

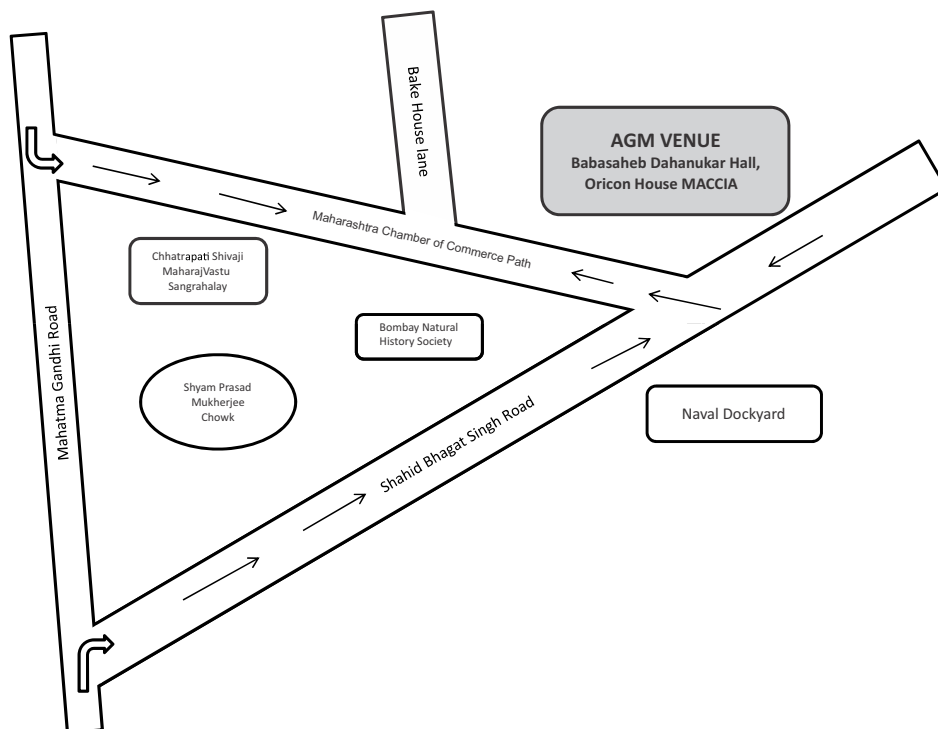


12th Annual Report 2018-2019



Road Map for Venue of Annual General Meeting of Karma Energy Limited

Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce,
Oricon House, 6th Floor, Kalaghoda, Fort, Mumbai - 400 001.



GO - GREEN IMPORTANT REQUEST

Thank you for being a shareholder of Karma Energy Limited (the "Company").

Shareholders are requested to be part of the green initiative and avail copies of Annual Report and other intimations electronically through email and hence request your contact details so that communications from the Company reach to the shareholders appropriately. Please note this information is critical to receive timely notices and dividend information from the company

Request you to kindly update your following contact details by **forwarding a signed statement / image by an email** to Investorshelpdesk@weizmann.co.in or **whatsapp to +91 9619988359**

Please find below your details as required by the Company.

Name: _____

Address: _____

Email ID: _____ Telephone Number: _____

Folio No: _____ No. of shares: _____

Signature

First / Sole Holder

Signature

Second / Joint Holder

BOARD OF DIRECTORS

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

BANKERS

HDFC Bank
UCO Bank

AUDITORS

M/s Batliboi & Purohit, Chartered Accountants

REGISTERED OFFICE

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

WIND POWER PLANTS

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

CONTENTS

	Page No.
Notice.....	2
Director's Report.....	6
Report on Corporate Governance.....	16
Certificate on Corporate Governance	21
Management Discussions & Analysis Report.....	23
Auditor's Report on Financial Statements.....	24
Balance Sheet.....	28
Profit & Loss Accounts.....	29
Cash Flow Statement.....	30
Notes to Financial Statements	33
Auditors' Report on Consolidated Financial Statements	46
Consolidated Balance Sheet.....	48
Consolidated Profit & Loss Account.....	49
Consolidated Cash Flow Statement.....	50
Notes to the Consolidated Financial Statements	53
Additional Disclosure under Schedule III of Companies Act, 2013.....	66
Statement u/s 129 (3) of the Companies Act, 2013	67
Proxy Form	68
Attendance Slip	69

12th ANNUAL GENERAL MEETING OF KARMA ENERGY LIMITED

on

Tuesday, 6th August, 2019 at 3.00 p.m.

at

Babasaheb Dahanukar Hall,
Maharashtra Chamber of Commerce,
Oricon House, 6th Floor,
Maharashtra Chamber of Commerce Path,
Kalaghoda, Fort, Mumbai - 400 001

REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.
1st Floor, Bharat Tin Works Bldg.,
Opp. Vasant Oasis, Makwana Road, Marol,
Andheri (East), Mumbai 400 059
Tel No.: (022) 62638200 Fax No.: (022) 62638299
Email : investor@bigshareonline.com

“Shareholders are requested to be part of the green initiative and avail copies of Annual Report and other intimations like notices and dividend information electronically through email and hence request you to kindly update your following contact details by forwarding a signed statement / image by an email to investorshelpdesk@weizmann.co.in or whatsapp to +91 9619988359. The details required are Name, Address, Email Id, Telephone, Folio No., Number of shares”

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of **KARMA ENERGY LIMITED** will be held on Tuesday, August 6, 2019 at 3.00 p.m. at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, 6th Floor, Oricon House, Kala Ghoda, Mumbai – 400 001 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2019 on standalone and consolidated basis and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Neelkamal V. Siraj (holding DIN 00021986), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To re-appoint Shri Kishore M. Vussonji as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Kishore M. Vussonji (DIN: 00444408), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years until the conclusion of the Annual General Meeting of 2024."

"RESOLVED FURTHER THAT pursuant to provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from April 1, 2019 and other applicable provisions, if any, as amended from time to time, consent of the Members be and is hereby accorded for continuance of the Directorship of Shri Kishore M. Vussonji (DIN: 00444408), presently aged 73 years and who would attain 75 years post September, 2021 during the second term of 5 years, as a Non-Executive Independent Director of the Company as long as he continues in the office of Director of the Company on the existing terms and conditions; subject to the provisions, rules and regulations of Companies Act 2013 and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or of any other appropriate authorities, as may be applicable, and as amended from time to time."

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

RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force, read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the re-appointment of Shri Ganesh N. Kamath (holding DIN : 00040805), who was re-appointed as Managing Director by the Board of Directors with effect from 1st December, 2018 under the Articles of Association of the Company for a term of 1 year effective from 1st December, 2018, on the terms and conditions of appointment and remuneration as contained in the agreement entered into between the company and Shri Ganesh N. Kamath and the Board of Directors be and are hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Shri Kamath.

By Order of the Board

T. V. Subramanian

CFO & Company Secretary

Place : Mumbai

Date : 27th May, 2019

NOTES :

- 1) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto
- 2) 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.

- 3) In terms of Section 152 of the Companies Act, 2013, Shri Neelkamal V. Siraj (DIN : 00021986) Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors of the Company recommends re-appointment of Shri Neelkamal V. Siraj.

- 4) Information of Directors recommended for re-appointment at the Annual General Meeting in terms of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms integral part of the notice. The Directors have furnished the requisite declarations for their re-appointment.
- 5) The Register of Members and Share Transfer Books of the Company will be closed on July 30, 2019 for the purpose of Annual General Meeting.
- 6) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Bigshare Services Private Limited for assistance in this regard.
- 7) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Bigshare Services Private Ltd in case the shares are held in physical form.
- 8) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
- 9) Information on Directors recommended for appointment / re-appointment at the Annual General Meeting in terms of Regulation 39(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
- 10) Members holding shares in physical form are advised to avail the Nomination facility in respect of their shares by filling the prescribed form. Members holding shares in electronic form may contact their DP for recording their nomination.
- 11) The Annual Report for 2019 can be accessed from company's website www.karmaenergy.co by all the members. The members whose email IDs are registered with the Company / Depository Participant(s) as part of the green initiative would be receiving email for e-voting from NSDL wherein link to Company's website for accessing Annual Report would be available. However such members, on their request for a hard copy of the Annual Report, would be provided at free of cost. For members who have not registered their email address, physical copies of the Annual Report for 2019 is being sent in the permitted mode.
- 12) Electronic copy of the Notice of the 12th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy Form is being sent to all the members whose email ids are registered with the company / depository participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 12th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip and Proxy form is being sent in the permitted mode.
- 13) **Voting Options**
 - i) Pursuant to Section 108 of Companies Act, 2013, Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the shareholders can vote on all the business to be transacted at the annual general meeting by way of any one of the following methods:
 - a) Remote e-voting i.e. the facility of casting votes by a member using an electronic voting system from a place other than venue of the annual general meeting

- b) Voting at venue of the annual general meeting through e-voting facility or poll, as will be provided by the Company
- ii. The shareholders who have cast their votes through remote e-voting shall be entitled to attend the meeting, however, shall not be eligible to cast their vote again at the venue of the annual general meeting.
- iii. In case a shareholder votes through remote e-voting as well as cast his/her vote at the venue of the meeting, then the vote cast through remote e-voting shall only be considered and the voting done at the venue of the meeting shall not be considered by the scrutinizer.
- iv. The shareholders as on the cut-off date viz. July 30, 2019 shall only be eligible to vote on the resolutions mentioned in the notice of annual general meeting.
- v. The shareholders shall have one vote per equity share held by them. The facility of voting would be provided once for every folio / client id, irrespective of the number of joint holders.
- vi. The Company has appointed Shri Martinho Ferrao, practicing company secretary, as the scrutinizer for conducting the voting process in a fair and transparent manner.
- vii. The scrutinizer will submit his final and consolidated report to the Chairman of the Company within forty eight hours after the conclusion of annual general meeting. The scrutinizer's decision on the validity of all kinds of voting will be final.
- viii. The results of annual general meeting shall be declared by the Chairman or his authorized representative or any one Director of the Company after the annual general meeting within the prescribed time limits.
- ix. The results of voting will also be placed at the website of the Company viz. www.karmaenergy.co and on NSDL website viz. www.evoting.nsdl.com and shall also be displayed at Company's registered office.

14. INSTRUCTIONS FOR REMOTE E-VOTING

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The remote e-voting period commences on 3rd August, 2019 (9:00 am) and ends on 5th August, 2019 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th July, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- IV. The process and manner for remote e-voting are as under :
How do I vote electronically using NSDL e-Voting system?
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:
Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Explanatory Statement

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mferroacs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 30th July, 2019.
- VI. Once the vote on a resolution is cast by a Member through remote e-voting, he/she/it shall not be allowed to change it subsequently or cast the vote again.
- VII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 30th July, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or lssuer/RTA.
- VIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- X. Mr. Martinho Ferrao, Practicing Company Secretary (Membership No. 6221) of M/s. Martinho Ferrao & Associates has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hrs of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any and submit to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.karmaenergy.co.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange India Limited., Mumbai.
15. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 6.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
16. Members desirous of asking any questions at the AGM are requested to send in their questions so as to reach the Company at least 10 days before the AGM, so that the same can be suitably replied.
17. The Landmark and route map to the venue of the AGM is attached and forms a part of this Notice.

The following explanatory statement sets out all the material facts relating to the Special Business under item No. 3 & 4 of the accompanying notice dated 27th May, 2019.

In respect of item No.3

Shri Kishore M. Vussonji (DIN: 00444408) was appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. He holds office as Independent Director of the Company up to the conclusion / date of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Shri Kishore M. Vussonji as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by him during his tenure, the continued association of Shri Vussonji would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Accordingly, it is proposed to re-appoint Shri Kishore M. Vussonji as Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years until the conclusion of the Annual General Meeting of 2014. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Shri Kishore M. Vussonji is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director. The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Shri Kishore M. Vussonji for the office of Independent Director of the Company. The Company has also received declaration from Shri Vussonji that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Shri Kishore M. Vussonji fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 3 are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Shri Kishore M. Vussonji is deemed to be interested in the resolutions set out respectively at Item Nos. 3, of the Notice with regard to his re-appointment. The relatives of Shri Kishore M. Vussonji may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from April 1, 2019, requires that any Non-Executive Director who has attained the age of 75 years or more cannot be appointed or continued as a Non-Executive Director in any listed company until and unless approval of Members has been obtained for the same by way of special resolution. Since Shri Kishore Vussonji, Non-Executive Independent Director of the Company would be covered under the aforesaid provision as he would attain the age of 75 years during the current term of five years, the Company is required to obtain approval of Members by way of special resolution accordingly the same is sought for continuing his Directorship in the Company, post September 18, 2021.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolution set out at Item Nos. 3 of the Notice for approval by the members.

In respect of item No.4

The Board of Directors at their meeting held on November 13, 2018 re-appointed Shri Ganesh N. Kamath as Managing Director of the Company subject to necessary approvals with effect from 1st December, 2018 for a period of one year. Shri Ganesh Kamath is a BE (Mech) from IIT, Mumbai.

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

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

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

Period of Agreement : One year from 1st December 2018
Remuneration payable :

a) Salary	: Rs.17,28,000/- p.a
b) Lease Accomodation Rent	: Rs.3,60,000/- p.a
c) Medical Reimbursement	: Rs.24,000/- p.a
d) Leave travel assistance	: Rs.36,000/- p.a
e) Provident Fund	: 12% of Basic salary i.e Rs.2,07,360/- p.a

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

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

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

None of the Directors of the company except Shri Ganesh N. Kamat are concerned in the said resolution.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item No.4 of the accompanying notice for the approval of the members.

By Order of the Board

T. V. Subramanian

CFO & Company Secretary

**Place : Mumbai
Date : 27th May, 2019**

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

Particulars	Shri Neelkamal V. Siraj	Shri Kishore M. Vussonji	Shri Ganesh N. Kamath
Date of Birth	25th June, 1953	18th September, 1946	14th September, 1942
Date of Appointment	26th August, 2010	4th March, 2011	15th March, 2007
Qualifications	Graduate in Commerce	Graduate in Commerce	BE (Mechanical)
Expertise in specific functional areas	Shri Neel kamal Siraj has over 40 years of experience in the Textile industry, with a particular focus on manufacturing, export and marketing of textile products.	Shri Kishore Madhavsingh Vussonji is a Partner with Kanga & Co. Mr. Vussonji has close to 4 decades of experience as an advocate and solicitor and specializes in Conveyance and Litigation law. He has been a Non-Executive Independent Director of the Company since March, 2011.	Shri Ganesh Kamath has over 45 years of experience in engineering industry and was associated with multi-national companies like Hindustan Lever and Johnson & Johnson, Windia Power Limited, Greenweiz Projects Limited and Karma Energy Limited in various positions in Production Management and General Management. Has done project work on Wind Electric Generators and Wind Farm Development and associated with development of the Sector for over 15 years.
Directorships held on other Public Companies (Excluding foreign companies and Section 8 companies)	- Brahmanvel Energy Ltd - Greenweiz Projects Ltd - Kaldar Energy Projects Ltd - Khandesh Energy Projects Ltd - Weizmann Corporate Services Ltd - Weizmann Ltd - Weizmann International Ltd - Weizmann Impex Service Enterprise Ltd	- Batot Hydro Power Ltd - Comfund Consulting Ltd - Goldcrest Corporation Ltd - Sunteck Realty Ltd - Krishna Ventures Ltd	- Batot Hydro Power Ltd - Joiner Hydro Power Projects Ltd - Kaldar Energy Projects Ltd - Khandesh Energy Projects Ltd - Kombai Mettu Energy Projects Ltd - Siul Baroti Hydro Projects Ltd - Supportive Insurance Brokers Ltd - Tapi Energy Projects Ltd - Vajharpada Energy Ltd
Memberships / Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders' Committee)	Nil	Shri Vussonji is the Chairman of the Audit Committee and Stakeholders Relationship Committee of Goldcrest Corporation Ltd. He is also a member of Stakeholders Relationship committee of Krishna Ventures Ltd and Karma Energy Ltd. Besides Shri Vussonji is also Chairman of the Audit Committee of Batot Hydro Power Ltd.	Nil
Number of Shares held in the Company	Nil	Nil	Nil

The aforesaid Directors are not related to any other Directors

DIRECTORS' REPORT

TO THE MEMBERS OF KARMA ENERGY LIMITED

The Directors are pleased to present this **Twelfth** Annual Report and the Audited Statement of Accounts for the year ended March 31, 2019.

1. FINANCIAL RESULTS

(₹ in lakh)

Particulars	2018-2019	2017-2018
Total Income including exceptional items	3106.65	3380.59
Profit / (Loss) Before Depreciation	(87.45)	369.73
Less : Depreciation	496.48	497.98
Profit / (Loss) Before Tax	(583.93)	(128.25)
Less : Income Tax	9.08	101.87
Less : Deferred Tax	(167.81)	(117.88)
Profit / (Loss) After Tax	(425.20)	(112.24)
Other Comprehensive Income Net of Tax	(2169.63)	1976.44
Total Comprehensive Income for the year	(2594.83)	1864.20

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

2. DIVIDEND AND RESERVES

Your Directors have not recommended dividend (previous year Rs. NIL per share) for financial year 2018-19 on account of the need to conserve the resources as the payments from the utilities have been considerably delayed in all the states where the company is selling power to state utilities.

No amounts have been transferred to Reserves during the year.

3. SHARE CAPITAL

The Paid Up Equity Capital of the Company as on 31.03.2019 is Rs.11,56,99,180/-. The company has not issued any new equity shares during the year.

4. FIXED DEPOSITS

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

5. PERFORMANCE

During the year the Total Income of the Company was Rs.3106.65 Lakh as compared to Rs.3380.59 Lakh in the previous year. The primary reason for drop is on account of the fact that there was a bumper off take of Renewable Energy Certificates (RECs) in 2017-18 when virtually the entire stock of RECs which had remained unsold for 2 to 3 years was sold in the Energy market and revenue recorded was Rs.9.33 crore against which the sale in 2018-19 is about Rs.2.21 crore

The Loss before depreciation registered was Rs.87.45 Lakh (Previous year Profit of Rs.369.73 Lakh). The Loss after Tax was Rs.425.20 Lakh (Previous year profit of Rs.112.24 Lakh). As per the IND AS other comprehensive loss for the year 2018-2019 was Rs.2169.63 Lakh (Previous year gain of Rs.1976.44 Lakh) and total comprehensive loss for the year was Rs.2594.83 Lakh (Previous Year gain of Rs.1864.20 Lakh). The company has not transferred any amount to Reserves during the year.

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

With respect to realization of generation proceeds from state utilities, there has been substantial improvement in 2018-19 as compared to the previous couple of years. As far as Company's Wind Electric Generators (WEGs) in Maharashtra is concerned, the open access approval was granted in time which facilitated sale of power to third parties and realization of the proceeds on time. However, the open access charges have been increased multiple times / new levy commenced in November 2016 as per the orders of Maharashtra State Electricity Regulatory Commission and consequently net realization has been adversely affected but sale to third party facilitates quicker realization of the generation proceeds vis-à-vis sale of power to State utility.

In respect of Company's WEGs in Tamil Nadu, there has been substantial improvement in release of payments by the state utility. However in respect of Company's WEGs in Andhra Pradesh is concerned, the rough weather continues. The generation proceeds received only at 50% of the tariff for the period January 2011 to May 2014 has been held up due to the state bifurcation with the utility of each state passing the bucks to the other necessitating the Company to file a writ petition in the jurisdictional High Court.

For two phases of 3 MW each, the Power Purchase Agreement (PPA) had expired in August 2015 and September 2016 and the Company had

approached the utilities to extend the PPA, however, the tariff offered was much less than that could be derived by applying all the applicable parameters laid down by State Electricity Regulatory Commission (APERC). The efforts of the Company before APERC failed resulting in it approaching the Appellate Tribunal for Electricity. In the meantime the state declared that they are power surplus and does not require any RE power.

Considering all the facts including the litigation process in the country being lengthy and stretching endlessly the Company agreed with the state utility to sell the power at the low tariff stipulated by them. However, the matter is still pending before APERC. Consequently no generation proceeds are being received post the expiry of the PPA though power is being generated and fed into their grid.

6. SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

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

During the year 3 companies viz. Brahmanvel Energy Ltd, Khandesh Energy Projects Ltd and Vajharpada Energy Ltd. ceased to be the subsidiaries of Karma Energy Limited.

Greenweiz Projects Limited is in the business of carrying out operation & maintenance of wind farms.

Batot Hydro Power Limited is operating its 3.5 MW small hydro power Project. The hydro power generation in 2018-19 was at 122.74 lakh units as against 103.37 lakh units in the previous year reflecting an 18% increase. The loss before tax was Rs.123.70 lakh as against a loss of Rs.54.87 lakh in the previous year.

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

During the year Weizmann Corporate Services Ltd and Baledh Energy Projects Limited ceased to be the associate of Karma Energy Limited.

7. DIRECTORS AND KEY MANAGEMENT PERSONNEL

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

The Managing Director of the company Mr. G N Kamath was re-appointed for a period of one year with effect from 1st December 2018 subject to approval of shareholders by special resolution and the ensuing Annual General Meeting. The confirmation of re-appointment of Mr. G N Kamath as Managing Director for a period of one year and above would be included in Notice to the ensuing AGM.

During the year Shri Upkar Singh Kohli, an Independent Director resigned from the Board due to preoccupation.

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

Shri K M Vussonji was appointed as an Independent Director at the Annual General Meeting on 11.09.2014 for a term of 5 years and the said term is expiring on 10.09.2019. It is proposed to reappoint Shri K M Vussonji for a second term of 5 consecutive years from 11.09.2019 at the ensuing Annual General Meeting of the company.

The Board of Directors had six board meetings during financial year 2018-19.

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

8. RECONSTITUTION OF AUDIT & STAKEHOLDERS RELATIONSHIP COMMITTEE

Consequent to resignation of Shri Upkar Singh Kohli – the Audit Committee was re-constituted as below :

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

The Nomination and Remuneration Committee too was reconstituted as below :

Mr. Kishore M Vussonji	– Independent Director – Chairman
------------------------	-----------------------------------

Mr.D G Siraj – Non Independent Director - Member
Smt. Smita V Davda – Independent Director – Member

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

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

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

10. FAMILIARISATION PROGRAMME ARRANGED FOR INDEPENDENT DIRECTORS

The Company as required under Schedule IV of the Companies Act, 2013 and Listing Regulations has made arrangement to facilitate the independent directors to familiarize with the operations of the company, their roles, rights, responsibilities as Directors of the company considering the nature of the industry in which the company operates, business model of the company, etc. The above aspect can be accessed by web link <http://www.karmaenergy.co/fid.html> The Company during Board Meetings itself updates all the Directors including Independent Directors on every aspect of the operations of the Company.

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

An extract of Annual Return as at 31.03.2019 pursuant to section 92(3) of the Companies Act, 2013 and forming part of this Report is attached as Annexure-I to this Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period ;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities; and
- that the Directors had prepared the annual accounts on a going concern basis.
- that the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively ;

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

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

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

The Company has constituted a Nomination and Remuneration Committee with the responsibilities of formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, Key Managerial Personnel and other employees ; Formulating criteria for evaluation of independent directors and the Board ; Devising

policy on Board diversity ; Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company amends its policies based on developments in the regulatory forum and also to strengthen its corporate governance compliances.

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

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

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

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

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

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

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits, top 10 employees in terms of remuneration drawn and other Disclosures pertaining to remuneration are set out in the said rules are provided in the Annual Report as Annexure-VI.

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

The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

16. DISCLOSURE OF PARTICULARS

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

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

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

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

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

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

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

19. POLICY ON RELATED PARTY TRANSACTIONS

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

The policy includes the specific transactions requiring prior approval of the Audit Committee, the Board of Directors, Special Resolution by members at General Meeting, determining the materiality of the transaction with the related party both under Companies Act and Listing Regulations, and also

the procedures to be followed in complying with the statutory provisions in respect of related party transaction, if any.

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

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

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

21. CORPORATE SOCIAL RESPONSIBILITY OF THE COMPANY

The statutory requirement of complying with Corporate Social Responsibility of the Companies Act, 2013 is not applicable to the company during F.Y. 2018-19.

22. ESTABLISHMENT OF VIGIL MECHANISM

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

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

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

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

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

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

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

The internal controls ensure that all its assets are properly safeguarded and protected against loss from unauthorized use or disposal, all transactions are authorized, recorded and reported correctly. The Company has also an internal audit system for periodical audit of the internal control systems of the company.

26. ISSUE OF NEW EQUITY SHARES DURING THE YEAR

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

27. AUDITORS

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

28. SECRETARIAL AUDIT

Pursuant to requirement of section 204 of the Companies Act, 2013, the company had appointed Shri Martinho Ferraro – Practicing Company Secretary (COP 5676) as Secretarial Auditor for financial year 2018-19 and whose report of May 20, 2019 is attached as Annexure-IV. There are no adverse observations made by the Auditor.

29. AUDITORS' REPORT

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

30. REPORTING OF FRAUDS

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

31. COST RECORDS AND AUDIT THEREOF

Maintenance of Cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 as amended from time to time is not applicable to the Company for this Financial year 2018-19.

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

As required u/s.124 of the Companies Act, 2013 the unclaimed dividend amount aggregating to Rs.1,50,812 pertaining to the financial year ended on

31.03.2011 lying with the company for the period of seven years were transferred during the financial year 2018-19 to IEPF established by the Central Government.

Further as required u/s.124 of the Act, 1,74,456 equity shares in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2018-19. Details of shares transferred have been uploaded on the website of IEPF as well as the company.

33. CREDIT RATING

Brickwork Rating has reaffirmed a rating of BWR BBB- {Outlook Stable} in respect of the borrowings by the Company from Banks. The last rating was issued on 17.01.2018. The Rating Agency is in the process of analyzing the information submitted by the company for issuance of fresh rating.

34. CORPORATE GOVERNANCE

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

35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges is attached to this Report as Annexure-V.

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

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

37. DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

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

38. ACKNOWLEDGMENT

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 : 27th May, 2019

D G Siraj
Chairman

FORM NO. AOC -2

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

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

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

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

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

SL. No.	Particulars	Details		
(a)	Name (s) of the related party & nature of relationship	Greenweiz Projects Ltd - Subsidiary Company	Weizmann Forex Ltd – Directors holding more than 2 % shareholding	Batot Hydro Power Ltd – Subsidiary Company
(b)	Nature of contracts/arrangements/transaction	Operation & Maintenance of Wind Mills -	Admin Expenses, Purchase of Land and Wind Mills, Purchase of Securities	Inter Corporate Deposit Given
(c)	Duration of the contracts/arrangements/transaction	Continuous contract	Immediate	Six Months
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Operation & Maintenance of Wind Mills – Rs.55.70 Lakh	Admin Expenses – Rs.14.90 Lakh Purchase of Land and Wind Mills – Rs. 872.69 Purchase of Securities – Rs.256.90 Lakh	Inter Corporate Deposit — Rs.549.00 Lakh Interest income – Rs. 20.15 Lakh
(e)	Date of approval by the Board	29/05/2018	14/08/2018 & 06/10/2018	29/05/2018
(f)	Amount paid as advances, if any	Nil	Rs.128.69 Lakh as advance for purchase of Land	Nil

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

On behalf of the Board of Directors

D G Siraj
Chairman
DIN : 00025543

Place : Mumbai
Date : 27-05-2019

ANNEXURE - I
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN : L31101MH2007PLC168823
ii) Registration Date : 15th March 2007
iii) Name of the Company : Karma Energy Limited
iv) Category / Sub-Category of the Company : Company Limited by Shares
v) Address of the Registered office and contact details : 214, Empire House, Dr. D. N. Road, Ent. A. K. Nayak Marg, Fort, Mumbai – 400 001.
Tel : 022-22071501,
Email : investorshelpdesk@weizmann.co.in
vi) Whether Listed Company : Yes

- vii) Name, Address and Contact details of Registrar and Transfer Agent: Bigshare Services Private Limited
1st Floor, Bharat Tin Works Bldg., Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai 400 059
Tel : (022) 62638200 Fax : (022) 62638299
Email : investor@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Power Generation from Renewable energy sources	13139	97.97

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Batot Hydro Power Ltd	U51909MH2002PLC135840	Subsidiary	59.00%	2(87)
2	Greenweiz Projects Ltd	U65920MH1993PLC071301	Subsidiary	100 %	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	3020155	-	3020155	26.10	3020155	-	3020155	26.10	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	5623891	-	5623891	48.61	5622891	-	5622891	48.60	(0.01)
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	8644046	-	8644046	74.71	8643046	-	8643046	74.70	(0.01)
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	8644046	-	8644046	74.71	8644046	-	8643046	74.70	(0.01)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	66	133	199	0.001	66	133	199	0.001	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Co's	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	66	133	199	0.001	66	133	199	0.001	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	372732	2634	375366	3.24	373040	353	373393	3.23	(0.01)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
I) Individual shareholders holding nominal share capital upto Rs.2 Lakh	1158302	432015	1590317	13.75	1194018	278437	1472455	12.73	(1.02)
ii) Individual shareholders holding nominal share capital in excess of Rs.2 Lakh	770103	47270	817373	7.06	817373	-	817373	7.06	-
c) Others (Trust)	53	-	53		53	-	53		-
i) NRI's	65056	65437	130493	1.13	69042	15343	84385	0.73	(0.40)
ii) Demat Transit / Clearing Member	12071	-	12071	0.10	4691	-	4691	0.04	(0.06)
Sub-total (B)(2):-	2378317	547356	2925673	25.29	2632673	294133	2926806	25.30	0.01
Total Public Shareholding (B) = (B)(1)+(B)(2)	2378383	547489	2925872	25.29	2632739	5867	2926872	25.30	0.01
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11022429	547489	11569918	100.00	11275785	294133	11569918	100.00	-

ii) Shareholding of promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1.	Chetan Mehra	370247	3.20	-	370247	3.20	-	-
2.	Dharmendra Siraj	828345	7.16	-	844974	7.30	-	(0.14)
3.	Anju Siraj	988097	8.54	-	988097	8.54	-	-
4.	Radhika Mehra	796715	6.89	-	796715	6.89	-	-
5.	Sweta Siraj Mehta	16629	0.14	-	-	-	-	0.14
6.	Isha Siraj Kedia	16629	0.14	-	16629	0.14	-	-
7.	Arun Mehra	133	0.001	-	133	0.001	-	-
8.	Nirmal D. Mehra	3360	0.03	-	3360	0.03	-	-
9.	Sitex India Pvt. Ltd	245308	2.12	-	245308	2.12	-	-
10.	Windia Infrastructure Finance Ltd	1000	0.01	-	1000	0.01	-	-

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
11.	Hansneel Impex Pvt. Ltd	1001	0.01	-	1001	0.01	-	-
12.	Ram Krishna Iron Works Pvt. Ltd	1000	0.01	-	1000	0.01	-	-
13.	Kotta Enterprises Ltd	2294026	19.83	-	2294026	19.83	-	-
14.	Purvaja Projects Ltd	1000	0.01	-	1000	0.01	-	-
15.	Prabhanjan Multitrade Pvt. Ltd	956614	8.27	-	956614	8.27	-	-
16.	Greenweiz Projects Ltd	1000	0.01	-	1000	0.01	-	-
17.	Avinaya Resources Ltd	1000	0.01	-	1000	0.01	-	-
18.	Tapi Energy Projects Ltd	1000	0.01	-	1000	0.01	-	-
19.	Weizmann Ltd	500	0.004	-	500	0.004	-	-
20.	Weizmann Forex Ltd	1000	0.008	-	-	-	-	(0.008)
21	Inspeed Power Pvt. Ltd	2119442	18.32	-	2119442	18.32	-	-
	Total	8644046	74.71	-	8643046	74.70	-	(0.008)

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

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	8644046	74.71	8643046	74.70
	23rd January, 2019 Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	(1000)	(0.008)
	At the End of the year	8644046	74.71	8643046	74.70

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

Sl.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	Kanan Ankit Khambhati	255096	2.20	255096	2.20
2.	Meghna Pratik Doshi	240328	2.07	240328	2.07
3.	Mohanchand H	157500	1.36	157500	1.36
4.	Mansi Hitesh Siraj	53705	0.46	53705	0.46
5.	Maneka Hitesh Siraj	53705	0.46	53705	0.46
6.	Kunjamma Joseph	33600	0.29	33600	0.29
7.	Pansy Dinshaw Mehta	23439	0.20	23439	0.20
8.	Kanchan Sunil Singhania	19325	0.16	19325	0.16
9.	Brij Mohan Chawla	16348	0.14	4337	0.03
10.	Menahadevi SA	14374	0.12	13218	0.11

v) Shareholding of Directors and Key Managerial Personnel :

Sl.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	Chetan Mehra	370247	3.20	370247	3.20
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	370247	3.20	370247	3.20
2.	Dharmendra Siraj	828345	7.16	828345	7.16
	06th April, 2018	-	-	16629	0.14
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	844974	7.30	844974	7.30
3.	Neelkamal Siraj	-	-	-	-
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
4.	Ganesh N. Kamath	-	-	-	-
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
5.	Kishore M. Vussonji	-	-	-	-
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
6.	Smita V. Davda	-	-	-	-
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
7.	Balady S. Shetty	133	0.001	133	0.001
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	133	0.001	133	0.001
8.	T V Subramanian – CFO & Co. Secretary	-	-	-	-
	Date Wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	44,22,10,008.67	-	-	44,22,10,008.67
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,69,498.00	-	-	9,69,498.00
Total (i+ii+iii)	44,31,79,506.67	-	-	44,31,79,506.67
Change in Indebtedness during the financial year				
• Addition	5,25,00,000.00	37,86,62,263.00	-	43,11,62,263.00
• Reduction	9,01,31,028.22	21,69,13,500.00	-	30,70,44,528.22
Net Change	-3,76,31,028.22	16,17,48,763.00	-	-12,41,17,734.78
Indebtedness at the end of the financial year				
I) Principal Amount	40,25,39,819.59	16,17,48,763.00	-	56,42,88,582.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29,75,060.86	-	-	29,75,060.86
Total (i+ii+iii)	40,55,14,880.45	16,17,48,763.00	-	56,72,63,643.45

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total
		Managing Director G N Kamath	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	20.88	20.88
	(b) Value of Perquisite u/s 17(2) Income Tax Act, 1961	-	-
	(c) Profit in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission as % of profit Others, specify.	-	-
5.	Others, please specify		
	Total (A)	20.88	20.88
	Ceiling as per the Act	42.00	42.00

B. Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Kishore Vussonji	Upkarsingh Kohli	Balady Shetty	Smita V. Davda	
1.	Independent Directors					
	• Fee for attending board committee meetings	0.20	0.29	0.32	0.31	1.12
	• Commission	0.00	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	0.20	0.29	0.32	0.31	1.12
2.	Other Non-Executive Directors	Chetan Mehra	Dharmendra Siraj	Neelkamal Siraj		Total Amount
	• Fee for attending board committee meetings	0.20	0.15	0.23		0.58
	• Commission	-	-	-		-
	• Others, please specify	-	-	-		-
	Total (2)	0.20	0.15	0.23		0.58
	Total (B) = (1+2)	0.40	0.44	0.86		1.70
	Total Managerial Remuneration	N.A.	N.A.	N.A.		N.A.
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.		N.A.

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

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CEO	Company Secretary & CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	56.12	56.12
	(b) Value of Perquisite u/s 17(2) Income Tax Act, 1961	-	3.30	3.30
	(c) Profit in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission - as % of profit - Others, specify.	-	-	-
	Others, please specify	-	-	-
	Total	-	59.42	59.42

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

Annexure II

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance Code

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

2. Board of Directors

I Composition and size of the Board

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

None of the Directors on the Board holds directorships in more than ten public companies. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors. None of the Directors are related to each other.

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

The composition of and the category of directors on the Board of the Company as at March 31, 2019 were as under.

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

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

Relinquished the position of Independent Director w.e.f 06th March, 2019 due to pre-occupation and for no other reason.

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 2018-2019 the Board held six meetings on May 29, 2018, August 14, 2018, October 6, 2018, November 13, 2018, February 14, 2019 and March 30, 2019

The Board at every Board Meeting reviews compliance report of all laws applicable to the Company and take steps to rectify deviations, if any. The Board also reviews and discusses the performance of the Company, its

future plans, strategies and other pertinent issues relating to the Company

III Attendance of Directors

Details relating to Committee of Directors, Attendance at the Board Meetings held during 2018-2019 and the last AGM held on August 7, 2018.

Directors	Meetings held during the tenure of Directors	Meetings Attended	Attendance at last AGM	No. of other Directorship held #	No. of other Committee Memberships held
Shri D G Siraj	6	3	Yes	9	2
Shri C D Mehra	6	4	Yes	9	2
Shri N V Siraj	6	5	Yes	9	-
Shri G N Kamath	6	5	Yes	9	-
Shri U S Kohli	5	3	Yes	-	-
Shri K M Vussonji	6	3	Yes	4	6
Smt. S V Davda	6	4	No	1	2
Shri B S Shetty	6	4	Yes	9	4

Directorships held in other listed companies as on 31st March, 2019

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

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

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

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

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

Details of Shareholding of Non-Executive Directors

Sr. No.	Name of Directors	No. of shares held as on 31st March, 2019
1.	Shri Dharmendra G. Siraj	8,44,974
2.	Shri Chetan D. Mehra	3,70,247
3.	Shri Neelkamal V. Siraj	Nil
4.	Shri Kishore M. Vussonji	Nil
5.	# Shri Upkar Singh Kohli	Nil
6.	Smt. Smita V. Davda	Nil
7.	Shri Balady S. Shetty	133

Relinquished the position of Independent Director w.e.f 06th March, 2019

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

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

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

3. Audit Committee

The Audit Committee inter alia, provides assurance to the Board on the adequacy of the internal control systems, financial disclosures and ensures that generally accepted accounting principles are observed by the Company. It also provides guidance and liaison with the Cost Auditor and the Statutory Auditors of the Company. The terms of reference of the Audit Committee are in conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read in conjunction with Section 177 of the Companies Act, 2013. The Audit Committee comprised of Shri Balady Shekar Shetty as Chairman, Shri Upkar Singh Kohli and Smt. Smita V. Davda as members till 6th March, 2019 post which the Audit Committee was reconstituted on account of resignation of Shri Upkar Singh Kohli from the Board of the Company and the Audit Committee presently comprises of Shri Balady S. Shetty as the Chairman, Shri Kishore M. Vussonji and Smt. Smita V. Davda as members of the Committee. The Managing Director, CFO & Company Secretary, Internal Auditor and Statutory Auditors are invited to attend the meetings of the Audit Committee. The Audit committee discharges such duties and functions indicated in SEBI (LODR) Regulations, 2015 and also such other functions as may be specifically delegated to it by the Board from time to time. The Audit Committee held its meeting on May 29, 2018, August 14, 2018, September 14, 2018, November 13, 2018 and February 14, 2019.

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

The Company Secretary acts as Secretary to the Committee.

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

Name	Category	Number of Meetings during the year 2017-18	
		Held	Attended
Shri B. S. Shetty	Non-Executive Independent	5	5
Shri U. S. Kohli	Non-Executive Independent	5	4
Smt S. V. Davda	Non-Executive Independent	5	4

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

4. Nomination & Remuneration Committee

The Nomination & Remuneration Committee for appointment & remuneration of executive Directors has been functioning with Shri Kishore M. Vussonji as Chairman. The Committee comprises of two Independent Directors and a non- executive director. Post the resignation of Shri Upkar Singh Kohli from the Board of Directors of the Company the Nomination and Remuneration committee of the Company was reconstituted and Smt Smita V. Davda, an Independent Director of the Company has been inducted as member of the said committee effective from March 30, 2019.

Name	Category	Number of Meetings during the year 2018-19	
		Held	Attended
Shri K M. Vussonji	Non-Executive Independent	1	1
Shri D G. Siraj	Non-Executive	1	1
* Shri Upkar Singh Kohli	Non-Executive Independent	1	1

* ceased to be Director with effect from 6th March, 2019

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

The terms of reference of Nomination and Remuneration Committee are in line with the SEBI Listing Regulations and Section 178 of the Companies Act, 2013 and has been reviewed by the Board of Directors at its meeting held on 30th March, 2019 :

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

Criteria of selection of Non-Executive Directors

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

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

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

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

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

Remuneration

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

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

CEO & Managing Director - Criteria for selection / appointment

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

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

Remuneration for the CEO & Managing Director

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

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

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

Remuneration Policy for the Senior Management Employees

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

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

The details of remuneration paid to Managing Director from 1st April, 2018 to 31st March, 2019 is given below

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

Notes : The agreement with Managing Director is for a period of 1 year from 1st December, 2018.

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

5. Stakeholders Relationship Committee

The Company has in place a Stakeholders Relationship Committee in accordance with the requirements of SEBI (LODR) Regulations, 2015. The Stakeholders Relationship Committee comprises of Shri Chetan D. Mehra as the Chairman, Shri Dharmendra G. Siraj and Smt Smita V. Davda as members of the Committee. The said Committee looks into redressing investors' complaints pertaining to transfer/ transmission of shares, non-receipt of dividend/ annual report of the Company. The Committee met on 13th November, 2018 during the financial year. Shri T. V. Subramanian, Company Secretary acts as the Company's Compliance Officer.

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

Name	Category	Number of Meetings during the year 2018-19	
		Held	Attended
Shri C. D. Mehra	Non-Executive Non-Independent	1	1
Shri D G. Siraj	Non-Executive Non Independent	1	0
Smt S. V. Davda	Non-Executive Independent	1	1

There were 9 complaints received from the shareholders during the financial year ended 31st March, 2019 and all stood resolved.

6. Independent Directors Meeting

During the year under review, the Independent Directors met on 14th February, 2019, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and time lines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

Management discussion and analysis report forms part of this Annual Report

7. Familiarisation Programme arranged for Independent Directors

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

8. Non-executive Directors' compensation and disclosures

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

9. General Body Meetings

Details of the last three Annual General Meetings (AGMs)

Date & Year	Time	Location where AGM held in the last 3 years
07/08/2018; 2017-2018	3.45 p.m	Maharashtra Chamber of Commerce, Oricon House, 6th Floor, Maharashtra Chamber of Commerce path, Kalaghoda, Mumbai – 400 001
23/08/2017; 2016-2017	3.45 p.m	Maharashtra Chamber of Commerce, Oricon House, 6th Floor, Maharashtra Chamber of Commerce path, Kalaghoda, Mumbai – 400 001
02/09/2016; 2015-2016	3.45 p.m	Maharashtra Chamber of Commerce, Oricon House, 6th Floor, Maharashtra Chamber of Commerce path, Kalaghoda, Mumbai – 400 001

Whether resolution was put through a Postal Ballot last year: yes

During the year under review, one resolution was passed by means of Postal Ballot, the details of which are as follows

Ordinary Resolution No.	Brief Particulars
1	To approve and ratify Related Party Transactions under Section 188 of the Companies Act, 2013

Details of Voting pattern

Ordinary Resolution No	Ballots Received	Total Shares	In Favour		Against		Invalid	
			Ballots	Votes	Ballots	Votes	Ballots	Votes
1	3529	666181	3462	666012	67	169	0	0

Person who conducted the aforesaid postal ballot exercise

Mr. Martinho Ferrao (ICSI Membership No. FCS 6221), Practising Company Secretary of Martinho Ferrao & Associates conducted the aforesaid postal ballot exercise in a fair and transparent manner.

Whether any special resolution is proposed to be conducted through postal ballot: No

Procedure for Postal Ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Act read with the Rules framed thereunder and in terms of Regulation 44 of the Listing Regulations, the Company provided remote e-voting facility to all its Members. The Company engaged the services of National Securities Depository Limited (NSDL) for this purpose. The Members had the option to vote either by physical ballot form or through remote e-voting. The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its Members whose names appeared on the Register of Members/list of beneficiaries as on a cut-off date, i.e. 5th October 2018. The postal ballot notice was sent to the Members in electronic form at the e-mail addresses registered with their Depository Participants (in case of electronic shareholding)/the Company's RTA (in case of physical shareholding). The Company also published an advertisement in the newspapers viz. Financial Express and Tarun Bharat dated 13th October, 2018, informing about the dispatch of the Notice and other information as mandated under the Act and applicable Rules. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date, i.e. 5th October 2018. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms, duly completed and signed, to the scrutinizer so as to reach them on or before the close of the voting period, i.e. 12th November 2018 at 5:00 p.m. (IST). Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-voting. The scrutinizer, after the completion of scrutiny, submitted his report to the Vice Chairman Mr. Chetan D. Mehra who was authorised to accept, acknowledge and countersign the Scrutinizer's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard 2 on General Meetings. The consolidated results of the voting by postal ballot and e-voting were then announced. The results were also displayed at the Registered Office of the Company and on the Company's website at <https://www.karmaenergy.co> besides being communicated to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and NSDL. Results were announced on 12th November 2018, being the last date for receipt of physical ballot forms and for remote e-voting.

10. Disclosures

Basis of Related party transactions

During the year, the Company had no materially significant related party transaction, which is considered to have potential conflict with the interests of the Company at large. Related party transactions as required to be complied under Ind-As 24 referred to as IND AS are furnished under Note no 32 of the Notes to Accounts attached to the annual accounts for the financial year ended 31st March, 2019. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions and during the year there were no material transactions with related parties. The policy is also available on the website of the Company www.karmaenergy.co

Non Compliance / Strictures / Penalties Imposed

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

Disclosure of Accounting treatment

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

Whistle Blower Policy

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

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

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

Risk Management

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

Directors seeking appointment / re-appointment

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

- Ø The Company has not raised funds through preferential allotment or qualified institution placement
- Ø The board has accepted all the recommendations of its committees
- Ø All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Mr. Martinho Ferrao, Practising Company Secretary, has submitted a certificate to this effect.
- Ø The Audit fees to statutory auditors is Rs. 4.75 Lakh plus applicable taxes.

11. Code of Conduct

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

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

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

We confirm that the Board members and Senior Management of the Company have confirmed compliance with the code of conduct, as applicable to them, for the year ended 31st March, 2019.

Date : 27th May, 2019
Mumbai

Sd/-
Ganesh N. Kamath
Managing Director

12. Code of Conduct for prevention of Insider Trading

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

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

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

The Policy is gender neutral.

There were no complaints received during the year under review.

14. The Company has complied with all the requirements of Corporate Governance Report as stated under subparas (2) to (10) of section (C) of Schedule V to the Listing Regulations.

15. The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

16. In terms of Regulation 17(8) of the Listing Regulations, the CEO & Managing Director and the CFO made a certificate on to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board. The same is attached herewith and marked as Annexure II.

17. The Company follows Indian Accounting Standards (IndAS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements.

18. The Company has obtained compliance certificate from the Practising Company Secretary on corporate governance, which is attached herewith and marked as Annexure III.

19. As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Notice of the AGM to be held on 6th August 2019.

20. Subsidiary Companies

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

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

21. Means of Communication

- Half yearly report sent to each household of Shareholder - No
- Quarterly results published in (Proposed) - Financial Express (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

22. General Shareholder Information

a) 12th Annual General Meeting- Day, Date, Time and Venue

Day	Date	Time	Venue
Tuesday	06/08/2019	3.00 p.m.	Maharashtra Chamber of Commerce, Oricon House, 6th Floor, Maharashtra Chamber of Commerce path, Kalaghoda, Mumbai - 400 001

b) Financial Calendar

- Financial Year : 1st April 2019 to 31st March 2020
- Adoption of Quarterly Results for the quarter ending June, 2019 : August, 2019
- September, 2019 : November, 2019
- December, 2019 : February, 2020
- March, 2020 : May, 2020
- Book Closure Date : 30th July, 2019
- Dividend Payment : Not Applicable

c) Listing on Stock Exchanges : BSE & NSE

d) Stock Exchange :
The Stock Exchange, Mumbai : 533451
National Stock Exchange of India : KARMAENG

• ISIN NO. : INE725L0101

Listing fees as applicable have been paid.

e) Market Price Data/Performance:

Month	BSE		S&P SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April, 2018	34.65	29.20	35213.3	32972.56
May, 2018	31.80	23.95	35993.53	34302.89
June, 2018	34.10	23.15	35877.41	34784.68
July, 2018	30.80	20.10	37644.59	35106.57
August, 2018	30.00	23.50	38989.65	37128.99
September, 2018	25.60	22.15	38934.35	35985.63
October, 2018	23.15	19.05	36616.64	33291.58
November, 2018	23.50	19.45	36389.22	34303.38
December, 2018	23.65	16.80	36554.99	34426.29
January, 2019	21.90	17.35	36701.03	35375.51
February, 2019	20.00	16.10	37172.18	35287.16
March, 2019	20.50	14.35	38748.54	35926.94
Month	NSE		NIFTY MIDCAP FIFTY	
	High (Rs.)	Low (Rs.)	High	Low
April, 2018	34.65	28.75	5469.25	4991.25
May, 2018	31.90	25.30	5474.15	4863.55
June, 2018	30.90	23.50	5098.40	4741.80
July, 2018	28.75	21.20	5010.55	4713.45
August, 2018	33.25	22.50	5366.85	4937.05
September, 2018	26.10	21.40	5322.75	4702.80
October, 2018	23.00	18.25	4696.60	4382.00
November, 2018	21.95	18.90	4846.45	4714.10
December, 2018	22.15	17.35	4980.85	4613.90
January, 2019	22.95	17.70	4939.60	4622.00
February, 2019	18.95	16.05	4665.45	4401.90
March, 2019	18.15	15.10	5077.85	4625.35

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

g) Share Transfer System :

With a view to expedite the process of share transfer, the Board of Directors has delegated the powers of share transfers to the Sub-Committee of Board of Directors. Shares lodged in physical form with the Company / Registrar & Share Transfer Agent are transferred expeditiously. The confirmation in respect of the request for dematerialisation of shares is sent to the respective depositories i.e. NSDL and CDSL after duly transferred.

h) Dematerialisation of Shares and Liquidity of Shares:

The Shares of the Company are permitted for trading in dematerialisation form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. 1,12,75,785 Equity Shares representing 97.46 % of the share capital of the Company stands dematerialised as on 31st March, 2019. The Shares of the Company are included under B group at the Bombay Stock Exchange Ltd. The shares are also traded at National Stock Exchange of India Ltd.

i) Shareholding Pattern as on 31st March 2019 :

Sr. No	Category	No. of Equity Shares	Percentage of Shareholding
A	Promoters Holding		
	Indian Promoters	8643046	74.70
B	Non Promoter Holding		
Sr. No	Category	No. of Equity Shares	Percentage of Shareholding
a	Mutual Funds & UTI	-	-
b	Banks, Financial Institutions Insurance Companies (Central / State Govt. Institutions/ Non Government Institutions)	66	0.001
c	FIs	Nil	Nil
C	Others		
a.	Private Corporate Bodies	373393	3.23
b.	Indian Public	2464403	21.30
c.	NRIs/OCBs	84385	0.73
d.	Any other (Demat Transit)	4691	0.044
	GRAND TOTAL	11569918	100.00

j) Distribution of Shareholding as on 31st March 2019:

Range (In Rs)	Total Holders	Total Holdings in Rupees
1 – 5000	6541	7139200
5001-10000	306	2289550
10001 – 20000	141	1970120
20001 – 30000	39	953950
30001 – 40000	21	747730
40001 – 50000	9	415280
50001 – 100000	28	1942120
100001 – 999999999	28	100241230
Total	7113	115699180

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

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed in respect of dividends declared upto the financial year ended 31st March 2011 have been transferred to the IEPF.

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more from the date of transfer to the unpaid dividend account are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended 31st March 2011 and remained unclaimed are transferred to the IEPF. The Company had sent notices to all such Members in this regard and published a newspaper advertisement and, thereafter, transferred the shares to the IEPF during financial year 2018-19. The details of unclaimed dividends and Equity shares transferred to IEPF during the year 2018-19 are as follows:

Amount of Unclaimed Dividend Transferred	Number of Equity Shares Transferred
150812	174456

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

Financial Year in respect of which Dividend is unpaid	Last date for claiming unpaid dividend from the Company
2011-2012	30th October, 2019
2012-2013	2nd September, 2020
2013-2014	15th October, 2021

Members who have not encashed the dividend warrant(s) from the financial year ended 31st March 2012 may forward their claims to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF.

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

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

m) Wind Power Plant Location - Andhra Pradesh – Anantpur,
Tamilnadu – Theni,
Tirunelveli,
Coimbatore
Maharashtra – Beed & Satara

n) Address for Correspondence - Regd. Office
Empire House,
214, Dr. D. N. Road, Fort,
Ent. A.K. Nayak Marg,
Mumbai - 400 001.
Tel Nos. 22071501-06
Fax : 22071514
Website : www.karmaenergy.co

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

**Annexure - IV
Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration
Personnel) Rules, 2014]

o) Credit Rating

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

**p) Dedicated email id for investor
complaints**

- investorshelpdesk@weizmann.co.in

**q) Equity Shares in Suspense
Account**

- There are no shares in unclaimed/
suspense account for the financial
year 2018-19

To,
The Members,
Karma Energy Limited
214, Empire House, Dr. D. N. Road
Ent. A. K. Nayak Marg,
Fort Mumbai - 400001

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

Based on our verification of the **Karma Energy Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Karma Energy Limited** ("the Company") for the financial year ended on **31st March 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not applicable as the Company has not issued any Employee Stock Option Scheme and Employee Stock Purchase Scheme.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review and**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable as the Company has not bought back any of its securities during the financial year under review.**

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

1. The Electricity Act, 2003

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

Annexure III

Certificate on Compliance of Conditions of Corporate Governance

The Members of
KARMAENERGY LIMITED,
214, Empire House,
A. K. Nayak Marg,
Dr. D. N. Road Ent.,
Fort, Mumbai - 400001

We have examined the compliance of the conditions of Corporate Governance by **KARMAENERGY LIMITED** ('the Company') for the year ended on March 31, 2019 as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 27 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

We state that as per the records maintained by the Registrars and Share Transfer Agents of the Company and presented to the Shareholders/Investor Grievance Committee, no investor grievances are pending for a period exceeding one month against the Company.

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

**For and on behalf of
Martinho Ferrao & Associates
Company Secretaries**

Martinho Ferrao
Proprietor
Membership No. 6221
COP. 5676

Place : Mumbai
Dated : 20th May, 2019

- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on our examination as per Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for half year ended on March 2019, the following observation were made:

1. Some Share Certificates relating to the Share Transfer Deeds received during the period from **October 01, 2018 to March 31, 2019** as entered in the Memorandum of Transfers has not been issued within 15 days from respective date of lodgment of each deed except those rejected on technical grounds.
2. Share Certificate in respect of request for exchange of duplicate certificates have not been issued within 30 days of lodgement.

The reason for delay as provided by RTA **M/s. Bigshare Services Pvt. Ltd.** is reproduced as follows: "Due to spurt in the volumes of Transfers and Demat requests due to change in the SEBI regulations (Like change in the LODR banning physical transfers w.e.f. 5th Dec 2018 which was subsequently extended till 31st March 2019), All Transfer agents could not process the requests on time. This is a common issue with all the RTA's for FY 2018-19 and Bigshare is no exception."

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and its authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

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

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

**For Martinho Ferrao & Associates
Company Secretaries**

**Martinho Ferrao
Proprietor
FCS No. 6221
C P. No. 5676**

**Place: Mumbai
Date : May 20, 2019**

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

'Annexure A'

To,
The Members,
Karma Energy Limited
214, Empire House, Dr. D. N. Road
Ent. A. K. Nayak Marg,
Fort Mumbai – 400001

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Martinho Ferrao & Associates
Company Secretaries**

**Martinho Ferrao
Proprietor
FCS No. 6221
C P. No. 5676**

**Place: Mumbai
Date : May 20, 2019**

Annexure - V

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

BUSINESS REVIEW

General Economy

The global economy has been consistently losing pace. Advanced countries like US, many European countries reflected declining domestic demand. This reverberated in emerging market economies like China, Russia, Brazil and South Africa.

As far as India is concerned, the Central Statistics Office revised Real GDP Growth downwards to 7% from 7.2%. However, the Central Government thrust to basic infrastructure like roads, affordable housing, is reflected in the continued double digit growth in the gross fixed capital formation. Inflation in various sectors showed a declining trend. Adding to the gloom was weak export growth in 2018-19. Despite the above scenario, the net FDI inflows have been strong.

Fiscal Year 2019-20 is expected to be challenging. The election din is completed and the existing Government has been voted back to power. The existing Government had vigorously pursued high growth in Renewable Energy Sector but due to variety of reasons including financial health of state utilities the ambition was not getting translated at the ground level. It is hoped that the Government in its second innings would be more pragmatic in laying down the targets and ensure that the same translates to reality. Based on evaluation of the economy, RBI expects a GDP growth at about 7.2%. RBI themselves have predicted several uncertainties clouding the inflation outlook.

Company Business

The performance of the Company has a direct bearing on the Renewable Energy Policies of both Centre and State Governments, effectiveness of Nodal Agencies and laying down of encouraging policies and implementation thereof by State Electricity Regulatory Commissions.

At the outset as at present in different states where company has its wind mills in Andhra Pradesh, Maharashtra and Tamil Nadu, the situations have not been very encouraging.

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

In part of the project where the PPA have been renewed after protracted 2 to 3 years of discussions and litigations, despite PPA having being signed around September 2018, no funds have flown in due to cash flow crisis at the utility level.

In Tamil Nadu, for no valid reasons payments have been delayed for more than 18 months.

In Maharashtra, the major power are being sold to third party however the realization therefrom has been dwindling on account of high open access cost in the form of additional surcharge, increased cross subsidy surcharge stipulated by State Electricity Regulatory Commission. For certain wind mills where power is sold to State Utility, there has been delay in realization of about 10 months plus.

The sale of renewable energy certificates have been steady especially post substantial sale in end 2017-18 when virtually all the stock including pending stock for 2 to 3 years got liquidated. In 2018-19 though sale was consistent, did not pick up as envisaged in the last 2 months and the company has substantial unsold stock of about Rs.3 crore plus.

During the year company added a 3.6 MW wind farm in Beed district to its total capacity and the aggregate capacity of the installed wind farms is about 38.55 MW as at 31.03.2019.

OUTLOOK, OPPORTUNITIES AND THREATS

As the new Government is under formation and policies are yet to be announced, it is expected the Government would continue to encourage the renewable energy sector as the development of non-conventional energy is a must from both the view point of the country in particular and world in general. In the last many years it has been the endeavor of every country to reduce dependence on fossil fuel, reduce pollution levels by increasing power generation from renewable energy.

It is not expected that in short term the state utilities in different states would turn around in respect of their cash flow crunch and consequently the delay in payments are expected to continue. The high open access charges which are under challenge in Appellate Tribunal for Electricity for almost 2 years may see the light of the day but the litigation is expected to be taken up in the Apex Court and as a result not much immediate relief from such high charges are in the offing.

Now virtually all the states have formulated regulations with respect to scheduling and forecasting which though may result in initial costs to the developer, in the long run it would help in better grid management, less grid downtime and monetization of valuable generation.

Further many states especially Maharashtra is purchasing RE power through competitive bidding. Though competitive bidding results in optimum tariff being determined for purchase and sale of power, the same is not conducive for developers with small capacities as their offer is unlikely to be competitive against the bidding of big players. This issue has not been adequately addressed by the regulator. As far as company is concerned, it has in place long term PPA in Tamil

Nadu and Andhra Pradesh and as far as Maharashtra is concerned, the power is being sold to third parties from its 18 MW wind farm at Vankusawade in Satara district, and hence the payments are prompt albeit realization is reduced due to high open access charges and therefore no immediate issues are expected. However, in respect of about 4.8 MW wind farm project in Beed district, the PPAs might be expiring in couple of years and therefore if competitive bidding is the order of the day, sale of power at an optimum price may be an issue. However, sale of power to third parties can be evaluated so that realization of generation proceeds is more prompt.

RISKS AND CONCERNS

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

The Company continues to suffer due to multiple issues viz. state bifurcation, lack of funds, indecision in execution of PPA in the matter of realization of generation proceeds in Andhra Pradesh, delays in releasing the outstanding dues by state utility in Tamil Nadu and so also in Maharashtra coupled with ever increasing open access charges in Maharashtra are major concerns.

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

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

INTERNAL CONTROL SYSTEM

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

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

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

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

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

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Sr. No.	Parameters	F.Y. 2018-19	F.Y. 2017-18
1	Debtors Turnover	83.03%	51.27%
2	Inventory Turnover	3.06%	9.73%
3	Interest Coverage Ratio	(0.38)	0.72
4	Current Ratio	0.89	1.74
5	Debt Equity Ratio	5.01	4.12
6	Operating Profit Margin (%)	100.14%	82.16%
7	Net Profit Margin (%)	(18.80%)	(3.79%)
8	Return on Net Worth	(10.71%)	(1.52%)

Note :

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

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

The variation in Interest Coverage Ratio is attributable to earnings before interest and tax in F.Y. 2018-19 being negative consequent to sale of investments and further in F.Y. 2017-18 there was bumper sale of Renewable Energy Certificates including large quantum of stock of certificates received in the earlier years on hand.

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

The variation in Debt Equity Ratio is due to reduction in equity pursuant to loss on sale of investments. Reduction in sale of Renewable Energy Certificates in F.Y. 2018-19 as compared to F.Y. 2017-18 and increased borrowings due to lack of receipt of generation proceeds from state utilities.

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of KARMA ENERGY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Valuation of unquoted financial assets held at fair value

Description of Key Audit Matter:

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

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

See Note 1.2 (B) (o), Note 3 and Note 30 to the financial statements.

Our response:

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

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

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143(3) of the Act, based on our audit we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 27 to the standalone financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Reg. No. 101048W

Atul Mehta
Partner
Membership No. 015935

Place : Mumbai
Date : 27th May, 2019

Annexure - A to the Auditors' Report

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

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) As informed to us, the Company has a regular program for physical verification of fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, certain fixed assets have been verified by the Company as per the program and we were informed that no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the Company the title deeds of immovable properties are held in the name of the Company.
- ii. The management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.
- iii. The Company has not granted loans, secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us and the records examined by us, the Company has complied with the provision of section 185 and 186 of the Act with respect to loan and investments made.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013 for the Company. Accordingly, paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company, is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues to the appropriate authorities.
There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, goods and service tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at year end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Sales Tax, Service Tax, Goods and service tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute. According to the records of the Company, the dues of Income Tax outstanding on account of dispute are as follows.

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

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to Banks. There are no outstanding loans or borrowings from any financial institutions, Government and debenture holders.
- ix. The Company has not raised money through initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us and based on the documents and records examined by us on an overall basis, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanation given to us, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Hence, the provision of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for Batliboi & Purohit
Chartered Accountants
Firm Reg. No.: 101048W

Atul Mehta
Partner
Membership No: 015935

Place : Mumbai
Date : 27th May, 2019.

Annexure - B to the Auditors' Report

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

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

We have audited the Internal Financial Controls over financial reporting of Karma Energy Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for Batliboi & Purohit
Chartered Accountants
Firm Reg. No.: 101048W

Atul Mehta
Partner
Membership No: 015935

Place : Mumbai
Date : 27th May, 2019.

Standalone Balance Sheet as at 31.03.2019
₹ in Lakh

Particulars	Note No	As At	
		31.03.2019	31.03.2018
ASSETS			
Non-current assets			
a Property, Plant and Equipment	2	4,509.64	4,291.81
b Capital Work in Progress		32.76	31.90
c <u>Financial Assets</u>			
i Investments	3	4,987.67	7,860.96
ii Others	4	18.71	15.01
d Other Non-Current Assets	5	128.69	-
Current Assets			
a Inventories	6	48.36	48.33
b <u>Financial Assets</u>			
i Trade Receivables	7	991.24	761.97
ii Cash and Cash Equivalents	8	748.29	427.27
iii Bank Balances other than (ii) above	9	309.82	13.64
iv Loans	10	-	655.16
c Current Tax Assets (Net)		36.00	-
d Other Current Assets	11	119.00	120.52
Total Assets		11,930.18	14,226.57
EQUITY AND LIABILITIES			
Equity			
a Equity Share capital	12	1,156.99	1,156.99
b Other Equity	13	3,617.23	6,212.06
Liabilities			
Non-Current Liabilities			
a <u>Financial Liabilities</u>			
i Borrowings	14	3,219.04	3,576.33
b Provisions	15	33.78	22.28
c Deferred Tax Liabilities (Net)	29a	1,360.05	2,091.75
Current Liabilities			
a <u>Financial Liabilities</u>			
i Borrowings	16	1,617.49	-
ii <u>Trade Payables</u>			
(a) Micro and Small Enterprises	-	-	-
(b) Other than Micro and Small Enterprises	17	29.63	78.69
iii Others	18	854.74	855.46
b Other Current Liabilities	19	24.59	104.84
c Provisions	20	16.64	23.21
d Current Tax Liabilities (Net)		-	104.96
Total Equity and Liabilities		11,930.18	14,226.57

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

As per our report of even date attached

For Batliboi & Purohit
Chartered Accountants
Firm Reg. No 101048W

Atul Mehta
Partner
Membership No: 015935
Place : Mumbai
Dated : 27.05.2019

For and on behalf of the Board

D. G. Siraj
(Chairman)
DIN - 00025543

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

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

Standalone Statement of Profit and Loss Account for the year ended 31.03.2019
₹ in Lakh

Particulars	Note No	Year Ended	
		31.03.2019	31.03.2018
1 Income			
[a] Revenue from Operations	21	2,911.28	3,349.84
[b] Other Income	22	195.37	30.75
Total Income		3,106.65	3,380.59
2 Expenses			
[a] Operation and Maintenance Cost	23	1,888.48	1,593.45
[b] Employee Benefits Expense	24	303.70	235.53
[c] Finance Costs	25	422.42	450.37
[d] Depreciation and Amortisation Expense	2	496.48	497.98
[e] Bad Debts		-	493.30
[f] Other Expenses	26	331.21	238.21
Total Expenses		3,442.29	3,508.84
3 Profit / (Loss) before Exceptional Item and Tax (1 - 2)		(335.64)	(128.25)
4 Exceptional Items (Net)	37	248.29	-
5 Profit / (Loss) before Tax (3 - 4)		(583.93)	(128.25)
6 Tax Expense:			
[a] Current Tax		9.08	101.87
[b] Deferred Tax	29a	(167.81)	(117.88)
Total Tax Expenses		(158.73)	(16.01)
7 Profit / (Loss) after Tax (5 - 6)		(425.20)	(112.24)
Other Comprehensive Income			
[a] Items that will not be reclassified to Profit or Loss Re-measurement Gains / (Losses) on defined benefit plans		(23.37)	54.37
Tax effect		6.08	(15.13)
Net Gain / (Loss) on Fair Value through OCI - Equity Securities		(2,716.23)	2,548.30
Tax effect		563.89	(611.10)
[b] Items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income (Net of Tax)		(2,169.63)	1,976.44
Total Comprehensive Income for the year		(2,594.83)	1,864.20
8 Paid up Equity Share Capital (Rs 10/- Per Share)		1,156.99	1,156.99
9 Earning per Share (of Rs 10/- each)			
[a] Basic	31	(3.68)	(0.97)
[b] Diluted		(3.68)	(0.97)
The accompanying notes form an integral part of the Standalone Financial Statements	1 to 38		

As per our report of even date attached
For Batliboi & Purohit
Chartered Accountants
Firm Reg. No 101048W

Atul Mehta
Partner
Membership No: 015935
Place : Mumbai
Dated : 27.05.2019
For and on behalf of the Board
D. G. Siraj
(Chairman)
DIN - 00025543

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

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

Standalone Statement of Cash Flows for the year ended 31.03.2019

₹ in Lakh

Particulars	31.03.2019	31.03.2018
Operating Activities		
Net Profit / (Loss) before Exceptional Items and Tax	(335.64)	(128.25)
<u>Adjustments for:</u>		
Depreciation and Amortisation	496.48	497.98
Bad Debts	-	493.30
Dividend Paid	-	0.10
Finance Cost	422.42	450.37
Interest Income	(41.90)	(9.32)
Dividend Income	(0.06)	(0.11)
Loss on Sale of Fixed Asset	1.08	-
Sundry Balances Written Back	(63.94)	(0.56)
Miscellaneous Expenditure	0.02	-
Operating Profit / (Loss) before Working Capital changes	478.46	1,303.51
<u>Changes in Working Capital:</u>		
<i>Adjustments for (Increase) / Decrease in Operating Assets</i>		
Inventories	(0.03)	6.14
Trade Receivables	(229.27)	1,249.60
Short Term Loans and Advances	655.16	(655.16)
Other Non Current Financial Assets	(3.70)	72.00
Other Current Assets	1.52	(42.80)
Other Non-Current Assets	(152.06)	135.34
	750.08	2,068.64
<i>Adjustments for Increase / (Decrease) in Operating Liabilities</i>		
Trade Payables	14.88	(2.67)
Other Current Liabilities	(74.15)	30.29
Short Term Provisions	(6.57)	(9.78)
Long Term Provisions	11.50	(1.38)
Other Current Financial Liabilities	20.64	(553.43)
Cash generated from Operations	716.38	1,531.67
Net Income Tax (Paid) / Refund	(143.96)	(118.29)
Net Cash Flow from / (used in) Operating Activities (A)	572.42	1,413.38
Investing Activities		
Purchase of Fixed Assets	(719.00)	(0.40)
Capital Work In Progress	(0.86)	5.55
Bank Deposits	(297.76)	382.98
<u>Purchase of Long Term Investments</u>		
- Subsidiaries	(256.90)	-
<u>Sale of Long Term Investments</u>		
- Subsidiaries	20.08	-
- Associates	140.24	-
- Others	5.35	-
Sale of Fixed Assets	3.60	-
Interest Income	41.90	9.32
Dividend	0.06	0.11
Net Cash Flow from Investing Activities (B)	(1,063.29)	397.56

Standalone Statement of Cash Flows for the year ended 31.03.2019

₹ in Lakh

Particulars	31.03.2019	31.03.2018
Financing Activities		
<u>Long Term Borrowings</u>		
Loans Taken	532.85	4,000.00
Loans Repaid	(916.02)	(1,071.99)
<u>Short Term Borrowings</u>		
Loans Taken	3,786.62	2,258.46
Loans Repaid	(2,169.14)	(6,138.00)
Finance Cost	(422.42)	(450.37)
Net Cash Flow from Financing Activities (C)	811.89	(1,401.90)
Total (A + B + C)	321.02	409.04
Cash and Cash Equivalent at the Beginning of the year	427.27	18.23
Cash and Cash Equivalent at the End of the year	748.29	427.27
	321.02	409.04
(a) Cash on Hand	0.01	0.08
(b) Balances with Banks - in Current Accounts	748.28	427.19
	748.29	427.27

Change in Liability arising from financing activities

	01.04.2018	Cash Flow	31.03.2019
Borrowing - Non Current (Refer Note 14 & 18)	4,431.79	(383.16)	4,048.63
Borrowing - Current (Refer Note 16)	-	1,617.49	1,617.49
	4,431.79	1,234.33	5,666.12

As per our report of even date attached

For Batliboi & Purohit
Chartered Accountants
Firm Reg. No 101048W

Atul Mehta
(Partner)
Membership No: 015935
Place : Mumbai
Dated : 27.05.2019

For and on behalf of the Board

D. G. Siraj
(Chairman)
DIN - 00025543

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

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

Standalone Statement of Changes in Equity for the period ended 31.03.2019

₹ in Lakh

A. Equity Share Capital

Balance as on 01.04.2017	1,156.99
Changes during the year 2017-2018	-
Balance as on 31.03.2018	1,156.99
Balance as on 01.04.2018	1,156.99
Changes during the year 2018-2019	-
Balance as on 31.03.2019	1,156.99

B. Other Equity

As on 31.03.2018

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Retained Earnings		
Balance as at 01.04.2017	3,074.95	9.45	238.46	1,025.00	4,347.86
Profit / (Loss) for the Year	-	-	(112.24)	1,937.20	1,824.96
Re-measurement Gains / (Losses) on defined benefit plans	-	-	39.24	-	39.24
Balance as at 31.03.2018	3,074.95	9.45	165.46	2,962.20	6,212.06

As on 31.03.2019

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Retained Earnings		
Balance as at 01.04.2018	3,074.95	9.45	165.46	2,962.20	6,212.06
Profit / (Loss) for the Year	-	-	(425.20)	(2,152.34)	(2,577.54)
Re-measurement Gains / (Losses) on defined benefit plans	-	-	(17.29)	-	(17.29)
Transfer to Retained Earnings	-	-	5.08	(5.08)	-
Balance as at 31.03.2019	3,074.95	9.45	(271.95)	804.78	3,617.23

As per our report of even date attached

For Batliboi & Purohit
Chartered Accountants
Firm Reg. No 101048W

Atul Mehta
Partner
Membership No: 015935
Place : Mumbai
Dated : 27.05.2019

For and on behalf of the Board

D. G. Siraj
(Chairman)
DIN - 00025543

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

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

Notes to Standalone Financial Statements for the year ended 31.03.2019

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

1.1 CORPORATE INFORMATION

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

1.2 BASIS OF PREPARATIONS AND SIGNIFICANT ACCOUNTING POLICIES

A Basis of preparation and presentation

i) Statement of Compliance

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

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

ii) Functional and Presentation Currency

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

iii) Basis of measurement

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

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

B Summary of significant accounting policies

a i) Property, Plant and Equipment

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

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

ii) Depreciation

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

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

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

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

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

b Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general

inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

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

c Borrowing Cost

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

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

d Inventories

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

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

e Impairment of non-financial assets

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

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

f Provisions and Contingent liabilities

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

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

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

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

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-

occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

g Employee Benefits Expense

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

Post-Employment Benefits :

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

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

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

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

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

h Tax Expenses

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

Current tax

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

Deferred tax

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

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

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

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

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

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

i Foreign currencies transactions

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

transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

j Revenue recognition

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

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

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

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

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

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

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

k Financial instruments

i) Financial Assets

a Recognition and measurement

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

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

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

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

b Investment in Associates and Subsidiaries

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

c Other Equity Investments

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

d Impairment of financial assets

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

e Derecognition

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

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

ii) Financial liabilities

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

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

Derecognition

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

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

iii) Offsetting

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

I Cash and Cash Equivalents

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

m Earnings per share

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

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

n Classification of current / non current assets and liabilities

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

o Measurement of fair values

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

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

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

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

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

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

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

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

p Cash flow statement

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

1.3 ACCOUNTING JUDGEMENTS AND ESTIMATION OF UNCERTAINTY

a Depreciation and useful lives of Property, Plant and Equipment

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

b Recoverability of trade receivable

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

c Provisions

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

d Defined benefit obligations

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

1.4 STANDARDS ISSUED / AMENDED BUT NOT YET EFFECTIVE

i Recent Accounting pronouncements:

On March 30, 2019, Ministry of Corporate Affairs has notified following amendments, which are effective for the periods beginning on or after April 01, 2019.

ii Ind AS 116 Leases:

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is currently evaluating the effect of this amendment on the financial statements.

iii Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company is currently evaluating the effect of this amendment on the financial statements, however in the opinion of the management, this amendment is not likely to have any material impact on the financial statements.

iv Amendment to Ind AS 12 – Income taxes:

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The adoption of these amendments would not have any material impact on the financial statements of the Company.

v Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The adoption of these amendments will not have any material impact on the financial statements of the Company.

Notes to the Standalone Financial Statements for the year ended 31.03.2018

Note No : 2 Property, Plant and Equipment

₹ in Lakh

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions	Deductions	As At 31.03.2018	As at 01.04.2017	For the Year	Adj / Dedns	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
1 Land - Freehold	34.57	-	-	34.57	-	-	-	-	34.57	34.57
2 Plant & Machinery	15,252.13	-	-	15,252.13	10,560.16	480.54	-	11,040.70	4,211.43	4,691.97
3 Road - Non RCC	61.37	-	-	61.37	26.23	11.66	-	37.89	23.48	35.14
4 Office Equipment	5.60	0.40	-	6.00	3.62	0.71	-	4.33	1.67	1.98
5 Vehicles	41.79	-	-	41.79	16.05	5.08	-	21.13	20.66	25.74
Total	15,395.46	0.40	-	15,395.86	10,606.06	497.99	-	11,104.05	4,291.81	4,789.40

Notes to the Standalone Financial Statements for the year ended 31.03.2019

Note No : 2 Property, Plant and Equipment

₹ in Lakh

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Additions	Deductions	As At 31.03.2019	As at 01.04.2018	For the Year	Adj / Dedns	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
1 Land - Freehold	34.57	-	-	34.57	-	-	-	-	34.57	34.57
2 Plant & Machinery	15,252.13	688.87	-	15,941.00	11,040.70	478.73	-	11,519.43	4,421.57	4,211.43
3 Road - Non RCC	61.37	-	-	61.37	37.89	11.66	-	49.55	11.82	23.48
4 Office Equipment	6.00	-	-	6.00	4.33	0.44	-	4.77	1.23	1.67
5 Vehicles	41.79	30.13	10.73	61.19	21.13	5.65	6.04	20.74	40.45	20.66
Total	15,395.86	719.00	10.73	16,104.13	11,104.05	496.48	6.04	11,594.49	4,509.64	4,291.81

₹ in lakh (except No of Shares)

Particulars	As at 31st March 2019		As at 31st March 2018	
	No of Shares	Amount	No of Shares	Amount
Note No : 3				
NON - CURRENT INVESTMENTS				
Investments in Equity Instruments (Fully Paid-up)				
(A) Investment measured at cost (unquoted)				
<u>In Subsidiaries</u>				
Batot Hydro Power Ltd	2,06,48,250	2,064.37	1,80,79,250	1,807.48
Bramanvel Energy Ltd	-	-	6,000	94.31
Greenweiz Projects Ltd	495,000	651.03	495,000	651.03
Khandesh Energy Projects Ltd	-	-	25500	224.94
Sub Total		2,715.40		2,777.76
<u>In Associates</u>				
Weizmann Corporate Services Ltd	-	-	15,960	145.08
Baledh Energy Projects Ltd	-	-	17,648	185.30
Sub Total		-		330.38
Total (A)		2,715.40		3,108.14
(B) Investments measured at Fair Value through Other Comprehensive Income				
Quoted				
<u>Fully paid up Equity Shares</u>				
Weizmann Forex Ltd	-	-	1,000	10.58
Weizmann Ltd	1,000	0.40	1,000	0.40
Sub Total - (i)		0.40		10.98
Unquoted				
<u>Fully paid-up Equity Shares</u>				
Windia Infrastructure Finance Ltd	3,638,913	1,850.39	3,638,913	4,259.35
Tapi Energy Projects Ltd	1,439,105	275.16	1,439,105	482.24
Bramanvel Energy Ltd	6,000	12.08	-	-
Khandesh Energy Projects Ltd	6,000	6.71	-	-
Weizmann Corporate Services Ltd	9,500	127.27	-	-
The Saraswat Co-op Bank Ltd	2,500	0.25	2,500	0.25
Sub Total - (ii)		2,271.86		4,741.84
Total (B)		2,272.26		4,752.82
Total Non Current Investments		4,987.67		7,860.96
Aggregate amount of quoted investments		0.40		10.98
Market value of quoted investments		0.40		10.98
Aggregate amount of unquoted investments		4,987.27		7,849.98
Aggregate impairment in value of Investments		-		-

Notes to the Standalone Financial Statements for the year ended 31.03.2019

₹ in Lakh

Particulars	As At	
	31.03.2019	31.03.2018
Note No : 4		
OTHERS - Financial Asset (Non-Current)		
[Unsecured, Considered Good]		
Security Deposits	17.05	13.35
Other Receivables	1.66	1.66
Total	18.71	15.01
Note No : 5		
OTHER NON-CURRENT ASSETS		
Capital Advance	128.69	-
Total	128.69	-
Note No : 6		
INVENTORIES		
(valued at lower of cost and not realisable value)		
Consumables / Spares	48.36	48.33
Total	48.36	48.33
Note No : 7		
TRADE RECEIVABLES		
(a) Unsecured, Considered Good		
Trade Receivables - Power	990.93	724.30
Trade Receivables - Others	0.31	37.67
(b) Trade Receivables which have significant increase in credit risk	-	-
(c) Trade Receivables - Credit Impaired	-	-
Total	991.24	761.97
Trade Receivables of the Company mainly consist of receivables from the state utilities and other parties. In respect of receivable from the state utilities, all written off amounts during the past years and current year were pertaining to specific disputes and not related to credit risk. Hence, in the opinion of the management there is no credit loss on receivable from the state utilities.		
In respect of Other Receivables, there is no past history of credit loss from these parties, hence there is no expected credit loss on such receivables		
Note No : 8		
CASH AND CASH EQUIVALENTS		
Cash on Hand	0.01	0.08
Balance with banks :		
- In Current A/c	748.28	427.19
Total	748.29	427.27
Note No : 9		
OTHER BANK BALANCE		
- In Fixed Deposit A/c (maturity between 3 to 12 months)	305.31	7.55
- In Dividend A/c *	4.51	6.09
* Balances under Dividend A/cs are not available for general use by the Company		
Total	309.82	13.64
Note No : 10		
LOANS (Current)		
[Unsecured, Considered Good]		
Loans to Related Parties	-	655.16
Total	-	655.16
Note No : 11		
OTHER CURRENT ASSETS		
Advances Recoverable	14.09	11.11
Prepaid Contribution to Employee benefit Plan Assets	62.56	84.15
Prepaid Expenses	42.35	25.26
Total	119.00	120.52

₹ in lakh

Particulars	As at 31st March 2019		As at 31st March 2018	
	No of Shares	Amount	No of Shares	Amount
Note No : 12				
SHARE CAPITAL				
Authorised Share Capital				
Equity Shares of Rs. 10/- each	1,80,00,000	1,800.00	1,80,00,000	1,800.00
	1,80,00,000	1,800.00	1,80,00,000	1,800.00
Issued, Subscribed & Paid Up				
Equity Shares of Rs. 10/- each	1,15,69,918	1,156.99	1,15,69,918	1,156.99
Total	1,15,69,918	1,156.99	1,15,69,918	1,156.99

Particulars	₹ in lakh			
	As at 31st March 2019		As at 31st March 2018	
	No of Shares	Amount	No of Shares	Amount
NOTE [12.1] Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year				
Equity Shares				
At the beginning of the Year	1,15,69,918	1,156.99	1,15,69,918	1,156.99
Issued during the Year	-	-	-	-
Outstanding at the end of the Year	1,15,69,918	1,156.99	1,15,69,918	1,156.99

NOTE [12.2]

Terms / Rights attached to Equity Shares

- The Company has only one class of shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The company has not issued any bonus shares or bought back the equity shares nor issued shares for consideration other than cash in the last 5 years immediately preceding the reporting date.

NOTE [12.3]

Details of shares held by each shareholder holding more than 5% shares :

Shareholders	No of Shares	Holding %	No of Shares	Holding %
Radhika Mehra	7,96,715	6.89%	7,96,715	6.89%
Dharmendra G Siraj	8,44,974	7.30%	8,28,345	7.16%
Prabhanjan Multitrade Pvt Ltd	5,79,843	5.01%	5,79,843	5.01%
Anju D. Siraj	9,88,097	8.54%	9,88,097	8.54%
Inspeed Power Pvt Ltd	21,19,442	18.32%	21,19,442	18.32%
Kotta Enterprises Ltd	22,94,026	19.83%	22,94,026	19.83%

₹ in Lakh

Particulars	As At	
	31.03.2019	31.03.2018
Note No : 13		
OTHER EQUITY		
Capital Reserve		
Opening Balance	9.45	9.45
Closing Balance	9.45	9.45
General Reserve		
Opening Balance	3,074.95	3,074.95
Closing Balance	3,074.95	3,074.95
Retained Earnings		
Opening Balance	165.46	238.46
Add : Profit / (Loss) for the Year	(425.20)	(112.24)
Add : Re-measurement Gains / (Losses) on defined benefit plans	(17.29)	39.24
Add : Items of OCI Earnings transferred to Retained Earnings	5.08	-
Closing Balance	(271.95)	165.46
Equity Instruments Through Other Comprehensive Income		
Opening Balance	2,962.20	1,025.00
Add : Movement in OCI (Net) during the year	(2,152.34)	1,937.20
Less : Items of OCI Earnings transferred to Retained Earnings	(5.08)	-
	804.78	2,962.20
Total	3,617.23	6,212.06
Note No : 14		
BORROWINGS (Secured)		
From Banks	3,219.04	3,576.17
From Others	-	0.16
Total	3,219.04	3,576.33

Note [14.1] - Secured Term Loan from Banks

₹ in Lakh				
Name	Tenor	Int Rate	31.03.2019	31.03.2018
Uco Bank	40 varied quarterly installments starting from January 2005	9.10%	-	73.56
The Saraswat Co-op. Bank Ltd.	60 equal monthly installments starting from October 2014	10.00%	-	2.04
HDFC Bank Ltd	84 equal monthly installments starting from April 2018	9.50%	2,950.64	3,500.57
HDFC Bank Ltd	Varied monthly installments starting from June 2020	9.50%	268.40	-
			3,219.04	3,576.17

1. Security against Term Loan from Uco Bank is charged on receivable from specific wind farm of 7.0 MW
2. Security against Term Loan from Saraswat Co-op Bank Ltd is charged on specific vehicle
3. Security against Term Loan from HDFC Bank Ltd is charged on receivable from specific wind farm of 18.0 MW
4. Security against Term Loan from HDFC Bank Ltd is charged on receivable from specific wind farm of 3.60 MW

Note [14.2] - Secured Term Loan from Others

₹ in Lakh

Name	Tenor	Int Rate	31.03.2019	31.03.2018
Volkswagen Finance Pvt. Ltd.	59 equal monthly installments starting from May 2014	9.63%	-	0.16
			3,219.04	3,576.33

1. Security against Term Loan from Volkswagen Finance Pvt Ltd is charged on specific vehicle

Note -For Current Maturities of Long Term Debt, Refer Note No.18 (Other Financial Liabilities)

Note No : 15

₹ in Lakh

LONG TERM PROVISIONS		
Provision for Employee Benefits		
Leave Encashment	33.78	22.28
Total	33.78	22.28
Note No : 16		
BORROWINGS - CURRENT		
Unsecured Loans		
From Others - Inter Corporate Deposits	1,617.49	-
Total	1,617.49	-
Note : Inter Corporate Deposit (ICD) are taken from Tapi Energy Projects Ltd and Windia Infrastructure Finance Ltd and carry interest @ 9% p.a. The ICD's are repayable on demand.		
Note No : 17		
TRADE PAYABLES		
Micro and Small enterprises	-	-
Others than Micro and Small Enterprises	29.63	78.69
Total	29.63	78.69
Based on Information of status of suppliers to the extent received by the company there are no Micro and Small undertakings included in Trade Payables to whom the payments are outstanding for a period more than 45 days. Further the company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium enterprises. Consequently the amount paid / payable to these parties during the year is Nil.		
Note No : 18		
OTHER FINANCIAL LIABILITIES		
Current Maturities of Long-Term Debt	829.59	855.46
Unclaimed Dividend *	4.51	-
Payable to Employees	8.22	-
Other Payables	12.42	-
Total	854.74	855.46
* There are no amounts due and outstanding, to be credited to Investor Education and Protection Fund as at 31.03.2019		
Note No : 19		
OTHER CURRENT LIABILITIES		
Statutory Obligations	24.59	90.67
Others	-	14.17
Total	24.59	104.84
Note No : 20		
PROVISIONS		
Provision for Employee Benefits		
Leave Encashment	16.64	15.53
Bonus Payable	-	5.57
Leave Travel Assistance	-	2.11
Total	16.64	23.21

Particulars	Year Ended	
	31.03.2019	31.03.2018
Note No : 21		
REVENUE FROM OPERATIONS		
Revenue from Contracts with Customers		
Sale of Power	2,689.83	2,416.48
Sale of Entitlement from Wind Power	221.45	933.36
Total	2,911.28	3,349.84
Note : No adjustments were required to be made to contract price on account of any discount, rebate, refunds, price concessions, incentives, etc for revenue recognition during the year.		
Note No : 22		
OTHER INCOME		
Interest - Bank Fixed Deposit	21.36	8.76
Interest - Others	20.54	0.56
Dividend on Non Current Investments	0.06	0.11
Insurance Claim	35.76	19.61
Other Income	0.86	1.15
Sundry Balances Written Back	63.94	0.56
Bad Debts Recovered	52.85	-
Total	195.37	30.75
Note No : 23		
OPERATING AND MAINTENANCE COST		
Energy / Open Access Charges	1,307.08	1,161.11
Operation and Maintenance	533.48	378.64
Others	42.01	42.90
Stores and Spares Consumed	5.91	10.80
Total	1,888.48	1,593.45
Note No : 24		
EMPLOYEES BENEFIT EXPENSE		
Salaries, Wages and Bonus	272.33	193.78
Contribution to Provident Funds and Other Funds	23.26	34.82
Staff Welfare Expenses	8.11	6.93
Total	303.70	235.53
Note No : 24.1		
As per Indian Accounting Standard 19 "Employee Benefits", the disclosures defined are given below :		
The Employee's Gratuity Fund Scheme managed by Life Insurance Corporation India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method.		
Assumptions		
Discount Rate	7.86%	8.00%
Salary Escalation	5.00%	5.00%
Defined Benefit Plan		
I) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Particulars		
Defined Benefit Obligation at the beginning of the year	134.87	169.26
Current Service Cost	5.98	7.80
Past Service Cost	-	8.27
Interest Cost	10.59	13.54
Actuarial (Gain) / Loss	22.13	(55.83)
Benefits Paid	(0.40)	(8.17)
Defined Benefit Obligation at year end	173.17	134.87
II) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	219.02	208.01
Expected Return on Plan Assets	17.20	16.64
Actuarial (Gain) / Loss	-	-
Employer Contribution	1.15	4.00
Benefits Paid	(0.40)	(8.17)
Actual Return on Plan Assets excluding Interest Income	(1.24)	(1.46)
Fair value of Plan Assets at year end	235.73	219.02
III) Reconciliation of Fair Value of Assets and Obligations		
Present Value of Obligation at the end of the year	(173.17)	(134.87)
Fair value of Plan Assets	235.73	219.02
Present Value of Obligation	62.56	84.15
Amount recognised in Balance Sheet Surplus / (Deficit)	62.56	84.15
IV) Actuarial Gain / (Loss) recognised		
Actuarial (Gain) / Loss on obligations	22.13	(55.83)
Return on Plan Assets, Excluding Interest Income	(1.24)	(1.46)
Total (Gain) / Loss for the year	23.37	(54.37)
Actuarial (Gain) / Loss recognised in the year	23.37	(54.37)

₹ in Lakh

V) Expenses recognised during the year		
Current Service Cost	5.98	7.80
Net Interest Cost	(6.62)	(3.10)
Past Service Cost	-	8.27
Return on Plan Assets	-	-
Net Cost	(0.64)	12.97
In Other Comprehensive Income		
Actuarial (Gain) / Loss	22.13	(55.83)
Return on Plan Assets	(1.24)	(1.46)
Net (Income) / Expense for the period Recognised in OCI	23.37	(54.37)
Maturity Analysis of Projected Benefit Obligation - From the Fund		
Projected Benefits Payable in Future Years from the date of reporting		
1st Following Year	28.08	21.04
2nd Following Year	3.68	7.98
3rd Following Year	3.95	3.06
4th Following Year	120.04	3.29
5th Following Year	2.67	117.45
Sum of years 6 to 10	27.75	7.56
Sensitivity Analysis		
Projected Benefits Obligation on Current Assumption	173.17	134.87
Delta Effect of +1% change in Rate of Discounting	(6.83)	(4.93)
Delta Effect of -1% change in Rate of Discounting	7.50	5.34
Delta Effect of +1% change in Rate of Salary Increase	7.64	5.44
Delta Effect of -1% change in Rate of Salary Increase	(7.06)	(5.10)
Delta Effect of +1% change in Rate of Employee Turnover	1.11	0.70
Delta Effect of -1% change in Rate of Employee Turnover	(1.21)	(0.75)
Note No : 25		
FINANCE COSTS		
(a) Interest Expense on		
Secured Loans	385.89	66.32
Unsecured Loans	20.54	368.01
Others	11.31	13.07
(b) Other Borrowing Cost	4.68	2.97
Total	422.42	450.37
Note No : 26		
OTHER EXPENSES		
Payment to Auditors	4.79	4.93
Conveyance and Travelling	9.17	7.54
Director Sitting Fees	1.87	1.57
Electricity Charges	0.15	0.19
Insurance Charges	68.48	46.46
Legal and Professional Charges	26.84	21.30
Communication Expenses	5.25	2.42
Rent	25.87	25.31
Rates and Taxes	151.48	72.48
Repairs and Maintenance - Others	-	2.30
Miscellaneous Expenses	37.31	53.71
	331.21	238.21
Note No : 26.1		
Payment to Auditor		
For Statutory Audit	4.00	4.00
For Tax Audit	0.75	0.75
For Other Services	0.04	0.18
	4.79	4.93

Note No

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

Income Tax matters

Rs. 94.69 Lakh (Prev Year - Rs. 94.69 Lakh)

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

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

Loans and Advances to Subsidiary Companies

Name of the subsidiary company	As at 31.03.2019	Maximum Balance Outstanding during the year
Batot Hydro Power Limited	- (655.16)	751.16 (655.16)

29 (a) Deferred Tax
₹ in Lakh

The breakup of Net Deferred Tax Liability as on 31.03.2019

Particulars	Property, Plant & Equipment	Fair value of Investments	Processing fees	Others	Total
As at 31.03.2017	1,287.28	332.39	-	(21.15)	1,598.52
Charged / (Credited)					
- To Profit or Loss	(123.01)	-	-	5.13	(117.88)
- To Other Comprehensive Income	-	611.11	-	-	611.11
As at 31.03.2018	1,164.27	943.50	-	(16.02)	2,091.75
Charged / (Credited)					
- To Profit or Loss	(166.84)	-	1.70	(2.67)	(167.81)
- To Other Comprehensive Income	-	(563.89)	-	-	(563.89)
As at 31.03.2019	997.43	1,323.11	1.70	(18.69)	3,451.80

(b) Income Tax
₹ in Lakh

Particulars	31.03.2019	31.03.2018
Income Tax recognised in statement of Profit & Loss Account		
Current Tax	9.08	101.87
Deferred Tax	(167.81)	(117.88)
Income Tax Expenses recognised in the Current Year	(158.73)	(16.01)

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

Particulars	31.03.2019	31.03.2018
Profit before Tax	(583.93)	(128.25)
Applicable Tax Rate	26.00%	27.55%
Computed Tax Expense	(151.82)	(35.33)
Tax Effect of :		
Income not Taxable	(7.41)	(0.03)
Permanent Difference	2.94	3.61
Expenses not deductible	64.56	-
Change in Tax Rate		
Others	(2.40)	15.74
Current Tax (A)	(158.73)	(16.01)
Income Tax Expenses recognised in the Statement of Profit & Loss A/c	(158.73)	(16.01)

30 a Financial Instruments
Accounting classification and fair values
₹ in Lakh

Particulars	As at 31.03.2019			As at 31.03.2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Asset						
Non Current Investments *	-	2,272.26	2,715.40	-	4,752.82	3,108.14
Other Non Current Financial Asset	-	-	18.71	-	-	15.01
Trade Receivables	-	-	991.24	-	-	761.97
Loans	-	-	-	-	-	655.16
Cash and Cash Equivalents	-	-	748.29	-	-	427.27
Other Bank Balance	-	-	309.82	-	-	13.64
Financial Liabilities						
Long-Term Borrowings	-	-	3,219.04	-	-	3,576.33
Short-Term Borrowings	-	-	1,617.49	-	-	-
Trade Payable	-	-	29.63	-	-	78.69
Other Current Financial Liabilities	-	-	854.74	-	-	855.46

Note *

- Non Current Investments under FVTOCI includes Quoted and Unquoted Equity Instruments.
- Non Current Investments under Amortised Cost includes Equity Instruments of Subsidiaries & Associates.

b Fair Value Measurement Hierarchy ;
₹ in Lakh

Particulars	As at 31.03.2019			As at 31.03.2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Asset						
Non Current Investments **	0.40	-	2,559.10	10.98	-	5,549.65

Note **

- Non Current Investment includes Quoted and Unquoted Equity Instruments.

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

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

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

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

C Financial risk management

₹ in Lakh

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

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

i Risk management framework

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

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

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

ii Credit risk

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

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

Trade and other receivables

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

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

iii Liquidity risk

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

Exposure to liquidity risk

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

Contractual cash flows

31 March 2019	Carrying Amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Trade payables	29.63	29.63	29.63	-	-
Other financial liabilities	25.15	25.15	25.15	-	-
Long term borrowings (including Current Maturity)	4,048.63	4,048.63	829.59	3,219.04	-
Short term borrowings	1,617.49	1,617.49	1,617.49	-	-

Contractual cash flows

31 March 2018	Carrying Amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Trade payables	78.69	78.69	78.69	-	-
Long term borrowings (including Current Maturity)	4,431.79	4,431.79	855.46	3,576.33	-

iv Market risk

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

Currency risk

The Company is not exposed to Foreign Currency Risk.

Interest risk

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

Rupees in Lakh

Particulars	31.03.2019	31.03.2018
Floating Rate Instruments		
Financial Liabilities		
Term Loans	4,048.63	4,431.63
Fixed Rate Instruments		
Financial Liabilities		
Term Loans	-	2.04
Inter-Corporate Deposits	1,617.49	-
	5,666.12	4,433.67

Cash Flow sensitivity analysis for floating-rate instruments

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

₹ in Lakh		
Particulars	31.03.2019	31.03.2018
Variable rate instruments	20.24	22.16
Cash flow sensitivity	20.24	22.16

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

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

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

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

₹ in Lakh		
Particulars	31.03.2019	31.03.2018
Impact on Other Comprehensive Income		
Investments measured at Other Comprehensive Income		
Increase in price by 10%	0.04	1.10
Decrease in price by 10%	(0.04)	(1.10)

31 EARNINGS PER SHARE

₹ in Lakh		
Particulars	31.03.2019	31.03.2018
Net Profit / (Loss) After Tax attributable to Equity Shareholders	(425.20)	(112.24)
Weighted Average Number of Equity Shares	11,569,918	11,569,918
Nominal Value per Ordinary Shares	10.00	10.00
Basic and Diluted Earning Per Share	(3.68)	(0.97)

32 RELATED PARTY DISCLOSURE

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

Subsidiaries	Companies under Common Control
Batot Hydro Power Ltd Brahmanvel Energy Ltd ** Greenweiz Projects Ltd Khandesh Energy Projects Ltd ** Vajharpada Energy Ld **	Weizmann Corporate Services Ltd ** Baledh Energy Projects Ltd **

** Upto 17.09.2018

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

₹ in Lakh				
Nature of Transaction	Subsidiaries	Associates	Key Management Personnel	Total
Income / Receipts				
<u>Interest</u>	20.15 (0.18)	-	-	20.15 (0.18)
Batot Hydro Power Ltd	20.15 (0.18)	-	-	20.15 (0.18)
Expenditure / Payments				
<u>Rent</u>	-	-	-	-
Weizmann Corporate Services Ltd	-	(0.45)	-	(0.45)
	-	-	-	-
	-	(0.45)	-	(0.45)
<u>Operation & Maintenance Expenses</u>	55.70 (39.10)	-	-	55.70 (39.10)
Greenweiz Projects Ltd	55.70 (39.10)	-	-	55.70 (39.10)
<u>Remuneration</u>	-	-	92.38	92.38
	-	-	(115.14)	(115.14)
Ganesh N. Kamath	-	-	26.48	26.48
	-	-	(23.19)	(23.19)
T. V. Subramanian	-	-	65.90	65.90
	-	-	(91.95)	(91.95)
Finance				
<u>Loans Given</u>	567.14 (655.16)	-	-	567.14 (655.16)
Batot Hydro Power Ltd	567.14 (655.16)	-	-	567.14 (655.16)
Outstandings				
<u>Creditors</u>	-	-	-	-
	(3.75)	-	-	(3.75)
Greenweiz Projects Ltd	-	-	-	-
	(3.75)	-	-	(3.75)

33 VALUATION

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

34 SEGMENT INFORMATION

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

35 CAPITAL MANAGEMENT

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

The capital structure of the company consists of net debt (borrowings as detailed in notes No. 14 & 18 offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 12 and 13).

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

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

Particulars	₹ in Lakh	
	As at 31.03.2019	As at 31.03.2018
Debt	4,048.63	4,431.79
Cash and Cash Equivalent	748.29	427.27
Net Debt	3,300.34	4,004.52
Equity	4,774.22	7,369.05
Net Debt to Equity Ratio	0.69	0.54

Debt is defined as long-term borrowings including current maturities of long term borrowings, as given in notes 14 and 18.

36 These financial statements are approved for issue by the Board of Directors of the Company on 27.05.2019

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

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

Signatures to the Notes 1 to 38 forming part of the **Standalone Balance Sheet as at 31.03.2019** and the **Standalone Statement of Profit and Loss Account for the year ended 31.03.2019**

As per our report of even date attached

For Batliboi & Purohit
Chartered Accountants
Firm Reg. No 101048W

Atul Mehta
(Partner)
Membership No: 015935
Place : Mumbai
Dated : 27.05.2019

For and on behalf of the Board

D. G. Siraj
(Chairman)
DIN - 00025543

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of KARMAENERGY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of KARMAENERGY LIMITED ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2019, the consolidated statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Valuation of unquoted financial assets held at fair value

Description of Key Audit Matter:

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

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

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

Our response:

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

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

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

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

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

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

Responsibility of Management for Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matters

The consolidated financial statements of the Company for the year ended March 31, 2019 include total assets of Rs. 4447.31 lakhs, total revenues of Rs. 666.71 lakhs and net cash outflows of Rs. (10.24) lakhs in respect of 2 subsidiaries incorporated in India whose financial statements and other financial information has been audited by other auditor, whose audit report has been furnished to us by the management. Our opinion, in so far as it relates to the balances and affairs of these subsidiaries, is based on the report of other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law have been kept by the Company and its subsidiaries incorporated in India and relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company and reports other auditors.
- The consolidated balance sheet, the statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account maintained by the Company and its subsidiaries incorporated in India including the relevant records relating to the preparation of the aforesaid consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the auditors of the subsidiaries incorporated in India, none of the directors of the Company and its subsidiaries incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of such controls.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on reports of auditors of its subsidiaries incorporated in India, the remuneration paid by the Company and its subsidiaries incorporated in India to respective directors during the year is in accordance with the provisions of section 197 of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. (Refer Note 28 to the consolidated financial statements.)
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Batliboi & Purohit
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 015935

Place : Mumbai
Date : May 27, 2019

Consolidated Balance Sheet as at 31.03.2019

₹ in Lakh

Particulars	Note No	As At	
		31.03.2019	31.03.2018
ASSETS			
Non-current assets			
a Property, Plant & Equipment	2	7,638.93	7,576.83
b Capital Work in Progress		147.26	129.35
c Goodwill on Consolidation	2	1,303.39	2,091.58
d Financial Assets			
i Investments	3	2,559.50	6,092.74
ii Others	4	26.80	21.85
Current Assets			
a Inventories	5	271.46	528.33
b Financial Assets			
i Trade Receivables	6	1,045.71	843.40
ii Cash and Cash Equivalents	7	781.24	472.21
iii Bank Balances other than (ii) above	8	415.87	83.12
iv Loans	9	71.02	319.09
c Current Tax Assets (Net)		38.81	-
d Other Current Assets	10	311.24	187.51
Total Assets		14,611.23	18,346.01
EQUITY AND LIABILITIES			
Equity			
a Equity Share capital	11	1,156.99	1,156.99
b Other Equity	12	2,978.38	6,999.29
Non Controlling Interest		160.47	391.84
Liabilities			
Non-Current Liabilities			
a Financial Liabilities			
i Borrowings	13	3,831.71	4,975.14
b Provisions	14	58.34	43.55
c Deferred Tax Liabilities (Net)	30	1,414.96	2,031.19
Current Liabilities			
a Financial Liabilities			
i Borrowings	15	3,815.60	1,248.31
ii Trade Payables			
(a) Micro and Small enterprises		-	-
(b) Other than Micro and Small Enterprises	16	71.76	102.63
iii Others	17	1,031.83	1,131.93
b Other Current Liabilities	18	72.65	142.45
c Provisions	19	18.54	17.15
d Current Tax Liabilities (Net)		-	105.54
Total Equity and Liabilities		14,611.23	18,346.01

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

As per our report of even date attached

For Batliboi & Purohit
Chartered Accountants
Firm Reg. No 101048W

Atul Mehta
(Partner)
Membership No: 015935
Place : Mumbai
Dated : 27.05.2019

For and on behalf of the Board

D. G. Siraj
(Chairman)
DIN - 00025543

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

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

Statement of Consolidated Profit and Loss Account for the year ended 31.03.2019

₹ in Lakh

Particulars	Note No	Year Ended	
		31.03.2019	31.03.2018
1 Income			
[a] Revenue from Operations	20	3,469.62	4,029.53
[b] Other Income	21	243.88	37.65
Total Income		3,713.50	4,067.18
2 Expenses			
[a] Purchases of Stock-in-Trade	22	26.82	58.52
[b] Changes in Inventories		16.10	(45.30)
[c] Operation and Maintenance Cost	23	1,905.88	1,599.73
[d] Employee Benefits Expense	24	465.88	406.23
[e] Finance Costs	25	685.88	785.04
[f] Depreciation and Amortisation Expense	2	616.82	625.64
[g] Bad Debts		-	493.30
[h] Other Expenses	26	432.46	325.22
Total Expenses		4,149.84	4,248.38
3 Profit / (Loss) before Exceptional Item and Tax (1 - 2)		(436.34)	(181.20)
4 Exceptional Items (Net) - Loss on Sale of Non-Current Investment	39	614.61	-
5 Profit / (Loss) before Tax (3 - 4)		(1,050.95)	(181.20)
6 Tax Expense:			
[a] Current Tax		13.10	102.58
[b] Less : MAT Credit (where applicable)		4.02	-
[c] Deferred Tax	30	83.84	88.75
Total Tax Expenses		100.96	191.33
7 Profit/(Loss) after Tax before Share of Associate (5-6)		(1,151.91)	(372.53)
Share in Associates		-	1.09
		(1,151.91)	(371.44)
Other Comprehensive Income			
a Items that will not be reclassified to Profit or Loss			
Re-measurement Gains / (Losses) on defined benefit plans		(22.67)	61.70
Tax effect		5.75	(17.06)
Net Gain / (Loss) on Fair Value through OCI - Equity Securities		(3,329.58)	3,064.32
Tax effect		700.40	(726.73)
Share in OCI of Associate		-	125.10
b Items that will reclassified to Profit or Loss		-	-
Total Other Comprehensive Income (Net of Tax)		(2,646.10)	2,507.33
Total Comprehensive Income for the year		(3,798.01)	2,135.89
8 Profit for the year attributable to:			
- Owners of the Company		(997.90)	(244.24)
- Non Controlling Interest		(154.01)	(127.20)
Total		(1,151.91)	(371.44)
9 Other comprehensive income for the year attributable to:			
- Owners of the Company		(2,645.86)	2,507.33
- Non Controlling Interest		(0.24)	-
Total		(2,646.10)	2,507.33
10 Total comprehensive income for the year attributable to:			
- Owners of the Company		(3,643.76)	2,263.09
- Non Controlling Interest		(154.25)	(127.20)
Total		(3,798.01)	2,135.89
11 Paid up Equity Share Capital (Rs 10/- Per Share)		1,156.99	1,156.99
12 Earning per Share (of Rs 10/- each)			
[a] Basic		(8.62)	(2.11)
[b] Diluted		(8.62)	(2.11)
The accompanying notes form an integral part of the Consolidated Financial Statements	1 to 39		

As per our report of even date attached

For Batliboi & Purohit
Chartered Accountants
Firm Reg. No 101048W

Atul Mehta
(Partner)
Membership No: 015935
Place : Mumbai
Dated : 27.05.2019

For and on behalf of the Board

D. G. Siraj
(Chairman)
DIN - 00025543

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

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

Consolidated Statement of Cash Flow for the year ended 31.03.2019

₹ in Lakh

Particulars	31.03.2019	31.03.2018
Cash Flow from Operating Activities		
Net Profit / (Loss) before exceptional items and tax	(436.34)	(181.20)
<u>Adjustments for:</u>		
Depreciation and Amortisation	616.82	625.64
Bad Debts	-	493.30
Sundry Balances Written Off	0.45	-
Sundry Balances Written Back	(63.94)	(0.56)
Loss on Sale of Fixed Asset	0.62	-
Profit on Sale of Subsidiaries	(7.73)	-
Dividend Paid	-	0.10
Finance Cost	685.88	785.04
Interest Income	(41.89)	(15.04)
Dividend Income	(0.06)	(0.11)
Miscellaneous Expenditure	(0.06)	0.02
Operating profit / (loss) before working capital changes	753.75	1,707.19
<u>Changes in working capital:</u>		
<i>Adjustments for (increase) / decrease in operating assets</i>		
Inventories	256.87	(39.73)
Trade receivables	(202.31)	1,266.78
Short-term loans and advances	248.07	(319.09)
Other current assets	(127.75)	(8.40)
Other non-current assets	(22.67)	142.67
Other non-current financial assets	(4.95)	71.90
	901.01	2,821.32
<i>Adjustments for increase / (decrease) in operating liabilities</i>		
Trade payables	33.07	(3.60)
Other current liabilities	(69.80)	(15.26)
Other current financial liabilities	(100.10)	(558.23)
Short-term provisions	1.39	(11.50)
Long-term provisions	14.79	12.37
Cash generated from operations	780.36	2,245.10
Net Income Tax (Paid) / Refund	(151.70)	(74.49)
Net cash flow from / (used in) operating activities (A)	628.66	2,170.61
Investments in Fixed Assets		
Purchase of Fixed Assets	(719.00)	(0.74)
Capital Work In Progress	(17.91)	(0.67)
Bank Deposits	(334.33)	371.94
Sale of Fixed Assets	4.25	-
Interest Income	41.89	15.04
Dividend	0.06	0.11
Proceeds from Sale of Investments		
- Subsidiaries	71.84	-
- Associates	150.36	-
- Others	5.35	-
Purchase of long-term investments		
- Subsidiaries	(256.90)	-
- Others	(3.60)	-
Net cash flow from Investing activities (B)	(1,057.99)	385.68
Financing		
<u>Long Term Borrowings</u>		
Loans Taken	532.85	4,000.00
Loans Repaid	(1,675.90)	(1,272.38)

Consolidated Statement of Cash Flow for the year ended 31.03.2019

₹ in Lakh

Particulars	31.03.2019	31.03.2018
Short Term Borrowings		
Loans Taken	8,302.81	3,537.16
Loans Repaid	(5,735.52)	(7,589.03)
Finance Cost	(685.88)	(785.04)
Net cash flow from Financing activities (C)	738.36	(2,109.29)
Total (A + B + C)	309.03	447.00
Cash and Cash Equivalent at the Beginning of the year	472.21	25.21
Cash and Cash Equivalent at the End of the year	781.24	472.21
	309.03	447.00
Break-up of Cash and Cash Equivalent at the End of the year as under :		
(a) Cash on Hand	0.01	0.08
(b) Balances with banks in current accounts	781.23	472.13

Change in Liability arising from financing activities

	01.04.2018	Cash Flow	31.03.2019
Borrowing - Non Current (Refer Note 14)	6,031.00	(1,267.25)	4763.75
Borrowing - Current (Refer Note 16)	1,248.31	2,567.29	3815.60

As per our report of even date attached

For Batliboi & Purohit
Chartered Accountants
Firm Reg. No 101048W

Atul Mehta
(Partner)
Membership No: 015935
Place : Mumbai
Dated : 27.05.2019

For and on behalf of the Board

D. G. Siraj
(Chairman)
DIN - 00025543

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

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

Statement of Changes in Equity for the period ended 31.03.2019

₹ in Lakh

A. Equity Share Capital

Balance as on 01.04.2017	1,156.99
Changes during the year 2017-2018	-
Balance as on 31.03.2018	1,156.99
Balance as on 01.04.2018	1,156.99
Changes during the year 2018-2019	-
Balance as on 31.03.2019	1,156.99

B. Other Equity

As on 31.03.2018

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Retained Earnings		
Balance as at 01.04.2017	3,074.95	342.89	(211.16)	1,529.50	4,736.18
Re-measurement Gains / (Losses) on defined benefit plans	-	-	44.66	-	44.66
Profit / (Loss) for the year	-	-	(244.24)	2,462.69	2,218.45
Balance as at 31.03.2018	3,074.95	342.89	(410.74)	3,992.19	6,999.29

As on 31.03.2019

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Total
	General Reserve	Capital Reserve	Retained Earnings		
Balance as at 01.04.2018	3,074.95	342.89	(410.74)	3,992.19	6,999.29
Re-measurement Gains / (Losses) on defined benefit plans	-	-	(16.92)	-	(16.92)
Add : On Increase in stake in Subsidiary	-	-	(376.91)	-	(376.91)
Profit / (Loss) for the year	-	-	(997.90)	(2,629.18)	(3,627.08)
Transfer to Retained Earnings	-	-	5.08	(5.08)	-
Balance as at 31.03.2019	3,074.95	342.89	(1,797.39)	1,357.93	2,978.38

As per our report of even date attached

For Batliboi & Purohit
Chartered Accountants
Firm Reg. No 101048W

Atul Mehta
(Partner)
Membership No: 015935
Place : Mumbai
Dated : 27.05.2019

For and on behalf of the Board

D. G. Siraj
(Chairman)
DIN - 00025543

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

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

Notes to Consolidated Financial Statements for the year ended 31.03.2019

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

1.1 CORPORATE INFORMATION

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

1.2 BASIS OF PREPARATIONS AND SIGNIFICANT ACCOUNTING POLICIES

A Basis of preparation and presentation

i) Statement of Compliance

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

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

The Consolidated financial statements were authorised for issue by the Company's Board of Directors on 27th May 2019.

ii) Functional and Presentation Currency

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

iii) Basis of measurement

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

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

B Basis of Consolidation

I Subsidiaries

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

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

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

ii Non-Controlling Interests (NCI)

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

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

iii Associates

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

Interest in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statement include the group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence cease.

iv Equity Method

Under the equity method of accounting, the investments are initial recognised at cost and adjusted thereafter to recognise the group's share of the post acquisition profit or losses of the investee in profit and losses and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investments.

When the group's share of losses in an equity debts accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

v Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investments to the extent of the groups interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

vi Subsidiary Companies considered in the consolidated financial statements

Sr. No.	Name of the Entity	Principal Business	Country of Incorporation	Ownership Interest %	
				C.Y.	P.Y.
1	Batot Hydro Power Limited	Generation of Power	India	59.00	51.66
2	Greenweiz Projects Limited	O&M of Wind Mills	India	100.00	100.00
3	Brahmanvel Energy Limited **	Wind Farm Development	India	-	51.00
4	Khandesh Energy Projects Limited **	Wind Farm Development	India	-	51.00
5	Vajharpada Energy Limited **	Wind Farm Development	India	-	100.00

** upto 17.09.2018

vi Subsidiary Companies considered in the consolidated financial statements

Sr. No.	Name of the Entity	Principal Business	Country of Incorporation	Ownership Interest %	
				C.Y.	P.Y.
1	Weizmann Corporate Services Limited **	Renting of Properties	India	-	31.92
2	Baledh Energy Projects Limited **	Wind Farm Development	India	-	35.30

** upto 17.09.2018

viii Principles of Consolidation

The Consolidated financial statements relate to Karma Energy Limited, Subsidiary Companies and its Associate Companies.

Investment in Subsidiaries and Associates has been accounted under the equity method as per Ind AS 28 Investments in Subsidiary, Associate and Joint Ventures.

C Summary of significant accounting policies

I a Property, Plant and Equipment

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

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

b Depreciation

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

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

Assets	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Plant & Machinery - Wind Power Plant	22 Years	22 Years
Plant & Machinery - Hydro Power Plant	40 years	40 years
Road - Non RCC	5 Years	5 Years
Office Equipment's	5 Years	5 Years
Office Equipment's- Computers	3 Years	3 Years
Vehicles	8 Years	8 Years

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

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

ii Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

iii Borrowing Cost

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

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

iv Inventories

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

Cost of raw materials, chemicals, packing Materials, components, stores and spares and other products are determined on FIFO basis.

v Impairment of non-financial assets

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

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

vi Provisions and Contingent liabilities

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

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

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

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

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

vii Employee Benefits

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

Post-Employment Benefits :

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

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

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

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

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

viii Tax Expenses

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

Current tax

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

Deferred tax

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

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

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

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

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

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

ix Foreign currencies transactions

Transactions in foreign currencies are initially recorded by the company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the

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

x Revenue recognition

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

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

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

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

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

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

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

xi Financial instruments

i) Financial Assets

a Recognition and measurement

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

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

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

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

b Investment in Associates and Subsidiaries

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

c Other Equity Investments

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

d Impairment of financial assets

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

e Derecognition

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

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

ii) Financial liabilities

Recognition and measurement - All financial liabilities are recognized at

fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

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

Derecognition

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

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

iii) Offsetting

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

xii Cash and Cash Equivalents

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

xiii Earnings per share

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

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

xiv Classification of current/ non current assets and liabilities

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

xv Measurement of fair values

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

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

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

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

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

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

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

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

xvi Cash flow statement

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

1.3 ACCOUNTING JUDGEMENTS AND ESTIMATION OF UNCERTAINTY

a Depreciation and useful lives of Property, Plant and Equipment

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

b Recoverability of trade receivable

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

c Provisions

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

d Defined benefit obligations

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

1.4 STANDARDS ISSUED / AMENDED BUT NOT YET EFFECTIVE

i Recent Accounting pronouncements:

On March 30, 2019, Ministry of Corporate Affairs has notified following amendments, which are effective for the periods beginning on or after April 01, 2019.

ii IndAS 116 Leases:

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases,

and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is currently evaluating the effect of this amendment on the financial statements.

iii Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company is currently evaluating the effect of this amendment on the financial statements, however in the opinion of the management, this amendment is not likely to have any material impact on the financial statements.

iv Amendment to Ind AS 12 – Income taxes:

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The adoption of these amendments would not have any material impact on the financial statements of the Company.

v Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The adoption of these amendments will not have any material impact on the financial statements of the Company.

Notes to the Consolidated Financial Statements for the year ended 31.03.2018

Note No : 2 Property, Plant and Equipment

₹ in Lakh

8 Description	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions	Dedns on Cessation of Subsidiary	Deductions	As At 31.03.2018	As at 01.04.2017	For the Year	Deductions	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Tangible Assets:											
Land - Freehold	121.93	-	-	-	121.93	-	-	-	-	121.93	121.93
Plant and Machinery	16,731.27	0.12	-	-	16,731.39	10,832.12	515.75	-	11,347.88	5,383.49	5,899.15
Building & Civil Engineering	2,681.70	-	-	-	2,681.70	534.47	102.37	-	636.84	2,044.86	2,147.23
Office Equipment	7.94	0.22	-	-	8.16	5.52	1.01	-	6.53	1.63	2.42
Computers	6.41	0.40	-	-	6.81	5.55	0.30	-	5.85	0.96	0.86
Furniture and Fixtures	3.82	-	-	-	3.82	3.03	0.20	-	3.23	0.59	0.79
Vehicles	79.45	-	-	-	79.45	50.07	6.01	-	56.08	23.37	29.38
Total (A)	19,632.52	0.74	-	-	19,633.26	11,430.76	625.64	-	12,056.41	7,576.83	8,201.76
Intangible Assets:											
Goodwill on consolidation	2,091.58	-	-	-	2,091.58	-	-	-	-	2,091.58	2,091.58
Total (B)	2,091.58	-	-	-	2,091.58	-	-	-	-	2,091.58	2,091.58
Total (A + B)	21,724.10	0.74	-	-	21,724.84	11,430.76	625.64	-	12,056.41	9,668.41	10,293.34

Notes to the Consolidated Financial Statements for the year ended 31.03.2019

Note No : 2 Property, Plant and Equipment

₹ in Lakh

Description	GROSS BLOCK (DEEMED COST)					DEPRECIATION				NET BLOCK	
	As at 01.04.2018	Additions	Dedns on Cessation of Subsidiary	Deductions	As At 31.03.2019	As at 01.04.2018	For the Year	Deductions	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Tangible Assets:											
Land - Freehold	121.93	-	35.20	-	86.73	-	-	-	-	86.73	121.93
Plant and Machinery	16,731.39	688.87	-	-	17,420.26	11,347.87	513.81	-	11,861.68	5,558.55	5,383.49
Building & Civil Engineering	2,681.70	-	-	-	2,681.70	636.84	96.03	-	732.87	1,948.83	2,044.86
Office Equipment	8.16	-	-	-	8.16	6.53	0.83	-	7.36	0.80	1.63
Computers	6.81	-	-	-	6.81	5.85	0.06	-	5.91	0.90	0.96
Furniture and Fixtures	3.82	-	-	-	3.82	3.23	0.19	-	3.42	0.40	0.59
Vehicles	79.45	30.13	-	14.50	95.08	56.08	5.90	9.62	52.36	42.72	23.37
Total (A)	19,633.26	719.00	35.20	14.50	20,302.56	12,056.41	616.82	9.62	12,663.60	7,638.93	7,576.83
Intangible Assets:											
Goodwill on consolidation	2,091.58	-	-	788.19	1,303.39	-	-	-	-	1,303.39	2,091.58
Total (B)	2,091.58	-	-	788.19	1,303.39	-	-	-	-	1,303.39	2,091.58
Total (A + B)	21,724.84	719.00	35.20	802.69	21,605.95	12,056.41	616.82	9.62	12,663.60	8,942.32	9,668.41

₹ in lakh (except No of Shares)

Particulars	As at 31st March 2017		As at 1st April 2016	
	No of Shares	Amount	No of Shares	Amount
Note No : 3				
NON - CURRENT INVESTMENTS				
Investments in Equity Instruments (Fully Paid-up)				
(A) Investment measured at cost (unquoted)				
<u>In Associates</u>				
Weizmann Corporate Services Ltd	-	-	15,960	347.06
Baledh Energy Projects Ltd	-	-	17,648	185.05
Sub Total		-		532.11
Total of Investments measured at Cost		-		532.11
(B) Investments measured at Fair Value through Other Comprehensive Income				
Quoted				
<u>Fully paid up Equity Shares</u>				
Weizmann Forex Ltd	-	-	1,000	10.58
Weizmann Ltd	1,000	0.40	1,000	0.40
Sub Total - (i)		0.40		10.98
Unquoted				
<u>Fully paid up Equity Shares</u>				
Windia Infrastructure Finance Ltd	44,41,900	2,141.68	44,41,900	5,082.22
Tapi Energy Projects Ltd	14,39,105	260.01	14,39,105	467.09
Avinaya Resources Limited	50	0.04	50	0.09
Brahmanvel Energy Limited	9,500	19.13	-	-
Khandesh Energy Projects Limited	9,500	10.62	-	-
Vajharpada Energy Limited	9,500	0.10	-	-
Weizmann Corporate Services Ltd	9,500	127.27	-	-
The Saraswat Co-op Bank Ltd	2,500	0.25	2,500	0.25
Sub Total - (ii)		2,559.10		5,549.65
Total (B)		2,559.50		5,560.63
Total Non Current Investments		2,559.50		6,092.74
Aggregate amount of quoted investments		0.40		10.98
Market value of quoted investments		0.40		10.98
Aggregate amount of unquoted investments		2,559.10		6,081.76
Aggregate impairment in value of Investments		-		-

Notes to the Consolidated Financial Statements for the year ended 31.03.2019

₹ in Lakh

Particulars	As At	
	31.03.2019	31.03.2018
Note No : 4		
OTHERS - Financial Asset (Non-Current)		
[Unsecured, Considered Good]		
Security Deposits	25.14	20.19
Other Receivables	1.66	1.66
Total	26.80	21.85
Current Assets		
Note No : 5		
INVENTORIES		
(valued at lower of cost and not realisable value)		
Wind Farm Development	-	238.01
Stock-in-Trade, Loose Tools, Stores & Spares	271.46	290.32
Total	271.46	528.33
Note No : 6		
TRADE RECEIVABLES		
(a) Unsecured, Considered Good		
Trade Receivables - Power	1,043.45	772.59
Trade Receivables - Others	2.26	70.81
(b) Trade Receivables which have significant increase in credit risk	-	-
(c) Trade Receivables - Credit Impaired	-	-
Total	1,045.71	843.40
Note No : 7		
CASH AND CASH EQUIVALENTS		
Cash on Hand	0.01	0.08
Balance with banks :		
- In Current A/c	781.23	472.13
Total	781.24	472.21
Note No : 8		
OTHER BANK BALANCE		
- In Fixed Deposit A/c (maturity between 3 to 12 months)	411.36	77.03
- In Dividend A/c *	4.51	6.09
* Balances under Dividend A/cs are not available for general use by the Company		
Total	415.87	83.12
Note No : 9		
LOANS (Current)		
[Unsecured, Considered Good]		
Loans to Related Parties	-	316.70
Loans to Others	71.02	2.39
Total	71.02	319.09
Note No : 10		
OTHER CURRENT ASSETS		
Advances Recoverable	21.78	17.17
Prepaid Contribution to Employee benefit Plan Assets	76.20	95.66
Prepaid Expenses	54.22	39.35
Capital Advance	128.69	-
Balances with Revenue Authorities	30.35	35.33
Total	311.24	187.51

Particulars	₹ in lakh (except No of Shares)			
	As at 31st March 2019		As at 31st March 2018	
	No of Shares	Amount	No of Shares	Amount
Note No : 11				
SHARE CAPITAL				
Authorised Share Capital				
Equity Shares of Rs. 10/- each	1,80,00,000	1,800.00	1,80,00,000	1,800.00
	1,80,00,000	1,800.00	1,80,00,000	1,800.00
Issued, Subscribed & Paid Up				
Equity Shares of Rs. 10/- each	1,15,69,918	1,156.99	1,15,69,918	1,156.99
Total	1,15,69,918	1,156.99	1,15,69,918	1,156.99
NOTE [11.1]				
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year				
Equity Shares				
At the beginning of the Year	1,15,69,918	1,156.99	1,15,69,918	1,156.99
Issued during the Year	-	-	-	-
Outstanding at the end of the Year	1,15,69,918	1,156.99	1,15,69,918	1,156.99

NOTE [11.2]
Terms / Rights attached to Equity Shares

- The Company has only one class of shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The company has not issued any bonus shares or bought back the equity shares nor issued shares for consideration other than cash in the last 5 years immediately preceding the reporting date.

NOTE [11.3]
Details of shares held by each shareholder holding more than 5% shares :

Shareholders	No of Shares	Holding %	No of Shares	Holding %
Radhika Mehra	796,715	6.89%	796,715	6.89%
Dharmendra G Siraj	844,974	7.30%	828,345	7.16%
Prabhanjan Multitrade Pvt Ltd	579,843	5.01%	579,843	5.01%
Anju D. Siraj	988,097	8.54%	988,097	8.54%
Inspeed Power Pvt Ltd	2,119,442	18.32%	2,119,442	18.32%
Kotta Enterprises Ltd	2,294,026	19.83%	2,294,026	19.83%

₹ in Lakh

Particulars	As At	
	31.03.2019	31.03.2018
Note No : 12		
OTHER EQUITY		
Capital Subsidy		
Opening Balance	342.89	342.89
Closing Balance	342.89	342.89
General Reserve		
Opening Balance	3,074.95	3,074.95
Closing Balance	3,074.95	3,074.95
Retained Earnings		
Opening Balance	(410.74)	(211.16)
Add : On Increase in stake in Subsidiary	(376.91)	-
Add : Profit / (Loss) for the Year (attributable to owner's)	(997.90)	(244.24)
Add : Re-measurement Gains / (Losses) on defined benefit plans	(16.92)	44.66
Add : Items of OCI Earnings transferred to Retained Earnings	5.08	-
Closing Balance	(1,797.39)	(410.74)
Equity Instruments Through Other Comprehensive Income		
Opening Balance	3,992.19	1,529.50
Add : Movement in OCI (Net) during the year (attributable to owner's)	(2,629.18)	2,462.69
Less : Items of OCI Earnings transferred to Retained Earnings	(5.08)	-
Closing Balance	1,357.93	3,992.19
Total	2,978.38	6,999.29
Note No : 13		
BORROWINGS (Secured)		
From Banks	3,831.71	4,975.14
Total	3,831.71	4,975.14

Note [13.1] - Secured Term Loan from Banks

Name	Tenor	31.03.2018	1.03.2017
Uco Bank Rate of Interest - 9.10%	40 varied quarterly installments starting from January 2005	-	73.56
The Saraswat Co-op. Bank Ltd. Rate of Interest - 10.00%	60 equal monthly installments starting from October 2014	-	2.04
HDFC Bank Ltd Rate of Interest - 9.50%	84 equal monthly installments starting from April 2018	3,219.04	3,500.57
Volkswagen Finance Pvt. Ltd. Rate of Interest - 9.63%	59 equal monthly installments starting from May 2014	-	0.16
RBL Bank Ltd Rate of Interest - 12.30%	120 equal monthly installments starting from April 2016	612.67	1,398.80
		3,831.71	4,975.13

- Security against Term Loan from UCO Bank is charged on receivable from specific wind farm of 7.0 MW
- Security against Term Loan from Saraswat Co-op Bank Ltd is charged on specific vehicle
- Security against Term Loan from HDFC Bank Ltd is charged on receivable from specific wind farm of 18.0 MW
- Security against Term Loan from Volkswagen Finance Pvt Ltd is charged on specific vehicle
- Security against Term Loan from RBL Bank Ltd is charged on specific hydro power project of 3.5 MW and guaranteed by Weizmann Forex Ltd

Note No : 14
LONG TERM PROVISIONS

Provision for Employee Benefits

Leave Encashment

Total
Note No : 15
FINANCIAL LIABILITIES - CURRENT
Unsecured Loans

From Related Parties

From Others

Total

Note : Inter Corporate Deposit (ICD) are taken from Tapi Energy Projects Ltd and Windia Infrastructure Finance Ltd and carry interest @ 9% p.a. The ICD are repayable on demand.

Note No : 16
TRADE PAYABLES

Micro and Small enterprises

Others than Micro and Small Enterprises

Total

Based on Information of status of suppliers to the extent received by the company there are no Micro and Small undertakings included in Trade Payable to whom the payments are outstanding for a period more than 45 days. Further the company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium enterprises. Consequently the amount paid/payable to these parties during the year is Nil.

Note No : 17
OTHER FINANCIAL LIABILITIES

Current Maturities of Long-Term Debt

Bonus Payable

Leave Travel Assistance

Other Payables

Unclaimed Dividend *

Total

* There are no amounts due and outstanding, to be credited to Investor Education and Protection Fund as at 31.03.2019

Note No : 18
OTHER CURRENT LIABILITIES

Statutory Obligations

Total
Note No : 19
PROVISIONS
Employee Benefits

Leave Encashment

Total
Note No : 20
REVENUE FROM OPERATIONS

(a) Revenue from Contracts with Customers

Sale of Power and Products

(b) Other Operating Revenues

Total

Note : No adjustments were required to be made to contract price on account of any discount, rebate, refunds, price concessions, incentives, etc for revenue recognition during the year.

Note No : 20.1
Sale of Products comprises of

Sale of Power / Products

Sale of Services

Total
Note No : 20.2
Other Operating Revenues comprises of

Sale of Entitlement from Wind / Hydro Power

Total
Note No : 21
OTHER INCOME

Interest - Bank Fixed Deposit

Interest - Others

Dividend - Non Current Investment

Profit on Sale of Subsidiaries

Insurance Claim

Other Income

Sundry Balances Written Back

Bad Debts Recovered

Total

58.34 43.55

58.34 43.55

- 361.52

3,815.60 886.79

3,815.60 1,248.31

- -

71.76 102.63

71.76 102.63

932.04 1,055.86

14.51 12.39

2.21 3.21

78.56 54.37

4.51 6.10

1,031.83 1,131.93

72.65 142.45

72.65 142.45

18.54 17.15

18.54 17.15

3,089.15 2,797.02

380.47 1,232.51

3,469.62 4,029.53

2,983.10 2,694.61

106.05 102.41

3,089.15 2,797.02

380.47 1,232.51

380.47 1,232.51

27.79 14.35

14.10 0.69

0.06 0.11

7.73 -

76.09 19.61

1.32 2.33

63.94 0.56

52.85 -

243.88 37.65

Note No : 22		
PURCHASE OF TRADED GOODS		
<u>Components</u>		
Indigenous	26.27	58.52
Imported	0.55	-
	26.82	58.52
Note No : 23		
OPERATING & MAINTENANCE COST		
Energy / Open Access Charges / Stores and Spares	1,307.08	1,161.11
Operation and Maintenance	534.44	360.11
Others	51.33	60.28
Stores and Spares Consumed	13.03	18.23
Total	1,905.88	1,599.73
Note No : 24		
EMPLOYEES BENEFIT EXPENSE		
Salaries, Wages and Bonus	412.26	338.82
Contribution to Provident Funds and Other Funds	33.54	48.93
Staff Welfare Expenses	20.08	18.48
Total	465.88	406.23
Note No : 25		
FINANCE COSTS		
(a) Interest Expense on		
Secured Loans	523.13	245.76
Unsecured Loans	146.65	515.16
Others	11.42	13.15
(b) Other Borrowing Cost	4.68	10.97
Total	685.88	785.04
Note No : 26		
OTHER EXPENSES		
Payment to Auditors	6.04	6.61
Conveyance and Traveling	20.22	17.78
Donation	-	0.03
Director Sitting Fees	1.87	1.57
Electricity Charges	0.96	1.07
Insurance Charges	95.42	67.54
Legal and Professional Charges	40.26	34.36
Loss on Sale / Discard of Asset	1.08	-
Communication Expenses	6.69	3.95
Rent	34.25	33.75
Rates and Taxes	159.75	78.56
Repairs and Maintenance - Others	1.17	3.90
Security Services	8.83	8.57
Miscellaneous Expenses	55.92	67.53
	432.46	325.22
Note No : 26.1		
Payment to Auditor		
For Statutory Audit	5.25	5.68
For Tax Audit	0.75	0.75
For Other Services	0.04	0.18
	6.04	6.61

Note No

27 CONTINGENT LIABILITIES

Tax matters

Rs. 94.69 Lakh (Prev Year - Rs. 94.69 Lakh)

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 82.39 Lac (Prev. Year - Rs. 18.98 lac)

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

28 Disclosure pursuant to Regulation 34(3) and Schedule V of LODR

Loans and Advances to Subsidiary Companies

Name of the subsidiary company	As at 31.03.2019	Maximum Balance Outstanding during the year
Batot Hydro Power Limited	- (655.16)	751.16 (655.16)

29 (a) INVESTMENT IN SUBSIDIARIES

The subsidiaries (which alongwith Karma Energy Limited, the parent, constitute the Group), considered in the presentation of these consolidated financial statements are Components

Sr No	Name of the Entity	Country of Incorporation	% of Holding
1	Batot Hydro Power Limited	India	59.00
2	Brahmanvel Energy Limited **	India	51.00
3	Greenweiz Projects Limited	India	100.00
4	Khandesh Energy Projects Limited **	India	51.00
5	Vajharpada Energy Limited **	India	100.00

**upto 17.09.2018

(b) INVESTMENT IN ASSOCIATES

Sr No	Name of the Entity	Country of Incorporation	% of Holding
1	Weizmann Corporate Services Limited **	India	31.92
2	Baledh Energy Projects Limited **	India	35.30

**upto 17.09.2018

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

30 DEFERRED TAX

The breakup of Net Deferred Tax Liability as on 31.03.2019

₹ in Lakh

Particulars	Property, Plant & Equipment	Fair value of Investments	Processing fees	Others	Total
As at 31.03.2017	1,633.06	412.63	-	(831.90)	1,213.79
Charged / (Credited)					
- To Profit or Loss	(65.25)	-	-	155.92	90.67
- To Other Comprehensive Income	-	726.73	-	-	726.73
As at 31.03.2018	1,567.81	1,139.36	-	(675.98)	2,031.19
Charged / (Credited)					
- To Profit or Loss	(199.82)	-	1.70	282.29	84.17
- To Other Comprehensive Income	-	(700.40)	-	-	(700.40)
As at 31.03.2019	1,367.99	438.96	1.70	(393.69)	1,414.96

31 a Financial Instruments

Accounting classification and fair values

₹ in Lakh

Particulars	As at 31.03.2019			As at 31.03.2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Asset						
Non Current Investments *	-	2,559.50	-	-	5,560.63	532.11
Other Non Current Financial Asset	-	-	26.80	-	-	21.85
Trade Receivables	-	-	1,045.71	-	-	843.40
Loans	-	-	71.02	-	-	319.09
Cash and Cash Equivalents	-	-	781.24	-	-	472.21
Other Bank Balance	-	-	415.87	-	-	83.12
Financial Liabilities						
Long-Term Borrowings	-	-	3,831.71	-	-	4,975.14
Short-Term Borrowings	-	-	3,815.60	-	-	1,248.31
Trade Payable	-	-	71.76	-	-	102.63
Other Current Financial Liabilities	-	-	1,031.83	-	-	1,131.93

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

b Fair Value Measurement Hierarchy ;

₹ in Lakh

Particulars	As at 31.03.2019			As at 31.03.2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Asset						
Non Current Investments **	0.40	-	2,559.10	10.98	-	5,549.65

Note **

1 Non Current Investment includes Quoted and Unquoted Equity Instruments.

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

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

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

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

C Financial risk management

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

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

i Risk management framework

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

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

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

ii Credit risk

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

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

Trade and other receivables

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

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

iii Liquidity risk

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

Exposure to liquidity risk

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

Contractual cash flows

₹ in Lakh

31 March 2019	Carrying Amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Trade payables	71.76	71.76	71.76	-	-
Other financial liabilities	99.79	99.79	99.79	-	-
Long term borrowings	4,763.75	4,763.75	-	4,763.75	-
Short term borrowings	3,815.60	3,815.60	3,815.60	-	-

Contractual cash flows

₹ in Lakh

31 March 2018	Carrying Amount	Total	Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Trade payables	102.63	102.63	102.63	-	-
Other financial liabilities	76.07	76.07	76.07	-	-
Long term borrowings	6,031.00	6,031.00	-	6,031.00	-
Short term borrowings	1,248.31	1,248.31	1,248.31	-	-

iv Market risk

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

Currency risk

The Company is not exposed to Foreign Currency Risk.

Interest risk

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

₹ in Lakh

Particulars	31.03.2019	31.03.2018
Floating Rate Instruments		
Financial Liabilities		
Term Loans	4,763.75	6,030.83
Fixed Rate Instruments		
Financial Liabilities		
Term Loans	-	2.04
Inter-Corporate Deposits	3,815.60	1,248.31
	8,579.35	7,281.18

Cash Flow sensitivity analysis for floating-rate instruments

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

₹ in Lakh		
Particulars	31.03.2019	31.03.2018
Floating rate instruments	23.82	30.15
Cash flow sensitivity	23.82	30.15

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

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

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

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

₹ in Lakh		
Particulars	31.03.2019	31.03.2018
Impact on Other Comprehensive Income		
Investments measured at Other Comprehensive Income		
Increase in price by 10%	0.04	1.10
Decrease in price by 10%	(0.04)	(1.10)

32 EARNINGS PER SHARE

Particulars	31.03.2018	31.03.2018
Net Profit / (Loss) After Tax attributable to Equity Shareholders	(997.90)	(244.24)
Weighted Average Number of Equity Shares	11569918	11569918
Nominal Value per Ordinary Shares	10.00	10.00
Basic & Diluted Earning Per Share	(8.62)	(2.11)

33 RELATED PARTY DISCLOSURE

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:

1 Related Party and their Relationship

Key Management Personnel

Mr. Ganesh N. Kamath - Managing Director

Mr. T. V. Subramanian - Company Secretary and Chief Financial Officer

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

Nature of Transaction	Key Management Personnel	
	31.03.2019	31.03.2018
Remuneration	92.38	115.14
Ganesh N. Kamath - Managing Director	26.48	23.19
T.V.Subramanian - Company Secretary and Chief Financial Officer	65.90	91.95

34 EMPLOYEE BENEFIT

The Employee's Gratuity Fund Scheme managed by Life Insurance Corporation India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method.

₹ in Lakh		
Particulars	31.03.2019	31.03.2018
Assumptions		
Discount Rate	7.86%	8.00%
Salary Escalation	5.00%	7.00%
Defined Benefit Plan		
I) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Particulars		
Defined Benefit Obligation at the beginning of the year	163.84	197.65
Current Service Cost	8.50	10.28
Past Service Cost	-	11.78
Interest Cost	12.85	15.81
Actuarial (Gain) / Loss	21.33	(63.47)
Benefits Paid	(0.58)	(8.21)
Defined Benefit Obligation at year end	205.94	163.84
II) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	259.50	243.97
Expected Return on Plan Assets	20.50	19.52
Actuarial (Gain) / Loss	-	-
Employer Contribution	4.05	5.99
Benefits Paid	(0.58)	(8.21)
Actual Return on Plan Assets exluding Interest Income	(1.33)	(1.77)
Fair value of Plan Assets at year end	282.14	259.50
III) Reconciliation of Fair Value of Assets and Obligations		
Present Value of Obligation at the end of the year	(205.94)	(163.84)
Fair value of Plan Assets	282.14	259.50
Present Value of Obligation	76.20	95.66
Amount recognised in Balance Sheet (Surplus / (Deficit))	76.20	95.66

Particulars	31.03.2019	31.03.2018
IV) Actuarial Gain / (Loss) recognised		
Actuarial (Gain) / Loss on obligations	21.33	(63.47)
Return on Plan Assets, Excluding Interest Income	(1.33)	(1.77)
Total (Gain) / Loss for the year	22.66	(61.70)
Actuarial (Gain) / Loss recognised in the year	22.66	(61.70)
V) Expenses recognised during the year		
Current Service Cost	8.50	10.28
Net Interest Cost	(7.65)	(3.71)
Past Service Cost	-	11.78
Return on Plan Assets	-	-
Net Cost	0.85	18.35
In Other Comprehensive Income		
Actuarial (Gain) / Loss	21.33	(63.47)
Return on Plan Assets	(1.33)	(1.77)
Net (Income) / Expense for the period Recognised in OCI	22.66	(61.70)
<u>Maturity Analysis of Projected Benefit Obligation - From the Fund</u>		
Projected Benefits Payable in Future Years from the date of reporting		
1st Following Year	28.08	21.04
2nd Following Year	3.68	7.98
3rd Following Year	3.95	3.06
4th Following Year	120.04	3.29
5th Following Year	2.67	117.45
Sum of years 6 to 10	27.75	7.56
<u>Sensitivity Analysis</u>		
Projected Benefits Obligation on Current Assumption	205.94	163.84
Delta Effect of +1% change in Rate of Discounting	(6.83)	(4.93)
Delta Effect of -1% change in Rate of Discounting	7.50	5.34
Delta Effect of +1% change in Rate of Salary Increase	7.64	5.44
Delta Effect of -1% change in Rate of Salary Increase	(7.06)	(5.10)
Delta Effect of +1% change in Rate of Employee Turnover	1.11	0.70
Delta Effect of -1% change in Rate of Employee Turnover	(1.21)	(0.75)

35 SEGMENT INFORMATION

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

36 CAPITAL MANAGEMENT

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

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

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

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

Rupees in Lakh

Particulars	As at	As at
	31.03.2019	31.03.2018
Debt	4,763.75	6,031.00
Cash and Cash Equivalent	781.24	472.21
Net Debt	3,982.51	5,558.79
Equity	4,135.37	8,156.28
Net Debt to Equity Ratio	0.96	0.68

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

37 These financial statements are approved for issue by the Board of Directors of the Company on 27.05.2019

38 Exceptional Items represent aggregate loss of Rs. 614.61 Lac on sale of investments in subsidiaries i.e. Khandesh Energy Projects Ltd, Brahmanvel Energy Ltd and Vajharpada Energy Ltd and in associates i.e. Baledh Energy Projects Ltd and Weizmann Corporate Services Ltd. Hence previous year figures are not comparable.

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

Signatures to the Notes 1 to 39 forming part of the **Consolidated Balance Sheet as at 31.03.2019** and the **Consolidated Statement of Profit & Loss Account for the year ended 31.03.2019**

As per our report of even date attached

For Batliboi & Purohit
Chartered Accountants
Firm Reg. No 101048W

Atul Mehta
(Partner)
Membership No: 015935
Place : Mumbai
Dated : 27.05.2019

For and on behalf of the Board

D. G. Siraj
(Chairman)
DIN - 00025543

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

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

**Additional information as required by Schedule III to the Companies Act, 2013
of enterprises consolidated as Subsidiary / Associate / Joint Ventures**

₹ in Lakh

Name of the Enterprise	Net Assets i.e Total Assets minus Total Liabilities		Share of Profit or Loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Other Comprehensive Income	Amount
PARENT								
Karma Energy Limited	115.45%	4,774.22	71.21%	(2,594.83)	82.00%	(2,169.63)	68.32%	(2,594.83)
SUBSIDIARIES								
Batot Hydro Power Limited	13.11%	541.99	10.31%	(375.55)	0.02%	(0.58)	9.89%	(375.55)
Brahmanvel Energy Limited	-	-	0.00%	(0.03)	-	-	0.00%	(0.03)
Greenweiz Projects Limited	18.04%	745.88	22.91%	(834.77)	17.98%	(475.89)	21.98%	(834.77)
Khandesh Energy Projects Limited	-	-	0.01%	(0.54)	-	-	0.01%	(0.54)
Vajharpada Energy Limited	-	-	0.00%	(0.03)	-	-	0.00%	(0.03)
Minority Interest	3.88%	160.47	4.23%	(154.01)	-	-	-	-
Inter Company Adjustments	-50.47%	(2,087.19)	-8.67%	316.00	-	-	-0.20%	7.74
Total	100.00%	4,135.37	100.00%	(3,643.76)	100.00%	(2,646.10)	100.00%	(3,798.01)

Form AOC-I

Annexure

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lacs)

1	Sl. No.	1	2
2	Name of the Subsidiary	Batot Hydro Power Ltd	Greenweiz Projects Ltd
3	Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	No	No
4	Reporting Currency and Exchange Rate as on the last date of relevant Financial Year in the case of Foreign Subsidiaries	INR	INR
5	Share Capital	3,500.00	495.00
6	Reserves & Surplus	(2,804.27)	250.88
7	Total Assets	3,626.92	820.39
8	Total Liabilities	3,626.92	820.39
9	Investments	-	419.59
10	Turnover	482.13	184.58
11	Profit before Taxation	(123.70)	(350.46)
12	Provision for Taxation	-	8.42
13	Profit after Taxation	(374.97)	(358.88)
14	Proposed Dividend	-	-
15	% of Shareholding	59.00	100.00

Notes : The following information shall be furnished at the end of the statement:

1 Names of Subsidiaries which are yet to commence operations

NIL

2 Names of Subsidiaries which have been sold during the year

Brahmanvel Energy Ltd

Khandesh Energy Projects Ltd

Vajharpada Energy Ltd

Part "B" : Associates and Joint Ventures

1	Name of the Associates / Joint Ventures	N.A.
2	Latest Audited Balance Sheet Date	
3	Shares of Associate / Joint Ventures held by the Company on the year end	
4	No	
5	Amount of Investment in Associates / Joint Venture	
6	Extend of Holding %	
7	Description of how there is significant influence	
8	Reason why the Associate / Joint Venture is not consolidated	
9	Networth attributable to Shareholding as per latest Audited Balance Sheet	
10	Profit / (Loss) for the year	
11	a) Considered in Consolidation	
12	b) Not Considered in Consolidation	

Notes : The following information shall be furnished at the end of the statement:

1 Names of Associate or Joint Ventures which are yet to commence operations

NIL

2 Names of Associate or Joint Ventures which have been sold during the year

Weizmann Corporate Services Ltd

Baledh Energy Projects Ltd



(CIN : L31101MH2007PLC168823)

Regd. Office : Empire House, 214, Dr. D. N. Road, Ent. A.K. Nayak Marg, Fort, Mumbai – 1
Tel : 022-22071501-06, Fax : 022-22071514, Email : investorshelpdesk@weizmann.co.in

FORM NO MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration Rules, 2014 – Form No. MGT-11)

Name of the member(s): Registered address :	E-mail id: Folio No./Client Id* DP ID*:
--	---

*Applicable to shareholders holding shares in electronic form.

I/We, being the member(s) holding _____ equity shares of Rs.10/- each of Karma Energy Limited, hereby appoint :

- _____ of _____ having e-mail id _____ or failing him
- _____ of _____ having e-mail id _____ or failing him
- _____ of _____ having e-mail id _____ or failing him

and whose signature(s) are appended below as my /our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 12th Annual General Meeting of the Company to be held on Tuesday, 6th August, 2019 at 3.00 p.m. at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, 6th Floor, Oricon House, Kalaghoda, Mumbai – 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Description	For	Against
1.	Adoption of Financial Statements, Directors and Auditor's report for the year ended 31st March, 2019.		
2.	Re-appointment of Shri Neelkamal V. Siraj as Director, who retires by Rotation		
3.	Re-appointment of Shri Kishore M. Vussoji as Independent Director of the Company		
4.	Re-appointment of Shri Ganesh N. Kamath as Managing Director		

Signed this _____ day of _____ 2019

Signature of shareholder

Signature or proxy

Affix Re.1
Revenue
Stamp

Note :

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
- For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 12th Annual General Meeting.
- It is optional to indicate your preference. If you leave the 'For' or 'Against' column Blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Regd. Office : Empire House, 214, Dr. D. N. Road, Ent. A.K. Nayak Marg, Fort, Mumbai – 1
Tel : 022-22071501-06, Fax : 022-22071514, Email : investorshelpdesk@weizmann.co.in

ATTENDANCE SLIP

12th Annual General Meeting – Tuesday, 6th day of August, 2019

Sr. No. ____

.....
.....
.....
.....

Registered Folio No. / DP ID No. / Client ID No. :	Number of Shares held :
--	-------------------------

I/We hereby record my / our presence at the 12th Annual General Meeting of the Company at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, 6th Floor, Oricon House, Kala Ghoda, Mumbai – 400 001 at 3.00 p.m.

Member's / Proxy's name in Block Letters Member's / Proxy's Signature

Note : Please fill up the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.

Regd. Office : Empire House, 214, Dr. D. N. Road, Ent. A.K. Nayak Marg, Fort, Mumbai – 1
Tel : 022-22071501-06, Fax : 022-22071514, Email : investorshelpdesk@weizmann.co.in

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN
110982		

e-Voting facility is available during the following period :

Remote Evoting start date : 3rd August, 2019 at 9.00 a.m.	Remote E-voting end date 5th August, 2019 at 5.00 p.m.
--	---

Note : Please read instructions given at Note No.14 of the Notice of the 12th Annual General Meeting carefully before voting electronically.

IMPORTANT REQUEST

Thank you for being a shareholder of Karma Energy Limited (the “Company”).

Shareholders are requested to be part of the green initiative and avail copies of Annual Report and other intimations electronically through email and hence request your contact details so that communications from the Company reach to the shareholders appropriately. Please note this information is critical to receive timely notices and dividend information from the company

Request you to kindly update your following contact details by **forwarding a signed statement / image by an email** to Investorshelpdesk@weizmann.co.in or **whatsapp to +91 9619988359**

Please find below your details as required by the Company.

Name: _____

Address: _____

Email ID: _____

Telephone Number: _____

Folio No: _____

No. of shares: _____

Signature

First / Sole Holder

Signature

Second / Joint Holder



(CIN : L31101MH2007PLC168823)

Empire House, 214, Dr. D. N. Road,
Ent. A.K. Nayak Marg, Fort, Mumbai – 1