



**4th Annual Report
2010-2011**

ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

Shri Dharmendra G. Siraj	-	Chairman
Shri Chetan D. Mehra		
Shri Neelkamal V. Siraj		
Shri Vishnu P. Kamath		
Shri Sumant Chadha	-	Nominee - IREDA
Shri Vinesh N. Davda		
Shri Kishore N Vussonji		
Shri Ganesh N. Kamath	-	Managing Director
Shri T V Subramanian	-	Company Secretary

BANKERS

Axis Bank Ltd
State Bank of India
Uco Bank

AUDITORS

M/s U.B.Sura & Co.
M/s Shyam C. Agarwal & Co.

REGISTERED OFFICE

Empire House, 214, Dr. D.N. Road,
Ent. A.K.Nayak Marg,
Mumbai - 400 001
Tel Nos. 22071501-06, Fax : 22071514
Email investorshelpdesk@weizmann.co.in
Website : karmaenergy.co

WIND POWER PLANTS

Anantpur – Andhra Pradesh,
Satara – Maharashtra
Coimbatore – Tamil Nadu
Tirunelveli – Tamilnadu,
Theni – Tamil Nadu

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4th ANNUAL GENERAL MEETING OF KARMA ENERGY LTD.

Friday 30th September, 2011 at 3.30 p.m.

at M. C. Ghia Hall, 4th Floor,
Hargovindas Building, 18/20,
K. Dubash Marg, Kala Ghoda,
Mumbai – 400 001,

REGISTRAR AND SHARE TRANSFER AGENTS

Bigshare Services Pvt. Ltd.
E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai - 400 071.
Tel. No. 40430200 Fax No. 28475207

As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting.
Shareholders are requested to kindly bring their copies to the Meeting.

NOTICE

Notice is hereby given that the 4th Annual General Meeting of the Members of KARMA ENERGY LIMITED will be held on Friday, 30th September 2011 at 3.30 p.m at M. C. Ghia Hall, 4th Floor, Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Ganesh N. Kamath, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Messrs. U. B. Sura & Co., Chartered Accountants and Messrs. Shyam C. Agrawal & Co., Chartered Accountants, the retiring Auditors of the Company, as Joint Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

RESOLVED THAT Shri Vishnu P. Kamath, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 01st December, 2011 and who holds office upto the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation.

6. To consider and if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

RESOLVED THAT Shri Vinesh N. Davda, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 04th March, 2011 and who holds office upto the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation.

7. To consider and if thought fit, to pass the following Resolution, with or without modification, as an Ordinary Resolution:

RESOLVED THAT Shri Kishore M. Vussonji, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 04th March, 2011 and who holds office upto the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing his candidature for the office of Director the Company, be and is hereby appointed a Director of the Company liable to retire by rotation.

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE ANNUAL GENERAL MEETING.
- b) The Register of Members and Share Transfer Books of the Company will be closed from September 28, 2011 to September 30, 2011 (both days inclusive) for the purpose of payment of dividend. In respect of shares held in electronic form, the dividend will be paid on the basis of ownership as per the details furnished by the Depositories for the purpose.
- c) Dividend on equity shares will be payable to those members whose names appear on the Company's Register of Members on September 30, 2011.
- d) Shareholders are requested to notify immediately any change in their address to the Registered Office of the Company quoting their Folio Number and if the shares are held in dematerialised form, this information should be sent to their respective Depository Participants.
- e) Information on Director recommended for re-appointment at the Annual General Meeting in terms of Clause 49 of the Listing Agreement is enclosed hereafter.
- f) **The ministry of Corporate Affairs has vide Circular Nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, respectively, undertaken a 'Green initiative in Corporate Governance' and allowed companies to share documents with its shareholders through electronic mode. Members are requested to support this green initiative by registering / updating their email addresses, in respect of shares held in dematerialized form with their respective depository participants and in respect of shares held in physical form, with Bigshare Services Private Ltd, the Company's Registrar and Share Transfer Agent.**
- g) Copies of Balance Sheet including Profit and Loss Account, Schedules and Notes to Accounts along with the Auditors' Report thereon is available for inspection at the registered office of the Company during working hours for a period of twenty-one days before the date of Annual General Meeting.

Place : Mumbai
Date : 11th August 2011

By Order of the Board
T V Subramanian
Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING
(In pursuance of Clause 49 IV(G) of the Listing Agreement)

Name of Director	Shri Ganesh N. Kamath	Shri Vishnu P. Kamath
Date of Birth	14.09.1942	24.06.1934
Date of Appointment	15.03.2007	01.12.2010
Qualifications	Mechanical Engineer from IIT.	Graduate in Commerce, CAIIB
Expertise in specific functional areas	45 years experience in Engineering Industry	50 years experience in Banking and Finance
Shareholding in the Company as on 11th August, 2011	Nil	Nil
List of other public limited companies in which directorship held as on 11th August, 2011	Almi Hydro Electric Projects Ltd Brahmi Hydro Electric Power Projects Ltd Chikmagalur Energy Projects Ltd Jambhora Energy Projects Ltd Joiner Hydro Power Projects Ltd Kaldar Energy Projects Ltd Khandesh Energy Projects Ltd Kombai Mettu Energy Projects Ltd Kondaibari Energy Ltd Malayamarutha Energy Projects Ltd Siul-Baroti Hydro Projects Ltd Vajharpada Energy Ltd Windia Infrastructure Finance Ltd	Avinaya Resources Ltd Batot Hydro Power Ltd Bharati Shipyard Ltd Greenweiz Projects Ltd Joiner Hydro Power Projects Ltd Supportive Insurance Broking Ltd Tapi Energy Projects Ltd Weizmann Ltd Weizmann Forex Ltd Windia Infrastructure Finance Ltd
Chairman / Member of the Committees of the Board across all public companies of which he is a Director as on 11th August, 2011	Nil	Audit Committee : Bharati Shipyard Ltd Batot Hydro Power Ltd Karma Energy Ltd Tapi Energy Projects Ltd Weizmann Ltd Weizmann Forex Ltd Windia Infrastructure Finance Ltd Investors Grievance Committee : Karma Energy Ltd Weizmann Ltd Weizmann Forex Ltd
Relationships between Directors interse	Nil	Nil
Name of Director	Shri Vinesh N. Davda	Shri Kishore M. Vussonji
Date of Birth	20.05.1955	18.09.1946
Date of Appointment	04.03.2011	04.03.2011
Qualifications	Graduate in Commerce	Graduate in Science and Law
Expertise in specific functional areas	30 years experience in Warehousing and Data Storage Management	40 years experience in Law and specialist in Conveyance and Litigation
Shareholding in the Company as on 11th August, 2011	207366 Equity Shares of Rs.10/- each	Nil
List of other public limited companies in which directorship held as on 11th August, 2011	Batot Hydro Power Ltd Great Offshore Ltd Purvaja Projects Ltd Weizmann Corporate Services Ltd	Comfund Consulting Ltd Hall & Andersons Ltd Krishna Ventures Ltd Suncteck Realty Ltd Stress Crete India Ltd Weizmann Forex Ltd
Chairman / Member of the Committees of the Board across all public companies of which he is a Director as on 11th August, 2011	Audit Committee : Great Offshore Ltd Karma Energy Ltd Investors Grievance Committee : Great Offshore Ltd Karma Energy Ltd	Nil
Relationships between Directors interse	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Shri Vishnu P. Kamath was appointed as an Additional Director of the Company by the Board of Directors with effect from 01st December, 2010 pursuant to Section 260 of the Companies Act, 1956 ('the Act') and holds office only upto the date of the forthcoming Annual General Meeting and is eligible for appointment. The Company has received a notice in writing from a member, proposing his candidature for the office of the Director under the provisions of Section 257 of the Act.

Shri Vishnu P. Kamath is a graduate in commerce and CAIIB. He retired as General Manager of IFCI. He has over 50 years of experience in Banking and Finance

The Directors consider that Shri Vishnu P. Kamath's appointment as a Director will be of advantage to the Company and accordingly, the board commends his appointment for acceptance by the members.

Shri Vishnu P. Kamath is concerned or interested in the resolution at item no. 5 of the notice.

Item No. 6

Shri Vinesh N. Davda was appointed as an Additional Director of the Company by the Board of Directors with effect from 04th March, 2011 pursuant to Section 260 of the Companies Act, 1956 ('the Act') and holds office only upto the date of the forthcoming Annual General Meeting and is eligible for appointment. The Company has received a notice in writing from a member, proposing his candidature for the office of the Director under the provisions of Section 257 of the Act.

Shri Vinesh N. Davda is a graduate in Commerce. He has over 30 years of experience in the field of warehousing and data storage management.

The Directors consider that Shri Vinesh N. Davda's appointment as a Director will be of advantage to the Company and accordingly, the board commends his appointment for acceptance by the members.

Shri Vinesh N. Davda is concerned or interested in the resolution at item no. 6 of the notice.

Item No. 7

Shri Kishore M. Vussonji was appointed as an Additional Director of the Company by the Board of Directors with effect from 04th March, 2011 pursuant to Section 260 of the Companies Act, 1956 ('the Act') and holds office only upto the date of the forthcoming Annual General Meeting and is eligible for appointment. The Company has received a notice in writing from a member, proposing his candidature for the office of the Director under the provisions of Section 257 of the Act.

Shri Kishore M. Vussonji is a graduate in Science and Law. He has been practicing law for over 40 years and is a specialist in the fields of conveyance and litigation.

The Directors consider that Shri Kishore M. Vussonji's appointment as a Director will be of advantage to the Company and accordingly, the board commends his appointment for acceptance by the members.

Shri Kishore M. Vussonji is concerned or interested in the resolution at item no. 7 of the notice.

Registered Office :
Empire House,
214, Dr. D.N. Road,
Ent. A.K. Nayak Marg, Fort
Mumbai- 400 001

Place : Mumbai
Date : 11th August 2011

By Order of the Board

T V Subramanian
Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS OF KARMA ENERGY LIMITED

The Directors are pleased to present this fourth Annual Report and the Audited Statement of Accounts for the year ended March 31, 2011.

1. FINANCIAL RESULTS

Particulars	(Rs. in lakh)	
	2010-2011	2009-2010
Total Income including exceptional items	1761.37	0.08
Profit Before Depreciation	833.16	(0.23)
Less : Depreciation	760.77	-
Profit Before Tax	72.39	(0.23)
Less : Income Tax	27.00	-
Less : Deferred Tax	(34.16)	-
Profit After Tax	79.55	(0.23)
Add : Balance brought forward from previous year	(0.53)	(0.31)
Balance Available for appropriation	79.02	(0.53)
Appropriation :		
Transfer to General Reserve	-	-
Proposed Dividend on Equity Shares @5% (2009-2010: Nil)	57.82	-
Dividend Tax	9.38	-
Balance Carried to Balance Sheet	11.82	(0.53)
	79.02	(0.53)

The consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 prescribed under Companies (Accounting Standards) Rules form part of the Annual Report and Accounts.

2. DIVIDEND

Your Directors have recommended a dividend at 5 % (Re.0.50 per share) on equity shares (Previous year : Nil). The dividend, together with the tax on distributed profits, will absorb a sum of Rs.67.20 Lakh and will be paid to those shareholders whose names stand registered in the Register of members of the Company as on the book closure date.

3. COMPANY RESTRUCTURING

Weizmann Group embarked on a restructuring exercise involving merger of two subsidiaries of Weizmann Ltd into Weizmann Ltd and demerger of 2 business undertakings from Weizmann Ltd into two resultant companies vide composite scheme of Arrangement. The said scheme was sanctioned by Hon'ble Bombay High court on 29th October, 2010. Pursuant to the scheme w.e.f. 1st April 2010 the power business undertaking of Weizmann Limited stands transferred and vested in your company. As per the said scheme and after obtaining approvals of ROC, Mumbai, Maharashtra the name of the Company was changed from Karma Wind Power Ltd to Karma Energy Ltd vide fresh certificate of Incorporation issued on 29th December, 2010. Pursuant to the scheme your company issued and allotted 11514357 equity shares of Rs.10/- each on 16th December, 2011 which has been subsequently listed on 28th June, 2011 on the premiere stock exchanges viz. Bombay Stock Exchange Ltd with scrip code "533451" and on the National Stock Exchange of India Ltd with scrip code "Karmaeng" after obtaining all necessary approvals

from regulatory authorities

4. PERFORMANCE

During the year the Total Income of the Company was Rs.1761.37 Lakh as compared to Rs.0.08 Lakh in the previous year. The Profit before depreciation achieved was Rs. 833.16 Lakh (Previous year - Rs.(0.23) Lakh). The Profit after Tax registered was Rs.79.55 Lakh (Previous year Rs. (0.23) Lakh).

As the valued members are aware that your company is the resultant company in the matter of corporate restructuring of Weizmann Group as per the composite scheme of arrangement sanctioned by Hon'ble High Court of Bombay on 29th October, 2010 under which the power business undertaking of Weizmann Limited was demerged into your company w.e.f. 1st April 2010 resulting in your company being engaged now in generation of power from renewable energy sources. Consequently the Financials of current year and the previous year are not comparable.

5. SUBSIDIARY COMPANIES

During the period under review M/s. Almi Hydro-Electric Projects Ltd, Baledh Energy Projects Ltd, Batot Hydro Power Ltd, Brahmanvel Energy Ltd, Greenweiz Projects Ltd, Joiner Hydro Power Projects Ltd, Khandesh Energy Projects Ltd and Vajharpada Energy Ltd became subsidiaries of your company pursuant to power undertaking of Weizmann Ltd getting demerged in to your company as per the scheme of arrangement sanctioned by the Hon'ble High Court of Bombay vide its order dated 29th October, 2010. These subsidiary companies are SPV's executing power projects and carrying operation & maintenance of wind farms.

The consolidated financial statement prepared by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting standards. The Ministry of Corporate Affairs, Government of India vide their circular No. 5/12/2007-CL-III dated 8th February, 2011 has granted general exemption under Section 212(8) of the Companies Act, 1956 from attaching the balance sheet, profit and loss account and other documents of the subsidiary company to the balance sheet of the company, provided certain conditions are fulfilled. Annual accounts of the subsidiary companies will be made available to the company's investors on request made to the company. The Annual Accounts of the subsidiary companies will also be kept for inspection at its head office in Mumbai.

The statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the Company's subsidiaries as at 31st March, 2011, is attached to the Annual Accounts.

6. DIRECTORS

Shri Vishnu P. Kamath was appointed as Additional Director on 01st December, 2010 and Shri Vinesh N. Davda and Shri Kishore M. Vussonji were appointed as Additional Directors on 4th March, 2011 in accordance with Section 260 of the Companies Act, 1956 and Article 46 of the company's Articles of Association and will cease to hold office at the forthcoming Annual General Meeting and are eligible for appointment. During the period under review Shri Sumant Chadha was appointed as Nominee Director of Indian Renewable Energy Development Agency Ltd (IREDA) on 01st December, 2010.

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

Attention of the Members is invited to the relevant items in the notice of the Annual General Meeting and the explanatory statement thereto.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

- i) that in the preparation of the annual accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date ;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the annual accounts on a going concern basis.

8. PARTICULARS OF THE EMPLOYEES

The Company does not have any employee whose particulars are required to be given under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended up to date.

9. DISCLOSURE OF PARTICULARS

Pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies Disclosure of particulars in the report of the Board of Directors) Rules, 1988 has to Report on the matters covered by this section.

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.

Foreign Exchange earnings were Rs.153.38 Lakh and outgo in foreign exchange was Nil.

10. FIXED DEPOSITS

Your Company has not accepted any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956.

11. AUDITORS

Messrs. U.B. Sura & Co. Chartered Accountants and Messrs. Shyam C. Agrawal & Co., Chartered Accountants, Statutory Auditors of the Company retire as Auditors at the forthcoming

Annual General Meeting and have given their consent for re-appointment.

The members will be required to appoint Auditors for the current year and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written confirmation from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made at the ensuing Annual General Meeting will be within the limits specified in Section 224(1B) of the Companies Act, 1956.

12. COST AUDIT

As per the requirement of the central Government and pursuant to Section 233B of the Act, the audit of the cost accounts of Electricity companies are required to be audited from financial year beginning April 2011 Therefore pursuant to the approval of Ministry of Corporate affairs, M/s. K. N. Satyanarayan having registration no. 7004 has been appointed as Cost Auditor for auditing the company's cost accounting records maintained as per Cost Accounting Records (Electricity Industry) Rules, 2001, relating to power generated for the financial year ended March 31, 2011.

13. AUDITORS' REPORT

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

14. CORPORATE GOVERNANCE

Your Company has complied with Corporate Governance requirement as per the Clause 49 of the Listing Agreement. A report on Corporate Governance annexed as Annexure "I" forms part of this report. A certificate from the Statutory Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is annexed as Annexure 'II' forming part of this report.

16. 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. 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 : 11th August, 2011

DHARMENDRA G. SIRAJ
CHAIRMAN

ANNEXURE "I" TO DIRECTORS' REPORT 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 believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity. The Company has established systems and procedures to ensure that its Board of Directors is 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. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance viz. integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. Your Company's essential character revolves around values based on transparency, integrity, professionalism and accountability. At the highest level, the company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the company forward.

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 Eight. 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-half of the Board comprising of Independent Directors.

The composition of and the category of directors on the Board of the Company as at March 31, 2011 were as under.

Category	Particulars of the Directors
Non Executive – Non Independent	Shri Dharmendra G. Siraj - Chairman Shri Chetan D. Mehra Shri Neelkamal V. Siraj
Non Executive - Independent	Shri Vishnu P. Kamath Shri Sumant Chadha – Nominee of IREDA Shri Kishore N. Vussonji Shri Vinesh N. Davda
Executive	Shri Ganesh N. Kamath – Managing Director

Except the Nominee Director the other 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 2010-2011 the Board held six meetings on May 28, 2010, August 26, 2010, November 22,

2010, December 1, 2010, December 16, 2010 and March 29, 2011

The Board periodically 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 2010-2011 and the last AGM held on September 30, 2010.

Directors	Meetings held during the tenure of Directors	Meetings Attended	Attendance at last AGM	No. of other Directorship held #	No. of other Committee Membership held
Shri D G Siraj*	5	5	Yes	12	4
Shri C D Mehra	6	5	Yes	12	1
Shri N V Siraj*	5	5	Yes	5	-
Shri V P Kamath \$	3	3	No	10	8
Shri G N Kamath	6	6	Yes	13	-
Shri Sumant Chadha \$	3	1	No	-	-
Shri Kishore N. Vussonji @	1	-	No	6	-
Shri V. N. Davda @	1	1	No	4	2
Shri P. M. Sheth **	3	3	Yes	15	-

A sitting fee of Rs.2000/- per meeting is paid to Directors (except Managing Director) for attending the Board Meeting.

* Appointed w.e.f 26-08-2010, \$ appointed w.e.f 01-12-2010, @ Appointed w.e.f 04-03-2011, ** Resigned w.e.f 01-12-2010 (persons holding Directorship for part of the year)

(excluding private limited, foreign company and section 25 company)

Shri Dharmendra G. Siraj is related to Shri Chetan D. Mehra.

None of the Directors holds directorship in more than 15 public limited companies.

No director holds membership of more than 10 committee of board nor is any director chairman of more than 5 committee's of boards.

Details of Shareholding of Non-Executive Directors

Sr. No.	Name of Directors	No. of shares held as on 31st March, 2011
1.	Shri Dharmendra G. Siraj	11,12,060
2.	Shri Chetan D. Mehra	14,64,010
3.	Shri Neelkamal V. Siraj	Nil
4.	Shri Vishnu P. Kamath	Nil
5.	Shri Kishore M. Vussonji	Nil
6.	Shri Sumant Chadha	Nil
7.	Shri Vinesh N. Davda	2,07,366

3. Audit Committee

The Audit Committee re-constituted on 4th March, 2011 in compliance with the requirements of Clause 49 of the Listing Agreement, comprised of Shri Vishnu P. Kamath as the Chairman, Shri Dharmendra G. Siraj and Shri Vinesh N. Davda as members of the Committee. The Managing Director and Auditors are invited to attend the meetings of the Audit Committee. The Audit committee discharges such duties and functions generally indicated in Clause 49 of the Listing Agreement with the stock exchanges and also such other functions as may be specifically delegated to it by the Board from time to time. The Audit Committee held its first meeting on August 11, 2011 subsequent to the listing of the equity shares on the bourses.

4. Remuneration Committee

The Company has one Executive Director on the Board, whose appointment and remuneration is fixed by the Board of Directors and in terms of the resolution passed by the members.

In view of above, the Company does not have a Remuneration Committee. The Board of Directors determines the remuneration of the Executive Director. During the year, the Company paid sitting fees of Rs. 2,000/- per meeting to the Non-Executive Directors for attending meetings of the Board of Directors.

No significant / material transactions have been made with the Non-Executive Directors vis-à-vis the Company.

The details of remuneration paid to Managing Director from 1st December, 2010 to 31st March, 2011 is given below

Name of the Managing Director	Salary (Rs. in Lakh)	Commission	Perquisites and Allowances (Rs. in Lakh)	Retiral Benefits* (Rs. in Lakh)
Ganesh N. Kamath	4.00	-	1.38	0.48

Notes : The agreement with Managing Director is for a period of 3 years from 1st December, 2010.

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

5. Shareholders / Investors' Grievance Committee

The Company has constituted Investors Grievance Committee in accordance with the requirements of Clause 49 of the Listing Agreement. The Shareholders / Investors Grievance Committee comprised of Shri Vishnu P. Kamath as the Chairman and Shri Dharmendra G. Siraj and Shri Vinesh N. 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 for the first time on 11th August, 2011 after the equity shares of the company were listed on the bourses. Shri T. V. Surbramanian, Company Secretary acts as the Company's Compliance Officer.

Number of shareholders complaints received during the year was Nil, since the company's equity shares got listed only on 28th June, 2011 on the bourses.

6. Sub-Committee of Board of Directors

Composition:

Shri D.G. Siraj, Chairman

Shri C. D. Mehra

Shri G. N. Kamath, Managing Director

The sub-committee normally deals with the following matters :

- a) Transfer / Transmission / Transposition of shares, issue of duplicate share certificate, consolidation of shares / subdivision of shares.
- b) Review of Dematerialization of shares.
- c) Normal day to day matters & all other matters as prescribed and delegated to the sub-committee by the Board of Directors from time to time. The minutes of the sub-committee meetings are noted and ratified at every ensuing meeting of the Board of Directors of the Company.

The sub-committee meeting is normally held twice a month. The sub-committee meetings was first held on 22nd July, 2011 after the company's equity shares got listed on the bourses.

7. General Body Meetings

Details of the last three Annual General Meetings (AGMs)

Date & Year	Time	Location where AGM held in the last 3years.
30/09/2010, 2009-2010	11.45 a.m.	Empire House, 214, Dr. D. N. Road, Ent. A. K. Nayak Marg Fort, Mumbai-400 001.
25/09/2009, 2008-2009	11.45 a.m	26, Gobind Mahal, 86B, N. S. Road, Marine Drive, Mumbai – 400 002
01/07/2008, 2007-2008	11.45 a.m	- " -

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

8. Disclosures

Related party transactions as required to be complied under Accounting Standard 18 (AS-18) are furnished under Note no 18 of the Notes to Accounts attached to the annual accounts of 31/3/2011.

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.

9. 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. All Directors and Senior management personnel have affirmed compliance with the code for 2010-11. The Declaration of the Managing Director is given below:

To the Shareholders of Karma Energy Ltd

Sub : Compliance with code of Conduct

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the code of conduct as adopted by the Board of Directors.

Sd/-

Place : Mumbai

G. N. Kamath

Date : 11th August, 2011

Managing Director

10. Means of Communication

- Half yearly report sent to each household of Shareholders - No
- Quarterly results usually published in (Proposed) - Business Standard (English daily)
- Tarun Bharat (Marathi daily)
- Any website where displayed - www.karmaenergy.co
www.nseindia.com
www.bseindia.com
- Whether any advertisement also displayed 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

11. General Shareholder Information

a) 4th Annual General Meeting- Day, Date, Time and Venue

Day	Date	Time	Venue
Friday	30/09/2011	3.30 p.m	M. C. Ghia Hall 4th Floor, Bhogilal Hargovindas Building 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001.

b) Financial Calendar

- Financial Year : 1st April, 2011 to 31st March 2012
- Adoption of Quarterly Results for the quarter ending June, 2011 : 11th August, 2011
- September, 2011 : on or before 15th November, 2011
- December, 2011 : on or before 14th February 2012
- March, 2012 : on or before 15th May, 2012
- Book Closure Date : 28/09/2011 to 30/09/2011 (Both days inclusive)
- Dividend Payment : On or before 29/10/2011
- 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:

Since the company's equity shares got listed on 28th June, 2011 on BSE and NSE the market price data for the company's equity shares for the financial year 2010-11 cannot be provided.

- f) Registrar & Transfer Agents : Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E),
Mumbai-400072
Tel : 28470652, Fax : 28475207
Email : info@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. 81,40,841 Equity Shares representing 70.40 % of the share capital of the Company stands dematerialised as on 31st March, 2011. As per SEBI directive steps have been initiated for converting entire promoter holding in physical form to demat. Security Code No. with NSDL and CDSL is - ISIN : INE725L01011. The Shares of the Company are included under B group at the Stock Exchange, Mumbai. The shares are also traded at National Stock Exchange of India Ltd.

i) Shareholding Pattern as on 31st March 2011:

Sr. No	Category	No. of Equity Shares	Percentage of Shareholding
A	Promoters Holding		
	Indian Promoters	8627441	74.60
B	Non Promoter Holding		
a.	Mutual Funds & UTI	13803	0.119
b.	Banks, Financial Institutions Insurance Companies (Central / State Govt. Institutions/ Non Government Institutions)	133	0.001
c.	FII's	Nil	Nil
C	Others		
a.	Private Corporate Bodies	201869	1.75
b.	Indian Public	2558793	22.13
c.	NRIs/OCBs	103922	0.90
d.	Any other (Demat Transit)	58396	0.50
	GRAND TOTAL	11564357	100.00

j) **Distribution of Shareholding as on 31st March 2011 :**

Range (In Rs)	Total Holders	Total Holdings in Rupees
1 – 5000	8451	8605930
5001-10000	293	1931610
10001 – 20000	131	1738000
20001 – 30000	24	579410
30001 - 40000	18	612070
40001 – 50000	6	281740
50001 – 100000	29	1927380
100001 – 999999999	50	99967430
Total	9002	115643570

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

l) **Wind Power Plant Location** - Anantpur-Andhra Pradesh
Coimbatore – Tamil Nadu
Tirunelveli – Tamil Nadu
Theni – Tamil Nadu
Satara – Maharashtra

m) **Address for Correspondence** - Regd. Office
Empire House,
214, Dr. D.N.Road,
Ent. A.K. Nayak Marg,
Fort,
Mumbai - 400 001.
Tel Nos. 22071501-06

Dedicated email id for investor complaints :

Investorshelpdesk@weizmann.co.in

Registrar & Share Transfer Agent - Bigshare Services Pvt. Ltd.,
E-2/3, Ansa Indl. Estate,
Saki Vihar Road,
Saki Naka, Andheri (East),
Mumbai - 400 072.
Tel : 40430200
Fax, 28475207
Email :
info@bigshareonline.com
Website :
www.bigshareonline.com

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

BUSINESS REVIEW

Post restructuring of Weizmann Group through a composite scheme of arrangement sanctioned by Hon'ble High Court of Bombay on 29th October, 2010, the power business undertaking of Weizmann Limited stands transferred and vested in Karma Energy Limited. Hence Karma Energy Limited is spearheading the growth in renewable energy sector of Weizmann Group.

The focus of the company is in the business areas of power generation from renewable energy sources primary wind and small hydel. The company invests in projects directly or invests in equities of Special Purpose Companies (SPCs) who are in the business of development of renewable energy projects. Most of such SPCs are subsidiaries of Karma Energy Limited.

The aggregate capacity of the installed wind farms is about 30 MW as at 31.03.2011.

The Financial Year 2010-2011 recorded a total income of Rs. 1761.37 Lakh; Cash Profits Rs. 833.16 Lakh; PBT of Rs. 72.39 Lakh; and PAT of Rs. 79.02 Lakh.

The company did not have any material operations in the previous year.

A 3.5 MW Small Hydel Project at Chamba, Himachal Pradesh of the subsidiary company Batot Hydro Power Limited is poised for commissioning around end October 2011.

The Company has plans to add installed capacities of minimum of 10 to 15 MW wind farm every year to begin with.

OUTLOOK, OPPORTUNITIES AND THREATS

With the threat of Global Warming ever increasing day by day, the entire world is focused on developing alternate sources of energy which has been primarily the Renewable Energy Sources which includes Solar, Wind, Small Hydel, etc. India too is not far behind and is committed to have increased percentage of power generation from Renewable Energy Sources. To reflect India's commitment the country has a separate Ministry for New and Renewable Energy Sources in the Central Government for last decade and a half and so also the State Governments have focused Ministries.

Every State has separate State Regulatory Commission responsible for fixation of tariff, development of Renewable Energy Sources and have issued orders fixing a certain percentage of power generation of State Utilities and other Generators of Power from Conventional Sources to either set up their own installations or procure from Developers of the Renewable Energy and this Renewable Purchase Obligations has indirectly benefited the renewable energy industry.

The Central Electricity Regulatory Commission and State Electricity Regulatory Commission have opened new vistas in the form of grant of Renewable Energy Certificates which can be traded freely in the market and thus augment the revenues from this sector which could be beneficial for the developers to realize resources for further investment in renewable energy.

Despite the proactive policies of the Government and Nodal Agencies it has not been smooth passage as there has been impediments in the form of adverse interpretation of orders or conflicting interest of State Utilities vis-à-vis the objective of developing renewable energy of the

State Commissions. This has resulted in a number of Petitions and Counter Petitions being filed by the State Utilities and the Developers and as a result this has proved to be a retarding force in the objective of having quantum jump in the form of additional installations of capacities in the field of renewable energy.

Though the developed countries want India to stipulate higher target for reduction of pollution levels, India being a developing country has long way to go. As significant levels of industrialization continues, the benefit of sale of carbon credits generated from their eligible renewable energy power plants are promising.

RISKS AND CONCERNS

On Renewable Energy Sector, the implementation of policies by the State Utilities and also enforcing a speedier progress on various aspects of the renewable energy sector by Nodal Agencies and Electricity Regulatory Commission has been far below the expectation of the developers. The delay in implementation is compounded by utilities taking up every matter before Quasi Judicial authorities like Electricity Regulatory Commissions and Electricity Appellate Tribunal resulting in Policies and Orders of Quasi Judicial and Administrative bodies remaining non implemented or partly implemented.

In the State of Maharashtra the delays in grant of open access and absence of directives of the State Commission to the Utilities to buy renewable energy at pooled cost has been a great concern especially to Independent Power Producers (IPPs) who get starved for regular cash flow and further the Renewable Energy Certificate Mechanism virtually becoming a non starter.

The availability of good sites for wind projects which can generate higher Plant Load Factor has become a constraint, this coupled with high capital cost of equipment and interest cost, many a times makes the project financially unviable necessitating for combining the projects to have a larger capacity mass. Many a good windy sites are presently in the forest area and this has resulted in longer gestation period as obtaining approvals of forest authorities invariably take three to four years as the company has to surmount the objections that may be raised by Forest Authorities, Wild Life Authorities, NGOs and Environmentalists.

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.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

**The Members of
Karma Energy Limited
(Formerly Karma Wind Power Limited)
Mumbai**

We have examined the compliance of conditions of Corporate Governance by **Karma Energy Limited (Formerly Karma Wind Power Limited)** for the year ended March 31, 2011, as stipulated in clause 49 of Listing Agreement of the said company with Stock Exchanges, with relevant records and documents maintained by the Company and furnished to us.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above -mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For SHYAM C. AGARWAL CO.
CHARTERED ACCOUNTANTS
FR NO. 110243W**

**SHYAM C. AGARWAL
PROPRIETOR
MEMBERSHIP NO. 31774**

**PLACE: MUMBAI
DATED: 11th August, 2011**

**For U.B. SURA & CO.,
CHARTERED ACCOUNTANTS
FRN 110620W**

**U.B. SURA
PROPRIETOR
MEMBERSHIP NO: 32026**

AUDITORS' REPORT ON ABRIDGED ACCOUNTS

To,

**The Members of
Karma Energy Limited
(Formerly Karma Wind Power Limited)**

We have examined the attached abridged Balance Sheet of **Karma Energy Limited (Formerly Karma Wind Power Limited)** ('the Company') as at March 31, 2011 and the related abridged Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, together with the notes thereon. These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the financial statements of the Company for the year ended March 31, 2011 prepared in accordance with Schedule VI of the Companies Act, 1956 and is covered by our report of even date to the members of the Company which report is attached.

**For SHYAM C. AGARWAL CO.
CHARTERED ACCOUNTANTS
FR NO. 110243W**

**SHYAM C. AGARWAL
PROPRIETOR
MEMBERSHIP NO. 31774**

**PLACE: MUMBAI
DATED: 11th August, 2011**

**For U.B. SURA & CO.,
CHARTERED ACCOUNTANTS
FRN 110620W**

**U.B. SURA
PROPRIETOR
MEMBERSHIP NO: 32026**

ABRIDGED BALANCE SHEET AS AT 31.03.2011

Particulars	As At 31.03.2011	Rs. In Lakh As At 31.03.2010
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital :		
Equity	1,156.44	5.00
	1,156.44	5.00
Reserves and Surplus :		
Capital Reserve	-	-
General Reserve	3,074.95	-
Revaluation Reserve		
Surplus in Profit and Loss Account	11.82	(0.53)
	3,086.76	(0.53)
Sub Total	4,243.20	4.47
LOAN FUNDS :		
Secured Loans (other than debentures)	3,991.33	-
Unsecured Loans	1,627.88	-
	5,619.21	-
Sub Total	2,312.71	-
Deferred Tax Liability (Net)		
	2,312.71	-
Total	12,175.12	4.47
APPLICATION OF FUNDS		
FIXED ASSETS :		
Net Block - (Original cost less depreciation)	7,759.94	-
Capital Work in progress	2.17	-
	7,762.11	-
INVESTMENTS :		
Government Securities		
Investment in Subsidiary Companies :		
Quoted	-	-
Unquoted	3,063.31	-
Others :		
Quoted	-	-
Unquoted	47.49	-
	3,110.80	-
CURRENT ASSETS, LOANS AND ADVANCES :		
Inventories	-	-
Sundry Debtors	1,386.92	-
Cash and Bank Balances	245.63	0.46
Other Current Assets	416.91	-
Loans and Advances :		
To Subsidiary Companies	836.35	-
To Others	13.18	4.02
Inter Corporate Deposits		
Deposits	50.20	-
Income Tax and Tax Deducted At Source	12.59	0.01
	2,961.79	4.49
Sub Total	2,961.79	4.49
Less :		
CURRENT LIABILITIES & PROVISIONS :		
Liabilities	1,565.37	0.15
Provisions	94.20	-
	1,659.57	0.15
Sub Total	1,659.57	0.15
Net Current Assets	1,302.21	4.34
Miscellaneous Expenditure	-	0.12
Inter Branch Division	-	-
	-	-
Total	12,175.12	4.47

Refer notes forming part of Abridged Accounts

Compiled from the Audited Accounts of the Company referred to in our report dated 11.08.2011

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal Co.
Chartered Accountants

For and on behalf of the Board

D. G. Siraj
(Chairman)

G. N. Kamath
(Managing Director)

T. V. Subramanian
(Company Secretary)

U. B. Sura
Proprietor
Membership No. 32026
FR No. 110620W
Place : Mumbai
Date : 11.08.2011

Shyam C. Agarwal
Proprietor
Membership No. 31774
FR No. 110243W

ABRIDGED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

Particulars	Rs. In Lakh	
	As At 31.03.2011	As At 31.03.2010
INCOME		
Sales / Services Rendered :		
Income - Power Generation	1,339.43	-
Income - Sale of Entitlements from Wind Farm	153.38	-
Income - Lease Rent	44.00	-
Interest	224.56	0.08
Other Income	-	-
Inter Division Income	-	-
Total	<u>1,761.37</u>	<u>0.08</u>
EXPENDITURE		
Cost of Goods Consumed / Sold :		
Opening Stock	-	-
Purchases	-	-
Less : Closing Stock	-	-
	-	-
Direct Cost	292.95	-
Selling and Administration Expenses	162.66	0.19
Salaries, Wages and Other Employee Benefits	44.35	-
Interest	426.04	0.01
Depreciation	760.77	-
Auditor's Remuneration	2.21	0.11
	<u>1,688.97</u>	<u>0.31</u>
Total	<u>1,688.97</u>	<u>0.31</u>
Profit Before Exceptional Items	72.39	(0.23)
Exceptional Items	-	-
Profit / (Loss) Before Tax	72.39	(0.23)
Provision for Taxation	(7.16)	-
Profit / (Loss) After Tax	79.55	(0.23)
Add : Balance Brought Forward	(0.53)	(0.31)
Balance available for appropriation	<u>79.02</u>	<u>(0.53)</u>
APPROPRIATIONS		
Proposed Dividend -Equity Shares @ 5% [Prev. Year Nil]	57.82	-
Dividend Tax	9.38	-
Balance Carried to Balance Sheet	11.82	(0.53)
	<u>79.02</u>	<u>(0.53)</u>
Earnings Per Share		
Basic & Diluted	0.69	(0.46)

Refer notes forming part of Abridged Accounts

Compiled from the Audited Accounts of the Company referred to in our report dated 11.08.2011

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal Co.
Chartered Accountants

For and on behalf of the Board

D. G. Siraj
(Chairman)

G. N. Kamath
(Managing Director)

T. V. Subramanian
(Company Secretary)

U. B. Sura
Proprietor
Membership No. 32026
FR No. 110620W
Place : Mumbai
Date : 11.08.2011

Shyam C. Agarwal
Proprietor
Membership No. 31774
FR No. 110243W

ABRIDGED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

	Current Year		Rs. In Lakh Previous Year	
	Amount	Amount	Amount	Amount
Net Profit / (Loss) before tax		72.39		(0.23)
Depreciation	760.77		-	
Interest Received	(224.56)		(0.08)	
Miscellaneous Expenditure	0.10		(0.09)	
Finance Charges	426.04	962.35	0.01	(0.16)
Operating Profit before Working Capital Changes		1,034.74		(0.39)
Working Capital				
(Increase) / Decrease in Sundry Debtors	(1,245.94)		-	
(Increase) / Decrease in Loans & Advances	(1,249.18)		(3.38)	
Increase / (Decrease) in Current Liabilities & Provisions	(112.54)		-	
Tax Paid	(12.58)	(2,620.24)	(0.01)	(3.39)
Cash Generated from operations		(1,585.50)		(3.78)
Investments				
Advances for Capital Expenditure	(1.73)		-	
Additions of Fixed Assets on Demerger*	(140.90)		-	
Additions of Investments on Demerger*	(338.59)		-	
Interest Received	224.56		0.08	
Net cash flow from Investing activities		(256.66)		0.08
		(1,842.16)		(3.70)
Financing				
Increase in Share Capital			4.00	
Finance Charges Paid	(426.04)		(0.01)	
Increase / (Decrease) in Secured Loans	734.35		-	
Increase / (Decrease) in Unsecured Loans	1,625.66		-	
Net Cash flow from Financing activities		1,933.97		3.99
		91.81		0.29
Cash and Cash Equivalent at the Beginning of the year	0.46		0.17	
Cash and Cash Equivalent Add on Demerger*	153.36		-	
Cash and Cash Equivalent at the End of the period	245.63	91.81	0.46	0.29

Note : * Refer Note 2 of Notes to Accounts

For and on behalf of the Board

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal Co.
Chartered Accountants

D. G. Siraj
(Chairman)

U. B. Sura
Proprietor
Membership No. 32026
FR No. 110620W
Place : Mumbai
Date : 11.08.2011

Shyam C. Agarwal
Proprietor
Membership No. 31774
FR No. 110243W

G. N. Kamath
(Managing Director)

T. V. Subramanian
(Company Secretary)

NOTES TO THE ABRIDGED BALANCE SHEET AS AT 31.03.2011 AND ABRIDGED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

1 Significant Accounting Policies :

(a) **Accounting Convention :**

The Financial Statements are prepared under the historical cost convention, on the basis of going concern and as per applicable Indian Accounting Standards. The company follows mercantile system of accounting and recognises income and expenditure on accrual basis.

(b) **Fixed Assets and Depreciation :**

Fixed Assets are stated at cost of acquisition, finance cost during the construction period and other directly attributable cost to bring the assets to its working condition for its intended use.

Depreciation on assets is provided on the straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

Land - Leasehold is amortised over the tenure of lease.

Capital Work-in-Progress - All direct expenses incurred for acquiring and erecting fixed assets including interest on borrowed funds are shown under capital work-in-progress.

(c) **Investments :**

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline, other than of temporary nature.

(d) **Borrowing Cost**

Borrowing cost relating to the acquisition / construction of fixed assets are capitalised as part of cost of such assets till such time the assets are ready for their intended use.

(e) **Revenue Recognition**

(i) Income from Sale of Power is recognized on the basis of meter reading recorded and confirmed by the Electricity Board authorities upto the last month meter reading of the financial year.

(ii) Income from Sale of Entitlements from Wind Farm Projects are accounted for as and when sold.

(iii) Income on Inter Corporate Deposits is accounted for on time accrual basis

(f) It is the policy of the Company to provide for all expenses on accrual basis.

(g) **Impairment of Assets**

If the carrying amount of fixed 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.

(h) **Retirement Benefits**

(i) The Company has covered its gratuity liabilities

with Life Insurance Corporation of India. Any amount payable to the employee in the year of separation in excess of amount received from LIC is charged off to revenue.

(ii) The Company has made necessary provisions as per actuarial valuation for leave encashment and other retirement benefits wherever required as per Accounting Standard 15 under Companies (Accounting Standards) Rules.

(i) **Taxation**

Provision for current income tax is made on the basis of taxable income for the year as determined as per the provisions of the Income Tax Act, 1961.

Deferred income tax is accounted for by computing the tax effect on timing differences which arise during the year and capable of reversal in subsequent periods.

(j) **Lease**

In respect of assets given on operating lease, the company has followed Accounting Standard - 19 on Leases issued under Companies (Accounting Standards) Rules.

(k) **Foreign Currency Transaction:**

The transactions in foreign currency are accounted at exchange rate prevailing on the date of transaction. Money items denominated in foreign currency outstanding at the year end are translated at the year end exchange rate and the unrealised exchange gain or loss is recognized in the profit and loss account.

2 Pursuant to the scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956, sanctioned by The Honorable High Court of Bombay on 29th October 2010, the Power Business Undertaking of Weizmann Limited was demerged into the Resultant Company - Karma Wind Power Limited w.e.f 1st April, 2010. Accordingly, the Assets and Liabilities of the said Power Business Undertaking as at 1st April, 2010 stands vested in the Company and the transactions post 1st April, 2010 have been incorporated in the accounts of the Company. Consequently, the figures for the year are not comparable with those of the previous year. Further the name of the company was changed from Karma Wind Power Limited to Karma Energy Limited as per fresh Certificate of Incorporation issued by Registrar of Companies, Maharashtra on 29th December, 2010.

3 As per the subject Composite Scheme of Arrangement the company issued and allotted 1,15,14,357 Equity Shares in the proportion of two equity shares of face value of Rs.10/- each for every three Equity Shares held by the shareholders in the Demerged Company Weizmann Limited.

4 **Remuneration to Auditors**

	31.03.2011	31.03.2010
	(Rs. in Lakh)	
Audit Fees	2.21	0.11
Others	-	
	2.21	0.11

5 **Contingent Liabilities**

Nil Nil

6 Details of Units Generated & Sold

	31.03.2011	31.03.2010
	(Rs. in Lakh)	
Units Generated (Net) & Sold - KWh	345.20	Nil
Sale Value of Generation	1,339.43	Nil

- 7 (a) **Earnings in Foreign Exchange** 153.38 Nil
 (b) **Expenditure in Foreign Exchange** Nil Nil
- 8 Estimated amount of contracts remaining to be executed on capital account not provided for [Net of Advances] Rs 131.07 Lakh [Previous Year Rs. Nil]
- 9 Disclosures required under Accounting Standard 15 "Employee Benefits as per Companies (Accounting Standards) Rules 2006 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.

Reconciliation of changes in Defined (Rs in Lakh)
Benefit Obligation

Present Value of obligations as at beginning of year	-
Interest Cost	-
Current Service Cost	-
Benefits Paid	-
Actuarial (Gain) / Loss on obligations	61.61
Present Value of obligations as at end of year	61.61

Reconciliation of changes in Fair Value of Plan Assets

Fair Value of plan assets at beginning of year	-
Expected return on plan assets	-
Contributions	-
Benefits Paid	-
Actuarial Gain / (Loss) on Plan assets	-
Fund Transfer from Greenweiz Gratuity Fund A/c	22.18
Fair Value of plan assets at the end of year	22.18

Reconciliation of Fair value of Assets & Obligations

Fair Value of plan assets at beginning of year	-
Actual return on plan assets	-
Contributions	-
Benefits Paid	-
Fund Transfer from Greenweiz Gratuity Fund A/c	22.18
Fair value of plan assets at the end of year	22.18
Funded status	(39.43)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	-

Actuarial Gain/Loss recognized

Actuarial (Gain) / Loss on obligations	(61.61)
Actuarial (Gain) / Loss for the year - plan assets	-
Actuarial (Gain) / Loss on obligations	61.61
Actuarial (Gain) / Loss recognized in the year	61.61

The amounts to be recognized in the balance sheet

Present Value of obligations as at the end of year	61.61
Fair Value of plan assets as at the end of the year	22.18

Funded Status (39.43)

Net Asset / (Liability) recognized in balance sheet 39.43

Expenses Recognised during the year

Current Service cost	-
Interest Cost	-
Expected return on plan assets	-
Net Actuarial (Gain) / Loss recognized in the year	61.61
Fund Transfer from Greenweiz Gratuity Fund A/c	(22.18)
Liability Transferred from Greenweiz Projects Ltd on transfer of employees	(32.52)
Expenses recognised in statement of Profit and loss	6.91

Actuarial Assumptions

Discount Rate	8.00%
Salary Escalation	4.00%

- 10 Based on Information of status of suppliers to the extent received by the company there are no Small Scale Industrial undertakings included in Sundry Creditors 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.

- 11 There are no amounts due and outstanding to be credited to Investors, Education and Protection fund as at 31.03.2011

12 Remuneration to Directors

	31.03.2011	31.03.2010
	(Rs. in Lakh)	
Salary and Allowances	4.18	N.A.
Contribution to Provident Fund	0.48	N.A.
Other Perquisites	1.20	N.A.
	5.86	N.A.

Since no commission is paid/payable to any of the Directors of the Company, computation of profits u/s 349 of the Companies Act, 1956 is not given.

- 13 In respect of balances of Sundry Creditors / Debtors, Loans and Advances, Banks and Unsecured Loans / Inter Corporate Deposits confirmations were not received by the Company in few cases. In the opinion of management the balances as appearing in the books are fully payable / realisable, as the case may be, in the normal course of business.

- 14 Disclosure as per clause 32 of the Listing Agreement

(a) Loans and Advances to Subsidiary Companies

(Rs in Lakh)

Name of the Subsidiary Company	As at 31.03.2011	Maximum Balance O/s during the year
Almi Hydro Electric Projects Limited	37.63	37.63
Batot Hydro Power Limited	760.59	760.59
Joiner Hydro Power Projects Limited	38.13	38.13

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(b) Loans and Advances to Associate Companies

(Rs in Lakh)

Name of the Associate Company	As at 31.03.2011	Maximum Balance O/s during the year
Weizmann Energy Limited	2.01	2.01

(c) Loans and Advances to Companies / Firms in which Directors are interested (Excluding Subsidiary and Associate Companies)

(Rs in Lakh)

Name of the Company	As at 31.03.2011	Maximum Balance O/s during the year
Advitiya Power Ventures Private Ltd.	1.51	1.51
Weizmann Limited	Nil	37.23
Windia Infrastructure Finance Limited	9.66	14.25

d) Investment by the Loanee in the shares of Parent and Subsidiary Company

Name of the Company	No. of Shares Held 31.03.2011 (Rs in Lakh)
Windia Infrastructure Finance Limited <u>In Subsidiary Company</u>	2180470
Windia Infrastructure Finance Limited (in Batot Hydro Power Ltd)	3034500
Windia Infrastructure Finance Limited (in Greenweiz Projects Ltd)	221500

15 **Deferred Tax**

The breakup of Net Deferred Tax Liability as on 31.03.2011 is as under:-

(Rs in Lakh)

	31.03.2011	31.03.2010
Deferred Tax Liabilities		
Difference between Book and Tax Depreciation	2,396.17	-
Sub Total (a) ==>	2,396.17	-
Deferred Tax Assets		
Unabsorbed Depreciation	55.07	-
Brought Forward Business Loss	0.17	-
Others	28.22	-
Sub Total (b) ==>	83.46	-
Net Deferred Tax Liability (a - b)	2,312.71	-

16 Windmills have been given on operating lease for a tenure of 8 years and lease rentals are charged on the basis of agreed rate of interest - Lease Rental receivable as of 31.03.2011 are as follows:-

(Rs in Lakh)

Particulars	31.03.2011	31.03.2010
i) Receivable not later than one year	363.06	-
ii) Receivable later than one year but not later than five years	1,452.24	-
iii) Receivable later than five years	726.12	-

17 **Earnings Per Share**

(Rs in Lakh)

	31.03.2011	31.03.2010
Profit After Tax	79.55	(0.23)
Weighted Average number of Equity Shares	11564357	50000
The Nominal Value Per Ordinary Share	10	10
Earnings Per Share (Basic & Diluted)	0.69	(0.46)

18 Related Party Disclosures for the year ended 31.03.2011.

In accordance with the "Accounting Standard 18 – Related Party Disclosure" as per Companies (Accounting Standards) Rules, the Company has compiled and certified the required information as stated below:

A. Related Party and their Relationship

Subsidiaries	Joint Ventures
Almi Hydro Electric Projects Limited Baledh Energy Projects Limited Batot Hydro Power Limited Brahmanvel Energy Limited Greenweiz Projects Limited Joiner Hydro Power Projects Limited Khandesh Energy Projects Limited Vajharpada Energy Limited	Weizmann Energy Ltd

Key Management Personnel

Mr. Ganesh N. Kamath
Managing Director

B. Transactions with the related Parties (including transactions which are more than 10% of the total transactions of the same type with related parties)

(Rs in Lakh)

Nature of Transaction	Subsidiaries	Associates	Key Management Personnel	Total
INCOME / RECEIPTS				
Interest	3.16	0.01	-	3.17
Almi Hydro Electric Projects Limited	0.14	-	-	0.14
Batot Hydro Power Limited	2.88	-	-	2.88
Joiner Hydro Power Projects Limited	0.14	-	-	0.14
Weizmann Energy Limited	-	0.01	-	0.01

B. Contd.....

(Rs in Lakh)

Nature of Transaction	Subsidiaries	Associates	Key Management Personnel	Total
EXPENDITURE / PAYMENTS				
Operation & Maintenance Expenses	64.36	-	-	64.36
Greenweiz Projects Limited	64.36	-	-	64.36
Remuneration	-	-	5.86	5.86
G. N. Kamath	-	-	5.86	5.86
FINANCE				
Loans Given	836.35	2.01	-	838.36
Almi Hydro Electric Projects Limited	37.63	-	-	37.63
Batot Hydro Power Limited	760.59	-	-	760.59
Joiner Hydro Power Projects Limited	38.13	-	-	38.13
Weizmann Energy Limited	-	2.01	-	2.01
Subscription to Equity	-	45.00	-	45.00
Weizmann Energy Limited	-	45.00	-	45.00
Advances Given	78.00	-	-	78.00
Greenweiz Projects Limited	78.00	-	-	78.00
OUTSTANDINGS				
Debtors	90.33	-	-	90.33
Almi Hydro Electric Projects Limited	2.05	-	-	2.05
Baledh Energy Projects Limited	0.18	-	-	0.18
Batot Hydro Power Limited	13.45	-	-	13.45
Brahmanvel Energy Limited	3.42	-	-	3.42
Greenweiz Projects Limited	68.03	-	-	68.03
Joiner Hydro Power Projects Limited	2.05	-	-	2.05
Khandesh Energy Projects Limited	1.15	-	-	1.15
Creditors	1.38	-	-	1.38
Greenweiz Projects Limited	1.38	-	-	1.38
Loans & Advances	836.35	2.01	-	838.36
Almi Hydro Electric Projects Limited	37.63	-	-	37.63
Batot Hydro Power Limited	760.59	-	-	760.59
Joiner Hydro Power Projects Limited	38.13	-	-	38.13
Weizmann Energy Limited	-	2.01	-	2.01

19 Joint Venture Disclosure

Jointly Controlled entity by the Company.

Name of the Company	Country of Incorporation	% of Holding
Weizmann Energy Limited	India	50%

Interests in Assets, Liabilities, Income and Expenses with respect to Jointly Controlled Entity

 (Rs in Lakh)
31.03.2011
Particulars
ASSETS

Fixed Assets	46.01
Investments	-
Current Assets, Loans & Advances	1.72
Sundry Debtors	-
Cash and Bank Balances	1.67
Loans and Advances	0.05
Miscellaneous Expenditure	-

LIABILITIES

Loan Funds	2.19
Secured Loans	-
Unsecured Loans	2.19
Current Liabilities and Provisions	0.13
Liabilities	0.13
Provisions	-
Deferred Tax	-

INCOME

Sales and Operating Income	-
Other Income	-

EXPENSES

Operating Expenses	0.98
Finance Charges	0.01
Depreciation	0.20
Preliminary Expenses written off	-
Provision for Taxation	-

20 Segment Information

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

- 21 Previous year's figures have been regrouped / reclassified wherever necessary to confirm to this financial year's classification. Further since the current year figures are post effect of composite scheme of arrangement referred in Note 2 to Notes to Accounts the figures are not comparable with the previous year.

Signatures to the Schedules A to Q forming part of the Abridged Balance Sheet as at 31.03.2011 and Abridged Profit & Loss Account for the period ended 31.03.2011.

As per our Report of even date attached

 For and on behalf of the Board
 For U. B. Sura & Co.
 Chartered Accountants

 For Shyam C. Agarwal Co.
 Chartered Accountants

 D. G. Siraj
 (Chairman)

 G. N. Kamath
 (Managing Director)

 T. V. Subramanian
 (Company Secretary)

 U. B. Sura
 Proprietor
 Membership No. 32026
 FR No. 110620W
 Place : Mumbai
 Date : 11.08.2011

 Shyam C. Agarwal
 Proprietor
 Membership No. 31774
 FR No. 110243W

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Pursuant to Part IV of Schedule VI to the Companies Act, 1956)

1 Registration Details :	
Registration No.	U31101MH2007PLC168823 State Code : 11
Balance Sheet Date	31 3 2011
	Date Month Year
2 Capital raised during the year	(Amount in Rs. Thousands)
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
3 Position of Mobilisation and Deployment of funds	(Amount in Rs. Thousands)
Total Liabilities	1,217,512
Total Assets	1,217,512
Sources of Funds:	
Paid-up Capital	115,644
Reserves & Surplus	308,676
Secured Loans	399,133
Unsecured Loans	162,788
Deferred Tax Liability	231,271
Application of Funds:	
Net Fixed Assets	776,211
Investments	311,080
Net Current Assets	130,221
Misc. Expenditure	-
Deferred Tax Asset	-
Accumulated Losses	-
4 Performance of Company	(Amount in Rs. Thousands)
Turnover	176,137
Total Expenditure	168,897
Profit Before Tax	7,239
Profit After Tax	7,955
Earning Per Share in Rs.	0.69
Dividend Rate %	5.00%
5 Generic names of three Principal Products / Services of the Company	
Item Code No.	N.A.
Product Description	Generation of Power from Renewable Energy Sources

For and on behalf of the Board

D. G. Siraj
(Chairman)

G. N. Kamath
(Managing Director)

T. V. Subramanian
(Company Secretary)

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

Particulars	(Rs. in Lakh)		Vajharpada Energy Ltd	Greenweiz Projects Ltd	Khandesh Energy Projects Ltd	Joiner Hydro Power Projects Ltd.	Brahmanvel Energy Ltd	Batot Hydro Power Ltd.	Baleth Energy Projects Ltd.	Almi Hydro Electric Projects Ltd.
	01.04.2010	31.03.2011								
	w.e.f. ==>		01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010
The Financial Year of the Subsidiary Company			31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
Number of Shares in the Subsidiary Company held at the above date	50000	50000	50000	50000	50000	50000	50000	6965500	50000	50000
Extent of Holding	100%	100%	100%	100%	100%	100%	100%	69.66%	100%	100%
The net aggregate of Profits/(Losses) of the Subsidiary Companies for its financial year so far as they are concern to the members of Karma Energy Ltd dealt with in the accounts of Karma Energy Ltd for the year ended 31.03.2011:										
(a) Dealt with in the accounts of Karma Energy Ltd for the year ended 31.03.2011	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Not dealt with in the accounts of Karma Energy Ltd for the year ended 31.03.2011	(1.04)	(0.39)	(1.51)	(0.94)	(1.23)	(0.63)	(6.37)	(11.63)	(0.39)	(1.04)
The net aggregate of Profits/(Losses) of the Subsidiary Companies for its previous financial year so far as they are concern to the members of Karma Energy Ltd										
(a) Dealt with in the accounts of Karma Energy Ltd upto the year ended 31.03.2010	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Not dealt with in the accounts of Karma Energy Ltd upto the year ended 31.03.2010	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**AUDITORS' REPORT ON THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS OF
KARMA ENERGY LIMITED.**

We have examined the attached abridged Consolidated Balance Sheet of **Karma Energy Limited (Formerly Karma Wind Power Limited)** ('the Company') and its subsidiaries (together referred to as the Group) as at March 31, 2011, the related abridged consolidated Profit and Loss Account for the year ended on that date annexed thereto for the year ended on that date, together with the notes thereon. These abridged consolidated financial statements have been prepared by the Company, to the extent possible, on the basis of Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956.

These abridged consolidated financial statements are based on the consolidated financial statements of the Group for the year ended March 31, 2011, prepared on the basis of separate financial statements of constituents of the Group i.e. subsidiaries and Joint Venture of the company, in accordance with the requirements of Accounting Standard 21 – Consolidated Financial Statements, Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements and AS-27 – Financial Reporting of interests in Joint Ventures issued under the Companies (Accounting Standards) Rules, 2006 and is covered by our report of even date to the Board of Directors of the Company which report is attached herewith.

We have relied on the financial statements of certain subsidiaries which have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

For SHYAM C. AGARWAL CO.
CHARTERED ACCOUNTANTS
FR NO. 110243W

SHYAM C. AGARWAL
PROPRIETOR
MEMBERSHIP NO. 31774

PLACE: MUMBAI
DATED: 11th August, 2011

For U.B. SURA & CO.,
CHARTERED ACCOUNTANTS
FRN 110620W

U.B. SURA
PROPRIETOR
MEMBERSHIP NO: 32026

ABRIDGED CONSOLIDATED BALANCE SHEET AS AT 31.03.2011

Particulars	Rs. In Lakh As At 31.03.2011
SOURCES OF FUNDS	
SHAREHOLDERS' FUNDS	
Share Capital : Equity	1,156.44 <u>1,156.44</u>
Reserves and Surplus :	
Capital Reserve	67.51
General Reserve	3,074.95
Revaluation Reserve	-
Surplus in Profit and Loss Account	(1.75)
Group Share in Joint Venture	<u>(2.10)</u>
	3,138.61
Sub Total	<u>4,295.05</u>
Minority Interest	617.98
LOAN FUNDS :	
Secured Loans (other than debentures)	5,388.78
Unsecured Loans	<u>2,012.15</u>
Sub Total	<u>7,400.93</u>
Deferred Tax Liability (Net)	2,311.17
Total	<u><u>14,625.13</u></u>
APPLICATION OF FUNDS	
FIXED ASSETS :	
Net Block - (Original cost less depreciation)	10,138.50
Capital Work in progress	<u>3,649.37</u>
Group Share in Joint Venture	-
	<u>13,787.87</u>
INVESTMENTS :	
Government Securities	
Investment in Subsidiary Companies :	
Quoted	-
Unquoted	-
Others :	
Quoted	-
Unquoted	<u>318.11</u>
	318.11
CURRENT ASSETS, LOANS AND ADVANCES :	
Inventories	322.29
Sundry Debtors	1,451.20
Cash and Bank Balances	275.34
Other Current Assets	<u>295.50</u>
Loans and Advances :	
To Subsidiary Companies	-
To Others	35.43
Inter Corporate Deposits	
Deposits	66.80
Income Tax and Tax Deducted At Source	28.83
Group Share in Joint Venture	<u>0.05</u>
Sub Total	<u>2,475.44</u>
Less :	
CURRENT LIABILITIES & PROVISIONS :	
Liabilities	1,856.01
Provisions	100.17
Group Share in Joint Venture	<u>0.13</u>
Sub Total	<u>1,956.31</u>
Net Current Assets	<u>519.13</u>
Miscellaneous Expenditure	-
Total	<u><u>14,625.13</u></u>

Refer notes forming part of Abridged Consolidated Accounts
Compiled from the Consolidated Audited Accounts of the Company
referred to in our report dated 11.08.2011

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal Co.
Chartered Accountants

For and on behalf of the Board

D. G. Siraj
(Chairman)

U. B. Sura
Proprietor
Membership No. 32026
FR No. 110620W
Place : Mumbai
Date : 11.08.2011

Shyam C. Agarwal
Proprietor
Membership No. 31774
FR No. 110243W

G. N. Kamath
(Managing Director)

T. V. Subramanian
(Company Secretary)

ABRIDGED CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

Particulars	Rs. In Lakh Current Year 31.03.2010
INCOME	
Sales / Services Rendered :	
Income - Power Generation	1,377.54
Income - Sale of Entitlements from Wind Farm	153.38
Income - Wind Farm Business	139.41
Income - Lease Rent	44.00
Dividend	0.05
Interest	223.44
Other Income	3.29
Inter Division Income	-
Total	<u><u>1,941.11</u></u>
EXPENDITURE	
Cost of Goods Consumed / Sold :	
Opening Stock	-
Purchases	-
Less : Closing Stock	-
	-
Manufacturing Expenses	281.39
Selling and Administration Expenses	233.15
Salaries, Wages and Other Employee Benefits	153.97
Interest	437.62
Depreciation	781.27
Auditor's Remuneration	3.57
Total	<u><u>1,890.98</u></u>
Profit Before Exceptional Items	<u>50.13</u>
Exceptional Items	-
Profit / (Loss) Before Tax	<u>50.13</u>
Provision for Taxation	(1.43)
Net Profit / (Loss) After Tax before share of Profit / (Loss) of Associates and Minority Interest	<u>51.56</u>
Share of Profits / (Losses) of Associates for the year	-
Balance of Profit before Minority Interest	<u>51.56</u>
Minority Share	(6.66)
Add : Balance Brought Forward	<u>5.13</u>
Accumulated Profits / (Losses) of Associates for earlier years reversed	-
Balance available for appropriation	<u>63.35</u>
APPROPRIATIONS	
Proposed Dividend -Equity Shares @ 5% [Prev. Year Nil]	57.82
Dividend Tax	9.38
Balance Carried to Balance Sheet	(3.85)
	<u>63.35</u>
Earnings Per Share	
Basic	0.45
Diluted	0.45

Refer notes forming part of Abridged Consolidated Accounts
Compiled from the Consolidated Audited Accounts of the Company
referred to in our report dated 11.08.2011

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal Co.
Chartered Accountants

For and on behalf of the Board

D. G. Siraj
(Chairman)

G. N. Kamath
(Managing Director)

T. V. Subramanian
(Company Secretary)

U. B. Sura
Proprietor
Membership No. 32026
FR No. 110620W
Place : Mumbai
Date : 11.08.2011

Shyam C. Agarwal
Proprietor
Membership No. 31774
FR No. 110243W

NOTES TO THE CONSOLIDATED ABRIDGED BALANCE SHEET AS AT 31.03.2011 AND CONSOLIDATED ABRIDGED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

1 Significant Accounting Policies :

(a) Basis of Preparation

The consolidated financial statements relate to Karma Energy Limited and its subsidiary Companies has been prepared under the historical cost convention and comply with accounting standards in all material respects.

(b) Basis of Consolidation

i The consolidated financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard (AS-21) "Consolidated Financial Statements", Accounting Standard 23(AS-23) "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27(AS-27) "Financial Reporting of Interests in Joint Ventures" under Companies (Accounting Standards) Rules.

ii As far as possible consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as holding company's separate financial statement except as provided under para f(iv). the impact thereof on accounts is not material.

(c) Income

i Income from Sale of Power is recognized on the basis of meter reading recorded and confirmed by the Electricity Board authorities upto the last month of the financial year.

ii Interest Income is accounted for on time accrual basis.

(d) Expenditure

It is the policy of the Company to provide for all expenses on accrual basis.

(e) Fixed Assets

Fixed Assets are stated at cost of acquisition including finance cost during the construction period and other directly attributable costs to bring the assets to its working condition for its intended use.

(f) Depreciation

i Depreciation on assets is provided on the straight line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

ii Land - Leasehold is amortised over the tenure of lease.

iii Capital Work-in-Progress - All direct expenses incurred for acquiring and erecting fixed assets including interest on borrowed funds are shown under capital work-in-progress.

iv The depreciation of fixed assets of a subsidiary company is provided for on WDV method at the rates specified in Schedule XIV of the Companies Act 1956.

(g) Investments

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline, other than of temporary nature.

(h) Inventories

Inventories held by the Company are valued at lower of cost or net realisable value.

(i) Amortization of Miscellaneous Expenditure

The preliminary expenses incurred is charged to revenue in the year of incurrence itself in accordance with Accounting Standard 26 under Companies (Accounting Standards) Rules on Intangible Assets.

(j) Employee Benefits

(i) The Company has covered its gratuity liabilities with Life Insurance Corporation of India. Any amount payable to the employee in the year of separation in excess of amount received from LIC is charged off to revenue. Wherever applicable the present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet dates, having the maturity periods approximating to the terms of related obligations.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligations on the net basis.

(ii) The Company has made necessary provisions as per actuarial valuation for leave encashment and other retirement benefits wherever required as per Accounting Standard 15 under Companies (Accounting Standards) Rules.

(k) Taxation

Provision for current income tax is made on the basis of taxable income for the year as determined as per the provisions of the Income Tax Act, 1961.

Deferred income tax is accounted for by computing the tax effect on timing differences which arise during the year and capable of reversal in subsequent periods.

(l) Lease

In respect of assets given on operating lease, the company has followed Accounting Standard - 19 on Leases issued under Companies (Accounting Standards) Rules.

(m) Foreign Currency Transaction:

The transactions in foreign currency are accounted at exchange rate prevailing on the date of transaction. Money items denominated in foreign currency outstanding at the year end are translated at the year end exchange rate and the unrealised exchange gain or loss is recognized in the profit and loss account.

- 2 Pursuant to the scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956, sanctioned by The Honorable High Court of Bombay on 29th October,2010, the Power Business Undertaking of Weizmann Limited stands demerged into the Resultant Company - Karma Wind Power Limited w.e.f 1st April,2010 .Accordingly, the Assets and Liabilities of ther said Power Business Undertaking as at 1st April,2010 stands vested in the Company and the transaction post 1st April,2010 have been incorporated in the accounts of the Company . Consequently, the figures for the year are not comparable with those of the previous year. Further the name of the company was changed from Karma Wind Power Limited to Karma Energy Limited as per fresh Certificate of Incorporation issued by Registrar of Companies, Maharashtra on 29th December, 2010.
- 3 As per the subject Composite Scheme of Arrangement the company issued and allotted 1,15,14,357 Equity Shares in the proportion of two equity shares of face value of Rs.10/- each for every three Equity Shares held by the shareholders in the Demerged Company Weizmann Limited.

31.03.2011
(Rs. in Lakh)

- 4 Contingent Liabilities -
- 5 (a) **Earnings in Foreign Exchange** 153.38
(b) **Expenditure in Foreign Exchange** -
- 6 Estimated amount of contracts remaining to be executed on capital account not provided for [Net of Advances] Rs. 322.50 Lakh [Previous Year Rs. Nil]
- 7 Windmills have been given on operating lease for a tenure of 8 years and lease rentals are charged on the basis of agreed rate of interest - Lease Rental receivable as of 31.03.2011 are as follows:

(Rs in Lakh)

Particulars	31.03.2011
i) Receivable not later than one year	363.06
ii) Receivable later than one year but not later than five years	1,452.24
iii) Receivable later than five years	726.12

8 Investment in Subsidiaries

Sr. No.	Name of the Entity	Country of Incorporation	% of Holding
1	Almi Hydro Electric Projects Limited	India	100.00
2	Baledh Energy Projects Limited	India	100.00
3	Batot Hydro Power Limited	India	69.66
4	Brahmanvel Energy Limited	India	100.00
5	Greenweiz Projects Limited	India	55.21
6	Joiner Hydro Power Projects Limited	India	100.00
7	Khandesh Energy Projects Limited	India	100.00
8	Vajharpada Energy Limited	India	55.21

Key Management Personnel - Mr. Ganesh N. Kamath - Managing Director of Holding Company

Interest in Joint Ventures

The Group's interests in jointly controlled entity of the Group is

Sr. No.	Name of the Entity	Country of Incorporation	% of Holding
1	Weizmann Energy Limited	India	50

9 Deferred Tax

The breakup of Net Deferred Tax Liability as on 31.03.2011 is as under:-

(Rs in Lakh)

	31.03.2011
Deferred Tax Liabilities	
Difference between Book and Tax Depreciation	2,404.14
Sub Total (a) ==>	2,404.14
Deferred Tax Assets	
Unabsorbed Depreciation	55.07
Brought Forward Business Loss	0.17
Others	37.73
Sub Total (b) ==>	92.97
Net Deferred Tax Liability (a - b)	2,311.17

10 Earnings Per Share

(Rs in Lakh)

	31.03.2011
Profit After Tax	51.56
Weighted Average number of Equity Shares	11564357
The Nominal Value Per Ordinary Share	10
Earnings Per Share (Basic & Diluted)	0.45

11 Related Party Disclosures for the year ended 31.03.2011

In accordance with the "Accounting Standard 18 – Related Party Disclosure" as per Companies (Accounting Standards) Rules, the Company has compiled and certified the required information as stated below:

A Related Party and their Relationship

Key Management Personnel
Mr. Ganesh N. Kamath - Managing Director

B Transactions with the related Parties (including transactions which are more than 10% of the total transactions of the same type with related parties)

(Rs in Lakh)

Nature of Transaction	Key Management Personnel
Remuneration	5.86
G. N. Kamath	5.86

12 Segment Information

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

- 13 Previous year's figures have been regrouped / reclassified wherever necessary to confirm to this financial year's classification. Further since consolidation of financial statements is applicable to the company for the first time, cash flow statement has not been compiled, the previous year's figures have not been given.

Signatures to the Notes to the Accounts forming part of the **Consolidated Abridged Balance Sheet as at 31.03.2011** and **Consolidated Abridged Profit & Loss Account for the year ended 31.03.2011**.

As per our Report of even date attached

For and on behalf of the Board

For U. B. Sura & Co.
Chartered Accountants

For Shyam C. Agarwal Co.
Chartered Accountants

D. G. Siraj
(Chairman)

U. B. Sura
Proprietor
Membership No. 32026
FR No. 110620W
Place : Mumbai
Date : 11.08.2011

Shyam C. Agarwal
Proprietor
Membership No. 31774
FR No. 110243W

G. N. Kamath
(Managing Director)
T. V. Subramanian
(Company Secretary)

FINANCIAL PARTICULARS OF SUBSIDIARY COMPANIES FOR FINANCIAL YEAR 2010-2011 REQUIRING DISCLOSURE AS PER TERMS OF EXEMPTION FROM ATTACHMENT OF ANNUAL ACCOUNTS OF THE SUBSIDIARIES GRANTED BY THE MINISTRY OF CORPORATE AFFAIRS AS PER THEIR CIRCULAR
(Rs. in Lakh)

Particulars	Paid-up Share Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
Almi Hydro Electric Projects Ltd	5.00	-	52.67	52.67	-	0.17	(1.04)	-	(1.04)	-
Baledh Energy Projects Ltd	5.00	-	46.04	46.04	-	-	(0.39)	-	(0.39)	-
Batot Hydro Power Ltd	1,000.00	-	2,595.08	2,595.08	-	0.05	(11.63)	-	(11.63)	-
Brahmanvel Energy Ltd	5.00	7.90	75.69	75.69	-	-	(1.51)	-	(1.51)	-
Joiner Hydro Power Projects Ltd	5.00	-	50.18	50.18	-	0.19	(0.94)	-	(0.94)	-
Khandesh Energy Projects Ltd	5.00	5.92	39.20	39.20	-	-	(1.23)	-	(1.23)	-
Greenweiz Projects Ltd	495.00	228.54	226.65	226.65	497.11	215.15	(0.63)	5.74	(6.37)	-
Vajharpada Energy Ltd	5.00	-	7.69	7.69	-	-	(0.63)	-	(0.63)	-



Registered Office: Empire House, 214, Dr. D.N. Road, Ent. A.K. Nayak Marg, Fort, Mumbai- 400 001.

ATTENDANCE SLIP

I, hereby record my presence at the 4TH ANNUAL GENERAL MEETING of KARMA ENERGY LTD. held at M. C. Ghia Hall, 4th Floor, Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001, at 3.30 p.m. on Friday 30th September, 2011.

_____	_____
Full Name of the Shareholder (in block letters)	Signature of Shareholder
_____	_____
Folio No./DP-ID & Client ID No.	No. of shares held
_____	_____
Full Name of Proxy (in block letters)	Signature of Proxy

Note : Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.



Registered Office: Empire House, 214, Dr. D.N. Road, Ent. A.K. Nayak Marg, Fort, Mumbai- 400 001.

REGD. FOLIO NO. _____

DPID.* _____

Client ID.* _____

NO. OF SHARES HELD : _____

PROXY FORM

I/We, _____ of _____

being a member/members of above named Company. hereby appoint _____

_____ of _____ or failing him/her _____

of _____ as my / our proxy to vote for me / us and on my / our behalf at

the 4TH ANNUAL GENERAL MEETING of KARMA ENERGY LTD. to be held on Friday, 30th September, 2011. at 3.30 p.m.

and at any adjournment thereof.

*Affix
Re. 1
Revenue
Stamp*

Signed this _____ day of _____ 2011

Signature of Shareholder(s)

*Applicable for investors holding shares in electronic form

Note : The Proxy form must be deposited at the Registered Office of the Company at Empire House 214, Dr. D. N. Road, Ent., A.K. Nayak Marg, Fort, Mumbai - 400 001 not later than 48 hours before the time of holding the meeting. The Proxy need not be a member of the Company.

BOOK-POST

If Undelivered please return to:

KARMA ENERGY LIMITED
Empire House (Basement),
214, Dr. D. N. Road,
Ent. A. K. Nayak Marg, Fort,
Mumbai - 400 001.
