and other current assets as at the balance sheet date and on the basis of current estimates it has been concluded that no material adjustment is required in the standalone financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material change to future economic conditions.

41 Previous year figures have been regrouped and / or reclassified wherever necessary.

Signatures to the Notes 1 to 41 forming part of the **Standalone Balance Sheet as at 31.03.20** and the **Standalone Statement of Profit and Loss Account for the year ended 31.03.20**

**As per our report of even date attached**

**For and on behalf of the Board**

**For Batliboi & Purohit**  
Chartered Accountants  
Firm Regn. No. 101048W

**D. G. Siraj**  
(Chairman)  
DIN - 00025543

**G. N. Kamath**  
(Managing Director)  
DIN - 00040805

**Kaushal Mehta**  
Partner  
Membership No. 111749  
**Mumbai, Dated : 10.08.20**

**T. V. Subramanian**  
(Chief Financial Officer  
& Company Secretary)



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of KARMA ENERGY LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **KARMA ENERGY LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries collectively referred to as "the Company" or "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, the consolidated statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**i. Valuation of unquoted non current investments held at fair value**

**Description of Key Audit Matter:**

The valuation of the Company's unquoted non current investments held at fair value was a key area of audit focus due to the significance of the amount and complexity involved in the valuation process. The management makes significant judgements because of the complexity of the techniques and assumptions used in valuing some of the level 3 investment securities given the limited external evidence and unobservable market data available to support the Company's valuations. The valuation of the level 3 investment securities are dependent on market conditions and key assumptions made. The determination of these assumptions is complex and requires the exercise of management judgements.

See Note 1.2 (C) (xv), Note. 3 and Note 31 to the financial statements.

**Our response:**

- We assessed the design and operating effectiveness of the Company's key controls supporting the identification, measurement and oversight of valuation risk of financial assets.
- For the more judgemental valuations, which depend on unobservable inputs, we evaluated the assumptions, methodologies and models used by the Company.
- We also assess the appropriateness of the methodologies used and found that these are reasonable in the context of the relevant investments.
- We examined the calculation of the inputs used for substantive and arithmetical accuracy by performing re-calculations wherever required.

**ii. Impairment testing of Goodwill on consolidation:**

**Description of Key Audit Matter:**

Goodwill in the consolidated financial statements of Rs 1,303.39 lakh is pertaining to investment in Batot Hydro Projects Limited ('BHPL') which is a wholly owned subsidiary of the Holding Company. The Company tests the goodwill for impairment once annually at year end. Goodwill is tested for impairment based on the recoverable amount of the investments in the said subsidiary as compared with the carrying amount of the subsidiary consolidated with the Holding Company.

The valuation process adopted by management to calculate the recoverable amount is complex and is based on a series of assumptions, such as the forecast cash flows, the appropriate discounting rate (WACC) and the long-term growth rate. These assumptions are, by nature, influenced by future expectations regarding the evolution of external market conditions.

See Note 2A to the financial statements.

**Our response:**

We analysed the methods and assumptions applied by management to carry out the impairment test through following procedures:

- a. Identification and understanding of the significant controls implemented by the Company over the impairment testing process;
- b. Analysis of the reasonableness of the principal assumptions made to estimate their cash flows by obtaining information from management that we deemed to be significant;

- c. We also examined the adequacy of the information provided by the Company about the impairment test and its consistency with the requirements of Ind AS 36.
- d. Analysis of actual data of the year and previous years in comparison with the original plan, in order to assess the nature of variances and the reliability of the planning process;
- e. Assessment of the reasonableness of the discount rate (WACC) and the long-term growth rate;
- Verification that the carrying amount of the investment was determined properly and comparison with the value in use resulting from the impairment test.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matters**

The consolidated annual consolidated financial statements include the audited financial results of two subsidiaries namely Batot Hydro Power Limited & Greenweiz Projects Limited, whose financial statements reflect Group's share of total assets of Rs. 4,275.97 lakh as at 31 March 2020, Group's share of total revenue of Rs. 667.15 lakh, Group's share of total net loss after tax of Rs. 1.45 lakh, Group's share of total comprehensive loss of Rs 23.71 lakh and Group's share of net cash outflows of Rs.15.72 lakh for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been furnished to us by the management. Our opinion, in so far as it relates to the balances and affairs of these subsidiaries, is based on the report of other auditor.

Our opinion on the above consolidated financial statements and our report on other Legal and Regulatory requirements below, is not modified in respect of the other matters with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law have been kept by the Company and its subsidiaries incorporated in India and relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company and reports other auditors.
  - c) The consolidated balance sheet, the statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account maintained by the Company and its subsidiaries incorporated in India including the relevant records relating to the preparation of the aforesaid consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the auditors of the subsidiaries incorporated in India, none of the directors of the Company and its subsidiaries incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of such controls.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on reports of auditors of its subsidiaries incorporated in India, the remuneration paid by the Company and its subsidiaries incorporated in India to respective directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. (Refer Note 27 to the consolidated financial statements.)
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For BATLIBOI & PUROHIT**  
Chartered Accountants  
ICAI Firm Reg. No.101048W

**Kaushal Mehta**  
Partner  
Membership No. 111749

Place : Mumbai  
Date : 10<sup>th</sup> August, 2020  
ICAI UDIN: 20111749AAAADE5388

## **Annexure - A to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **KARMA ENERGY LIMITED** ("the Holding Company") and its subsidiaries incorporated in India (the Holding Company and its subsidiaries incorporated in India collectively referred to as "the Company" or "the Group")

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion of the Holding Company's and subsidiary Companies Internal Financial Controls system over Financial Reporting with reference to their Financial Statement.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company and its subsidiaries incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020 based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiaries incorporated in India is based on the corresponding reports of the auditor of the said subsidiaries. Our opinion is not modified in respect of this matter.

**For BATLIBOI & PUROHIT**  
Chartered Accountants  
ICAI Firm Reg. No.101048W

**Kaushal Mehta**  
Partner  
Membership No. 111749  
Place : Mumbai  
Date : 10<sup>th</sup> August, 2020  
ICAI UDIN : 20111749AAADE5388



**Karma Energy Limited**  
(CIN - L3110MH2007PLC168823)  
Consolidated Balance Sheet as at 31.03.20

Rupees in Lakh

Particulars	Note No	As At	
		31.03.20	31.03.19
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
a Property, Plant and Equipment	2A	7,099.49	7,638.93
b Right of Use Assets	2B	141.18	-
c Capital Work in Progress		171.14	147.26
d Goodwill on Consolidation	2A	1,303.39	1,303.39
e <u>Financial Assets</u>			
i Investments	3	2,008.70	2,559.50
ii Loans and Advances		-	-
ii Others	4	38.30	26.80
f Other Non-Current Assets		75.85	-
Total Non-Current Assets ==>		<b>10,838.05</b>	<b>11,675.88</b>
<b>Current Assets</b>			
a Inventories	5	274.90	271.46
b <u>Financial Assets</u>			
i Trade Receivables	6	1,655.89	1,045.71
ii Cash and Cash Equivalents	7	49.46	781.24
iii Bank Balances other than (ii) above	8	1,025.30	415.87
iv Loans	9	58.05	71.02
c Current Tax Assets		74.89	38.81
d Other Current Assets	10	223.17	311.24
Total Current Assets ==>		<b>3,361.66</b>	<b>2,935.35</b>
<b>Total Assets</b>		<b>14,199.71</b>	<b>14,611.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity Share capital	11	1,156.99	1,156.99
b Other Equity	12	1,487.74	2,978.38
Non Controlling Interest		-	160.47
Total Equity ==>		<b>2,644.73</b>	<b>4,295.84</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a <u>Financial Liabilities</u>			
i Borrowings	13	2,387.01	3,831.71
ii Lease Liabilities		141.52	-
b Provisions	14	-	58.34
c Deferred Tax Liabilities	30	1,225.85	1,414.96
Total Non-Current Liabilities ==>		<b>3,754.38</b>	<b>5,305.01</b>
<b>Current Liabilities</b>			
a <u>Financial Liabilities</u>			
i Borrowings	15	6,262.67	3,815.60
ii Lease Liabilities		8.51	-
iii Trade Payables			
(a) Micro and Small enterprises		-	-
(b) Other than Micro and Small Enterprises	16	228.08	71.76
iv Others	17	1,043.99	1,031.83
b Other Current Liabilities	18	54.45	72.65
c Provisions	19	50.23	18.54
d Current Tax Liabilities		152.67	-
Total Current Liabilities ==>		<b>7,800.60</b>	<b>5,010.38</b>
Total Liabilities ==>		<b>11,554.98</b>	<b>10,315.39</b>
<b>Total Equity and Liabilities</b>		<b>14,199.71</b>	<b>14,611.23</b>

The accompanying notes form an integral part of the Consolidated Financial Statements

**As per our report of even date attached**

**For and on behalf of the Board**

**For Batliboi & Purohit**  
Chartered Accountants  
Firm Regn. No. 101048W

**D. G. Siraj**  
(Chairman)  
DIN - 00025543

**G. N. Kamath**  
(Managing Director)  
DIN - 00040805

**Kaushal Mehta**  
Partner  
Membership No. 111749  
Mumbai, Dated : 10.08.20

**T. V. Subramanian**  
(Chief Financial Officer  
& Company Secretary)

**Karma Energy Limited**  
(CIN : U51909MH2002PLC135840)

**Consolidated Statement of Profit and Loss Account for the year ended 31.03.20**

Rupees in Lakh

	Particulars	Note No	Year Ended	
			31.03.20	31.03.19
<b>1</b>	<b>Income</b>			
[a]	Revenue from Operations	<b>20</b>	4,187.65	3,469.62
[b]	Other Income	<b>21</b>	118.18	243.88
	<b>Total Income</b>		<b>4,305.83</b>	<b>3,713.50</b>
<b>2</b>	<b>Expenses</b>			
[a]	Purchases of Stock-in-Trade	<b>22</b>	34.25	26.82
[b]	Changes in Inventories		(9.81)	16.10
[c]	Operation and Maintenance Cost	<b>23</b>	2,016.24	1,905.88
[d]	Employee Benefits Expense	<b>24</b>	410.32	465.88
[e]	Finance Costs	<b>25</b>	737.72	685.88
[f]	Depreciation and Amortisation Expense	<b>2A &amp; 2B</b>	662.18	616.82
[g]	Other Expenses	<b>26</b>	438.67	432.46
	<b>Total Expenses</b>		<b>4,289.57</b>	<b>4,149.84</b>
<b>3</b>	<b>Profit / (Loss) before Exceptional Item and Tax (1 - 2)</b>		<b>16.26</b>	<b>(436.34)</b>
<b>4</b>	Exceptional Items (Net Expense)		-	(614.61)
<b>5</b>	<b>Profit / (Loss) before Tax (3 - 4)</b>		<b>16.26</b>	<b>(1,050.95)</b>
<b>6</b>	<b>Tax Expense:</b>			
[a]	Current Tax		123.81	13.10
[b]	Less : MAT Credit		-	4.02
[c]	Deferred Tax	<b>30</b>	(123.26)	83.84
	<b>Total Tax Expenses</b>		<b>0.55</b>	<b>100.96</b>
<b>7</b>	<b>Profit/(Loss) after Tax (5-6)</b>		<b>15.71</b>	<b>(1,151.91)</b>
	<b>Other Comprehensive Income</b>			
a	Items that will not be reclassified to Profit or Loss			
	Re-measurement Gains / (Losses) on defined benefit plans		18.25	(22.67)
	Tax effect		(5.11)	5.75
	Net Gain / (Loss) on Fair Value through OCI - Equity Securities		(310.52)	(3,329.58)
	Tax effect		65.87	700.40
	<b>Total Other Comprehensive Income (Net of Tax)</b>		<b>(231.51)</b>	<b>(2,646.10)</b>
	<b>Total Comprehensive Income for the year</b>		<b>(215.80)</b>	<b>(3,798.01)</b>
<b>8</b>	<b>Profit for the year attributable to:</b>			
	- Owners of the Company		(27.93)	(997.90)
	- Non Controlling Interest		43.64	(154.01)
	<b>Total</b>		<b>15.71</b>	<b>(1,151.91)</b>
<b>9</b>	<b>Other comprehensive income for the year attributable to:</b>			
	- Owners of the Company		(231.51)	(2,645.86)
	- Non Controlling Interest		-	(0.24)
	<b>Total</b>		<b>(231.51)</b>	<b>(2,646.10)</b>
<b>10</b>	<b>Total comprehensive income for the year attributable to:</b>			
	- Owners of the Company		(259.44)	(3,643.76)
	- Non Controlling Interest		43.64	(154.25)
	<b>Total</b>		<b>(215.80)</b>	<b>(3,798.01)</b>
<b>11</b>	Paid up Equity Share Capital (Rs 10/- Per Share)		1,156.99	1,156.99
<b>12</b>	Earning per Share (of Rs 10/- each)			
[a]	Basic		<b>(0.24)</b>	<b>(8.62)</b>
[b]	Diluted		<b>(0.24)</b>	<b>(8.62)</b>

The accompanying notes form an integral part of the Consolidated Financial Statements

**As per our report of even date attached**

**For and on behalf of the Board**

**For Batliboi & Purohit**  
Chartered Accountants  
Firm Regn. No. 101048W

**D. G. Siraj**  
(Chairman)  
DIN - 00025543

**G. N. Kamath**  
(Managing Director)  
DIN - 00040805

**Kaushal Mehta**  
Partner  
Membership No. 111749  
Mumbai, Dated : 10.08.20

**T. V. Subramanian**  
(Chief Financial Officer  
& Company Secretary)

**Karma Energy Limited**

**Statement of Consolidated Cash Flow for the year ended 31.03.20**

Rupees in Lakh

Particulars	31.03.20	31.03.19
<b>Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before exceptional items and tax	16.26	(436.34)
<u>Adjustments for:</u>		
Depreciation and Amortisation	662.18	616.82
Sundry Balances Written Off	33.11	0.45
Sundry Balances Written Back	(11.08)	(64.00)
Loss on Sale of Fixed Asset	0.12	0.62
Profit on Sale of Subsidiaries	-	(7.73)
Finance Cost	737.72	685.88
Interest Income	(81.92)	(41.89)
Dividend Income	(0.05)	(0.06)
<b>Operating profit / (loss) before working capital changes</b>	<b>1,356.34</b>	<b>753.75</b>
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets</u>		
Inventories	(3.44)	256.87
Trade receivables	(643.29)	(202.31)
Short-term loans and advances	12.97	248.07
Other current assets	88.07	(127.75)
Other non-current assets	(75.85)	(22.67)
Other non-current financial assets	6.75	(4.95)
	<b>741.55</b>	<b>901.01</b>
<u>Adjustments for increase / (decrease) in operating liabilities</u>		
Trade payables	167.47	33.07
Other current liabilities	(18.20)	(69.80)
Other current financial liabilities	(76.83)	(100.10)
Short-term provisions	31.69	1.39
Long-term provisions	(58.34)	14.79
<b>Cash generated from operations</b>	<b>787.34</b>	<b>780.36</b>
Net Income Tax (Paid) / Refund	<b>(12.33)</b>	<b>(151.70)</b>
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>775.01</b>	<b>628.66</b>
Investments in Fixed Assets		
Purchase of Fixed Assets	(107.53)	(719.00)
Capital Work In Progress	(23.88)	(17.91)
Bank Deposits	(609.43)	(334.33)
Sale of Fixed Assets	0.16	4.25
Interest Income	81.92	41.89
Dividend	0.05	0.06
Proceeds from Sale of Investments		
- Subsidiaries	-	71.84
- Associates	-	150.36
- Others	240.12	5.35
Purchase of long-term investments		
- Subsidiaries	(1,435.18)	(256.90)
- Others	-	(3.60)
<b>Net cash flow from Investing activities (B)</b>	<b>(1,853.77)</b>	<b>(1,057.99)</b>
<b>Financing</b>		
<u>Long Term Borrowings</u>		
Loans Taken	-	532.85
Loans Repaid	(1,362.30)	(1,675.90)
<u>Short Term Borrowings</u>		
Loans Taken	4,412.90	8,302.81
Loans Repaid	(1,959.32)	(5,735.52)
Finance Cost	(723.05)	(685.88)
Principal Payment of Lease	(21.25)	-
<b>Net cash flow from Financing activities (C)</b>	<b>346.98</b>	<b>738.36</b>
<b>Total (A + B + C)</b>	<b>(731.78)</b>	<b>309.03</b>
Cash and Cash Equivalent at the Beginning of the year	781.24	472.21
Cash and Cash Equivalent at the End of the year	<b>49.46</b>	<b>781.24</b>
	<b>(731.78)</b>	<b>309.03</b>
Break-up of Cash and Cash Equivalent at the End of the year as under :		
(a) Cash on Hand	0.30	0.01
(b) Balances with banks in current accounts	49.16	781.23

**Change in Liability arising from financing activities**

	01.04.19	Cash Flow	31.03.20
Borrowing - Non Current (Refer Note 13 and 15)	4,763.75	(1,362.31)	3,401.44
Borrowing - Current (Refer Note 15)	3,815.60	2,447.07	6,262.67

As per our report of even date attached

For and on behalf of the Board

**For Batliboi & Purohit**  
Chartered Accountants  
Firm Regn. No. 101048W

**D. G. Siraj**  
(Chairman)  
DIN - 00025543

**Kaushal Mehta**  
Partner  
Membership No. 111749  
Mumbai, Dated : 10.08.20

**G. N. Kamath**  
(Managing Director)  
DIN - 00040805

**T. V. Subramanian**  
(Chief Financial Officer  
& Company Secretary)

# Karma Energy Limited

## Statement of Changes in Equity for the period ended 31.03.20

### A. Equity Share Capital

Rupees in Lakh

Balance as on 01.04.18	1,156.99
Changes during the year 17-18	-
<b>Balance as on 31.03.19</b>	<b>1,156.99</b>
Balance as on 01.04.19	1,156.99
Changes during the year 19-20	-
<b>Balance as on 31.03.20</b>	<b>1,156.99</b>

### B. Other Equity

As on 31.03.2019

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Retained Earnings		
Balance as at 01.04.18	3,074.95	342.89	(410.74)	3,992.19	6,999.29
Re-measurement Gains / (Losses) on defined benefit plans	-	-	(16.92)	-	(16.92)
Add : On Increase in stake in Subsidiary	-	-	(376.91)	-	(376.91)
Profit / (Loss) for the year	-	-	(997.90)	(2,629.18)	(3,627.08)
Transfer to Retained Earnings			5.08	(5.08)	-
<b>Balance as at 31.03.19</b>	<b>3,074.95</b>	<b>342.89</b>	<b>(1,797.39)</b>	<b>1,357.93</b>	<b>2,978.38</b>

As on 31.03.20

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Retained Earnings		
Balance as at 01.04.19	3,074.95	342.89	(1,797.39)	1,357.93	2,978.38
Re-measurement Gains / (Losses) on defined benefit plans	-	-	13.14	-	13.14
Add : On Increase in stake in Subsidiary	-	-	(1,231.20)	-	(1,231.20)
Profit / (Loss) for the year	-	-	(27.93)	(244.65)	(272.58)
Transfer to Retained Earnings			179.23	(179.23)	-
<b>Balance as at 31.03.20</b>	<b>3,074.95</b>	<b>342.89</b>	<b>(2,864.15)</b>	<b>934.05</b>	<b>1,487.74</b>

As per our report of even date attached

For and on behalf of the Board

**For Batliboi & Purohit**  
Chartered Accountants  
Firm Regn. No. 101048W

**D. G. Siraj**  
(Chairman)  
DIN - 00025543

**Kaushal Mehta**  
Partner  
Membership No. 111749  
Mumbai, Dated : 10.08.20

**G. N. Kamath**  
(Managing Director)  
DIN - 00040805

**T. V. Subramanian**  
(Chief Financial Officer  
& Company Secretary)

# Karma Energy Limited

## Notes to Consolidated Financial Statements for the year ended 31.03.20

### Note No : 1 Corporate Information and Significant Accounting Policies, Judgments etc.

#### 1.1 CORPORATE INFORMATION

Karma Energy Limited ("the Company") is a company domiciled in India, with its registered office at situated Empire House, 214, Dr. D. N. Road, Ent. A. K. Nayak Marg, Fort, Mumbai - 400001. The Company has been incorporated under the provision of Indian Companies Act 1956 and its equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The location of its wind power plants are disclosed in the introduction to the annual report. The Company is engaged in generation of power from renewable sources like Wind, Hydro, etc. The Consolidated financial statements comprise the company and its interest in Associates (referred to collectively as the Group).

#### 1.2 BASIS OF PREPARATIONS AND SIGNIFICANT ACCOUNTING POLICIES

##### A **Basis of Preparation and Presentation**

###### i **Statement of Compliance**

The Consolidated financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The accounts have been compiled on an accrual system based on principle of going concern.

The Consolidated financial statements were authorised for issue by the Company's Board of Directors on 10.08.20.

###### ii **Functional and Presentation Currency**

Company's financial statements are presented in Indian Rupees, which is also its functional currency. All amounts have been rounded off to 2 decimal places to the nearest lakh and unless otherwise indicated.

###### iii **Basis of measurement**

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- a Certain financial assets and liabilities,
- b Defined benefit plans - plan assets

##### B **Basis of Consolidation**

###### i **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

###### ii **Non-Controlling Interests (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

###### iii **Associates**

Associates are entity over which the group has significant influence but not control or joint control over the financial and operating policies.

Interest in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statement include the group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

iv **Equity Method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profit or losses of the investee in profit and losses and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investments.

When the group's share of losses in an equity debt-accounts investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

v **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investments to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

vi **Subsidiary Companies considered in the consolidated financial statements**

Sr. No.	Name of the Entity	Principal Business	Country of Incorporation	Ownership Interest %	
				C.Y.	P.Y.
1	Batot Hydro Power Limited	Generation of Power	India	100.00	59.00
2	Greenweiz Projects Limited	O&M of Wind Mills	India	100.00	100.00

vii **Associate Companies considered in the consolidated financial statements**

NIL

viii **Principles of Consolidation**

The Consolidated financial statements relate to Karma Energy Limited, Subsidiary Companies and its Associate Companies.

Investment in Subsidiaries and Associates has been accounted under the equity method as per Ind AS 28 Investments in Subsidiary, Associate and Joint Ventures.

C **Summary of significant accounting policies**

i a Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work - in - Progress.

b Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Assets	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Plant & Machinery - Wind Power Plant	22 Years	22 Years
Plant & Machinery - Hydro Power Plant	40 years	40 years
Road - Non RCC	5 Years	5 Years
Office Equipment's	5 Years	5 Years
Office Equipment's- Computers	3 Years	3 Years
Vehicles	8 Years	8 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed off.

## ii Leases

### As a lessee

The Company has adopted 'simplified approach' under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised present value of lease liabilities of Rs. Rs.156.63 lakhs and equal amount of 'Right of Use (ROU)' assets as on April 01, 2019. In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous year), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due the above change in accounting policy is not material.

The Company's leases primarily consist of leasehold lands. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of respective lease terms (being lower of lease term and estimated useful life of underlying assets).

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows."

### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

## iii Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

## iv Inventories

Items of inventories i.e. stores and spares are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of raw materials, chemicals, packing Materials, components, stores and spares and other products are determined on FIFO basis.

## v Impairment of non-financial assets

The Company assesses at each reporting date as to whether there is any indication that any asset or group of assets, called cash generating units may be impaired. If any such indication exists the recoverable amount of an asset or cash generating units is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating units to which the asset belongs.

If the carrying amount of assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

## vi Provisions and Contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

vii Employee Benefits

**Short Term Employee Benefits** : The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**Post-Employment Benefits :**

**Defined Contribution Plans** - A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined Benefit Plans** - The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972 or otherwise contractually agreed with the employees.

The gratuity liability amount is contributed to the approved gratuity fund formed (LIC) exclusively for gratuity payment to the employees. The gratuity fund has been approved by Income Tax authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

viii Tax Expenses

Income tax comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.



The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

ix Foreign currencies transactions

Transactions in foreign currencies are initially recorded by the company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

x Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the contracted rate.

Income from Sale of Entitlements from Wind Power Project is accounted for as and when sold and collection is certain.

There is no impact on account of applying the Ind AS 115 Revenue from Contract with Customers instead of erstwhile Ind AS 18 - Revenue on the Financial Statements of the Company for the year ended 31.03.2019.

**Interest Income** - Interest income is recognised using Effective Interest Rate (EIR) method.

Income on Inter Corporate Deposits is accounted for on time accrual basis.

**Dividend Income** - Revenue is recognised when the Company's right to receive the payment has been established.

xi Financial instruments

i) Financial Assets

a Recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

A Financial asset is measured at amortized cost if it is held with objective to hold the asset in order to collect contractual cash flows as and when due.

A financial assets is measured at FVTOCI if it is held with an objective to achieve collecting contractual cash flows as and when due and selling financial assets.

A financial assets which is not classified under any of the above categories are measured at FVTPL.

b Investment in Associates and Subsidiaries

The Company has accounted for its investments in associates and subsidiaries at cost.

c Other Equity Investments

All other equity investments and equity instruments held for trading are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

d Impairment of financial assets

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

e Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

ii) **Financial liabilities**

**Recognition and measurement** - All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iii) **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

xii) **Cash and Cash Equivalents**

Cash and Cash Equivalents consist of cash on hand, cash at banks, demand deposits from banks and short term, highly liquid instruments.

xiii) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

xiv) **Classification of current/ non current assets and liabilities**

All assets and liabilities are presented as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 Presentation of financial statements. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

xv) **Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

xvi) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

### **1.3 ACCOUNTING JUDGEMENTS AND ESTIMATION OF UNCERTAINTY**

#### **a Depreciation and useful lives of Property, Plant and Equipment**

Property, plant and equipment are depreciated over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets. The depreciation for future periods is revised if there are significant changes from previous estimates.

#### **b Recoverability of trade receivable**

Judgements are applied in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required.

#### **c Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

#### **d Defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

### **1.4 STANDARDS ISSUED / AMENDED BUT NOT YET EFFECTIVE**

Ministry of Corporate Affairs ("MCA") notifies new Indian accounting standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

# Karma Energy Limited

## Notes to the Consolidated Financial Statements for the year ended 31.03.19

### Note No : 2 - Property, Plant and Equipment

Rupees in Lakh

Description	Gross Block (Deemed Cost)					Depreciation				Net Block	
	As At 01.04.18	Addi- tions	Dedns on Cessation of Subsidiary	Deduc- tions	As At 31.03.19	As at 01.04.18	For the Year	Dedu- ctions	As At 31.03.19	As At 31.03.19	As At 31.03.18
<b>Property, Plant &amp; Equipment :</b>											
<b>Tangible Assets:</b>											
<b>Own Assets :</b>											
Land - Freehold	121.93	-	35.20	-	86.73	-	-	-	-	86.73	121.93
Plant and Machinery	16,731.39	688.87	-	-	17,420.26	11,347.88	513.81	-	11,861.68	5,558.55	5,383.49
Building & Civil Engineering	2,681.70	-	-	-	2,681.70	636.84	96.03	-	732.87	1,948.83	2,044.86
Office Equipment	8.16	-	-	-	8.16	6.53	0.83	-	7.36	0.80	1.63
Computers	6.81	-	-	-	6.81	5.85	0.06	-	5.91	0.90	0.96
Furniture and Fixtures	3.82	-	-	-	3.82	3.23	0.19	-	3.42	0.40	0.59
Vehicles	79.45	30.13	-	14.50	95.08	56.08	5.90	9.62	52.36	42.72	23.37
<b>Total (A)</b>	<b>19,633.26</b>	<b>719.00</b>	<b>35.20</b>	<b>14.50</b>	<b>20,302.56</b>	<b>12,056.41</b>	<b>616.82</b>	<b>9.62</b>	<b>12,663.60</b>	<b>7,638.93</b>	<b>7,576.83</b>
<b>Intangible Assets:</b>											
Goodwill on consolidation	2,091.58	-	-	788.19	1,303.39	-	-	-	-	1,303.39	2,091.58
<b>Total (B)</b>	<b>2,091.58</b>	<b>-</b>	<b>-</b>	<b>788.19</b>	<b>1,303.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,303.39</b>	<b>2,091.58</b>
<b>Total (A + B)</b>	<b>21,724.84</b>	<b>719.00</b>	<b>35.20</b>	<b>802.69</b>	<b>21,605.95</b>	<b>12,056.41</b>	<b>616.82</b>	<b>9.62</b>	<b>12,663.60</b>	<b>8,942.32</b>	<b>9,668.41</b>

## Notes to the Consolidated Financial Statements for the year ended 31.03.20

### Note No : 2 - Property, Plant and Equipment and Right of Use Assets

#### A - Property, Plant and Equipment

Rupees in Lakh

Description	Gross Block (Deemed Cost)					Depreciation				Net Block	
	As At 01.04.19	Addi- tions	Dedns on Cessation of Subsidiary	Adj / Dedns	As At 31.03.20	As at 01.04.19	For the Year	Adj / Dedns	As At 31.03.20	As At 31.03.20	As At 31.03.19
<b>Tangible Assets:</b>											
Land - Freehold	86.73	107.25	-	-	193.98	-	-	-	-	193.98	86.73
Plant and Machinery	17,420.26	-	-	5.47	17,414.79	11,861.68	548.21	5.20	12,404.69	5,010.10	5,558.55
Building & Civil Engineering	2,681.70	-	-	-	2,681.70	732.87	93.10	-	825.97	1,855.73	1,948.83
Office Equipment	8.16	0.28	-	-	8.44	7.36	0.19	-	7.55	0.89	0.80
Computers	6.81	-	-	-	6.81	5.91	-	-	5.91	0.90	0.90
Furniture and Fixtures	3.82	-	-	-	3.82	3.42	0.10	-	3.52	0.30	0.40
Vehicles	95.08	-	-	-	95.08	52.36	5.13	-	57.49	37.59	42.72
<b>Total (A)</b>	<b>20,302.56</b>	<b>107.53</b>	<b>-</b>	<b>5.47</b>	<b>20,404.62</b>	<b>12,663.60</b>	<b>646.73</b>	<b>5.20</b>	<b>13,305.13</b>	<b>7,099.49</b>	<b>7,638.93</b>
<b>Intangible Assets:</b>											
Goodwill on consolidation	1,303.39	-	-	-	1,303.39	-	-	-	-	1,303.39	1,303.39
<b>Total (B)</b>	<b>1,303.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,303.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,303.39</b>	<b>1,303.39</b>
<b>Total (A + B)</b>	<b>21,605.95</b>	<b>107.53</b>	<b>-</b>	<b>5.47</b>	<b>21,708.01</b>	<b>12,663.60</b>	<b>646.73</b>	<b>5.20</b>	<b>13,305.13</b>	<b>8,402.88</b>	<b>8,942.32</b>

#### B - Right of Use Assets

Rupees in Lakh

Description	Gross Block (Deemed Cost)					Depreciation				Net Block	
	As At 01.04.19	Addi- tions	Dedns on Cessation of Subsidiary	Adj / Dedns	As At 31.03.20	As at 01.04.19	For the Year	Adj / Dedns	As At 31.03.20	As At 31.03.20	As At 31.03.19
Leasehold Land	156.63	-	-	-	156.63	-	15.45	-	15.45	141.18	-
<b>Total</b>	<b>156.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156.63</b>	<b>-</b>	<b>15.45</b>	<b>-</b>	<b>15.45</b>	<b>141.18</b>	<b>-</b>

# Karma Energy Limited

## Notes to the Consolidated Financial Statements for the year ended 31.03.20

Rupees in Lakh (except no. of shares)

Particulars	As at 31.03.20		As at 31.03.19	
	No of Shares	Amount	No of Shares	Amount
<b>Note No : 3</b>				
<b>NON - CURRENT INVESTMENTS</b>				
<b><u>Investments in Equity Instruments (Fully Paid-up)</u></b>				
Weizmann Ltd	-	-	1000	0.40
<b>Sub Total - (i)</b>		-		<b>0.40</b>
<b><u>Unquoted</u></b>				
<b><u>Fully paid up Equity Shares</u></b>				
Windia Infrastructure Finance Ltd	3941900	1,745.20	4441900	2,141.68
Tapi Energy Projects Ltd	1439105	144.30	1439105	260.01
Avinaya Resources Limited	50	0.04	50	0.04
Brahmanvel Energy Limited	9500	13.02	9500	19.13
Khandesh Energy Projects Limited	9500	8.32	9500	10.62
Vajharpada Energy Limited	9500	0.10	9500	0.10
Weizmann Corporate Services Ltd	9500	97.47	9500	127.27
The Saraswat Co-op Bank Ltd	2500	0.25	2500	0.25
<b>Sub Total</b>		<b>2,008.70</b>		<b>2,559.10</b>
<b>Total (B)</b>		<b>2,008.70</b>		<b>2,559.50</b>
<b>Total Non Current Investments</b>		<b>2,008.70</b>		<b>2,559.50</b>
Aggregate amount of quoted investments		-		<b>0.40</b>
Market value of quoted investments		-		<b>0.40</b>
Aggregate amount of unquoted investments		<b>2,008.70</b>		<b>2,559.10</b>
Aggregate impairment in value of Investments		-		-

# Karma Energy Limited

## Notes to the Consolidated Financial Statements for the year ended 31.03.20

Rupees in Lakh

Particulars	As At	
	31.03.20	31.03.19
<b>Note No : 4</b>		
<b>OTHERS - Financial Asset (Non-Current)</b>		
[Unsecured, Considered Good]		
Security Deposits	36.64	25.14
Other Receivables	1.66	1.66
<b>Total</b>	<b>38.30</b>	<b>26.80</b>
<b><u>Current Assets</u></b>		
<b>Note No : 5</b>		
<b>INVENTORIES</b>		
(valued at lower of cost and not realisable value)		
Stock-in-Trade, Loose Tools, Stores & Spares	274.90	271.46
<b>Total</b>	<b>274.90</b>	<b>271.46</b>
<b>Note No : 6</b>		
<b>TRADE RECEIVABLES</b>		
(a) Unsecured, Considered Good		
Trade Receivables - Power	1,610.78	1,043.45
Trade Receivables - Others	45.11	2.26
<b>Total</b>	<b>1,655.89</b>	<b>1,045.71</b>
<b>Note No : 7</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	0.30	0.01
Balance with banks :		
- In Current A/c	49.16	781.23
<b>Total</b>	<b>49.46</b>	<b>781.24</b>
<b>Note No : 8</b>		
<b>OTHER BANK BALANCE</b>		
- In Fixed Deposit A/c (maturity between 3 to 12 months)	1,022.14	411.36
- In Dividend A/c *	3.16	4.51
* Balances under Dividend A/cs are not available for general use by the Company		
<b>Total</b>	<b>1,025.30</b>	<b>415.87</b>
<b>Note No : 9</b>		
<b>LOANS (Current)</b>		
[Unsecured, Considered Good]		
Loans to Others	58.05	71.02
<b>Total</b>	<b>58.05</b>	<b>71.02</b>
<b>Note No : 10</b>		
<b>OTHER CURRENT ASSETS</b>		
Advances Recoverable	56.75	21.78
Prepaid Contribution to Employee benefit Plan Assets	82.50	76.20
Prepaid Expenses	50.58	54.22
Capital Advance	-	128.69
Balances with Revenue Authorities	33.34	30.35
<b>Total</b>	<b>223.17</b>	<b>311.24</b>

# Karma Energy Limited

## Notes to the Consolidated Financial Statements for the year ended 31.03.20

Rupees in Lakh (except no. of shares)

	As at 31.03.20		As at 31.03.19	
	No of Shares	In Lakh	No of Shares	In Lakh
<b>Note No : 11</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised Share Capital</b>				
Equity Shares of Rs. 10/- each	18000000	1,800.00	18000000	1,800.00
	<b>18000000</b>	<b>1,800.00</b>	<b>18000000</b>	<b>1,800.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>				
Equity Shares of Rs. 10/- each	11569918	1,156.99	11569918	1,156.99
<b>Total</b>	<b>11569918</b>	<b>1,156.99</b>	<b>11569918</b>	<b>1,156.99</b>
<b>NOTE [11.1]</b>				
<b>Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year</b>				
<b>Equity Shares</b>				
At the beginning of the Year	11569918	1,156.99	11569918	1,156.99
Issued during the Year	-	-	-	-
Outstanding at the end of the Year	<b>11569918</b>	<b>1,156.99</b>	<b>11569918</b>	<b>1,156.99</b>
<b>NOTE [11.2]</b>				
<b>Terms / Rights attached to Equity Shares</b>				
a) The Company has only one class of shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.				
b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
c) The company has not issued any bonus shares or bought back the equity shares nor issued shares for consideration other than cash in the last 5 years immediately preceding the reporting date.				
<b>NOTE [11.3]</b>				
<b>Details of shares held by each shareholder holding more than 5% shares :</b>				
Shareholders	No of Shares	Holding %	No of Shares	Holding %
Radhika Mehra	7,96,715	6.89%	7,96,715	6.89%
Dharmendra G Siraj	8,44,974	7.30%	8,28,345	7.16%
Prabhanjan Multitrade Pvt Ltd	5,79,843	5.01%	5,79,843	5.01%
Anju D. Siraj	9,88,097	8.54%	9,88,097	8.54%
Inspeed Power Pvt Ltd	21,19,442	18.32%	21,19,442	18.32%
Kotta Enterprises Ltd	22,94,026	19.83%	22,94,026	19.83%

# Karma Energy Limited

Notes to the Consolidated Financial Statements for the year ended 31.03.20

Rupees in Lakh

Particulars	As At		
	31.03.20	31.03.19	
<b>Note No : 12</b>			
<b>OTHER EQUITY</b>			
<b>Capital Subsidy</b>			
Opening Balance	342.89	342.89	
<b>Closing Balance</b>	<b>342.89</b>	<b>342.89</b>	
<b>General Reserve</b>			
Opening Balance	3,074.95	3,074.95	
<b>Closing Balance</b>	<b>3,074.95</b>	<b>3,074.95</b>	
<b>Retained Earnings</b>			
Opening Balance	(1,797.39)	(410.74)	
Add : On Increase in stake in Subsidiary	(1,231.20)	(376.91)	
Add : Profit / (Loss) for the Year (attributable to owner's)	(27.93)	(997.90)	
Add : Re-measurement Gains / (Losses) on defined benefit plans	13.14	(16.92)	
Add : Items of OCI Earnings transferred to Retained Earnings	179.23	5.08	
<b>Closing Balance</b>	<b>(2,864.15)</b>	<b>(1,797.39)</b>	
<b>Equity Instruments Through Other Comprehensive Income</b>			
Opening Balance	1,357.93	3,992.19	
Add : Movement in OCI (Net) during the year (attributable to owner's)	(244.65)	(2,629.18)	
Less : Items of OCI Earnings transferred to Retained Earnings	(179.23)	(5.08)	
<b>Closing Balance</b>	<b>934.05</b>	<b>1,357.93</b>	
<b>Total</b>	<b>1,487.74</b>	<b>2,978.38</b>	
<b>Note No : 13</b>			
<b>BORROWINGS (Secured)</b>			
From Banks	2,387.01	3,831.71	
<b>Total</b>	<b>2,387.01</b>	<b>3,831.71</b>	
<b>Note [13.1] - Secured Term Loan from Banks</b>			
Name	Tenor	31.03.20	31.03.19
HDFC Bank Ltd Rate of Interest - 9.95%	84 equal monthly installments starting from April 2018	2,305.01	3,219.04
HDFC Bank Ltd Rate of Interest - 9.95%	Varied monthly installments starting from June 2020	82.00	-
RBL Bank Ltd Rate of Interest - 12.30%	120 equal monthly installments starting from April 2016	-	612.67
		<b>2,387.01</b>	<b>3,831.71</b>
1. Security against Term Loan from HDFC Bank Ltd is charged on receivable from specific wind farm of 18.0 MW 2. Security against Term Loan from HDFC Bank Ltd is charged on receivable from specific wind farm of 3.6 MW 3. Security against Term Loan from RBL Bank Ltd is charged on specific hydro power project MW and guaranteed by Weizmann Forex Ltd			
<b>Note No : 14</b>			
<b>LONG TERM PROVISIONS</b>			
Provision for Employee Benefits Leave Encashment		-	58.34
<b>Total</b>		-	<b>58.34</b>



# Karma Energy Limited

Notes to the Consolidated Financial Statements for the year ended 31.03.20

Rupees in Lakh

Particulars	As At	
	31.03.20	31.03.19
<b>Note No : 15</b>		
<b>FINANCIAL LIABILITIES - CURRENT</b>		
<b>Unsecured Loans</b>		
From Others	6,262.67	3,815.60
<b>Total</b>	<b>6,262.67</b>	<b>3,815.60</b>
Note : Inter Corporate Deposit (ICD) are taken from Tapi Energy Projects Ltd and Windia Infrastructure Finance Ltd and carry interest @ 7% p.a. The ICD are repayable on demand.		
<b>Note No : 16</b>		
<b>TRADE PAYABLES</b>		
Micro and Small enterprises	-	-
Others than Micro and Small Enterprises	228.08	71.76
<b>Total</b>	<b>228.08</b>	<b>71.76</b>
Based on Information of status of suppliers to the extent received by the company there are no Micro and Small undertakings included in Trade Payable to whom the payments are outstanding for a period more than 45 days. Further the company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium enterprises. Consequently the amount paid/payable to these parties during the year is Nil.		
<b>Note No : 17</b>		
<b>OTHER FINANCIAL LIABILITIES</b>		
Current Maturities of Long-Term Debt	1,014.43	932.04
Bonus Payable	12.67	14.51
Leave Travel Assistance	1.57	2.21
Other Payables	12.16	78.56
Unclaimed Dividend *	3.16	4.51
<b>Total</b>	<b>1,043.99</b>	<b>1,031.83</b>
* There are no amounts due and outstanding, to be credited to Investor Education and Protection Fund as at 31.03.20		
<b>Note No : 18</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Statutory Obligations	54.45	72.65
<b>Total</b>	<b>54.45</b>	<b>72.65</b>
<b>Note No : 19</b>		
<b>PROVISIONS</b>		
<b>Employee Benefits</b>		
Leave Encashment	50.23	18.54
<b>Total</b>	<b>50.23</b>	<b>18.54</b>

# Karma Energy Limited

## Notes to the Consolidated Financial Statements for the year ended

Rupees in Lakh

Particulars	Year Ended	
	31.03.20	31.03.19
<b>Note No : 20</b>		
<b>REVENUE FROM OPERATIONS</b>		
<u>(a) Revenue from Contracts with Customers</u>		
Sale of Power and Products	3,233.96	3,089.15
(b) Other Operating Revenues	953.69	380.47
<b>Total</b>	<b>4,187.65</b>	<b>3,469.62</b>
Note : No adjustments were required to be made to contract price on account of any discount, rebate, refunds, price concessions, incentives, etc for revenue recognition during the year.		
<b>Note No : 20.1</b>		
<b>Sale of Products comprises of</b>		
Sale of Power / Products	3,154.84	2,983.10
Sale of Services	79.12	106.05
<b>Total</b>	<b>3,233.96</b>	<b>3,089.15</b>
<b>Note No : 20.2</b>		
<b>Other Operating Revenues comprises of</b>		
Sale of Entitlement from Wind / Hydro Power	953.69	380.47
<b>Total</b>	<b>953.69</b>	<b>380.47</b>
<b>Note No : 21</b>		
<b>OTHER INCOME</b>		
Interest - Bank Fixed Deposit	76.23	27.79
Interest - Others	5.69	14.10
Dividend - Non Current Investment	0.05	0.06
Profit on Sale of Subsidiaries	-	7.73
Insurance Claim	24.89	76.09
Other Income	0.17	1.32
Sundry Balances Written Back	11.15	63.94
Bad Debts Recovered	-	52.85
<b>Total</b>	<b>118.18</b>	<b>243.88</b>
<b>Note No : 22</b>		
<b>PURCHASE OF TRADED GOODS</b>		
<u>Components</u>		
Indigenous	33.92	26.27
Imported	0.33	0.55
	<b>34.25</b>	<b>26.82</b>
<b>Note No : 23</b>		
<b>OPERATING &amp; MAINTENANCE COST</b>		
Energy, Open Access Charges, Stores & Spares	1,380.94	1,307.08
Operation and Maintenance	570.74	534.44
Others	53.32	51.33
Stores and Spares Consumed	11.24	13.03
<b>Total</b>	<b>2,016.24</b>	<b>1,905.88</b>
<b>Note No : 24</b>		
<b>EMPLOYEES BENEFIT EXPENSE</b>		
Salaries, Wages and Bonus	354.44	412.26
Contribution to Provident Fund & Other Funds	28.35	33.54
Staff Welfare Expenses	27.53	20.08
<b>Total</b>	<b>410.32</b>	<b>465.88</b>

# Karma Energy Limited

## Notes to the Consolidated Financial Statements for the year ended

Rupees in Lakh

Particulars	Year Ended	
	31.03.20	31.03.19
<b>Note No : 25</b>		
<b>FINANCE COSTS</b>		
(a) Interest Expense on		
Secured Loans	393.72	523.13
Unsecured Loans	327.11	146.65
Lease Liabilities	14.67	-
Others	0.45	11.42
(b) Other Borrowing Cost	1.77	4.68
<b>Total</b>	<b>737.72</b>	<b>685.88</b>
<b>Note No : 26</b>		
<b>OTHER EXPENSES</b>		
Payment to Auditors	6.06	6.04
Conveyance and Travelling	36.59	20.22
Director Sitting Fees	1.88	1.87
Electricity Charges	1.37	0.96
Insurance Charges	82.08	95.42
Legal and Professional Charges	53.09	40.26
Loss on Sale / Discard of Asset	0.12	1.08
Communication Expenses	7.08	6.69
Rent	12.30	34.25
Rates and Taxes	124.16	159.75
Repairs and Maintenance - Others	8.87	1.17
Security Services	9.80	8.83
Miscellaneous Expenses	95.27	55.92
	<b>438.67</b>	<b>432.46</b>
<b>Note No : 26.1</b>		
<b>Payment to Auditor</b>		
For Statutory Audit	5.31	5.25
For Tax Audit	0.75	0.75
For Other Services	-	0.04
	<b>6.06</b>	<b>6.04</b>

# Karma Energy Limited

## Notes to Consolidated Financial Statements for the year ended 31.03.20

### Note No

#### 27 CONTINGENT LIABILITIES

Tax matters

Rs. 94.69 Lakh (Prev Year - Rs. 94.69 Lakh)

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Prev. Year - Rs. 82.39 lac)

Note : It is not practicable for the Company to estimate the closure of the above issue and the consequential timing of cash outflow, if any.

#### 28 Disclosure pursuant to Regulation 34(3) and Schedule V of LODR

Loans and Advances to Subsidiary Companies

Nil

#### 29 (a) INVESTMENT IN SUBSIDIARIES

The subsidiaries (which alongwith Karma Energy Limited, the parent, constitute the Group), considered in the presentation of these consolidated financial statements are

Sr No	Name of the Entity	Country of Incorporation	% of Holding
1	Batot Hydro Power Limited	India	100.00
2	Greenweiz Projects Limited	India	100.00

#### (b) INVESTMENT IN ASSOCIATES

Nil

Key Management Personnel - Mr. Ganesh N. Kamath - Managing Director of Holding Company

#### 30 DEFERRED TAX

The breakup of Net Deferred Tax Liability as on 31.03.20

Particulars	Property, Plant & Equipment	Fair value of Investments	Processing fees	Others	Total
<b>As at 31.03.18</b>	<b>1,567.81</b>	<b>1,139.36</b>	<b>-</b>	<b>(675.98)</b>	<b>2,031.19</b>
Charged / (Credited)					
- To Profit or Loss	(199.82)	-	1.70	282.29	<b>83.84</b>
- To Other Comprehensive Income	-	(700.40)	-	-	<b>(700.40)</b>
<b>As at 31.03.19</b>	<b>1,367.99</b>	<b>438.96</b>	<b>1.70</b>	<b>(393.69)</b>	<b>1,414.96</b>
Charged / (Credited)					
- To Profit or Loss	(468.17)		1.35	343.56	<b>(123.26)</b>
- To Other Comprehensive Income		(65.87)			<b>(65.87)</b>
<b>As at 31.03.20</b>	<b>899.82</b>	<b>373.09</b>	<b>3.05</b>	<b>(50.11)</b>	<b>1,225.85</b>

#### 31 a Financial Instruments

##### Accounting classification and fair values

Rupees in Lakh

Particulars	As at 31.03.20			As at 31.03.19		
	FVTPL	FVTOCI	Amotised Cost	FVTPL	FVTOCI	Amotised Cost
<b>Financial Asset</b>						
Non Current Investments *	-	2,008.70	-	-	2,559.50	-
Other Non Current Financial Asset	-	-	38.30	-	-	26.80
Trade Receivables	-	-	1,655.89	-	-	1,045.71
Loans	-	-	58.05	-	-	71.02
Cash and Cash Equivalents	-	-	49.46	-	-	781.24
Other Bank Balance	-	-	1,025.30	-	-	415.87
<b>Financial Liabilities</b>						
Long-Term Borrowings	-	-	2,387.01	-	-	3,831.71
Short-Term Borrowings	-	-	6,262.67	-	-	3,815.60
Trade Payable	-	-	228.08	-	-	71.76
Current & Non Current Lease Liabilites	-	-	150.03	-	-	-
Other Current Financial Liabilities	-	-	1,043.99	-	-	1,031.83

**Note \*** 1. Non Current Investments under FVTOCI includes Quoted and Unquoted Equity Instruments.

# Karma Energy Limited

## Notes to Consolidated Financial Statements for the year ended 31.03.20

### Note No

#### b Fair Value Measurement Hierarchy ;

Rupees in Lakh

Particulars	As at 31.03.20			As at 31.03.19		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Asset</b>						
Non Current Investments **	-	-	2,008.70	0.40	-	2,559.10

#### Note \*\*

1 Non Current Investment includes Quoted and Unquoted Equity Instruments.

The financial instruments are categorised into two levels based on the inputs used to arrive at fair value of measurements as described below:

**Level 1** : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2** : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3** : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in Level 3.

#### c Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

##### i Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

##### ii Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

##### Trade and other receivables

Trade Receivables of the Company mainly consist of receivables from the state utilities and other parties. In respect of receivable from the state utilities, all written off amounts during the past years and current year were pertaining to specific disputes and not related to credit risk. Hence, in the opinion of the management there is no credit loss on receivable from the state utilities.

In respect of Other Receivables, there is no past history of credit loss from these parties, hence there is no expected credit loss on such receivables.

# Karma Energy Limited

## Notes to Consolidated Financial Statements for the year ended 31.03.20

### Note No

#### iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

#### **Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

<b>Contractual cash flows</b>					
<b>31.03.20</b>	<b>Carrying Amount</b>	<b>Total</b>	<b>Upto 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>					
Trade payables	228.08	228.08	228.08	-	-
Other financial liabilities	29.56	29.56	29.56	-	-
Long term borrowings	3,401.44	3,401.44	-	3,401.44	-
Short term borrowings	6,262.67	6,262.67	6,262.67	-	-

<b>Contractual cash flows</b>					
<b>31.03.19</b>	<b>Carrying Amount</b>	<b>Total</b>	<b>Upto 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>					
Trade payables	71.76	71.76	71.76	-	-
Other financial liabilities	99.79	99.79	99.79	-	-
Long term borrowings	4,763.75	4,763.75	-	4,763.75	-
Short term borrowings	3,815.60	3,815.60	3,815.60	-	-

#### iv Market risk

Market risk is the risk that changes in market prices – such as interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including payables and long term debt. We are exposed to market risk primarily related to interest rate risk. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating.

#### Currency risk

The Company is not exposed to Foreign Currency Risk.

#### Interest risk

At the reporting date in the interest rate profile of the Company's interest bearing financial instruments was as follows:

<b>Particulars</b>	<b>Rupees in Lakh</b>	
	<b>31.03.20</b>	<b>31.03.19</b>
<u>Floating Rate Instruments</u>		
Financial Liabilities		
Term Loans	3,319.44	4,763.75
<u>Fixed Rate Instruments</u>		
Financial Liabilities		
Term Loans	-	-
Inter-Corporate Deposits	6,262.67	3,815.60
	<b>9,582.11</b>	<b>8,579.35</b>

#### Cash Flow sensitivity analysis for floating-rate instruments

An increase of 50 basis points in interest rates at the reporting date would have decreased gains as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

<b>Particulars</b>	<b>Rupees in Lakh</b>	
	<b>31.03.20</b>	<b>31.03.19</b>
Floating rate instruments	16.60	23.82
<b>Cash flow sensitivity</b>	<b>16.60</b>	<b>23.82</b>

# Karma Energy Limited

## Notes to Consolidated Financial Statements for the year ended 31.03.20

### Note No

A decrease of 50 basis points in interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

Price Risk - The Company investment in equity instruments in Subsidiaries and Associates are stated at cost and not required to be remeasured. Neither Profit or Loss nor Equity will be affected by the equity price risk of those instruments.

Further the Company investment in equity instruments carried at fair value through Other Comprehensive Income are subject to price risk which may not effect the total comprehensive income of the Company

To manage its price risk, the Company diversify its portfolio. Diversification of the portfolio is done based on internal review and limits decided by the management from time to time.

Particulars	31.03.20	31.03.19
<b>Impact on Other Comprehensive Income</b>		
<u>Investments measured at Other Comprehensive Income</u>		
Increase in price by 10%	-	0.04
Decrease in price by 10%	-	(0.04)

### 32 EARNINGS PER SHARE

Particulars	31.03.20	31.03.19
Net Profit / (Loss) After Tax attributable to Equity Shareholders	(27.93)	(997.90)
Weighted Average Number of Equity Shares	11569918	11569918
Nominal Value per Ordinary Shares	10.00	10.00
Basic & Diluted Earning Per Share	<b>(0.24)</b>	<b>(8.62)</b>

### 33 RELATED PARTY DISCLOSURE

In accordance with the "Indian Accounting Standard 24 – Related Party Disclosure" as per Companies (Accounting Standards) Rules, the Company has compiled and certified the required information as stated below:

#### 1 Related Party and their Relationship

##### Key Management Personnel

Mr. Ganesh N. Kamath - Managing Director

Mr. T. V. Subramanian - Company Secretary and Chief Financial Officer

#### 2 Transactions with the related Parties (including transactions which are more than 10% of the total transactions of the same type with related parties)

Nature of Transaction	Key Management Personnel	
	31.03.20	31.03.19
<u>Remuneration</u>	<b>91.07</b>	<b>92.38</b>
Ganesh N. Kamath - Managing Director	24.11	26.48
T.V.Subramanian - Company Secretary and Chief Financial Officer	66.96	65.90

# Karma Energy Limited

## Notes to Consolidated Financial Statements for the year ended 31.03.20

**Note No**

**34 EMPLOYEE BENEFIT**

The Employee's Gratuity Fund Scheme managed by Life Insurance Corporation India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method.

Particulars	31.03.20	31.03.19
<b>Assumptions</b>		
Discount Rate	6.24%	7.86%
Salary Escalation	0.00%	5.00%
<b>Defined Benefit Plan</b>		
<b>I) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
<b>Particulars</b>		
Defined Benefit Obligation at the beginning of the year	205.94	163.84
Current Service Cost	16.22	8.50
Past Service Cost	-	-
Interest Cost	9.69	12.85
Actuarial (Gain) / Loss	(20.68)	21.33
Benefits Paid	(14.50)	(0.58)
Defined Benefit Obligation at year end	<b>196.67</b>	<b>205.94</b>
<b>II) Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	282.14	259.50
Expected Return on Plan Assets	21.83	20.50
Actuarial (Gain) / Loss	-	-
Employer Contribution	0.27	4.05
Benefits Paid	(14.50)	(0.58)
Actual Return on Plan Assets excluding Interest Income	(2.29)	(1.33)
Fair value of Plan Assets at year end	<b>287.45</b>	<b>282.14</b>
<b>III) Reconciliation of Fair Value of Assets and Obligations</b>		
Present Value of Obligation at the end of the year	(196.67)	(205.94)
Fair value of Plan Assets	287.45	282.14
Present Value of Obligation	90.78	76.20
Amount recognised in Balance Sheet (Surplus / (Deficit))	<b>90.78</b>	<b>76.20</b>
<b>IV) Actuarial Gain / (Loss) recognised</b>		
Actuarial (Gain) / Loss on obligations	(20.68)	21.33
Return on Plan Assets, Excluding Interest Income	(2.29)	(1.33)
Total (Gain) / Loss for the year	(18.39)	22.66
Actuarial (Gain) / Loss recognised in the year	<b>(18.39)</b>	<b>22.66</b>
<b>V) Expenses recognised during the year</b>		
Current Service Cost	16.22	8.50
Net Interest Cost	(12.14)	(7.65)
Past Service Cost	-	-
Return on Plan Assets	-	-
<b>Net Cost</b>	<b>4.08</b>	<b>0.85</b>
<b>In Other Comprehensive Income</b>		
Actuarial (Gain) / Loss	(20.68)	21.33
Return on Plan Assets	(2.29)	(1.33)
<b>Net (Income) / Expense for the period Recognised in OCI</b>	<b>(18.39)</b>	<b>22.66</b>



# Karma Energy Limited

## Notes to Consolidated Financial Statements for the year ended 31.03.20

### Note No

<u>Maturity Analysis of Projected Benefit Obligation - From the Fund</u>		
Projected Benefits Payable in Future Years from the date of reporting		
1st Following Year	45.41	28.08
2nd Following Year	21.48	3.68
3rd Following Year	85.10	3.95
4th Following Year	4.02	120.04
5th Following Year	3.86	2.67
Sum of years 6 to 10	11.93	27.75
<u>Sensitivity Analysis</u>		
Projected Benefits Obligation on Current Assumption	0.00	205.94
Delta Effect of +1% change in Rate of Discounting	(2.59)	(6.83)
Delta Effect of -1% change in Rate of Discounting	2.72	7.50
Delta Effect of +1% change in Rate of Salary Increase	2.86	7.64
Delta Effect of -1% change in Rate of Salary Increase	-	(7.06)
Delta Effect of +1% change in Rate of Employee Turnover	0.60	1.11
Delta Effect of -1% change in Rate of Employee Turnover	(0.63)	(1.21)

### 35 SEGEMENT INFORMATION

The Primary Business activity of the Company is that of Generation of Power from Renewable Sources and hence there being only one reportable segment, segment reporting has not been furnished.

### 36 Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of net debt (borrowings as detailed in notes No. 13 & 17 offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 11 and 12).

The company is not subject to any externally imposed capital requirements.

Gearing Ratio - The gearing ratio at end of the reporting period was as follows.

Rupees in Lakh

<u>Particulars</u>	<u>As at 31.03.20</u>	<u>As at 31.03.19</u>
Debt	3,401.44	4,763.75
Cash and Cash Equivalent	49.46	781.24
Net Debt	<b>3,351.98</b>	<b>3,982.51</b>
Equity	2,644.73	4,135.37
Net Debt to Equity Ratio	1.27	0.96

Debt is defined as long-term borrowings including current maturities of long term borrowings, as given in notes 13 and 17.

### 37 These financial statements are approved for issue by the Board of Directors of the Company on 10.08.20

- 38 a The company has taken land and premises on cancellable and non-cancellable operating leases. Non-cancellable leases of the Company are pertaining to leasehold lands for its windmills. These agreements contain a lease term for a period 10. In such lease agreements, there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the Company do not contain any variable lease payment or any residual value guarantees. The Company has not entered into any sublease agreement in respect of these leases.

During the year the Company has adopted Ind AS 116. Accordingly, the Company has recognised a Right of Use asset in respect of each identified asset under leases agreements (other than short term lease of 12 months or less and lease of low value assets) and corresponding lease liability being the present value of lease payments during the lease term.

Refer note 2 for details of Right of use assets and Refer note 1.2(B)(b) for accounting policy and transition effects of first time of Ind AS 116

# Karma Energy Limited

## Notes to Consolidated Financial Statements for the year ended 31.03.20

### Note No

		Rs in Lakh
Sr	Particulars	Amount
1	Lease payments accounted as rent expense	12.30
2	Amortisation of Right of use assets	15.45
3	Unwinding discount on lease liabilities	14.67

		Rs in Lakh
Sr	Particulars	Amount
1	Due in next 1 year	8.51
2	Due in next 1 - 3 years	20.77
3	Due in next 3 - 5 years	29.14
4	Due after 5 years	91.61

d Total cash outflows in respect of lease payments (including short term and low value leases) during the year were Rs. 21.16 Lakhs (Previous Year Rs. 20.71 Lakhs)

**39** The Company and It's wholly owned Subsidiary Company Greenweiz Projects Limited have filed a petition before NCLT seeking sanctioning of a Scheme of Amalgamation with respect to merger of the Subsidiary Company with Holding Company w.e.f the Appointed date 01.04.19. Since NCLT is yet to issue their final order sanctioning the scheme, the Annual Accounts for year ended 31.03.20 is finalized with out giving effect to the merger.

**40** Government of India declared lock down on effective from 25.03.20 due to the outbreak of Coronavirus Disease (COVID-19) a global pandemic declared by World Health Organisation (WHO). However the operation of the Company has not been affected materially with the directvies and orders issued by the relevant authorities and the business of the Company beign power generation, the same was under Essential Services as per the guideines. Still the Company has made assessment of its liquidity position and of the recoverability and carrying values of its assets comprising of property, plant and equipment inventories, investments, receivables and other current assets as at the balance sheet date and on the basis of current estimates it has been concluded that no material adjustment is required in the standalone financial statements. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material change to future economic conditions.

**41** Previous year figures have been regrouped and / or reclassified wherever necessary.

Signatures to the Notes 1 to 41 forming part of the **Consolidated Balance Sheet as at 31.03.20** and the **Consolidated Statement of Profit & Loss Account for the year ended 31.03.20**

**As per our report of even date attached**

**For and on behalf of the Board**

**For Batliboi & Purohit**  
Chartered Accountants  
Firm Regn. No. 101048W

**D. G. Siraj**  
(Chairman)  
DIN - 00025543

**G. N. Kamath**  
(Managing Director)  
DIN - 00040805

**Kaushal Mehta**  
Partner  
Membership No. 111749  
**Mumbai, Dated : 10.08.20**

**T. V. Subramanian**  
(Chief Financial Officer  
& Company Secretary)

## Karma Energy Limited

### Additional information as required by Schedule III to the Companies Act, 2013

Additional information as required by Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associate / Joint Ventures

Rs. in Lacs

Name of the Enterprise	Net Assets i.e Total Assets minus Total Liabilities		Share of Profit or Loss		Share of Other Comprehensive Income		Share of Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
<b><u>PARENT</u></b>								
Karma Energy Limited	173.26%	4,582.13	74.04%	(192.08)	90.38%	(209.24)	89.01%	(192.08)
<b><u>SUBSIDIARIES</u></b>								
Batot Hydro Power Limited	20.49%	541.80	0.07%	(0.19)	0.61%	(1.42)	0.09%	(0.19)
Greenweiz Projects Limited	27.31%	722.35	9.07%	(23.53)	9.00%	(20.85)	10.90%	(23.53)
Minority Interest	0.00%	-	-16.82%	43.64				
Inter Company Adjustments	-121.05%	(3,201.55)	33.64%	(87.28)	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>2,644.73</b>	<b>100.00%</b>	<b>(259.44)</b>	<b>100.00%</b>	<b>(231.51)</b>	<b>100.00%</b>	<b>(215.80)</b>

# Karma Energy Limited

Annexure

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### **Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures**

#### **Part "A" : Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs. Lacs)

		1	2
1	Sl. No.		
2	Name of the Subsidiary	Batot Hydro Power Ltd	Greenweiz Projects Ltd
3	Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	No	No
4	Reporting Currency and Exchange Rate as on the last date of relevant Financial Year in the case of Foreign Subsidiaries	INR	INR
5	Share Capital	3,500.00	495.00
6	Reserves & Surplus	(2,958.20)	227.35
7	Total Assets	3,487.04	788.92
8	Total Liabilities	3,487.04	788.92
9	Investments	-	392.63
10	Turnover	518.91	144.55
11	Profit before Taxation	1.46	(5.01)
12	Provision for Taxation	-	-2.33
13	Profit after Taxation	1.23	(2.68)
14	Proposed Dividend	-	-
15	% of Shareholding	100.00	100.00

**Notes :** The following information shall be furnished at the end of the statement:

1 Names of Subsidiaries which are yet to commence operations

**NIL**

2 Names of Subsidiaries which have been sold during the year

**NIL**

#### **Part "B" : Associates and Joint Ventures**

	<b>N.A.</b>
1	Name of the Associates / <del>Joint Ventures</del> Latest Audited Balance Sheet Date
2	Shares of Associate / <del>Joint Ventures</del> held by the Company on the year end No Amount of Investment in Associates / <del>Joint Venture</del> Extend of Holding %
3	Description of how there is significant influence
4	Reason why the Associate / <del>Joint Venture</del> is not consolidated
5	Networth attributable to Shareholding as per latest Audited Balance Sheet
6	Profit / (Loss) for the year a) Considered in Consolidation b) Not Considered in Consolidation

**Notes :** The following information shall be furnished at the end of the statement:

1 Names of Associate or Joint Ventures which are yet to commence operations

**NIL**

2 Names of Associate or Joint Ventures which have been sold during the year

**NIL**



(CIN : L31101MH2007PLC168823)

Empire House, 214, Dr. D. N. Road,  
Ent. A.K. Nayak Marg, Fort, Mumbai – 1