

Independent Auditors' Report

To the Board of Directors of Karma Energy Limited

Report on the audit of the Annual financial results

Opinion

We have audited the accompanying statement of Financial Results of **Karma Energy Limited** (hereinafter referred to as the "Company") for the quarter and year ended March 31, 2026 ('the standalone financial results'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss (after tax) and other comprehensive income and other financial information for the year ended March 31, 2026.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the financial results 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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the financial results.

Emphasis of matter:

We draw attention to Note 9 to the financial results, which describes the effects of restatement of the information for the year ended March 31, 2025. Our opinion is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the annual financial results

These annual financial results have been prepared on the basis of the financial statements. The Company's Management and the Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the

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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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the annual financial results

Our objectives are to obtain reasonable assurance about whether the annual financial results 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 results.

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 annual financial results, 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 control 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 appropriateness of this assumption. 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 results 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.



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- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the annual financial results of the Company to express an opinion on the annual financial results.

Materiality is the magnitude of misstatements in the annual financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the annual financial results 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 annual financial results.

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 annual financial results include the results for the quarter ended March 31, 2026, being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our opinion is not modified in respect of this matter.

For BATLIBOI & PUROHIT

Chartered Accountants

Firm Registration No.101048W



Atul Mehta

Partner

Membership No. 15935

UDIN: 26015935IHCUIH4538



Place: Mumbai

Date: May 28, 2026

Karma Energy Limited

(CIN - L3110MH2007PLC168823)

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Statement of Financial Results for the Quarter & Year Ended 31.03.26

(Rs in Lac)

Particulars	Quarter Ended			Year Ended	
	31.03.26	31.12.25	31.03.25	31.03.26	31.03.25
	Audited	Unaudited	Audited	Audited	Audited
1 Income					
[a] Revenue from Operations	88.05	119.55	94.40	975.83	870.27
[b] Other Income	187.92	32.95	92.67	329.53	273.77
Total Income	275.97	152.50	187.07	1,305.36	1,144.04
2 Expenses					
[a] Operation and Maintenance Cost	193.49	149.51	17.66	663.87	316.79
[b] Employee Benefits Expense	47.61	76.70	77.05	287.71	300.01
[c] Finance Costs	3.63	3.87	3.77	16.16	14.95
[d] Depreciation and Amortisation Expense	50.65	51.40	48.47	202.02	189.37
[e] Other Expenses	91.41	85.80	52.62	310.63	207.82
Total Expenses	386.79	367.28	199.57	1,480.39	1,028.94
3 Profit / (Loss) before Exceptional Item and Tax (1 - 2)	(110.82)	(214.78)	(12.50)	(175.03)	115.10
4 Exceptional Items (Net) - refer Note No 6	-	-	-	81.43	25.73
5 Profit / (Loss) before Tax (3 + 4)	(110.82)	(214.78)	(12.50)	(93.60)	140.83
6 Tax Expense:					
[a] Current Tax	(16.00)	(49.00)	2.93	-	48.93
[b] Prior Year Tax Expense	(4.90)	(181.50)	-	(186.40)	20.18
[c] Deferred Tax	(7.63)	(5.93)	(30.29)	(12.13)	(68.65)
Total Tax Expenses	(28.53)	(236.43)	(27.36)	(198.53)	0.46
7 Profit / (Loss) after Tax (5 - 6)	(82.29)	21.65	14.86	104.93	140.37
Other Comprehensive Income					
Items that will not be reclassified to Profit or Loss					
Re-measurement Gains / (Losses) on defined benefit plans	(1.31)	-	4.23	(1.31)	4.23
Tax effect	0.33	-	(1.06)	0.33	(1.06)
Net Gain / (Loss) on Fair Value through OCI - Equity Securities	(1.29)	(0.44)	(6.76)	(4.46)	(7.05)
Tax effect	0.30	0.09	(0.16)	1.02	1.61
Total Other Comprehensive Income (Net of Tax)	(1.97)	(0.35)	(3.75)	(4.42)	(2.27)
Total Comprehensive Income for the year	(84.26)	21.30	11.11	100.51	138.10
8 Paid up Equity Share Capital (Rs 10/- Per Share)	1,156.99	1,156.99	1,156.99	1,156.99	1,156.99
Reserves as shown in Audited Balance Sheet				2,925.54	2,825.36
9 Earning per Share (of Rs 10/- each) (Quarter Figure not annualised)					
[a] Basic (Rs.)	(0.71)	0.19	0.13	0.91	1.21
[b] Diluted (Rs.)	(0.71)	0.19	0.13	0.91	1.21

Notes :

- 1 The above results have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules,
- 2 These results have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 28.05.26.
- 3 The statutory auditors have issued an unmodified report on the above results.
- 4 The Company is primarily operating in the business of Generation of Power from Renewable Sources. Hence, there is only one business segment as per Ind-AS 108 - Operating Segments.
- 5 The Company does not have any Subsidiary / Associate / Joint Venture Company(ies), as on 31.03.26.
- 6 The figures for the quarters ended 31.03.26 and 31.03.25 are the balancing figures between audited figures in respect of full financial years and the published unaudited year to date figures upto third quarter of the relevant financial year, which are subject to limited review.
- 7 Exceptional item consist of interest received on debtors written off in prior year, interest on same realised during the year as per the order of Hon'ble Tamil Nadu Electricity Regulatory Commission.
- 8 On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively "new Labour Codes") - consolidating 29 existing labour laws. In accordance with the new Labour Codes, the Company has currently estimated and accounted for the incremental impact on retiral benefits under employee cost for the year ended March 31, 2026. The Company continues to monitor developments on the Rules to be notified by regulatory authorities, including clarifications / additional guidance from authorities and will continue to assess the accounting implications, basis such developments / guidance
- 9 Commission of Rs15.60 lakh has been paid to the Managing Director in FY 2025-26 after the adoption of Financial Statements by the Board of Directors on May 27, 2025. However since the same is based on Profits for FY 2024-25 and no provision for such commission was made in the financial statements for FY 2024-25, the same has been given effect to in Financial statements of FY 2024-25 in the current year by restatement of Employee benefit expenses, current liabilities and reserves.
- 10 Previous period's figures have been regrouped / reclassified wherever necessary to confirm to this period's

For Karma Energy Limited


Dharmendra G. Siraj
(Chairman)

DIN : 00025543

Mumbai, Dated : 28.05.26



Karma Energy Limited

(CIN - L3110MH2007PLC168823)

Statement of Assets & Liabilities as at 31.03.26

Rupees in Lac

Particulars	As At	
	31.03.26	31.03.25
	Audited	Audited
ASSETS		
Non-Current Assets		
a Property, Plant and Equipment	2,072.90	2,142.26
b Right of Use Assets	48.50	63.95
c <u>Financial Assets</u>		
i Investments	1,105.54	576.12
ii Others	28.37	36.78
d Other Non-Current Assets	-	153.65
Total Non-Current Assets ==>	3,255.31	2,972.76
Current Assets		
a Inventories	165.36	196.19
b <u>Financial Assets</u>		
i Trade Receivables	123.14	695.66
ii Cash and Cash Equivalents	10.57	57.73
c Current Tax Assets	60.16	26.97
d Other Current Assets	1,091.79	1,250.56
Total Current Assets ==>	1,451.02	2,227.11
TOTAL ASSETS	4,706.33	5,199.87
EQUITY AND LIABILITIES		
Equity		
a Equity Share capital	1,156.99	1,156.99
b Other Equity	2,925.54	2,825.36
Total Equity ==>	4,082.53	3,982.35
Liabilities		
Non-Current Liabilities		
a <u>Financial Liabilities</u>		
i Borrowings	55.41	79.17
ii Lease Liabilities	58.08	75.57
b Provisions	18.08	4.32
c Deferred Tax Liabilities	383.65	396.80
Total Non-Current Liabilities ==>	515.22	555.86
Current Liabilities		
a <u>Financial Liabilities</u>		
i Borrowings	23.73	24.69
ii Lease Liabilities	15.42	15.42
iii Trade Payables		
(a) Micro and Small Enterprises	4.25	70.30
(b) Other than Micro and Small Enterprises	4.44	5.98
iv Others	16.61	259.47
b Other Current Liabilities	20.37	42.01
c Provisions	23.76	29.95
d Current Tax Liabilities	-	213.84
Total Current Liabilities ==>	108.58	661.66
Total Liabilities ==>	623.80	1,217.52
TOTAL EQUITY and LIABILITIES	4,706.33	5,199.87

For Karma Energy Limited

Dharmendra G. Siraj
(Chairman)

DIN : 00025543

Mumbai, Dated : 28.05.26



Karma Energy Limited

Statement of Cash Flows for the half year ended 31.03.26

Rupees in Lac

Particulars	31.03.26	31.03.25
Operating Activities		
Net Profit / (Loss) before Exceptional Items and Tax	(93.60)	140.83
<i>Adjustments for:</i>		
Depreciation and Amortisation	202.02	189.37
Finance Cost	16.16	14.95
Interest Income	(178.29)	(96.17)
Dividend Income	(0.04)	(0.04)
(Profit) / Loss on Sale / Discard of Fixed Asset	(37.17)	(47.41)
Income - Fair Value Gain on MF Investment	(38.28)	(12.91)
Sundry Balances Written (Back) / Off	8.80	0.41
Recovery of Bad Debts	-	(81.85)
(Profit) / Loss on Sale of Investment	(3.15)	(42.56)
Other Income	(0.85)	-
Miscellaneous Expenditure	0.03	0.04
Operating Profit / (Loss) before Working Capital changes	(124.37)	64.66
<i>Changes in Working Capital:</i>		
(Increase) / Decrease in Inventories	30.83	7.50
(Increase) / Decrease in Trade Receivables	563.72	221.38
(Increase) / Decrease in Other Non Current Financial Assets	8.41	0.15
(Increase) / Decrease in Other Current Assets	100.41	(107.68)
(Increase) / Decrease in Other Non-Current Assets	(1.31)	4.23
	577.69	190.24
Increase / (Decrease) in Trade Payables	(67.59)	(10.70)
Increase / (Decrease) in Other Current Liabilities	(21.64)	16.89
Increase / (Decrease) in Short Term Provisions	(6.19)	17.83
Increase / (Decrease) in Long Term Provisions	13.76	(16.57)
Increase / (Decrease) in Other Current Financial Liabilities	(242.86)	10.22
Cash generated from Operations	253.17	207.91
Net Income Tax (Paid) / Refund	(60.30)	(41.95)
Net Cash Flow from / (used in) Operating Activities (A)	192.87	165.96
Investing Activities		
Purchase of Fixed Assets	(160.62)	(134.11)
Capital Advance	153.65	(63.00)
Purchase of Long Term Investments - Mutual / Guilt Funds	(720.00)	(360.00)
Sale of Long Term Investments - Mutual / Guilt Funds	227.56	1,086.65
Sale of Fixed Assets	81.05	115.27
Loans Given	58.36	(1,012.17)
Interest Income	178.29	96.17
Dividend	0.04	0.04
Recovery of Bad Debts / (Bad Debts Written Off)	-	81.85
Net Cash Flow from Investing Activities (B)	(181.67)	(189.30)
Financing Activities		
<u>Long Term Borrowings</u>		
Loans Taken	-	108.00
Loans Repaid	(24.71)	(4.15)
<u>Short Term Borrowings</u>		
Loans Taken	-	381.23
Loans Repaid	-	(382.71)
Finance Cost	(8.05)	(5.31)
Principal Payment of Lease	(25.60)	(25.06)
Net Cash Flow from Financing Activities (C)	(58.36)	72.00
Total (A + B + C)	(47.16)	48.66
Cash and Cash Equivalent at the Beginning of the year	57.73	9.07
Cash and Cash Equivalent at the End of the year	10.57	57.73
	(47.16)	48.66

For Karma Energy Limited

Dharmendra G. Siraj
(Chairman)

DIN : 00025543

Mumbai, Dated : 28.05.26

